Cleome Index

Société d'Investissement à Capital Variable
("SICAV")

Luxembourg

PROSPECTUS

Subscriptions may only be accepted if made on the basis of this Prospectus, which is only valid if accompanied by the latest available annual report and the latest semi-annual report if published since the last annual report. These documents form an integral part of this Prospectus.

15 November 2019

<u>IMPORTANT</u> For further details concerning the content of this document, consult your broker, banker, lawyer, accountant or other financial adviser.

Introduction

CLEOME INDEX (hereinafter the "SICAV") is registered on the official list of undertakings for collective investment (hereinafter "UCIs") in accordance with Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment (hereinafter the "Law") and meets the conditions laid down by European Directive 2009/65/EC, as amended (hereinafter "Directive 2009/65/EC").

Its registration on this list should not be interpreted as a positive assessment by the regulatory authority of the content of this prospectus (hereinafter the "Prospectus") or the quality of the securities offered or held by the SICAV. Any affirmation to the contrary is unauthorised and illegal.

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised.

Shares in this SICAV are not and will not be registered in the United States in accordance with the U.S. Securities Act of 1933, as amended ("1933 Securities Act") and are not and will not be eligible under any law of the United States. These shares must not be offered, sold or transferred to the United States (including its territories and possessions) or directly or indirectly benefit any U.S. Person (as defined in Regulation S of the 1933 Securities Act and equivalents). **However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares to a limited number of *U.S. Persons* to the extent permitted under applicable U.S. law.**

In addition, financial institutions which do not comply with the FATCA programme (FATCA stands for the U.S. Foreign Account Tax Compliance Act), as included in the Hiring Incentives to Restore Employment Act (hereinafter the "HIRE Act"), and its application measures, including the identical provisions adopted by partner countries which have signed an "Intergovernmental Agreement" with the United States, must expect to be forced to have their shares redeemed when the programme is put in place.

The shares in the SICAV may not be offered, sold or transferred to a U.S. employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or any other U.S. employee benefit plan or U.S. individual retirement account or arrangement ("IRA") and may not be offered, sold or transferred to a fiduciary or any other person or entity acting on behalf of the assets of a U.S. employee benefit plan or IRA (collectively, a "U.S. benefit plan investor"). Subscribers to shares in the SICAV may be required to certify in writing that they are not U.S. benefit plan investors. Shareholders are required to notify the SICAV immediately in the event that they are or become U.S. benefit plan investors and will be required to dispose of their shares to non-U.S. benefit plan investors. The SICAV reserves the right to redeem any shares which are or become owned, directly or indirectly, by a U.S. benefit plan investor. However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares with a limited number of U.S. benefit plan investors, to the extent permitted under applicable U.S. law.

No person has been authorised to provide any information other than that contained in this Prospectus or the documents referred to herein, which may be consulted by the general public. Any subscription made on the basis of information or indications not contained in or incompatible with information contained in this Prospectus are at the subscriber's risk.

The Board of Directors is liable for the accuracy of the information contained in the Prospectus on the date of its publication.

Neither the provision of this Prospectus nor the offering, issue or sale of shares in the SICAV constitutes confirmation that the information given in this Prospectus will at all times be accurate subsequent to the publication date of this Prospectus. This Prospectus will be updated at the appropriate time in order to reflect significant changes. Therefore, it is recommended that potential subscribers contact the SICAV to enquire whether a later Prospectus is available.

Additional information to that contained in this Prospectus can be found in the annual and semi-annual reports or the articles of incorporation of the SICAV. All these documents are available at the registered office of the SICAV or from your usual advisor.

Any reference made in this Prospectus:

- to the term "Member State" refers to a Member State of the European Union. States that are party to the Agreement on the European Economic Area, other than the Member States of the European Union, are treated as equivalent to Member States of the European Union, within the limits defined by this Agreement and the associated instruments,
- to the term EUR refers to the currency of the countries that are members of the Economic and Monetary Union,
- to the term Bank Business Day refers to any full bank business day in Luxembourg. To avoid any confusion, 24 December is not considered to be a Bank Business Day,
- to the term USD refers to the currency of the United States of America.

It is recommended that subscribers seek advice on the laws and regulations such as those on taxation and foreign exchange control applicable to the subscription, purchase, ownership and sale of shares in their place of origin, residence and domicile.

Investors are advised that the investment policy of the SICAV's sub-funds aims to reproduce the content of equity and debt instrument indices and that accordingly a significant amount of the assets could be concentrated in the equities issued by a single issuer.

In accordance with the provisions of the Luxembourg law on the protection of persons with regard to the processing of personal data, and all applicable local laws and regulations, in each case, as amended, revised or replaced (including by operation of EU Regulation 2016/679) (the "GDPR"), the Management Company, as data controller, collects, stores and processes, by electronic or other means, the personal data of investors for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations. In particular, investors' personal data processed by the Management Company includes the name, details (postal address or e-mail address), tax identification number (TID), bank details, and the amount invested and held in the SICAV ("Personal Data"). The investor may at his/her discretion refuse to communicate Personal Data to the management company. In this case, however, the Management Company may reject a request for Shares. Investors are entitled: (i) access his/her Personal Data (including, in certain cases, in a commonly used, machine readable format); (ii) have their Personal Data rectified (where they are inaccurate or incomplete); (iii) have their Personal Data erased where the Management Company or the SICAV no longer has any legitimate reasons to process them; (iv) have their Personal Data restricted; (v) object to the processing of their Personal Data by the Management Company in certain circumstances; and (vi) lodge a complaint with the applicable supervisory authority, by writing to the Management Company at its registered office. Personal Data is processed, in particular, for the purposes of processing subscriptions, redemptions and conversions of shares and payments of dividends to investors, account administration, client relationship management, performing controls on excessive trading and market timing practices, tax identification as may be required under Luxembourg or foreign laws and regulations [including laws and regulations relating to FATCA or CRS ("CRS" stands for "Common Reporting Standard" and means the Standard for Automatic Exchange of Financial Account Information in Tax matters, as developed by the OECD and implemented in particular by Directive 2014/107/EU)] and compliance with applicable anti-money laundering rules. Personal Data supplied by investors is also processed for the purpose of maintaining the register of shareholders of the SICAV. In addition, Personal Data may be processed for prospecting purposes. Each investor has the right to object to the use of his/her Personal Data for prospecting purposes by writing to the SICAV. The management company may ask investors for their consent to collect or process their Personal Data on certain occasions, for example, for the purposes of marketing. The Investors can withdraw this consent at any time. The Management Company also processes investors' Personal Data where necessary to fulfil its contract with the investor, or when required by law, such as if the SICAV receives a request from law enforcement or other government officials. The management company also processes investors' Personal Data when this is in its legitimate interests to do this and when these interests are not overridden by investors' data protection rights. For example, there is a legitimate interest in ensuring the effective operation of the SICAV.

Personal Data may be transferred to affiliates and third-party entities supporting the activities of the SICAV, which include, in particular, the Management Company, Central Administration, Depositary, Transfer Agent and Distributors that are located in the European Union. Personal Data may also be transferred to entities which are located in countries outside the European Union and whose data protection laws do not necessarily guarantee an adequate level of protection. When subscribing for shares, all investors expressly agree to the transfer and processing of their Personal Data to and by such entities, including those located outside the European Union, and in particular in those countries which do not necessarily guarantee an adequate level of protection. The Management Company or the SICAV may also transfer Personal Data to third parties, such as government or regulatory agencies, including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may acting as data controller, disclose the same to foreign tax authorities. Investors can request further information about how the SICAV ensures that transfers of Personal Data comply with the GDPR by contacting the SICAV at the registered office of the Management Company. Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable legal minimum retention periods.

The SICAV reminds investors that any investors may only fully exercise their investor rights directly in relation to the SICAV (in particular the right to attend general meetings of shareholders) if the investors are registered in their own name in the register of shareholders of the SICAV. In the event that an investor invests in the SICAV through an intermediary investing in the SICAV in its name but on behalf of the investor, some shareholder rights may not necessarily be exercisable by the investor directly vis-à-vis the SICAV. Investors are advised to seek information regarding their rights.

Contents

1. Administration

Board of Directors:

Chairman

Mr Jean-Yves Maldague
Managing Director
Candriam Luxembourg

Directors

Mr Jan Vergote
Head of Investment Strategy
Belfius Banque S.A.

Mr Tanguy de Villenfagne
Member of the Group Strategic Committee
Candriam Belgium

Mr Vincent Hamelink
Member of the Group Strategic Committee
Candriam Belgium

Candriam Luxembourg
represented by Mr **Jean-Yves Maldague**

Registered office: 14, Porte de France, L-4360 Esch-sur-Alzette

Depositary:

RBC Investor Services Bank S.A.
14, Porte de France L-4360 Esch sur Alzette

Management company:

Candriam Luxembourg
SERENITY - Bloc B
19-21 route d'Arlon
L-8009 Strassen

Board of Directors

Chairwoman

Ms Yie-Hsin Hung

Chairman and Chief Executive Officer
New York Life Investment Management LLC

Members

- **Mr Jean-Yves Maldague**
  Managing Director
  Candriam Luxembourg

- **Mr Naïm Abou-Jaoudé**
  Chief Executive Officer
  Candriam Investors Group

- **Mr John M. Grady**
  Senior Managing Director
  New York Life Investment Management LLC

- **Mr John T. Fleurant**
  Executive Vice President and
  Chief Financial Officer
  New York Life Insurance Company

- **Mr Anthony Malloy**
  Executive Vice President & Chief Investment Officer
  New York Life Insurance Company
  Chief Executive Officer
  NYL Investors LLC

<u>Management Committee</u>

<u>Chairman</u>

Mr Jean-Yves Maldague
Managing Director
Candriam Luxembourg

<u>Members</u>

- **Mr Naïm Abou-Jaoudé**, Director - Manager
- **Mr Michel Ory**, Manager
- **Mr Alain Peters**, Manager

Portfolio management of certain sub-funds is delegated to:

Candriam Belgium
Avenue des Arts 58
B-1000 Brussels

Portfolio management of certain other sub-funds is delegated to:

Candriam France
40, rue Washington
F-75408 Paris Cedex 08

Securities lending and borrowing operations are delegated to:

Candriam France
40, rue Washington
F-75408 Paris Cedex 08

Administrative agent and **domiciliary agent** duties are delegated to:

RBC Investor Services Bank S.A.
14, Porte de France L-4360 Esch-sur-Alzette

Transfer agent duties (including **registrar** activities) are delegated to:

RBC Investor Services Bank S.A.
14, Porte de France L-4360 Esch-sur-Alzette

Auditors: **PricewaterhouseCoopers**
2 rue Gerhard Mercator, BP 1443, L – 1014 Luxembourg

2. General description of the SICAV

CLEOME INDEX is a limited company which was established for an unlimited term on 28 October 1999 as a société d'investissement à capital variable (SICAV), in accordance with the legislation of the Grand Duchy of Luxembourg. It is subject to the amended Law of 10 August 1915 on commercial companies and by Part I of the Law.

The SICAV is registered in the Luxembourg Trade and Companies Registry under number B-72,234. Its articles of incorporation were filed with the Luxembourg Trade and Companies Registry and were published in the Mémorial, Recueil des Sociétés et Associations of the Grand Duchy of Luxembourg on 8 December 1999. They were amended for the last time on 1 July 2018 and the corresponding amendments will be published in the Recueil Electronique des Sociétés et Associations (hereinafter "the RESA").
The coordinated articles of incorporation have been filed with the Luxembourg Trade and Companies Registry.

The SICAV takes the form of an umbrella SICAV. An umbrella SICAV consists of a number of sub-funds, each representing a pool of specific assets and liabilities and each adhering to a specific investment policy.

Each sub-fund is governed by its own investment policy and monetary benchmark. Subscribers may choose the sub-fund with the management strategy and monetary benchmark best suited to their objectives and sensitivity.

Each sub-fund may offer several share classes, as stated in the fact sheets accompanying this Prospectus (the "Fact Sheets"). These classes are differentiated by their distribution policy (some capitalise their income, while others distribute their income in the form of dividends), or type of target investor and/or the subscription and management fees and/or by their reference currency or other specific features.

In addition, each share class may apply a specific hedging policy as found in the sub-fund Fact Sheets, that is:

- **Hedging against fluctuations in the reference currency**: such hedging aims to reduce the effect of fluctuations in exchange rates between the reference currency of the sub-fund and the currency in which the share class is denominated. This type of hedging aims to achieve a reasonably comparable performance (adjusted in particular for the difference in interest rate between the two currencies) between the hedged class and the equivalent denominated in the reference currency of the sub-fund. This type of hedging is identified by the suffix **H** in the name of the class.

- **Hedging against the foreign exchange exposure of the assets forming the portfolio**: such hedging aims to reduce the effect of fluctuations in exchange rates between the currencies in which the sub-fund's assets are held and the currency in which the share class is denominated. This type of hedging is identified by the suffix **AH** in the name of the class.

The purpose of these two types of hedging is to reduce foreign exchange risk.
Investors must be aware that the hedging of foreign exchange cannot be a total and permanent process and may not therefore fully neutralise the foreign exchange risk and so there may be differences in performance.
Any gains or losses that may arise from the hedging process are borne separately by the holders of these classes.

By definition, the umbrella structure offers investors the benefit of being able to choose between different sub-funds and switch from one sub-fund to another, provided the conditions for holding shares in the new sub-fund are met.

Each sub-fund is treated as a separate entity with its own assets, revenues, expenses, capital gains and capital losses.

Currently, the following sub-funds are available to investors:

- **Cleome Index EMU Equities, denominated in EUR**
- **Cleome Index Euro Corporate Bonds, denominated in EUR**
- **Cleome Index Euro Government Bonds, denominated in EUR**
- **Cleome Index Euro Long Term Bonds, denominated in EUR**
- **Cleome Index Euro Short Term Bonds, denominated in EUR**
- **Cleome Index Europe Equities, denominated in EUR**
- **Cleome Index Global Equities, denominated in EUR**
- **Cleome Index USA Equities, denominated in EUR**
- **Cleome Index World Equities, denominated in EUR**

At present the sub-funds may offer the following classes of shares:

- A C class, offered to individuals and legal entities.

- An I class reserved exclusively for institutional investors.

- A P class, reserved (i) for professional pension funds and/or similar investment vehicles, created at the initiative of one or more employers for the benefit of their employees and (ii) for companies with one or more employers investing the funds they hold to provide pensions for their employees. The minimum initial subscription is EUR 15,000,000.

- An R class, reserved for financial intermediaries (including distributors and platforms) which:

  - have different arrangements with their clients for the provision of investment services in connection with the sub-fund, and

  - as a result of their applicable laws and regulations or on the basis of agreements with their customers, are not entitled to accept and keep duties, fees and other monetary benefits from the Management Company in connection with the provision of the above-mentioned investment services.

- An R2 class reserved for:

  - Distributors and/or intermediaries approved by the Management Company who will not receive any form of remuneration for investments in this class from an entity of the Candriam group, if the final investments in the shares are made in the context of a mandate.

  - UCIs approved by the Management Company.

- An S class, reserved for institutional investors specially approved by the Management Company and with a minimum initial subscription of EUR 50,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors of the SICAV provided that shareholders are treated equally on the same valuation date.

- A V class, reserved exclusively for institutional investors who subscribe for a minimum amount as specified in the Fact Sheets.

- The V2 class is not subject to a performance fee and is reserved exclusively for institutional/professional investors, distributors and/or intermediaries approved by the Management Company and whose minimum initial subscription is EUR 30,000,000, or its equivalent in foreign currencies for classes denominated in foreign currencies (this amount may be changed at the discretion of the Board of Directors; in this case, all shareholders must be guaranteed equal treatment on a given valuation date).

- A Y class, reserved exclusively for institutional investors specially approved by the Management Company.

- A Z class, reserved for:

  - Institutional/professional investors approved by the Management Company. The portfolio management activity for this class is directly remunerated through the contract concluded with the investor, so no portfolio management fee is payable for the assets of this class.

  - UCIs approved by the Management Company and managed by an entity of the Candriam group.

If it appears that an investor no longer meets the conditions for accessing the class in question, the Board of Directors may take all the necessary measures and, if necessary, convert the shares into another appropriate class.

The Board of Directors of the SICAV may opt to open additional sub-funds or classes, for which the investment policy and conditions of offer will be notified accordingly through the issue of an update to this Prospectus and through information in the press as deemed appropriate by the Board of Directors.
It may also close one or more sub-funds, on a date determined by it, provided that investors are informed by way of notifications published in the press and the required changes are made to this Prospectus.

The Board of Directors of the SICAV defines the investment policy for each of the sub-funds.

The capital of the SICAV is at all times equal to the net asset value and is represented by fully paid-up shares of no par value. Capital changes occur ipso jure and do not need to be announced or registered with the Trade and Companies Registry in the same way as required for the capital increases or decreases of limited companies. Its minimum capital is EUR 1,250,000.
The SICAV operates as an "open-ended" investment company; this means that the shares in its various sub-funds may be sold and redeemed at the request of the investors on a daily basis at a price based on the net asset value per share, at least twice per month.

3. Management and administration

3.1 Board of Directors of the SICAV

The Board of Directors of the SICAV is responsible for the overall management of the SICAV.

The Board of Directors and the Management Company may carry out all the management and administration activities on behalf of the SICAV, including purchasing, selling, subscribing and exchanging transferable securities and exercising all rights directly or indirectly attached to the assets of the SICAV.

3.2 Management Company

Candriam Luxembourg (hereinafter "the Management Company"), a partnership limited by shares with its registered office at L-8009 Strassen, 19-21 route d'Arlon, SERENITY – Bloc B, is appointed by the SICAV as the Management Company to the SICAV in accordance with a contract entered into for an unlimited term between the SICAV and the Management Company. This agreement may be terminated by either party subject to advance written notice of 90 days.

The Management Company was formed in Luxembourg on 10 July 1991. It commenced its management activities on 1 February 1999 and is a subsidiary of Candriam Group (formerly New York Life Investment Management Global Holdings Europe s.à.r.l.), a New York Life Insurance Company Group entity.

The Management Company received management company accreditation within the meaning of chapter 15 of the Law, and is authorised to exercise collective portfolio management, investment portfolio management and to provide investment advisory services. Its articles of incorporation were amended for the last time on 19 May 2016 and the corresponding amendments were published in the Mémorial C (Recueil des Sociétés et Associations). The coordinated articles of incorporation have been filed with the Luxembourg Trade and Companies Registry.

The Management Company is registered with the Luxembourg Trade and Companies Registry under number B 37.647. The capital of the Management Company is EUR 62,115,420. It is established for an unlimited period. Its financial year ends on 31 December each year.

3.2.1. Functions and responsibilities

Within this context, the Management Company has the most extensive powers to carry out any acts of management and administration of the SICAV in accordance with its articles of incorporation. It is responsible for the portfolio management, administration (administrative agent, transfer agent including registrar activities) and marketing (distribution) activities for the SICAV.

In accordance with the Law, the Management Company is authorised to delegate its duties, powers and obligations in full or in part to any person or company that it deems fit, provided that the Prospectus is updated beforehand. The Management Company, however, retains full responsibility for the actions of the delegate(s).

The various duties carried out by the Management Company or one of its delegates create entitlement to fees, as described in the Fact Sheets in the Prospectus. Investors are invited to read the SICAV's annual reports to obtain detailed information on the fees paid to the Management Company or its delegates in remuneration of their services.

The list of entities managed by the Management Company is available upon request from the Management Company.

3.2.1.1 Portfolio management

The SICAV's Board of Directors is responsible for the investment policy of the SICAV's various sub-funds and has appointed the Management Company to be responsible for carrying out the investment policy of its various sub-funds.

The Management Company may, inter alia, exercise on behalf of the SICAV any voting rights attached to the transferable securities that make up the assets of the SICAV.

The Management Company has delegated, under its supervision and responsibility and at its expense, the portfolio management of the SICAV's sub-funds, except for the Cleome Index Euro Corporate Bonds sub-fund, to its Belgian subsidiary Candriam Belgium, whose registered office is at Avenue des Arts 58, B-1000 Brussels via a delegation agreement entered into for an unlimited term.
This agreement may be terminated by either party subject to advance written notice of 90 days.

Candriam Belgium is a management company of undertakings for collective investment formed in Belgium in 1998 for an unlimited term.

The Management Company has delegated the portfolio management of the Cleome Index Euro Corporate Bonds sub-fund, under its supervision and responsibility and at its own expense, to its French subsidiary Candriam France, whose registered office is at 40, rue Washington, F-75408 Paris Cedex 08 via a delegation agreement entered into for an unlimited term. This agreement may be terminated by either party subject to advance written notice of 90 days.

Candriam France is a portfolio management company formed in France in 1988 for a limited term.

The Management Company has delegated, under its supervision and responsibility, securities lending and borrowing operations to Candriam France, whose registered office is at 40 rue Washington, F-75408 Paris via an agreement entered into for an unlimited term. This agreement may be terminated by either party subject to advance written notice of 90 days. Candriam France is authorised in turn to sub-delegate to another entity all or part of the activity and/or mandates relating to the implementation of lending and borrowing operations of certain sub-funds of the SICAV.

3.2.1.2 Domiciliary agent, administrative agent, registrar, transfer agent and listing agent duties

Under a central administration agreement entered into for an unlimited term, the Management Company has delegated central administration duties and domiciliary agent, administrative agent, registrar, transfer agent and listing agent duties for the SICAV to RBC Investor Services Bank S.A.

This agreement may be terminated by either party subject to 90 days' advance written notice.

RBC Investor Services Bank S.A. is registered in the Luxembourg Trade and Companies Registry (RCS) under number B-47192 and was formed in 1994 under the name "First European Transfer Agent". It holds a banking licence in accordance with the Luxembourg Law of 5 April 1993 on the financial sector, as amended, and specialises in the provision of depositary bank, administrative agent and other related services. Its equity capital as at 31 October 2018 amounted to approximately EUR 1,188,286,274.

3.2.1.3 Marketing

The marketing function consists in coordinating the marketing of the SICAV's shares through distributors and/or intermediaries designated by the Management Company (hereinafter "Distributors"). A list of Distributors can be obtained by investors free of charge from the Management Company's registered office.

Distributor or investment agreements may be entered into by the Management Company and the various Distributors.

Under these agreements, the Distributor, in its capacity as nominee, will be entered in the register of shareholders instead of the customers who have invested in the SICAV.
These agreements stipulate that a customer who has invested in the SICAV through the Distributor may at any time request the transfer of the shares purchased via the Distributor into his or her own name in the register upon receipt of the transfer instructions from the Distributor.

Shareholders may subscribe to the SICAV directly without needing to subscribe through a Distributor.

Any Distributor appointed must apply the procedures to combat money laundering as defined in the Prospectus.
The appointed Distributor must have the legal and regulatory status required to market the SICAV and must be situated in a country subject to obligations to combat money laundering and the financing of terrorism equivalent to those of Luxembourg law or Directive (EU) 2015/849.

3.2.2. Remuneration policy

The Management Company has established a general framework concerning remuneration of its staff, in particular a remuneration policy (the "Remuneration Policy") in compliance with the applicable regulations and the following principles in particular:

- The Remuneration Policy is compatible with sound and effective risk management and discourages any risk-taking that is inconsistent with the risk profile and the articles of incorporation of the SICAV,

- The Remuneration Policy is compatible with the financial strategy, objectives, values and interests of the Management Company, the SICAV and the investors, and includes measures to avoid conflicts of interest,

- The evaluation of performance is set in a multi-year framework appropriate to the holding period recommended to shareholders of the SICAV, in order to ensure that the performance evaluation process is based on the long term performance of the SICAV and that the effective payment of the performance-based remuneration elements is spread over the same period,

- The Remuneration Policy ensures that the fixed and variable components of total remuneration are appropriately balanced; that the fixed component of total remuneration is high enough; that the policy concerning variable remuneration elements is sufficiently flexible including the possibility to pay no variable remuneration component.

The details of the updated Remuneration Policy, including the composition of the remuneration committee and a description of how remuneration and benefits are calculated, are available from the management company's web site via this link: https://www.candriam.com/siteassets/legal-and-disclaimer/external_disclosure_remuneration_policy.pdf

A printed copy is available free of charge on request.

4. Depositary

The SICAV has appointed RBC Investor Services Bank S.A. ("**RBC**"), having its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, as depositary bank and principal paying agent (the "Depositary") of the SICAV with responsibility for:

(a) safekeeping of the assets,

(b) oversight duties and

(c) cash flow monitoring

in accordance with the Law and with the "Depositary Bank and Principal Paying Agent Agreement" entered into between the SICAV and RBC for an unlimited term (the "**Depositary Bank and Principal Paying Agent Agreement**").

The Depositary has been authorized by the SICAV to delegate its safekeeping duties (i) to delegates in relation to other assets and (ii) to sub-custodians in relation to financial instruments, and to open accounts with such sub-custodians.

An up to date description of any safekeeping functions delegated by the Depositary and an up to date list of the delegates and sub-custodians may be obtained, upon request, from the Depositary or via the following link:
https://apps.rbcits.com/RFP/gmi/updates/Appointed%20subcustodians.pdf.

The Depositary must act honestly, fairly, professionally, independently and solely in the interests of the SICAV and the shareholders in the execution of its duties under the Law and the Depositary Bank and Principal Paying Agent Agreement.

Under its oversight duties, the Depositary will:

- ensure that any sale, issue, redemption, repayment or cancellation of shares on behalf of the SICAV is conducted in accordance with the Law and the articles of incorporation of the SICAV,

- ensure that the value of the shares is calculated in accordance with the Law and the articles of incorporation of the SICAV,

- carry out the instructions of the SICAV or the Management Company acting on its behalf unless they conflict with the Law or the articles of incorporation of the SICAV,

- ensure that in transactions involving the SICAV's assets, the consideration is paid to the SICAV within the usual time limits,

- ensure that the SICAV's income is allocated in accordance with the Law and the articles of incorporation of the SICAV.

The Depositary will also ensure that cash flows are properly monitored in accordance with the Law and the Depositary Bank and Principal Paying Agent Agreement.

Depositary's conflicts of interest

From time to time conflicts of interest may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the SICAV. On an ongoing basis, the Depositary analyses, based on applicable laws and regulations, any potential conflicts of interest that may arise while carrying out its functions. Any identified potential conflict of interest is managed in accordance with RBC's conflicts of interest policy, which is subject to the laws and regulations applicable to credit institutions and also the Luxembourg Law of 5 April 1993 on the financial services sector.

Further, potential conflicts of interest may arise from the provision by the Depositary and/or its affiliates of other services to the SICAV, the Management Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, depositary bank and/or administrative agent of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the SICAV, the Management Company and/or other funds for which the Depositary (or any of its affiliates) act.

RBC has implemented and maintains a conflicts of interest policy designed to:

- identify and analyse potential conflicts of interest,
- record, manage and monitor conflicts of interest:
  - by implementing a functional and hierarchical segregation making sure that operations are carried out by the Depositary at arm's length,
  - by implementing preventive measures to decline any activity giving rise to a conflict of interest such as:
    - RBC and any third party to whom the depositary functions have been delegated do not accept any investment management mandates,
    - RBC does not accept any delegation of the compliance and risk management functions,
    - RBC has a strong escalation process in place to ensure that regulatory breaches are notified to the compliance department, which reports material breaches to senior management and the board of directors of RBC,
    - a dedicated permanent internal audit department provides independent, objective risk assessment and evaluation of the adequacy and effectiveness of internal controls and governance processes.

RBC confirms that based on the above no potential situation of conflicts of interest could be identified.

Up to date information on the conflicts of interest policy referred to above may be obtained, upon request, from the Depositary or via the following website link: https://www.rbcits.com/en/who-we-are/governance/information-on-conflicts-of-interest-policy.page.

5. Investment objectives

An investment policy is defined by the Board of Directors for each sub-fund, based on the principle of risk diversification.

The SICAV offers investors the opportunity to participate in portfolios of transferable securities and money market instruments, managed by professionals, with the aim of increasing the net asset value. As the different sub-funds are subject to market fluctuations and the risks inherent in any investment in transferable securities, no guarantee can be given that the objective will be achieved.

The SICAV offers convenient access to the financial markets, the financial benefits of bulk buying and selling of transferable securities, and a diversified portfolio hence risk diversification.

Each sub-fund is made up of a specific portfolio that follows an investment policy of which a more detailed description is given in the Fact Sheets.

6. Investment policy

An investment policy is defined by the Board of Directors of the SICAV for each sub-fund, based on the principle of risk diversification.

1. The investments of the various sub-funds of the SICAV must consist only of one or more of the following:

a) units in UCITS authorised according to Directive 2009/65/EC and/or other UCIs, within the meaning of article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, whether established in a Member State or not, provided:

- these other UCIs are approved in accordance with legislation stipulating that these undertakings are subject to supervision that the CSSF believes to be equivalent to that stipulated by Community legislation, and that cooperation between the authorities is sufficiently guaranteed,

- the level of protection guaranteed to unitholders in these other UCIs is equivalent to that provided for unitholders of a UCITS and, in particular, that the rules on asset segregation, borrowing, lending and short-selling of securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,

- the activities of these other UCIs are reported in semi-annual and annual reports such that their assets, liabilities, income and activities over the reporting period may be evaluated,

- the proportion of assets that the UCITS or other UCIs whose acquisition is contemplated may invest overall, in accordance with their management rules or their documents of incorporation, in units of other UCITS or other UCIs does not exceed 10%,

Furthermore, a sub-fund may acquire and/or hold shares to be issued or having been issued by one or more sub-funds of the SICAV (the "target sub-fund(s)"), without the SICAV being subject to the requirements stipulated by the Law of 10 August 1915 on commercial companies, as amended, in terms of the subscription, acquisition and/or holding by a company of its own shares, subject, however, to the following:

  - the target sub-fund does not in turn invest in the sub-fund invested in this target sub-fund, and

  - the proportion of assets that the target sub-funds whose acquisition is contemplated may invest overall in the units of other target sub-funds of the same UCI does not exceed 10%, and

  - any voting rights attached to the respective securities will be suspended for as long as they are held by the sub-fund in question, without prejudice to the appropriate treatment in the accounts and the interim reports, and

  - in any event, for as long as these securities are held by the SICAV, their value will not be included in the calculation of the net assets of the SICAV for the purpose of verifying the minimum net assets level imposed by the law, and

b) transferable securities and money market instruments listed or traded on a market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on financial instruments markets,

c) transferable securities and money market instruments traded on another regulated market of a Member State, which operates regularly and is recognised and open to the public,

d) transferable securities and money market instruments officially listed on a stock exchange of a European country (other than those forming part of the EU), North and South America, Asia, Oceania or Africa, or traded on another market of a country of Europe (other than those forming part of the EU), North and South America, Asia, Oceania or Africa that is regulated, operates regularly and is recognised and open to the public,

e) newly issued transferable securities and money market instruments provided that the terms of issue include the undertaking that the application for official listing on a stock exchange or another regulated market which operates regularly and is recognised and open to the public, as specified in b), c) and d) above, is made within one year of the date of issue,

f) deposits with a bank which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months. The bank must have its registered office in a Member State or, if this is not the case, must be subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under Community legislation,

g) derivative financial instruments, including equivalent cash-settled instruments, traded on a regulated market of the type referred to under points b), c) and d) above traded over-the-counter, provided that:

- the underlying consists of the instruments stated in point 1 of this article entitle Investment policy, financial indices, interest rates, exchange rates or currencies, in which the sub-fund may make investments according to its investment objectives,

- the counterparties to the transactions are institutions subject to prudential supervision and belonging to the categories authorised by the CSSF,

- these instruments are reliably and verifiably valued on a daily basis and can, at the initiative of the SICAV, be sold, liquidated or closed by way of an offsetting transaction at their fair value at any time,

h) money market instruments other than those normally traded on the money market, which are liquid and whose value can be accurately determined at any time, provided the issue or issuer of these instruments is itself regulated for the purpose of protecting investors and savings and provided these instruments are:

- issued or guaranteed by a central, regional or local authority, by a central bank of a Member State, by the European Central Bank, by the European Union or by the European Investment Bank, by a non-Member State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

- issued by an undertaking whose securities are traded on the regulated markets referred to under points b), c) and d) above, or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF as being at least as stringent as those laid down by Community law, or

- issued by other bodies belonging to categories approved by the CSSF, provided that investments in such instruments are subject to investor protection rules equivalent to those laid down in the first, second or third indent above, and that the issuer is: a company with combined capital and reserves of at least ten million euros (EUR 10,000,000) which presents and publishes its annual accounts in accordance with the Fourth Council Directive 78/660/EEC; an entity which, within a group of companies that includes one or more listed companies, is dedicated to financing the group; or an entity which is dedicated to financing securitisation vehicles that benefit from bank financing facilities.

Additional information pertaining to certain instruments:

- Total return swaps

A sub-fund may make use of total return swaps or other derivative financial instruments which have the same characteristics, for example certificates for differences, for the purpose of (long or short) exposure, hedging or arbitrage.

The underlying instruments to these operations may be individual securities or financial indices (equities, interest rates, credit, foreign currencies, commodities, volatility etc.) in which the sub-fund may invest in accordance with its investment objectives.

A sub-fund may conduct credit derivative transactions (single underlying or on a credit index) for the purposes of exposure, hedging or arbitrage.

These transactions are undertaken with counterparties which specialise in this type of transaction and are covered by agreements among the parties. They are carried out within the framework of the investment policy and the risk profile of each individual sub-fund.

The investment policy of each sub-fund set in the Fact Sheet specifies whether a sub-fund is permitted to make use of total return swaps or these other forms of derivative financial instruments with the same characteristics and also of credit derivatives.

2. A sub-fund may not:

   - invest more than 10% of its assets in transferable securities or money market instruments other than those referred to in point 1 of the article entitled Investment policy,
   - purchase precious metals or certificates representing precious metals.

   A sub-fund may hold cash on an ancillary basis.

3. The SICAV may acquire the movable or immovable property essential to the direct exercise of its activities.

4. Efficient portfolio management techniques

   In order to increase its yield and/or reduce its risks, each sub-fund is authorised to make use of the following efficient portfolio management techniques covering transferable securities and money market instruments:

   4.1 Securities lending transactions

Each sub-fund may lend the securities in its portfolio to a borrower directly or through a standardised lending system organised by a recognised securities settlement service or a lending system organised by a financial institution that is subject to prudential supervision rules considered by the CSSF to be equivalent to those set down in Community legislation and that specialises in this type of transaction.

The expected proportion and the maximum proportion of the assets under management involved in such transactions or contracts are contained in the fact sheet of each sub-fund.

The SICAV must ensure that it maintains the amount of securities lending at an appropriate level or must be able to request the return of the loaned securities, such that the sub-fund in question is able at all times to meet its redemption obligations, and must ensure that these transactions do not compromise the management of the sub-fund's assets in accordance with its investment policy.

4.2 <u>Reverse repurchase agreements (reverse repo)</u>

Each sub-fund may enter into reverse repurchase transactions for which on maturity the seller (counterparty) is required to take back the asset contained in the repurchase agreement and the sub-fund is required to return the asset contained in the reverse repurchase agreement.

The expected proportion and the maximum proportion of the assets under management involved in such transactions or contracts are contained in the fact sheet of each sub-fund.

The type of securities contained in the reverse repurchase agreement and the counterparties must meet the requirements of CSSF Circular 08/356 and the conditions defined in section 7.10 of the Prospectus.

For the term of the reverse repurchase agreement, the sub-fund may not sell or use the securities which are contained in this agreement as a pledge/collateral unless the sub-fund has other means of coverage.

4.3 <u>Repurchase agreements (repo)</u>

Each sub-fund may enter into repurchase agreements for which on maturity the sub-fund is required to reacquire the asset contained in the repurchase agreement and the seller (counterparty) is required to return the asset contained in the reverse repurchase agreement.

The expected proportion and the maximum proportion of the assets under management involved in such transactions or contracts are contained in the fact sheet of each sub-fund.

The type of securities contained in the repurchase agreement and the counterparties must meet the requirements set out in CSSF circular 08/356.

The relevant sub-fund must, on expiry of the term of the repurchase agreement, have the necessary assets to pay the agreed return price to the sub-fund.

The use of these transactions must not result in a change in its investment objectives or result in additional risks being taken which exceed its risk profile as defined in the Prospectus.

4.4 <u>Associated risks and mitigation measures</u>

The risks associated with efficient portfolio management techniques (including collateral management) are identified, managed and restricted by the risk management process. The principal risks are counterparty risk, delivery risk, operational risk, legal risk, custody risk and conflict of interest risk (as defined in the article entitled Risk factors), and such risks are mitigated by the organisation and the procedures defined by the management company as follows:

i. *Selection of counterparties and legal framework*

Counterparties to these transactions are approved by the Management Company's risk management department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised ratings agency or are considered to be of equivalent quality by the Management Company. These counterparties are entities which are subject to prudential supervision and belong to the categories authorised by the CSSF (credit institution, investment company, etc.), and which specialise in this type of transaction. The counterparties are located in an OECD member country.

ii. *Financial collateral*

See point 10 *Management of financial collateral for OTC derivative products and efficient portfolio management techniques* below.

iii. *Restrictions on reinvestment of financial collateral received*

See point 10 *Management of financial collateral for OTC derivative products and efficient portfolio management techniques* below.

iv. *Measures taken to reduce the risk of conflicts of interest*

To mitigate the risk of a conflict of interest, the Management Company has established a process for selecting and monitoring counterparties through committees organised by the risk management department. In addition, the remuneration of these transactions is in line with market practices in order to avoid any conflict of interest.

v. *Earnings on securities lending activities*

Income from securities lending is returned in full to the respective sub-fund(s) after deduction of costs and direct and indirect operational expenses. The costs and fees paid to the management company amount to a maximum of 40% of this income.
During the course of this activity, the Management Company is responsible for concluding securities lending operations and the resulting administrative follow-up, the supervision of risks, legal and fiscal monitoring as well as the hedging of the operational risks stemming from this activity.

The annual report contains detailed information on the income from securities lending activities and on the operational costs and charges engendered. It also specifies the identity of the entities to which these costs and fees are paid and specifies if they are related to the management company and/or the depositary.

vi. *Remuneration policy for reverse repurchase agreements (reverse repo)*

Income from reverse repurchase agreements is paid in full to the sub-fund.

vii. *Remuneration policy for repurchase agreements*

This activity does not generate income.

4.5 Periodic investor information

Further information on the conditions of application of these efficient portfolio management techniques is contained in the annual and semi-annual reports.

7. Investment restrictions

1. a) A sub-fund may invest no more than 10% of its assets in transferable securities or money market instruments issued by the same entity.

A sub-fund may invest no more than 20% of its assets in deposits made with a single entity.

The risk exposure to a counterparty of a sub-fund in an OTC derivative transaction may not exceed 10% of its assets when the counterparty is one of the credit institutions referred to in point 1.f) of the article entitled Investment policy, or 5% of its assets in other cases.

Counterparties to these transactions are approved by the Management Company's risk management department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised rating agency or considered to be of equivalent quality by the Management Company. These counterparties are entities which are subject to prudential supervision and belong to the categories authorised by the CSSF (credit institution, investment company, etc.), and which specialise in this type of transaction. The counterparties are located in an OECD member country.

The SICAV may have cause to be party to agreements, under the terms of which financial collateral may be provided under the conditions set in point 10 below.
Additional information on these derivative financial instruments, notably the identity of the one or more counterparties to the transactions, along with the type and the amount of financial collateral received by the SICAV, are shown in the annual report of the SICAV.

b) The total value of the transferable securities and money market instruments held by the sub-fund in the issuing bodies in which it invests more than 5% of its assets must not exceed 40% of the value of its assets. This limit does not apply to deposits with financial institutions subject to prudential supervision or to over-the-counter derivative transactions with such institutions.

Notwithstanding the individual limits established in point a) above, a sub-fund may not combine, if this were to result in it investing more than 20% of its assets in the same entity, several of the following items:

- investments in transferable securities or money market instruments issued by this entity,
- deposits with this entity, and/or
- exposures arising from OTC derivative transactions entered into with this entity.

c) the 10% limit specified in point a) above may be raised to a maximum of 35% if the transferable securities and money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State of the EU or by public international bodies to which one or more Member States belong.

d) the 10% limit specified in point a) above may be raised to a maximum of 25% in the case of certain bonds when these are issued by a bank which has its registered office in a Member State and which is subject by law to special supervision by the public authorities designed to protect bond-holders. In particular, the sums arising from the issue of these bonds must be invested, according to the legislation, in assets which, throughout the period of validity of the bonds, cover the debts arising from the bonds and which, in the event of the issuer's bankruptcy, would be used for the repayment of the capital and the payment of accrued interest.
Where a sub-fund invests more than 5% of its net assets in bonds referred to above and issued by a single issuer, the total value of these investments may not exceed 80% of the value of that sub-fund's assets.

e) the transferable securities and money market instruments referred to in points c) and d) above will not be taken into account for the purpose of applying the limit of 40% referred to in point b) above.

The limits provided for in points a), b), c) and d) may not be combined, and consequently investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with points a), b), c) and d) will under no circumstances exceed a total of 35% of the assets of the sub-fund concerned.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purposes of calculating the limits set out in this article.

A sub-fund may cumulatively invest up to 20% of its assets in transferable securities and money market instruments within the same group.

2. **Notwithstanding the restrictions specified in point 1 above, each sub-fund is authorised to invest, according to the principle of risk diversification, up to 100% of its assets in different issues of transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities, by an OECD country or by public international bodies to which one or more Member States belong. If a sub-fund exercises this latter option, it must hold transferable securities belonging to at least six different issues but securities belonging to the same issue may not exceed 30% of the total amount of the net assets.**

3. Notwithstanding the restrictions specified in point 1 above, sub-funds whose investment policy is to replicate an equity or bond index (hereinafter the "Benchmark Index"), may raise the limits to a maximum of 20% for investments in equities and/or bonds issued by the same body, provided that:

   - the composition of the index is sufficiently diversified,
   - the index adequately represents the market to which it refers,
   - the index is published in an appropriate manner.

   The 20% limit referred to above is raised to 35% if this proves to be justified by exceptional conditions on the markets, notably on regulated markets, in which certain transferable securities or certain money market instruments are highly dominant. Investing up to this limit is only authorised for a single issuer.

4. (1) A sub-fund may acquire units of the UCITS and/or other UCIs stated under point 1 a) of the article entitled Investment policy, provided it does not invest more than 20% of its net assets in a single UCITS or other UCI. For the purpose of applying this limit, each sub-fund of an

umbrella UCI is regarded as a separate issuer, provided that the principle of the segregation of the liabilities of the various sub-funds with regard to third parties is followed,

(2) Investments in units of UCIs other than UCITS may not exceed in total 30% of the assets of a sub-fund. If a sub-fund acquires units in UCITS and/or other UCIs, the assets of these UCITS or other UCIs are not combined for the purposes of the limits stated in point 1 above,

(3) If a sub-fund invests in the units of other UCITS and/or other UCIs which are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is associated as part of a co-management or co-control agreement or by means of a significant direct or indirect shareholding, the Management Company or the other company may not charge subscription or redemption fees for the sub-fund's investment in the units of other UCITS and/or other UCIs.

Investing in the SICAV, if investing in a UCI, gives rise to the deduction of fees and costs from the SICAV and from the UCI invested in. The management fee for the underlying assets is, in principle, max. 2% for underlying equities, max. 1.25% for underlying bonds, max. 0.6% for monetary underlyings and max. 2% for alternative underlyings.

5. a) The SICAV may not acquire shares with voting rights that enable it to exercise a significant influence over the management of an issuer.

b) The SICAV may not acquire more than:

- 10% of the non-voting shares issued by a single issuer,
- 10% of the debt securities issued by a single issuer,
- 10% of the money market instruments of a single issuer,
- 25% of the units in a single UCITS/UCI.

The limits set down in the second, third and fourth indents of point 5 b) above may be disregarded at the time of purchase if, at that time, the gross amount of the bonds or money market instruments, or the net amount of the securities in issue, cannot be calculated.

c) The limits set down in points 5. a) and b) above do not apply to:

- transferable securities and money market instruments issued or guaranteed by a Member State or by its local authorities,

- transferable securities and money market instruments issued or guaranteed by a non-Member State of the EU,

- transferable securities and money market instruments issued by public international bodies to which one or more Member States belong.

6. a) The SICAV may not borrow. However, a sub-fund may acquire currencies through back-to-back loans.

b) As an exception to point a) above, any sub-fund may borrow up to 10% of its assets, provided these are temporary loans and the SICAV may borrow provided these loans permit the acquisition of the immovable property essential to the direct exercise of its activities and represent a maximum of 10% of its assets.

When the SICAV is authorised to borrow under the terms of point b) above, these loans will not exceed a total of 15% of its assets.

7. a) A sub-fund may not grant loans or stand as guarantor in respect of third parties.

b) Point a) will not prevent the sub-funds from acquiring transferable securities, money market instruments or other financial instruments referred to in points 1 a), 1 g) and 1 h) of the article entitled Investment policy, that are not fully paid-up.

8. A sub-fund may not short-sell transferable securities and money market instruments or other financial instruments referred to in point 1 a), 1 g) and 1 h) of the article entitled Investment policy.

9. a) The sub-funds do not necessarily have to follow the limits stated in this article when exercising the subscription rights relating to the transferable securities or money market instruments forming part of their assets.
Whilst ensuring that the principle of risk diversification is followed, newly approved sub-funds may deviate from the provisions of points 1, 2, 3 and 4 of this article for a period of six months from their approval date.

b) If the limits referred to in paragraph a) are exceeded unintentionally by the sub-fund or as a result of the exercise of the subscription rights, the primary objective of the latter in its selling transactions will be to regularise this situation in the interests of the shareholders.

c) In the month preceding a closure, cancellation, liquidation or demerger transaction, and in the thirty days preceding a sub-fund merger, the investment policy of the sub-funds affected by these operations may be deviated from, as indicated in the Fact Sheets.

10. Management of financial collateral for OTC derivative products and efficient portfolio management techniques.

a) General criteria

All collateral to reduce exposure to counterparty risk must at all times satisfy the following criteria:

- Liquidity: any collateral received in a form other than cash must have a strong level of liquidity and be traded on a regulated market or within the framework of a multilateral trading system making use of transparent price setting methods such that it can be quickly sold at a price close to the valuation prior to the sale.

- Valuation: the collateral received must be valued on a daily basis and assets with highly volatile prices will only be accepted as collateral if sufficiently prudent safety margins are in place.

- Credit quality of issuers: the financial collateral received must be of excellent quality.

- Correlation: the financial collateral received must be issued by an entity which is independent of the counterparty and does not have a strong correlation with the counterparty's performance.

- Diversification: the financial collateral must be sufficiently diversified in terms of the countries, markets and issuers (for the net assets). As regards issuer diversity, the maximum exposure to an issuer through the collateral received must not exceed 20% of the net assets of the respective sub-fund. However, this limit is raised to 100% for securities issued or guaranteed by a member state of the European Economic Area (EEA), by its local authorities, by a member state of the OECD or by public international bodies to which one or more member states of the EEA belong. These issuers must be highly rated (in other words rated at least BBB-/Baa3 by a recognised ratings agency or regarded as such by the Management Company). If the fund exercises this latter option, it must hold securities belonging to at least six different issues, with securities belonging to the same issue not exceeding 30% of the total amount of the net assets.

The management risks connected with collateral, such as operational and legal risks, must be identified, managed and restricted by the risk management process.

The collateral received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

b) Types of authorised collateral

The permitted types of financial collateral are as follows:

- cash denominated in a currency of an OECD member state,

- highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by public sector issuers from an OECD country (governments, supranational bodies, etc.) and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 25 years,

- highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by private sector issuers from an OECD country and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 10 years,

- equities listed or traded on a regulated market of a member state of the European Union or on a stock exchange of a state which is a member of the OECD provided the equities are included in a significant index,

- shares or units in undertakings for collective investment offering adequate liquidity and investing in money market instruments, highly rated bonds or shares that meet the conditions stated above.

The risk management department of the Management Company may impose stricter criteria in terms of the collateral received and thereby exclude certain types of instruments, certain countries, certain issuers or certain securities.

In the event of materialisation of the counterparty risk, the SICAV could end up owning the financial collateral received. If the SICAV is able to dispose of such collateral at a value corresponding to the value of the loan/assets transferred, it would not bear negative financial consequences. Otherwise (if the value of assets received as collateral fell below the value of the assets loaned/transferred before they could be sold), it would incur a loss equal to the difference between the value of the assets loaned/transferred and the value of the collateral once it is liquidated.

c) Level of financial collateral

The Management Company has put in place a policy which requires a level of financial collateral based respectively on the type of transactions as follows:

- securities lending transactions: 102% of the value of the assets loaned,

- repurchase agreements: 100% of the value of the assets transferred,

- reverse repurchase agreements: 100% of the value of the assets transferred,

- over-the-counter derivative financial instruments: during the course of transactions in over-the-counter financial instruments, some sub-funds may hedge transactions by making margin calls in cash in the currency of the sub-fund subject to the restrictions stated in point 7.1 of this Prospectus as regards the counterparty risk.

d) Discounting policy

The Management Company has put in place a discounting policy suited to each category of assets received as financial collateral.

For each of the categories of assets shown below, the Management Company may apply the following discounts and reserves the right to apply additional discounts depending on market conditions:

Asset category	**Discount**
Cash	0%
Debt securities issued by public sector issuer	0-3%
Debt securities issued by private sector issuer	0-5%
Shares, UCI units/shares	0-5%

e) Restrictions on reinvestment of financial collateral received

Non-cash financial collateral may not be sold or reinvested or pledged.

Collateral received in cash can only be placed with counterparties meeting the above eligibility criteria, invested in highly rated government loans, used for the purpose of reverse repurchase transactions that can be recalled at any time or invested in short-term monetary funds, in accordance with the applicable diversification criteria.

Although invested in assets with a low degree of risk, the investments may, nevertheless, contain some limited financial risk.

f) Safekeeping of collateral

In the event of transfer of ownership, the collateral received will be held by the Depositary or a sub-custodian. In other types of collateral agreement, the collateral is held by an external depositary subject to prudential supervision which is not connected to the supplier of the financial collateral.
The collateral received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

g) Financial collateral in favour of the counterparty

Certain derivatives may initially require collateral to be lodged in favour of the counterparty (cash and/or securities).

h) Periodic investor information

Further information on the use of these efficient portfolio management techniques is contained in the annual and semi-annual reports.

11. Valuation

a) Reverse repurchase and repurchase agreements

Reverse repurchase and repurchase agreements are valued at cost plus interest. For contracts exceeding three months, the credit spread of the counterparty may be revalued.

b) Securities lending

Securities lending operations are not recorded individually in the NAV – the income generated is recorded monthly. Loaned securities remain valued in the NAV according to the valuation rules defined elsewhere.

c) Collateral

Collateral received is valued daily by the management company and/or the collateral agent. This valuation follows the valuation principles defined in this prospectus, applying the discounts applicable to the instrument type.
Collateral provided is valued daily by the management company and/or the collateral agent.

8. Risk factors

The SICAV's sub-funds may be exposed to various risks depending on their investment policy. The principal risks to which the sub-funds may be exposed are shown below. Each fact sheet states the non-marginal risks to which the respective sub-fund may be exposed.

The net asset value of a sub-fund may rise or fall and shareholders may not receive back the amount invested or obtain any return on their investment.
The risk description below makes no claim, however, to be exhaustive and potential investors should take note firstly of the whole of this Prospectus and secondly of the section entitled "Risk and return profile" in the key investor information documents.
It is also recommended that investors consult their professional advisers before investing.

Risk of capital loss: there is no guarantee for investors relating to the capital invested in the sub-fund in question, and investors may not receive back the full amount invested.

Interest rate risk: change in interest rates, resulting notably from inflation, may cause a risk of losses and reduce the net asset value of the sub-fund (particularly in the event of a rate increase if the fund has a positive rate sensitivity and in the event of a rate decline if the fund has a negative rate sensitivity). Long term bonds (and related derivatives) are more sensitive to interest rate variations. A change in inflation, in other words a general rise or fall in the cost of living, is one of the factors potentially affecting interest rates and consequently the NAV.

Volatility risk: a sub-fund may be exposed (taking directional positions or using arbitrage strategies for example) to market volatility risk and could therefore, based on its exposure, suffer losses in the event of changes in the volatility level of these markets.

Credit risk: risk that an issuer or a counterparty will default. This risk includes the risk of changes in credit spreads and default risk.
Some sub-funds may be exposed to the credit market and/or specific issuers in particular whose prices will change based on the expectations of the market as regards their ability to repay their debt. These sub-funds may also be exposed to the risk that a selected issuer will default, i.e. will be unable to

honour its debt repayment, in the form of coupons and/or principal. Depending on whether the sub-fund is positively or negatively positioned on the credit market and/or some issuers in particular, an upward or downward movement respectively of the credit spreads, or a default, may negatively impact the net asset value. When evaluating the credit risk of a financial instrument, the Management Company will never rely solely on external ratings.

Risk associated with derivative financial instruments: financial derivatives are instruments whose value depends on (or is derived from) one or more underlying financial assets (equities, interest rates, bonds, currencies, etc.). The use of derivatives therefore involves the risk associated with the underlying instruments. They may be used for purposes of exposure or hedging against the underlying assets. Depending on the strategies employed, the use of derivative financial instruments can also entail leverage risks (amplifying downward market movements). In a hedging strategy, the derivative financial instruments may, under certain market conditions, not be perfectly correlated to the assets to be hedged. With options, an unfavourable fluctuation in the price of the underlying assets could cause the sub-fund to lose all of the premiums paid. OTC financial derivatives also entail a counterparty risk (though this may be attenuated by the assets received as collateral) and may involve a valuation risk or a liquidity risk (difficulty selling or closing open positions).

Foreign exchange risk: foreign exchange risk derives from the sub-fund's direct investments and its investments in forward financial instruments, resulting in exposure to a currency other than its valuation currency. Changes in the exchange rate of this currency in relation to that of the sub-fund may negatively affect the value of assets in the portfolio.

Counterparty risk: the sub-funds may use OTC derivative products and/or efficient portfolio management techniques. These transactions may cause a counterparty risk, i.e. losses incurred in connection with commitments contracted with a defaulting counterparty.

Emerging countries risk: market movements can be stronger and faster on these markets than on the developed markets, which could cause the net asset value to fall significantly in the event of adverse movements in relation to the positions taken. Volatility may be caused by a global market risk or may be triggered by the vicissitudes of a single security. Sectoral concentration risks may also be prevalent on some emerging markets. These risks may also heighten the volatility. Emerging countries may experience serious political, social, legal and fiscal uncertainties or other events that could have a negative impact on the sub-funds investing in them. In addition, local depositary and sub-custodial services remain underdeveloped in non-OECD countries and emerging countries, and transactions carried out in these markets are subject to transaction risk and custody risk. In some cases, the fund may be unable to recover all or part of its assets or may be exposed to delays in delivery when recovering its assets.

Risk associated with external factors: uncertainty about the sustainability of some external environmental factors (such as tax regime or regulatory changes) that may have an impact on operation of the sub-fund. The fund may be subject to a number of legal and regulatory risks, in particular contradictory, incomplete, ambiguous and unpredictable interpretations or applications of laws, restricted public access to the regulations, practices and customs, ignorance or violations of laws by counterparties or other market participants, incomplete or incorrect transaction documents, the absence of amendments established or applied consistently in order to obtain redress, inadequate protection of investors or a failure to apply existing laws. Difficulties in asserting, protecting and enforcing rights may have a significant negative effect on the fund and its transactions. In particular, tax rules may be changed regularly or interpreted differently, increasing the amount of tax payable by the investor or the fund on its assets, income, capital gains, financial transactions or charges paid or received by service providers.

Liquidity risk: liquidity risk is defined as that of a position in the sub-fund's portfolio that cannot be sold, liquidated or closed at a limited cost and within a sufficiently short time, thus jeopardizing the sub-fund's ability to comply at any time with its obligations to redeem the shares of investors at their request. On certain markets (in particular emerging and high-yield bonds, equities with low market capitalisation), the quotation spreads may widen under less favourable market conditions, which could impact on the net asset value when assets are purchased or sold. Furthermore, in the event of a crisis on these markets, the securities could also become difficult to trade.

Delivery risk: the sub-fund may want to liquidate assets which at that time are subject to a transaction with a counterparty. In this case, the sub-fund would recall these assets from the counterparty. Delivery risk is the risk that the counterparty, although contractually obliged, may not be able in operational terms to return the assets quickly enough to allow the sub-fund to honour the sale of these instruments on the market.

Equity risk: some sub-funds may be exposed to equity market risk through direct investment (through transferable securities and/or derivative products). These investments, which generate long or short exposure, may entail a risk of substantial losses. A variation in the equities market in the reverse direction to the positions can lead to the risk of losses and may cause the net asset value of the sub-fund to fall.

Arbitrage risk: arbitrage is a technique which consists in benefiting from the differences in prices recorded (or anticipated) between markets and/or sectors and/or securities and/or currencies and/or instruments. If such arbitrage transactions perform unfavourably (a rise in short transactions and/or fall in long transactions), the sub-fund's net asset value may fall.

Concentration risk: risk related to a significant concentration of investments in a specific asset class or certain markets. This means that changes in these assets or these markets have a significant impact on the sub-fund's portfolio value. The greater the diversification of the sub-fund's portfolio, the smaller the concentration risk. This risk is also greater for instance on more specific markets (certain regions, sectors or themes) than on broadly diversified markets (worldwide distribution).

Model risk: the management process of some sub-funds relies on establishing a model which is used to identify signals based on past statistical results. There is a risk that the model is inefficient and that the strategies used will produce a poor performance. There is no guarantee that past market situations will be reproduced in the future.

Commodities risk: trends for commodities may differ significantly from those of traditional transferable securities markets (equities, bonds). Climatic and geo-political factors can also affect the supply and demand levels of the respective underlying product, in other words altering the expected scarcity of the product on the market. Commodities such as energy, metals and agricultural products, however, could have trends which are more closely correlated with each other. Unfavourable trends on these markets may cause the net asset value of a sub-fund to fall.

Risk of conflicts of interest: selection of a counterparty based on reasons other than the sole interest of the SICAV and/or unequal treatment in the management of similar portfolios could be the main sources of conflicts of interest.

Index tracking risk: the performance of the sub-fund may not match the performance of the index. This may be the result of market fluctuations, changes in the index composition, transaction costs, the fund's portfolio turnover costs and other sub-fund expenses, etc.

Risk of changes to the benchmark index by the index provider: Shareholders should note that the benchmark index provider has full discretion to determine and therefore alter the characteristics of the relevant benchmark index for which it acts as sponsor. Under the terms of the licence contract, an index provider may not be required to give licence holders using the relevant benchmark index (including the SICAV) sufficient notice of changes to the benchmark index. As a consequence, the SICAV will not necessarily be in a position to inform shareholders of the relevant sub-funds in advance of the changes made by the relevant index provider to the characteristics of the relevant benchmark index.

Custody risk: the risk of loss of assets held by a depositary as a result of insolvency, negligence or fraudulent action by the depositary or a sub-custodian. This risk is mitigated by the regulatory requirements governing depositary services.

Legal risk: the risk of litigation of all kinds with a counterparty or a third party. The management company aims to reduce these risks by putting in place controls and procedures.

Operational risk: the operational risk is the risk of direct or indirect losses associated with a number of factors (such as human error, fraud and malice, IT system failures and external events, etc.) which may have an impact upon the fund and/or the investors. The management company aims to reduce these risks by putting in place controls and procedures.

9. Risk management

The Management Company has put in place a system of risk management procedures in order to measure the risk of the positions and their contribution to the overall risk of the portfolio.

The method of determining the overall risk is established on the basis of the investment policy and strategy of each sub-fund (and notably on the basis of the use of derivative financial instruments).
One of two methods is used to monitor the overall risk: the commitment method or the value at risk method. The method used is stated in the Fact Sheet for each sub-fund.

1) Commitment method

This method consists in converting the derivative financial instruments into equivalent positions in the underlying assets (where applicable, based on their respective sensitivity). This conversion may, if necessary, be replaced by the notional value.

A derivative financial instrument will not be included in the calculation of the overall risk in the following situations:

- if the simultaneous holding of this instrument linked to a financial asset and cash invested in risk-free assets is equivalent to the direct holding of the financial asset in question,
- if this financial instrument exchanges the performance of the financial assets held in the portfolio for the performance of other benchmark financial assets (at no additional risk relative to the direct holding of the benchmark financial assets).

The sub-fund may offset buying and selling positions in derivative financial instruments concerning identical underlying assets, regardless of the maturity of the contracts. Furthermore, offsetting is also permitted between derivative instruments and directly held assets, provided the two positions concern the same asset or assets whose historic yields are closely correlated. Offsetting may be in terms of market value or in terms of risk indicator.

The overall risk assumed by the sub-funds of the SICAV may not exceed 210% of the net asset value.

2) Value at risk (VaR) method

A VaR model is used to quantify the maximum potential loss that could be incurred by the sub-fund's portfolio under normal market conditions. This loss is estimated for a given period of time (holding period of 1 month) and a given confidence level (99%).

The value at risk may be calculated as an absolute or a relative value:

- <u>Relative VaR limit</u>

The overall risk arising from all the portfolio positions calculated through the VaR may not exceed twice the VaR of a benchmark portfolio with the same market value as the sub-fund. This management limit applies to all sub-funds for which a benchmark portfolio may be adequately defined. For the sub-funds in question, the benchmark portfolio is mentioned in the Fact Sheets.

- Absolute VaR limit

The overall risk of all the portfolio positions calculated through the VaR may not exceed an absolute VaR of 20%. This VaR must be calculated on the basis of an analysis of the investment portfolio.

If the overall risk is calculated via the VaR method, the expected level of leverage as well as the possibility of a higher level of leverage is referred to in the Fact Sheet for the sub-fund in question.

10. Shares

All the shares of the SICAV from the time of issue rank equally for the profits and liquidation proceeds of their sub-fund.

Shares do not carry any preferential or pre-emptive rights and each share, regardless of its net asset value, carries the right to one vote at any general meeting of shareholders. Shares must be fully paid-up and are of no par value. There is no limit on the number of units issued for each sub-fund unless there are restrictions specific to a given sub-fund.

In the case of the allocation of rights to fractions of shares, the shareholder concerned will not have the right to vote up to the amount of that fraction but will have the right, as determined by the SICAV regarding the method for calculating the fractions (thousandths of shares), to a proportion of any distributions.

Shares are only available in registered form.
Shareholders will not receive any certificate representing the shares unless expressly requested by them. The SICAV will instead simply issue a written confirmation of entry in the register.

Fractions of shares divided into thousandths may be issued.

The rights attached to shares are those set forth in the Law and in the articles of incorporation.

Any amendment to the articles of incorporation resulting in a change in the rights of a sub-fund or a class must be approved by the general meeting of the SICAV and by the shareholders of the sub-fund or class in question.

11. Listing of shares

The shares of the various sub-funds may be listed on the Luxembourg Stock Exchange at the discretion of the Board of Directors.

12. Issue of shares and subscription and payment procedure

Except where specific restrictions apply to a given sub-fund, the Board of Directors is authorised to issue an unlimited number of shares in any sub-fund at any time. All shares subscribed must be fully paid up.

Current subscription

Shares in each sub-fund are issued at a price corresponding to the net asset value per share, plus any front load fee payable to the sales agent as stated in each sub-fund's Fact Sheet.

Procedure

The NAV Date, Valuation Date and cut-off time for subscription orders are set out in the Fact Sheets.

Any reference to the VNI Date must be interpreted as any Bank Business Day on which the net asset value is dated, an as specified in the Fact Sheets. The Management Company may consider certain days not to be NAV Dates if the banks, stock exchanges and/or regulated markets involved (namely the markets in which the sub-fund is mainly invested), as determined by the Management Company for each sub-fund, are closed for trading and/or settlement. A list of the days considered not to be NAV Dates for the different sub-funds is available on the web site www.candriam.com.

The SICAV may, however, at the discretion of the Board of Directors, grant exceptions on request to individual distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

The subscription price for each share is payable in the currency of the sub-fund no later than five bank business days following the valuation date. The payment time frames applicable to each sub-fund are indicated in the Fact Sheets.

The Board of Directors may restrict or prevent ownership of the SICAV's shares by any person or legal entity if the SICAV considers that this ownership leads to a breach of the Law in the Grand Duchy of Luxembourg or abroad, or may imply that the SICAV be subject to tax in a country other than the Grand Duchy or may in some other way be detrimental to the SICAV.

General provisions

The SICAV reserves the right to reject any subscription applications or to only accept such applications in part. Furthermore, and in accordance with the articles of incorporation, the Board of Directors reserves the right to suspend the issue and sale of the SICAV's shares at any time and without notice.

The SICAV, the Management Company, assisted by RBC Investor Services Bank S.A., and the selling agents must at all times comply with Luxembourg legislation relating to the combating of money laundering and terrorist financing and prevention of the use of the financial system for the purpose of money laundering and terrorist financing.

It is the responsibility of RBC Investor Services Bank S.A. to comply with Luxembourg legislation on money laundering when it receives subscription applications. Therefore when any shareholder or future shareholder submits an application, he must prove his identity by means of a copy of his identification papers (passport or identity card) certified true by the competent authorities of their country, such as an embassy, consulate, notary or the police. If the application is made by a legal entity, it must provide a copy of its articles of incorporation and the names and identities of its shareholders or directors. However, where the application is made by a bank or financial institution subject to obligations equivalent to those set down in the amended Law of 12 November 2004 or Directive (EU) 2015/849, the identity of these shareholders will not be verified. If there are any doubts as to the identity of a person making a subscription or redemption application due to a lack, irregularity or insufficiency of proof regarding that person's identity, it is the responsibility of RBC Investor Services Bank S.A. to suspend or even reject subscription applications for the reasons set out above. In such circumstances, RBC Investor Services Bank S.A. will not be liable for any expenses or interest.

No shares will be issued by the SICAV during any period in which the calculation of the net asset value per share is suspended by the SICAV in accordance with the powers granted to it in its articles of incorporation and described in the Prospectus. Notice of any suspension of this type will be given to persons who have submitted a subscription application and any applications made or pending during such suspension may be withdrawn by written notification provided it is received by RBC Investor Services Bank S.A. before the suspension is lifted. Unless they have been withdrawn, applications will be processed on the first valuation date following the end of the suspension.

13. Redemption of shares

All shareholders are entitled, at any time and without restriction, to request that their shares be redeemed by the SICAV. Shares redeemed by the SICAV will be cancelled.

Redemption procedure

Shareholders wishing to have all or part of their shares redeemed may apply for the redemption in writing, by telex or by fax to RBC Investor Services Bank S.A.

Applications must be irrevocable (subject to the provisions of the section entitled "Temporary suspension of redemptions and subscriptions") and must indicate the number of shares to be redeemed and the name of the sub-fund in question, the name under which the shares are registered and details in relation to payment of the redemption price. Applications must also indicate the telex or fax number or telegraphic address (where appropriate) of the shareholder requesting the redemption.

The NAV Date (as defined in the section entitled *Issue of shares and subscription and payment procedures*), Valuation Date and cut-off time for redemption orders are set out in the Fact Sheets.

The SICAV may, however, at the discretion of the Board of Directors, grant exceptions on request to individual distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

Redeemed shares are paid for within five Luxembourg bank business days following the applicable valuation date and receipt by the SICAV of the aforementioned documents. The payment time frames applicable to each sub-fund are indicated in the Fact Sheets. Payment will be made in the currency of the sub-fund from which the shares are being redeemed, at the shareholder's request and expense, by funds transfer to the bank account indicated by the shareholder.

The redemption price of the SICAV's shares may be higher or lower than the purchase price paid by the shareholder at the time of subscription, depending on whether the net asset value has gone up or down.

14. Conversion of shares

Pursuant to the articles of incorporation and subject to the following provisions, all shareholders may switch from one sub-fund to another and/or from one class to another class, and request the conversion of any shares they hold in a sub-fund and/or a given class into shares of another sub-fund and/or another class in the same sub-fund, subject to the limits and conditions applicable to each sub-fund and/or class.

The request must be sent in writing, by telex or by fax to RBC Investor Services Bank S.A. and must specify the number of shares in question, the form of the shares to be converted and the form of the shares in the new sub-fund or class.

The NAV Date (as defined in the section entitled *Issue of shares and subscription and payment procedures*), Valuation Date and cut-off time for conversion orders are set out in the Fact Sheets.

The SICAV may, however, at the discretion of the Board of Directors, grant exceptions on request to individual distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

The rate at which all or some of the shares in a sub-fund (the "original sub-fund") are converted into shares in another sub-fund (the "new sub-fund") is determined, as closely as possible, in accordance with the following formula:

$$A = \frac{B \times C \times E}{D}$$

A is the number of shares of the new sub-fund to be allocated,

B is the number of shares of the original sub-fund to be converted,

C is the net asset value per share of the original sub-fund calculated on the valuation date in question,

D is the net asset value per share of the new sub-fund calculated on the valuation date in question,

E is the exchange rate between the currency of the original sub-fund and the currency of the new sub-fund on the date in question.

15. Market timing and late trading

Market timing and late trading, as defined below, are formally prohibited in relation to subscription, redemption and conversion orders.

The SICAV reserves the right to reject subscription, redemption or conversion orders received from an investor suspected of such practices and, where applicable, reserves the right to adopt the necessary measures to protect the other shareholders.

1) Market timing

Market timing practices are not permitted.

Market timing means the arbitrage technique whereby an investor systematically subscribes and redeems or converts the shares of the same undertaking for collective investment over a short period of time by exploiting time differences and/or shortcomings or deficiencies in the system used to determine the net asset value of the undertaking for collective investment.

2) Late trading

Late trading practices are not permitted.

Late trading means the acceptance of a subscription, conversion or redemption order after the cut-off time for the acceptance of orders on the relevant trading day and its execution at the price based on the net asset value applicable to that day.

16. Net asset value

The net asset value of the shares in each sub-fund is determined in that sub-fund's base currency in accordance with the articles of incorporation, which stipulate that this calculation will take place at least twice a month.

The net asset value of all the share classes of the sub-funds is calculated in Luxembourg on each Bank Business Day ("Valuation Date"). Any reference to the Valuation Date must be interpreted as any Bank Business Day during which the net asset value of the NAV Date is determine, and as specified in the Fact Sheets.

As a rule, the net asset value of each sub-fund will fluctuate in line with the value of the assets included in the underlying portfolio.

The net assets of each sub-fund will be valued as follows:

I. In particular, the SICAV's assets will consist of the following:

(a) all cash on hand or on deposit including accrued interest,

(b) all notes and bills payable at sight and accounts receivable (including proceeds from the sale of shares where payment has not yet been received),

(c) All securities, units, shares, bonds, options or subscription rights and other investments and transferable securities owned by the SICAV.

(d) all dividends and distributions receivable by the SICAV (it is understood that the SICAV may make adjustments in the light of fluctuations of the market value of transferable securities resulting from ex-dividend or ex-rights trading or similar practices),

(e) all accrued interest from securities owned by the SICAV, unless, however, such interest is included in the principal of the securities,

(f) the preliminary expenses of the SICAV insofar as they have not been amortised,

(g) all other assets of any kind, including prepaid expenses.

The value of these assets is determined as follows:

a) Units in undertakings for collective investment must be valued on the basis of their last available net asset value unless the publication date of the last net asset value is more than 10 bank business days from the valuation date, in which case it will be estimated prudently and in good faith and in accordance with generally accepted principles and procedures.

b) The value of the cash on hand or on deposit, bills and notes payable at sight and accounts receivable, prepaid expenses and dividends and interest announced or due but not yet received, will be made up of the nominal value of these assets, except if it is unlikely that the value can be obtained; in the latter case, the value will be determined by reducing such value by an amount the SICAV considers adequate in order to reflect the real value of the assets.

c) The valuation of any security listed on an official list or on any other regulated market, operating regularly, recognised and open to the public is based on the latest price known in Luxembourg, on the Valuation Date and, if the security is traded on several markets, on the basis of the latest price known on the main market of that security; if the last known price is not representative, the valuation will be based on the probable realisable value that the Board of Directors will estimate prudently and in good faith.

d) Securities not listed or traded on a stock market or regulated market, which operates on a regular basis and is recognised and open to the public, will be valued on the basis of their probable realisable value estimated prudently and in good faith.

e) Cash and money market instruments will be valued at their face value plus accrued interest or using the straight-line depreciation method.

f) All other assets will be valued by the directors on the basis of their probable realisable value, which must be estimated in good faith and according to generally accepted principles and procedures.

g) On valuation dates on which the difference between the amount of subscriptions and the amount of redemptions in a sub-fund (i.e. net transactions) exceeds a threshold established in advance by the Board of Directors, the latter reserves the right to determine the net asset value by adding to the assets (for net subscriptions) or deducting from the assets (for net redemptions) a fixed percentage of fees and costs corresponding to market practices in buying or selling securities. "

The Board of Directors may, at its sole discretion, permit the use of any other generally accepted valuation method where it considers that the resulting valuation better reflects the probable realisable value of an asset held by the SICAV.

II. The SICAV's liabilities will in particular consist of the following:

(a) all borrowings, matured bills and accounts payable,

(b) all administrative expenses, overdue or due (including but not limited to remuneration paid to the SICAV's asset managers, depositaries, representatives and agents),

(c) all known obligations, whether due or not due, including all contractual obligations payable relating to payments in cash or in kind, where the Valuation Date coincides with the date on which it is determined who is or will be entitled to such payment,

(d) an appropriate reserve for future taxes on capital and on revenue, accrued up to the Valuation Date and determined periodically by the SICAV and, where necessary, other reserves authorised or approved by the Board of Directors,

(e) any other liabilities of the SICAV regardless of their nature and type, with the exception of those represented by its own funds. When valuing these other liabilities, the SICAV will take into consideration all its expenses, in particular: incorporation costs, fees and charges payable to counterparties providing a service to the SICAV including management, performance and consulting fees, fees payable to the depositary and correspondent agents, the administrative agent, the transfer agent, the paying agents, etc., including out-of-pocket expenses, legal fees and audit fees, promotional expenses, the cost of printing and publishing the share sales documents and any other document concerning the SICAV such as financial reports, the cost of calling and holding shareholders' meetings and of any amendments to the articles of incorporation, the cost of calling and holding meetings of the Board of Directors, reasonable travel expenses incurred by the directors in carrying out their duties plus attendance allowances, share issue and redemption costs, dividend payment costs, taxes due to the supervisory bodies in foreign countries where the SICAV is registered including fees and charges payable to local permanent representatives, also the costs associated with maintaining registrations, taxes, charges and duties imposed by government authorities, stock exchange listing and follow-on costs, financial, banking or brokerage charges, the expenses and costs connected with subscription to an account or a license or any other request for paid information from financial index providers, ratings agencies or any other data suppliers, and all other operating expenses and all other administrative charges. When valuing the amount of all or some of these liabilities, the SICAV may estimate regular or periodic administrative and other expenses on the basis of one year or any other period, allocating the amount over that period on a pro rata basis, or may set a fee calculated and paid as described in the sales documents.

III. Each share in the SICAV that is in the process of being redeemed must be considered to be issued and outstanding until the close of business on the Valuation Date on which it is redeemed and will, from that date until the redemption price is paid, be considered a liability of the SICAV.

Each share to be issued by the SICAV in accordance with subscription applications received will be treated as having been issued from the close of business on the Valuation Date on which its issue price is calculated, and its price will be treated as an amount due to the SICAV until received by it.

IV. As far as possible, any investments or divestments made by the SICAV up to a given Valuation Date will be taken into account.

V. The net asset value of each sub-fund will be expressed in the currency selected by the Board of Directors as stated in the Fact Sheets.

All the assets not expressed in the sub-fund's currency will be converted into this currency at the exchange rate in force in Luxembourg on the respective Valuation Date.

The SICAV's net asset value is equal to the sum of each of its sub-funds' net assets. The capital of the SICAV will at all times be equal to the value of the net assets of the SICAV and its consolidation currency is the euro.

VI. A pool of assets will be established for each sub-fund in the following manner:

(a) the proceeds from the issue of shares in a sub-fund will be allocated in the SICAV's accounts to the pool of assets set up for that sub-fund, and assets, liabilities, income and expenses relating to that sub-fund will be allocated to that sub-fund's pool of assets,

(b) the assets derived from other assets will be allocated in the accounts of the SICAV to the same pool of assets as the assets from which they are derived. Whenever an asset is revalued, any increase or reduction in its value will be attributed to the pool of assets of the sub-fund to which the asset belongs,

(c) all of the liabilities of the SICAV which may be allocated to a given sub-fund will be allocated to the pool of assets of that sub-fund,

(d) the assets, liabilities, charges and expenses which cannot be allocated to a specific sub-fund will be allocated to the various sub-funds in equal parts, or insofar as the amounts concerned justify it, proportionate to their respective net assets,

(e) following any payment of dividends to the shareholders of a sub-fund, the net value of that sub-fund will be reduced by the amount of the dividends.

17. Temporary suspension of net asset value calculation

The Board of Directors is authorised to temporarily suspend the calculation of the net asset value in respect of one or more sub-funds and/or the issue, repurchase and conversion of shares in one or more sub-funds, in the following cases:

a) throughout the entire period during which one of the main markets or stock exchanges on which a substantial percentage of a given sub-fund’s investments is listed is closed, except for normal closing days, or any period during which trading is subject to significant restrictions or is suspended;

b) if the political, economic, military, monetary or social situation, or any event of force majeure, beyond the responsibility or control of the SICAV, makes it impossible to access its assets by reasonable and normal means, without causing serious harm to shareholders' interests,

c) during any breakdown in the communication methods normally utilised to determine the price of any investment by the sub-fund(s), or the current price on any market or stock market,

d) where exchange rate or capital movement restrictions prevent the execution of transactions on behalf of the sub-fund(s), or where buy or sell transactions in relation to assets of the sub-fund(s) cannot be carried out at normal exchange rates, or where payments due in respect of the redemption or conversion of shares in the sub-fund(s) cannot, in the opinion of the Board of Directors, be made at normal exchange rates,

e) in the event of the cancellation/closure or demerger of one or more sub-funds, share classes or types, provided this suspension is justified with a view to protecting the shareholders of the sub-funds or share classes or types in question,

f) if a meeting of shareholders is called to propose the winding-up of the SICAV.

Subscribers and shareholders offering shares for redemption or conversion must be advised of the suspension of net asset value calculation.

Pending subscriptions and redemption or conversion applications may be withdrawn by means of a written notification, provided such notification is received by the SICAV before the suspension is lifted.

Suspended subscriptions, redemptions and conversions will be processed on the first Valuation Date following the lifting of the suspension.

18. Allocation of income

18.1 General principles

Each year, the general meeting of shareholders votes on proposals put forward by the Board of Directors in this regard.

For the capitalisation shares, the Board of Directors will propose in principle the capitalisation of the associated income.

For the distribution classes, the Board of Directors may propose to distribute the net income arising from investments for the financial year, net realised and unrealised capital gains, and the net assets, within the limits of the provisions of the Law.

The Board of Directors may, where it considers appropriate, make interim dividend payments.

18.2 Dividend distribution policy

The SICAV may propose the distribution of dividends to holders of distribution shares. No dividend is generally paid in relation to capitalisation shares.
When the Board of Directors proposes the distribution of dividends at the general meeting of shareholders, the amount distributed is calculated subject to the limits stated by law.
For each share class, annual dividends may be declared separately to the general meeting of shareholders. The Board of Directors also reserves the right to pay interim dividends for each share class during the financial year.

For each share class, the SICAV may pay dividends more frequently as necessary or at different dates during the year as deemed appropriate by the Board of Directors. Share classes with the suffix:

- (m) may distribute dividends on a monthly basis,
- (q) may distribute dividends on a quarterly basis,
- (s) may distribute dividends on a semi-annual basis.

The Board of Directors may define dividend policies and payment methods for dividends and interim dividends.

For instance, the SICAV may offer share classes which will distribute a fixed dividend based on a fixed amount or a fixed percentage of the net asset value per share on the date set by the Board of Directors. This dividend will normally be paid at fixed intervals (quarterly for example) as deemed appropriate by the Board of Directors.

A timetable for payment of dividends including details of the distribution frequency and the basis of calculation of dividends are available from the Management Company or on the website of the Management Company at the following address: www.candriam.com.

The attention of shareholders is drawn particularly to the following points:

- The amount of the dividend does not necessarily depend on income received or capital gains realised by the share class.

- The dividend paid may consists of a capital distribution provided that following such distribution, the net asset value of the SICAV is above the minimum capital requirement under Luxembourg law. The dividend paid may exceed the income of the share class, potentially eroding the invested capital. Shareholders should therefore note that when the dividend is higher than the income generated by the investments in a share class, it may be deducted from the capital of the share class in question and the realised and unrealised capital gains. In some countries, this may result in tax treatment that is detrimental to shareholders. They are therefore advised to evaluate their personal situation with their local tax adviser.

In addition, regarding share classes distributing a fixed dividend, shareholders should note the following in particular:

- During periods of negative performance of a sub-fund/share class, the dividend will continue to be paid as normal. As a result, the capital value of the investment of the sub-fund/share class may fall more quickly. The value of a shareholder's investment could therefore ultimately be reduced to zero.

- The Board of Directors will periodically revise the fixed distribution share classes, reserving the right to make changes. Changes to the distribution policy will be published on the Management Company website.

- Payment of dividends cannot be guaranteed indefinitely.

- The Board of Directors may decide not to distribute a dividend for a share class or to reduce the amount of the dividend to be distributed.

Dividends unclaimed for a period of five years from the payment date can no longer be claimed and will revert to the shares classes concerned.

19. Separation of the liabilities of the sub-funds

The SICAV is a single legal entity. However, the assets of a given sub-fund are only responsible for the debts, undertakings and obligations related to this same sub-fund. In relations between shareholders, each sub-fund is treated as a separate entity.

20. Taxation

1) Taxation of the SICAV

Under the terms of applicable legislation and current practice, the SICAV is not subject to any Luxembourg income or capital gains tax. Similarly, dividends paid by the SICAV are not subject to any form of Luxembourg withholding tax.

However, the SICAV is liable in Luxembourg to an annual tax ("taxe d'abonnement") representing 0.05% of the net asset value of the SICAV. This tax is reduced to 0.01% for classes reserved for institutional investors.
Sub-funds are exempt from the "taxe d'abonnement" if:
(i) the securities they contain are listed or traded on at least one stock exchange or another regulated market which operates regularly and is recognised and open to the public; and
(ii) their sole purpose is to reproduce the performance of one or more indices.

This tax is payable quarterly based on the total net assets of the SICAV and calculated at the end of the quarter to which the tax relates.

In accordance with the Law and current practice, no tax is payable in Luxembourg on the capital gains realised on the assets of the SICAV.

Certain revenues of the SICAV in terms of dividends and interest from asset sources outside Luxembourg may, however, be liable to taxes at variable rates, which are generally deducted at source. Generally speaking, these taxes or deductions at source are not fully or partly recoverable. Within this context, the relief on these taxes and deductions at source provided for by the international double taxation prevention treaties entered into by the Grand Duchy of Luxembourg and the respective countries is not always applicable.

2) Taxation of shareholders

Under current legislation, shareholders are not liable in Luxembourg to any tax whatsoever on capital gains, income, donation, inheritance or deductions at source, except for shareholders who are domiciled, resident or have a permanent address in Luxembourg. In terms of income tax, shareholders who are resident in Luxembourg are liable on the basis of a direct assessment for tax on dividends received and capital gains realised on the sale of their units if their units are held for a period of less than six months, or if more than 10% of the shares of the company are held.
Shareholders who are non-resident in Luxembourg are not liable for tax in Luxembourg on the dividends received or capital gains realised on the sale of their units.
It is recommended that shareholders familiarise themselves with and, if necessary, seek advice on the laws and regulations on taxation and exchange control applicable to the subscription, purchase, ownership and sale of shares in their place of origin, residence and/or domicile.

21. General meetings of shareholders

The annual general meeting of shareholders is held each year at the SICAV's registered office, or any other place in Luxembourg specified in the meeting notice. It will take place within six months of the end of the financial year.

Notices of all general meetings of shareholders will be sent by mail to all shareholders at the address shown in the register of shareholders at least eight days before the general meeting, according to the applicable laws. These notices will state the time and place of the general meeting and the conditions of admission, the agenda and the requirements under Luxembourg law as regards the required quorum and majority.

The requirements concerning participation, quorum and majority during any general meeting will be those set down in the SICAV's articles of incorporation.

Unless otherwise specified by the law, the decisions of a duly convened general meeting of shareholders are taken by a simple majority of shareholders in attendance or represented and who are voting. Unless otherwise specified by the Law, decisions regarding any sub-fund will also be made by way of a simple majority of shareholders in the sub-fund in question who are in attendance or represented and who are voting.

22. Closure, merger and demerger of sub-funds, share classes or share types – Liquidation of the SICAV

1) Closure, cancellation and liquidation of sub-funds, share classes or share types

The Board of Directors may decide to close, cancel or liquidate one or more sub-funds, share classes or share types by cancelling the shares in question either by repaying to the shareholders of the one or more sub-funds, share classes or share types the total net asset value of the shares in these one or more sub-funds, share classes or share types, after deducting the liquidation charges; or by allowing them to convert to another sub-fund of the SICAV, with no conversion charge, thereby allocating them new shares equal to the value of their previous holding, after deducting the liquidation charges.

This decision may notably be made in the following circumstances:

- substantial and unfavourable changes in the economic, political and social situation in the countries where either investments are made or shares in the sub-funds in question are distributed,

- if the net assets of a sub-fund were to fall below a level considered by the Board of Directors to be too low for that sub-fund to continue to be managed efficiently,

- within the context of rationalising the products offered to shareholders.

This decision of the Board of Directors will be published as described in 24.2 below.

The net liquidation proceeds of each sub-fund will be distributed to the shareholders of each sub-fund proportionate to their holding.

The liquidation proceeds attributable to securities whose holders do not present themselves by the time the sub-fund closure procedure is complete will remain on deposit with the Caisse de Consignation in Luxembourg for the relevant beneficiary.

2) Merger of sub-funds, share classes or share types

Merger of share classes or share types

Under the circumstances indicated above, the Board of Directors may decide to merge one or more classes or types of shares of the SICAV.

This decision of the Board of Directors will be published as described in 24.2 below.

This publication will be made at least one month before the date the merger becomes effective so as to allow shareholders to apply for the redemption or repayment of their shares free of charge.

Merger of sub-funds

Under the circumstances indicated above, the Board of Directors may decide to merge one or more sub-funds of the SICAV with other sub-funds of the SICAV or with another UCITS coming under Directive 2009/65/EC, based on the conditions set down in the Law.

However, for any merger giving rise to the disappearance of the SICAV, the taking effect of such merger will be decided by the general meeting of shareholders deliberating in accordance with the methods and the quorum and majority requirements stated in the articles of incorporation.

The SICAV will send the shareholders appropriate and accurate information about the proposed merger, so as to allow them to be fully informed and decide on the impact of this merger on their investment.
This information will be communicated based on the conditions set forth in the Law.

From the date this information is communicated, shareholders will have a period of 30 days during which they will have the right, free of charge apart from amounts deducted by the SICAV to cover the divestment costs, to apply for the redemption or repayment of their shares or, where applicable, based on the decision of the Board of Directors, the conversion of their shares into shares of another sub-fund or another UCITS with a similar investment policy and managed by the Management Company or by any other company with which the Management Company is associated through a relationship of common management or common control or through a significant direct or indirect shareholding.
This 30-day period will expire five bank business days before the calculation date of the exchange ratio.

3) Demerger of sub-funds, share classes or share types

Under the same circumstances as those indicated above, the Board of Directors may also, if it deems appropriate in the interests of the shareholders of a sub-fund, share class or share type, decide to divide this sub-fund, share class or share type into one or more sub-funds, share classes or share types.

This decision of the Board of Directors will be published as described in 24.2 below.

This publication will be made at least one month before the date the demerger becomes effective so as to allow shareholders to apply for the redemption or repayment of their shares free of charge.

4) Liquidation of the SICAV

If the share capital of the SICAV falls below two thirds of the minimum required capital, the Board of Directors must refer the matter of winding up the SICAV to a general meeting of shareholders deliberating without conditions of attendance and ruling on the basis of a simple majority of the shares represented at the meeting.
If the share capital of the SICAV falls below one quarter of the minimum capital, the Board of Directors must refer the matter of winding up the SICAV to a general meeting of shareholders deliberating without conditions of attendance. Winding-up may be declared by shareholders holding one quarter of the shares represented at the meeting.
The meeting invitation must be sent to shareholders in such way as to ensure that the meeting is held within forty days of finding that the net assets have fallen, respectively, below two-thirds or one-quarter of the minimum capital.
The liquidation of the SICAV, whether court-ordered or otherwise, will be carried out in accordance with the Law and the articles of incorporation.

In the event of a non-court ordered liquidation, the process will be carried out by one or more liquidators who will be appointed by the general meeting of shareholders, which will determine their powers and remuneration.

The sums and amounts for shares whose holders do not come forward on completion of the liquidation proceedings will remain on deposit with the Caisse de Consignation for the relevant beneficiary.

23. Charges and fees

23.1 Management fee

In consideration for its portfolio management activity, the Management Company receives annual management fees, as indicated in the Fact Sheets.
The management fee is expressed as an annual percentage of the average net asset value of each share class and is payable monthly.

23.2 Performance fee

In consideration for its portfolio management activity, the Management Company may also receive performance fees, as indicated in the Fact Sheets where appropriate.

23.3 Distribution fee

In consideration for its marketing activity, the Management Company may also receive distribution fees, as indicated in the Fact Sheets where appropriate.

23.4 Operational and administrative charges

The SICAV will bear the day-to-day operational and administrative charges incurred to cover all the overheads, variable costs, charges, fees and other expenses, as described below (the "Operational and Administrative Charges").

The Operational and Administrative Charges cover the following costs, although this list is not exhaustive:

(a) expenses incurred directly by the SICAV, including, among others, fees and charges owing to the Depositary and the principal paying agent, fees and charges for auditors, share class hedging fees, including those charged by the Management Company, the fees paid to Directors and the reasonable costs and expenses incurred by or for the Directors,

(b) a "service fee", paid to the Management Company and which includes the remaining amount of Operational and Administrative Charges after deducting the costs indicated in section (a) above, refers to the fees and costs of the domiciliary agent, the administrative agent, the transfer agent, the registrar, the costs associated with registration and for maintaining this registration in all jurisdictions (such as fees deducted by the supervisory authorities concerned, translation costs and payment for representatives abroad and local paying agents), stock exchange listing and follow-on expenses, share price publication costs, postal and communication costs, the costs for preparing, printing, translating and distributing prospectuses, key investor information documents, notices to the shareholders, financial reports or any other documents for shareholders, legal fees and expenses, the costs and fees associated with the subscription to any account or licence or any other use of paid information or data, the fees incurred for using the SICAV's registered trademark and the fees and expenses for the Management Company and/or its delegates and/or any other agent appointed by the SICAV itself and/or independent experts.

Operational and Administrative Charges are expressed as an annual percentage of the average net asset value of each share class.
They are payable monthly at a maximum rate as set out in the Fact Sheets.

At the end of a given period, if the charges and expenses were to exceed the percentage of the Operational or Administrative Charges set for a share class then the Management Company would pay the difference. Conversely if the actual charges and expenses were to be less than the percentage of the Operational and Administrative Charges set for a class of shares, then the Management Company would retain the difference.

The Management Company may instruct the SICAV to settle all or part of the expenses as stated above directly on its assets. In such case, the amount of Operational and Administrative Charges will be reduced as a result.

The Operational and Administrative Charges do not cover:

- The duties, taxes, contributions, rights or costs of taxation imposed on the SICAV and its assets, including Luxembourg subscription tax.
- Fees linked to transactions: each sub-fund incurs the fees and expenses for buying and selling transferable securities, financial instruments and derivative products, brokerage fees and expenses, interest (interest on swaps and loans, etc.) or tax and other expenses linked to transactions.
- Fees linked to securities lending and borrowing activities.
- Fees generated by the anti-dilution mechanism.
- Bank fees, for example interest on overdrafts.
- Credit facility fees.
- Non-recurring expenses, some of which may not be reasonably expected in the ordinary course of SICAV activities, including but not limited to, the cost of exceptional and/or ad hoc measures and fees for tax advisers, legal advice, expert assessment, introduction fees or fees for legal procedures to protect the interests of shareholders and any expenses associated with one-off agreements entered into by any third party in the interests of the shareholders.

Costs and expenses relating to updating the Prospectus may be amortised over the next five financial years.

The charges and costs relating to opening a specific sub-fund may be amortised over five years, exclusively in relation to the assets of this new sub-fund.

Charges and costs not directly attributable to a specific sub-fund will be allocated equally among the various sub-funds or, where the amount of charges and costs so requires, will be allocated among the sub-funds proportionate to their respective net assets.

24. Shareholder information

1. Publication of net asset value

The net asset value per share of each sub-fund and the issue, redemption and conversion prices will be published on each Valuation Date at the registered office of the SICAV.

2. Financial notices

Financial notices and other information will be sent to shareholders at their addresses in the register of shareholders in accordance with the legislation in force.

It will also be published in the press of the countries where the shares of the SICAV are marketed, if stipulated by the legislation of these countries.

3. Financial year and reports to shareholders

The financial year starts on 1 January and ends on 31 December of each year.

Every year, the SICAV publishes a detailed report on its activities and the management of its assets, including its balance sheet and consolidated profit and loss account expressed in euros, a detailed breakdown of the assets of each sub-fund and the auditors' report.

In addition, after the end of each half-year, it publishes a report including in particular a breakdown of the portfolio, the number of shares outstanding and the number of shares issued and redeemed since the last publication date.

4. Documents of the SICAV

The SICAV's Prospectus, key investor information documents, articles of incorporation and annual and semi-annual reports are available to the public free of charge, during normal office hours on bank business days, at the registered office of the SICAV and the offices of the financial services authorities in countries in which the SICAV is marketed.
The agreement appointing the Management Company, the agreement concerning the operational and administrative charges, and the depositary bank and principal paying agent agreement may be consulted by investors at the registered office of the SICAV during normal office hours on bank business days.
The Prospectus is also available at: www.candriam.com.

5. Auditors:

PricewaterhouseCoopers, Luxembourg is responsible for the auditing of the SICAV's accounts and annual reports.

6. Additional information

In order to meet regulatory and/or tax requirements, the Management Company may, over and above the legal publications, communicate to investors requesting it the SICAV's portfolio composition and all information relating to it.

25. INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

For the following sub-funds, no notification has been effected pursuant to section 310 of the German Investment Code ("Kapitalanlagegesetzbuch") and shares of these sub-funds are not allowed to be distributed in the Federal Republic of Germany:

- **Cleome Index EMU Equities**
- **Cleome Index Euro Corporate Bonds**
- **Cleome Index Euro Government Bonds**
- **Cleome Index Euro Long Term Bonds**
- **Cleome Index Euro Short Term Bonds**
- **Cleome Index Global Equities**
- **Cleome Index World Equities**

Marcard, Stein & CO AG, Ballindamm 36, D - 20095 Hamburg, Germany, acts as German Paying and Information Agent of the Company in the Federal Republic of Germany (the "German Paying and Information Agent").

Requests for the repurchase and exchange of shares may be submitted to the German Paying and Information Agent. Repurchase proceeds and dividends, if any, may be paid, and other payments may be made, to shareholders upon their request through the German Paying and Information Agent.

The Prospectus, the Key Investor Information Documents, the Articles of Association of the SICAV and the annual and semi-annual reports, each in paper form, as well as the issue, repurchase and any exchange prices are available and may be obtained free of charge at the office of the German Paying and Information Agent.

The issue and repurchase prices are available on the website www.fundinfo.com.

Any notices to the shareholders in Germany will be published on IndexIQ website www.indexiq.eu.

In addition, the documents listed in the section "10.5 Documents available" are available for inspection at the office of the German Paying and Information Agent during the customary business hours.

Special risks resulting from tax publication requirements in Germany:

The Company must provide documentation to the German fiscal authorities upon request e.g. in order to verify the accuracy of the published tax information. The basis upon which such figures are calculated is open to interpretation and it cannot be guaranteed that the German fiscal authorities will accept the Company's calculation methodology in every material aspect. In addition, investors should be aware that if it transpires that these publications are incorrect, any subsequent correction will, as a general rule, not have retrospective effect and will, as a general rule, only take effect during the current financial year. Consequently, the correction may positively or negatively affect the investors who receive a distribution or an attribution of deemed income distributions in the current year.

FACT SHEET

CLEOME INDEX EMU EQUITIES

1. Investment objective

The objective of the sub-fund is to track its benchmark index, the MSCI EMU Net Return, thereby enabling investors to benefit from the growth potential of equities in companies which have their registered office and/or carry out their primary economic activity in a eurozone country.

2. Investment policy

The assets of this sub-fund are invested principally in equity-type securities of companies that have their registered office and/or carry out their primary economic activity in a Member State of the eurozone.

The remainder of the assets may be invested in:

- Transferable securities and money market instruments other than those described above
- UCITS or other open-ended UCIs, but may not exceed 10% of the net assets
- Deposits and/or cash

The sub-fund may also make use of derivative financial instruments such as options or futures on stock exchange indices and/or individual equities and warrants on transferable securities for the purpose of hedging or exposure.

Investors' attention is drawn to the fact that warrants and futures contracts are more volatile than the underlying equities and that the leverage effect may operate unfavourably on the performance of the sub-fund.

This sub-fund is managed as a tracker fund. As such, it is managed passively.

Its objective is therefore to replicate – not requiring total replication and with a limited ex-post tracking error (the target of which, calculated over a period of 52 weeks, is less than 1.5%) – the performance of the MSCI EMU Net Return index (hereinafter the "Benchmark Index") by selecting a range of securities, based on their key characteristics, using a mathematical model.

The replication is mainly achieved by investing in transferable securities (physical replication).

As the Benchmark Index is not reproduced in full (not all the securities are necessarily bought and/or weighted exactly the same as in the Benchmark Index), and as the sub-fund pays the costs (transaction costs, for example) and fees, there is no guarantee that the sub-fund will fully reproduce the performance of Benchmark Index.

The investment strategy factors in an ESG (environmental, social and governance) analysis in the selection of securities, using a normative form of analysis developed in-house by Candriam.

This analysis is an additional source of difference in composition and/or performance between the index and the portfolio.

This normative approach consists in selecting companies which meet the principles of the United Nations Global Compact in the areas of human rights, labour, the environment and anti-corruption.
The strategy excludes companies that are significantly exposed to controversial activities (notably tobacco, thermal coal and weapons, etc.). The details of Candriam's Controversial Activities Policy are available on the Management Company's website at: https://www.candriam.com/en/professional/market-insights/sri-publications. The strategy does not invest in companies that produce, use or hold, or are engaged in activities linked to, anti-personnel mines, cluster bombs or depleted uranium, chemical, nuclear, biological or white phosphorus weapons. This ESG analysis and selection process is accompanied by an active dialogue with the companies.

3. Benchmark index

MSCI EMU Net Return

This benchmark index is provided by MSCI Limited which is an entity approved by ESMA in accordance with Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

The index contains equities of developed countries of the eurozone. The calculation reflects the reinvestment of net dividends.

The index is revised on a quarterly basis, which may, as a result, give rise to the purchase or sale of securities and therefore transaction costs charged to the sub-fund.

Information on the composition, weightings, methodology and the rules concerning index rebalancing and reviews is available online at www.MSCI.com, as well as from the Management Company upon request.

The Management Company has robust written plans to deal with scenarios in which the benchmark index is not published or there is a substantial change in its composition. The Board of Directors of the SICAV may choose a different benchmark index on the basis of these plans or if it considers this to be appropriate. Any change of benchmark index must be stated in the Prospectus which must be updated accordingly. These plans are available for inspection free of charge on request at the registered office of the Management Company.

4. Efficient portfolio management techniques

The sub-fund may use lending transactions corresponding to a maximum of 100% of the total asset value of the securities in the portfolio.
The proportion is normally expected to vary between 0 and 75 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 100% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 20 %.

The sub-fund may use repurchase agreements corresponding to a maximum of 10% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 10 %.

5. **Investor profile:** The sub-fund is aimed at investors without an urgent requirement for their funds and who wish to profit from the higher return offered by equities over a long period.

6. **Risk factors specific to the sub-fund and risk management**

6.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Equity risk
- Index tracking risk
- Risk associated with derivative financial instruments
- Liquidity risk
- Model risk
- Risk related to external factors
- Risk of changes to the benchmark index by the index provider

The general explanation of the various risk factors is given in the article entitled Risk factors in the Prospectus.

6.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

7. **Valuation currency of the sub-fund:** EUR

8. **Classes**

- **C** class (capitalisation) (LU1292953335)
- **C** class (distribution) (LU1365257788)
- **I** class (capitalisation) (LU1292953418)
- **R** class (capitalisation) (LU1292953509)
- **R** class (distribution) (LU1718421743)
- **V** class (capitalisation) (LU1292953681)
- **Z** class (capitalisation) (LU1292953764)
- **Z** class (distribution) (LU1379319079)

8. **Form of the shares:** registered shares only.

9. **Number of decimals:** the shares are divisible into thousandths (3 decimal places).

10. **Minimum initial subscription**

- No minimum subscription for the C, I, R and Z classes.
- EUR 15,000,000 for the V class (this minimum may be changed at the discretion of the Board of Directors, provided that shareholders are treated equally on the same Valuation Date).

11. **Net asset value calculation frequency:** each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

13. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
C	Max. 2.5%	0%	0%	Max. 1%	Max. 0.40%
I	0%	0%	0%	Max. 0.20%	Max. 0.30%
R	Max. 2.5%	0%	0%	Max. 0.50%	Max. 0.40%
V	0%	0%	0%	Max. 0.10%	Max. 0.30%
Z	0%	0%	0%	0%	Max. 0.30%

14. Stock exchange listing: the classes are listed on the Luxembourg Stock Exchange.

This Fact Sheet forms an integral part of the 15 November 2019 Prospectus.

FACT SHEET

CLEOME INDEX EURO CORPORATE BONDS

1. Investment objective

The objective of the sub-fund is to track its benchmark index, the iBoxx Euro Corporates, thereby enabling investors to benefit from the growth potential of debt securities denominated in euros and issued primarily by highly rated private sector issuers.

2. Investment policy

The assets of this sub-fund will be invested primarily in fixed or variable-income securities or in equivalent securities, representing loans denominated in euros and issued by highly rated issuers (at least BBB-) mainly issued by companies in the eurozone.

The sub-fund's assets may also be invested secondarily in other asset classes authorised by the regulations, such as money market instruments, other bond types, deposits and/or cash (this list is not exhaustive). Any investments in units of UCIs/UCITS must not represent more than 10% of the sub-fund's assets.

Provided that the legal rules in force are observed, the sub-fund may also utilise derivative financial instruments such as futures both for exposure and hedging purposes.
Investors should be aware that these types of derivative financial instruments are more volatile than the underlying products.

This sub-fund is managed as a tracker fund. As such, it is managed passively.
The objective is therefore to track the Benchmark Index. The Benchmark Index measures the market performance of highly rated bonds issued by the private sector in the eurozone (minimum rating A-).

The investment strategy factors in an ESG (environmental, social and governance) analysis in the selection of securities, using a normative form of analysis developed in-house by Candriam.

This analysis is an additional source of difference in composition and/or performance between the index and the portfolio.

This normative approach consists in selecting companies which meet the principles of the United Nations Global Compact in the areas of human rights, labour, the environment and anti-corruption.
The strategy excludes companies that are significantly exposed to controversial activities (notably tobacco, thermal coal and weapons, etc.). The details of Candriam's Controversial Activity Policy are available on the Management Company's website at: https://www.candriam.com/en/professional/market-insights/sri-publications. The strategy does not invest in companies that produce, use or hold anti-personnel landmines, cluster bombs, depleted uranium, chemical, nuclear, biological or white phosphorus weapons. This ESG analysis and selection process is accompanied by an active dialogue with the companies.

The strategy of the sub-fund is based on a method of optimisation aiming to minimise the performance gap between the fund and its Benchmark Index using specialist software ("ex-ante tracking error" minimisation technique).
The replication is mainly achieved by investing in transferable securities (physical replication). The sub-fund may invest secondarily in listed derivatives to improve the replication of the Benchmark Index.
The objective is therefore to reproduce the Benchmark Index:

- through its key characteristics, not requiring total replication (partial replication of the Benchmark Index is less costly than total replication),
- with a limited ex-post tracking error. The target ex-post tracking error, calculated over a period of 52 weeks, is less than 0.75%.

The principal characteristics of the Benchmark Index are observed in order to replicate the Benchmark Index as closely as possible (total duration of the portfolio, weighting and contribution of credit exposure in terms of sectors, issuers and subordination of issues, etc.).

As the Benchmark Index is not reproduced in full (not all the securities are necessarily bought and/or weighted exactly the same as in the Benchmark Index), and as the sub-fund pays the costs (transaction costs, for example) and fees, there is no guarantee that the sub-fund will fully reproduce the performance of Benchmark Index.

3. Benchmark index

iBoxx Euro Corporates

This benchmark index is provided by IHS Markit Benchmark Administration Limited which is an entity approved by ESMA in accordance with Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

The Benchmark Index is revised on a monthly basis, which may, as a result, give rise to the purchase or sale of securities and therefore transaction costs charged to the sub-fund.

Information on the composition, weightings, methodology and the rules concerning Benchmark Index rebalancing and reviews is available online at https://ihsmarkit.com/index.html, as well as from the Management Company upon request.

The Management Company has robust written plans to deal with scenarios in which the benchmark index is not published or there is a substantial change in its composition. The Board of Directors of the SICAV may choose a different benchmark index on the basis of these plans or if it considers this to be appropriate. Any change of benchmark index must be stated in the Prospectus which must be updated accordingly. These plans are available for inspection free of charge on request at the registered office of the Management Company.

4. Efficient portfolio management techniques

The sub-fund may use lending transactions corresponding to a maximum of 100% of the total asset value of the securities in the portfolio.
The proportion is normally expected to vary between 0 and 50 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 100% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 20 %.

The sub-fund may use repurchase agreements corresponding to a maximum of 10% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 10 %.

5. **Investor profile:** The sub-fund is aimed at investors who wish to benefit from movements in the assets traded and who are aware of the risks associated with this type of investment.

6. **Risk factors specific to the sub-fund and risk management**

6.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Index tracking risk
- Risk associated with derivative financial instruments
- Liquidity risk
- Concentration risk
- Model risk
- Emerging countries risk
- Risk related to external factors
- Counterparty risk
- Risk of changes to the benchmark index by the index provider

The general explanation of the various risk factors is given in the article entitled Risk factors in the Prospectus.

6.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

7. **Valuation currency of the sub-fund:** EUR

8. **Classes**

- **C** class (capitalisation) (LU1542321093)
- **C** class (distribution) (LU1542321176)
- **I** class (capitalisation) (LU1542321259)
- **I** class (distribution) (LU1542321333)
- **R2** class (capitalisation) (LU1542321416)
- **R2** class (distribution) (LU1622416649)
- **V** class (capitalisation) (LU1542321507)
- **Y** class (capitalisation) (LU1542321689)
- **Z** class (capitalisation) (LU1542321762)
- **Z** class (distribution) (LU1542321846)

9. **Form of the shares:** registered shares only.

10. **Number of decimals:** the shares are divisible into thousandths (three decimal places).

11. Minimum initial subscription

- No minimum subscription for the C, I, Y, R2 and Z classes.
- EUR 20,000,000 for the V class (this minimum may be changed at the discretion of the Board of Directors, provided that shareholders are treated equally on the same Valuation Date).

12. Net asset value calculation frequency: each Bank Business Day.

13. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

14. Fees and charges

Classes	Fees and charges					
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges	Distribution
C	Max. 3.5%	0%	0%	Max. 0.35%	Max. 0.33%	n/a
I	0%	0%	0%	Max. 0.20%	Max. 0.25%	n/a
R2	Max. 3.5%	0%	0%	Max. 0.20%	Max. 0.33%	n/a
V	0%	0%	0%	Max. 0.15%	Max. 0.25%	n/a
Y	Max. 3.5%	0%	0%	Max. 0.30%	Max. 0.25%	0.84% (1)
Z	0%	0%	0%	0%	Max. 0.25%	n/a

(1) This fee is expressed as an annual percentage of the average net asset value of the class and payable by the SICAV at the end of each quarter, proportionate to the contribution made by the distributor.

15. Stock exchange listing: the classes are listed on the Luxembourg Stock Exchange.

This Fact Sheet forms an integral part of the 15 November 2019 Prospectus.

FACT SHEET

CLEOME INDEX EURO GOVERNMENT BONDS

1. Investment objective

The objective of the sub-fund is to track its benchmark index, the JP Morgan EMU IG, thereby enabling investors to benefit from the growth potential of debt securities denominated in euros, issued by eurozone governments and with a minimum rating of BBB-/Baa3 (or equivalent) at the time of acquisition by one of the ratings agencies (i.e. issuers with a good rating).

2. Investment policy

The assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities) denominated in EUR which may notably be at fixed or variable rates or indexed. These securities are issued or guaranteed by eurozone governments and have a minimum rating of BBB-/Baa3 (or equivalent) on acquisition by one of the ratings agencies (i.e. issuers with a good rating).

The remainder of the assets may be invested secondarily in securities or money-market instruments other than those described above, or in cash. The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the purpose of hedging or exposure. The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures).

This sub-fund is managed as a tracker fund. As such, it is managed passively.
Its objective is therefore to replicate as closely as possible the performance of the JP Morgan EMU IG index (hereinafter the "Benchmark Index") by selecting a range of securities, based on their key characteristics, using a mathematical model. The JP Morgan EMU IG index measures the market performance of eurozone government bonds with a minimum rating of BBB-/Baa3.
The replication is mainly achieved by investing in transferable securities
(physical replication).

The investment strategy factors in an ESG (environmental, social and governance) analysis in the selection of securities, using a normative form of analysis developed in-house by Candriam.

This analysis is an additional source of difference in composition and/or performance between the index and the portfolio.

This normative approach consists in selecting countries which:

1. have ratified and signed and adhere to the main international treaties and conventions (in the areas of human rights, labour, anti-personnel mines, biodiversity) and

2. are rated as "free" in the expression of civil liberties and political rights.

As the Benchmark Index is not reproduced in full (not all the securities are necessarily bought and/or weighted exactly the same as in the Benchmark Index – the target ex-post tracking error calculated over 52 weeks is less than 0.75%), and as the sub-fund pays the costs (transaction costs, for example) and fees, there is no guarantee that the sub-fund will fully reproduce the performance of the Benchmark Index.

3. Benchmark index

JP Morgan EMU IG

This index is provided by JP Morgan, an entity which is covered by transitional provisions of Article 51(1) of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, stating that it has until 1 January 2020 to apply for authorisation or registration in accordance with Article 34 of the Regulation.

The Benchmark Index is revised on a monthly basis, which may, as a result, give rise to the purchase or sale of securities and therefore transaction costs charged to the sub-fund.

Information on the composition, weightings, methodology and the rules concerning index rebalancing and reviews is available online at: https://www.jpmorgan.com/country/GB/en/jpmorgan/investbk/solutions/research/indices/composition
https://www.jpmorgan.com/country/GB/en/jpmorgan/investbk/solutions/research/indices/composition_docs

as well as from the Management Company upon request.

The Management Company has robust written plans to deal with scenarios in which the benchmark index is not published or there is a substantial change in its composition. The Board of Directors of the SICAV may choose a different benchmark index on the basis of these plans or if it considers this to be appropriate. Any change of benchmark index must be stated in the Prospectus which must be updated accordingly. These plans are available for inspection free of charge on request at the registered office of the Management Company.

4. Efficient portfolio management techniques

The sub-fund may use lending transactions corresponding to a maximum of 100% of the total asset value of the securities in the portfolio.
The proportion is normally expected to vary between 0 and 75 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 100% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 20 %.

The sub-fund may use repurchase agreements corresponding to a maximum of 10% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 10 %.

5. **Investor profile:**

The sub-fund is aimed at investors who wish to benefit from movements in the assets traded and who are aware of the risks associated with this type of investment.

6. **Risk factors specific to the sub-fund and risk management**

6.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Index tracking risk
- Risk associated with derivative financial instruments
- Concentration risk
- Counterparty risk
- Liquidity risk
- Risk related to external factors
- Risk of changes to the benchmark index by the index provider

The general explanation of the various risk factors is given in the article entitled Risk factors in the Prospectus.

6.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

7. **Valuation currency of the sub-fund: EUR**

8. **Classes**

- **C** class (capitalisation) (LU1542321929)
- **C** class (distribution) (LU1542322141)
- **I** class (capitalisation) (LU1542322224)
- **I** class (distribution) (LU1542322497)
- **R2** class (capitalisation) (LU1542322653)
- **R2** class (distribution) (LU1622416722)
- **S** class capitalisation shares (LU1933089531)
- **V** class (capitalisation) (LU1542322737)
- **Z** class (capitalisation) (LU1542322810)
- **Z** class (distribution) (LU1542322901)

9. **Form of the shares:** registered shares only.

10. **Number of decimals:** the shares are divisible into thousandths (three decimal places).

11. **Minimum initial subscription**

- No minimum subscription for the C, I, R2 and Z classes.
- EUR 50,000,000 for the S class (this minimum may be changed at the discretion of the Board of Directors, provided that shareholders are treated equally on the same Valuation Date).
- EUR 20,000,000 for the V class (this minimum may be changed at the discretion of the Board of Directors, provided that shareholders are treated equally on the same

Valuation Date).

12. Net asset value calculation frequency: each Bank Business Day.

13. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

14. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
C	Max. 3.5%	0%	0%	Max. 0.30%	Max. 0.33%
I	0%	0%	0%	Max. 0.15%	Max. 0.25%
R2	Max. 3.5%	0%	0%	Max. 0.15%	Max. 0.33%
S	0%	0%	0%	Max. 0.05%	Max. 0.25%
V	0%	0%	0%	Max. 0.10%	Max. 0.25%
Z	0%	0%	0%	0%	Max. 0.25%

15. Stock exchange listing: the classes are listed on the Luxembourg Stock Exchange.

This Fact Sheet forms an integral part of the 15 November 2019 Prospectus.

FACT SHEET

CLEOME INDEX EURO LONG TERM BONDS

1. Investment objective

The objective of the sub-fund is to track its benchmark index, the JP Morgan EMU +10 Years, thereby enabling investors to benefit from the growth potential of debt securities denominated in euros, issued by eurozone governments and with maturities above 10 years.

2. Investment policy

The assets of this sub-fund will be invested primarily in fixed or variable-income securities or in equivalent securities, representing loans denominated in euros, issued by eurozone governments and/or public-sector issuers, and with maturities above 10 years.

The sub-fund's assets may also be invested secondarily in other asset classes authorised by the regulations, such as money market instruments, other bond types, deposits and/or cash (this list is not exhaustive). Any investments in units of UCIs/UCITS must not represent more than 10% of the sub-fund's assets.

Provided that the legal rules in force are observed, the sub-fund may also utilise derivative financial instruments such as futures both for exposure and hedging purposes.
Investors should be aware that these types of derivative financial instruments are more volatile than the underlying products.

This sub-fund is managed as a tracker fund. As such, it is managed passively.
The objective is therefore to track the Benchmark Index. The JP MORGAN EMU +10 Years index measures the market performance of eurozone government bonds with maturities above 10 years.

This strategy is based on a method of optimisation aiming to minimise the performance gap between the sub-fund and its Benchmark Index using specialist software ("ex-ante tracking error" minimisation technique).
The replication is mainly achieved by investing in transferable securities (physical replication). The sub-fund may invest secondarily in listed derivatives to improve the replication of the Benchmark Index.

The investment strategy factors in an ESG (environmental, social and governance) analysis in the selection of securities, using a normative form of analysis developed in-house by Candriam.

This analysis is an additional source of difference in composition and/or performance between the index and the portfolio.

This normative approach consists in selecting countries which:

1. have ratified and signed and adhere to the main international treaties and conventions (in the areas of human rights, labour, anti-personnel mines, biodiversity) and

2. are rated as "free" in the expression of civil liberties and political rights.

The objective is therefore to reproduce the Benchmark Index:

- through its key characteristics, not requiring total replication (partial replication of the Benchmark Index is less costly than total replication),
- with a limited ex-post tracking error. The target ex-post tracking error, calculated over a period of 52 weeks, is less than 0.75%.

The principal characteristics of the Benchmark Index are observed in order to replicate the Benchmark Index as closely as possible (total duration of the portfolio, weighting and contribution of duration by country and curve segments, etc.).

As the Benchmark Index is not reproduced in full (not all the securities are necessarily bought and/or weighted exactly the same as in the Benchmark Index), and as the sub-fund pays the costs (transaction costs, for example) and fees, there is no guarantee that the sub-fund will fully reproduce the performance of Benchmark Index.

3. Benchmark index

JP Morgan EMU +10 Years

This index is provided by JP Morgan, an entity which is covered by transitional provisions of Article 51(1) of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, stating that it has until 1 January 2020 to apply for authorisation or registration in accordance with Article 34 of the Regulation.

The index is revised on a monthly basis, which may, as a result, give rise to the purchase or sale of securities and therefore transaction costs charged to the sub-fund.

Information on the composition, weightings, methodology and the rules concerning index rebalancing and reviews is available online at:
https://www.jpmorgan.com/country/GB/en/jpmorgan/investbk/solutions/research/indices/composition
https://www.jpmorgan.com/country/GB/en/jpmorgan/investbk/solutions/research/indices/composition_docs

as well as from the Management Company upon request.
The Management Company has robust written plans to deal with scenarios in which the benchmark index is not published or there is a substantial change in its composition. The Board of Directors of the SICAV may choose a different benchmark index on the basis of these plans or if it considers this to be appropriate. Any change of benchmark index must be stated in the Prospectus which must be updated accordingly. These plans are available for inspection free of charge on request at the registered office of the Management Company.

4. Efficient portfolio management techniques

The sub-fund may use lending transactions corresponding to a maximum of 100% of the total asset value of the securities in the portfolio.
The proportion is normally expected to vary between 0 and 75 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 100% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 20 %.

The sub-fund may use repurchase agreements corresponding to a maximum of 10% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 10 %.

5. **Investor profile: The sub-fund is aimed at investors who wish** to benefit from movements in the assets traded and who are aware of the risks associated with this type of investment.

6. **Risk factors specific to the sub-fund and risk management**

6.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Index tracking risk
- Risk associated with derivative financial instruments
- Liquidity risk
- Concentration risk
- Model risk
- Risk related to external factors
- Counterparty risk
- Risk of changes to the benchmark index by the index provider

The general explanation of the various risk factors is given in the article entitled Risk factors in the Prospectus.

6.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

7. **Valuation currency of the sub-fund:** EUR

8. **Classes**

- **C** class (capitalisation) (LU1542323032)
- **C** class (distribution) (LU1542323115)
- **I** class (capitalisation) (LU1542323206)
- **I** class (distribution) (LU1542323388)
- **R2** class (capitalisation) (LU1542323545)
- **R2** class (distribution) (LU1622416995)
- **V** class (capitalisation) (LU1542323628)
- **Y** class (capitalisation) (LU1542323891)
- **Z** class (capitalisation) (LU1542324196)
- **Z** class (distribution) (LU1542324279)

9. **Form of the shares:** registered shares only.

10. **Number of decimals:** the shares are divisible into thousandths (three decimal places).

11. **Minimum initial subscription**

- No minimum subscription for the C, I, Y, R2 and Z classes.
- EUR 20,000,000 for the V class (this minimum may be changed at the discretion of

the Board of Directors, provided that shareholders are treated equally on the same Valuation Date).

12. **Net asset value calculation frequency:** each Bank Business Day.

13. **Subscription, redemption and conversion arrangements**

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

14. **Fees and charges**

Classes	Fees and charges					
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges	Distribution
C	Max. 3.5%	0%	0%	Max. 0.30%	Max. 0.33%	n/a
I	0%	0%	0%	Max. 0.15%	Max. 0.25%	n/a
R2	Max. 3.5%	0%	0%	Max. 0.15%	Max. 0.33%	n/a
V	0%	0%	0%	Max. 0.10%	Max. 0.25%	n/a
Y	Max. 3.5%	0%	0%	Max. 0.30%	Max. 0.25%	0.84% (1)
Z	0%	0%	0%	0%	Max. 0.25%	n/a

(1) This fee is expressed as an annual percentage of the average net asset value of the class and payable by the SICAV at the end of each quarter, proportionate to the contribution made by the distributor.

15. **Stock exchange listing:** the classes are listed on the Luxembourg Stock Exchange.

This Fact Sheet forms an integral part of the 15 November 2019 Prospectus.

FACT SHEET

CLEOME INDEX EURO SHORT TERM BONDS

1. Investment objective

The objective of the sub-fund is to track its benchmark index, the JP MORGAN EMU 1-3 Years, thereby enabling investors to benefit from the growth potential of debt securities denominated in euros, issued primarily by eurozone governments and with maturities between 13 months and 3 years.

2. Investment policy

The assets of this sub-fund will be invested primarily in fixed or variable-income securities or in equivalent securities, representing loans denominated in euros, issued by eurozone governments, and with maturities below 3 years.

The sub-fund's assets may also be invested secondarily in other asset classes authorised by the regulations, such as money market instruments, other bond types, deposits and/or cash (this list is not exhaustive). Any investments in units of UCIs/UCITS must not represent more than 10% of the sub-fund's assets.

Provided that the legal rules in force are observed, the sub-fund may also utilise derivative financial instruments such as options and futures both for exposure and hedging purposes.
Investors should be aware that these types of derivative financial instruments are more volatile than the underlying products.

This sub-fund is managed as a tracker fund. As such, it is managed passively.
The objective is therefore to track the Benchmark Index. The JP MORGAN EMU 1-3 Years index measures the market performance of eurozone government bonds with maturities between 13 months and 3 years.

The investment strategy factors in an ESG (environmental, social and governance) analysis in the selection of securities, using a normative form of analysis developed in-house by Candriam.

This analysis is an additional source of difference in composition and/or performance between the index and the portfolio.

This normative approach consists in selecting countries which:

1. have ratified and signed and adhere to the main international treaties and conventions (in the areas of human rights, labour, anti-personnel mines, biodiversity) and

2. are rated as "free" in the expression of civil liberties and political rights.

The strategy is based on a method of optimisation aiming to minimise the performance gap between the fund and its Benchmark Index using specialist software ("ex-ante tracking error" minimisation technique).

The replication is mainly achieved by investing in transferable securities (physical replication). The sub-fund may invest secondarily in listed derivatives to improve the replication of the Benchmark Index.

The objective is therefore to reproduce the Benchmark Index:
- through its key characteristics, not requiring total replication (partial replication of the Benchmark Index is less costly than total replication),
- with a limited ex-post tracking error. The target ex-post tracking error, calculated over a period of 52 weeks, is less than 0.75%.

The principal characteristics of the Benchmark Index are observed in order to replicate the Benchmark Index as closely as possible (total duration of the portfolio, weighting and contribution of duration by country and curve segments, etc.).
As the Benchmark Index is not reproduced in full (not all the securities are necessarily bought and/or weighted exactly the same as in the Benchmark Index), and as the sub-fund pays the costs (transaction costs, for example) and fees, there is no guarantee that the sub-fund will fully reproduce the performance of Benchmark Index.

3. Benchmark index

JP MORGAN EMU 1-3 Years

This index is provided by JP Morgan, an entity which is covered by transitional provisions of Article 51(1) of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, stating that it has until 1 January 2020 to apply for authorisation or registration in accordance with Article 34 of the Regulation.

The index is revised on a monthly basis, which may, as a result, give rise to the purchase or sale of securities and therefore transaction costs charged to the sub-fund.

Information on the composition, weightings, methodology and the rules concerning index rebalancing and reviews is available online at:
https://www.jpmorgan.com/country/GB/en/jpmorgan/investbk/solutions/research/indices/composition
https://www.jpmorgan.com/country/GB/en/jpmorgan/investbk/solutions/research/indices/composition_docs

as well as from the Management Company upon request.

The Management Company has robust written plans to deal with scenarios in which the benchmark index is not published or there is a substantial change in its composition. The Board of Directors of the SICAV may choose a different benchmark index on the basis of these plans or if it considers this to be appropriate. Any change of benchmark index must be stated in the Prospectus which must be updated accordingly. These plans are available for inspection free of charge on request at the registered office of the Management Company.

4. Efficient portfolio management techniques

The sub-fund may use lending transactions corresponding to a maximum of 100% of the total asset value of the securities in the portfolio.
The proportion is normally expected to vary between 0 and 75 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 100% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 20 %.

The sub-fund may use repurchase agreements corresponding to a maximum of 10% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 10 %.

5. **Investor profile:** The sub-fund is aimed at investors who wish to benefit from movements in the assets traded and who are aware of the risks associated with this type of investment.

6. **Risk factors specific to the sub-fund and risk management**

6.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Credit risk
- Index tracking risk
- Risk associated with derivative financial instruments
- Interest rate risk
- Liquidity risk
- Concentration risk
- Model risk
- Risk related to external factors
- Counterparty risk
- Risk of changes to the benchmark index by the index provider

The general explanation of the various risk factors is given in the article entitled Risk factors in the Prospectus.

6.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

7. **Valuation currency of the sub-fund:** EUR

8. **Classes**

- **C** class (capitalisation) (LU1542324352)
- **C** class (distribution) (LU1542324436)
- **I** class (capitalisation) (LU1542324519)
- **I** class (distribution) (LU1542324600)
- **R2** class (capitalisation) (LU1542324782)
- **R2** class (distribution) (LU1622417027)
- **V** class (capitalisation) (LU1542324865)
- **Y** class (capitalisation) (LU1542324949)
- **Z** class (capitalisation) (LU1542325086)
- **Z** class (distribution) (LU1542325169)

9. **Form of the shares:** registered shares only.

10. **Number of decimals:** the shares are divisible into thousandths (three decimal places).

11. **Minimum initial subscription**

- No minimum subscription for the C, I, Y, R2 and Z classes.
- EUR 20,000,000 for the V class (this minimum may be changed at the discretion of the Board of Directors, provided that shareholders are treated equally on the same Valuation Date).

12. **Net asset value calculation frequency:** each Bank Business Day.

13. **Subscription, redemption and conversion arrangements**

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

14. **Fees and charges**

Classes	Fees and charges					
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges	Distribution
C	Max. 3.5%	0%	0%	Max. 0.30%	Max. 0.33%	n/a
I	0%	0%	0%	Max. 0.15%	Max. 0.25%	n/a
R2	Max. 3.5%	0%	0%	Max. 0.15%	Max. 0.33%	n/a
V	0%	0%	0%	Max. 0.10%	Max. 0.25%	n/a
Y	Max. 3.5%	0%	0%	Max. 0.30%	Max. 0.25%	0.58% (1)
Z	0%	0%	0%	0%	Max. 0.25%	n/a

(1) This fee is expressed as an annual percentage of the average net asset value of the class and payable by the SICAV at the end of each quarter, proportionate to the contribution made by the distributor.

15. **Stock exchange listing:** the classes are listed on the Luxembourg Stock Exchange.

This Fact Sheet forms an integral part of the 15 November 2019 Prospectus.

FACT SHEET

CLEOME INDEX EUROPE EQUITIES

1. Investment objective

The objective of the sub-fund is to track its benchmark index, the MSCI Europe Net Return, thereby enabling investors to benefit from the growth potential of equities in companies which have their registered office and/or carry out their primary economic activity in Europe.

2. Investment policy

The assets of this sub-fund are invested principally in equity-type securities of companies that have their registered office and/or carry out their primary economic activity in Europe.

The remainder of the assets may be invested in:

- Transferable securities and money market instruments other than those described above
- UCITS or other open-ended UCIs, but may not exceed 10% of the net assets
- Deposits and/or cash

The sub-fund may also make use of derivative financial instruments such as options or futures on stock exchange indices and/or individual equities and warrants on transferable securities for the purpose of hedging or exposure.

Investors' attention is drawn to the fact that warrants and futures contracts are more volatile than the underlying equities and that the leverage effect may operate unfavourably on the performance of the sub-fund.

This sub-fund is managed as a tracker fund. As such, it is managed passively.

Its objective is therefore to replicate – not requiring total replication and with a limited ex-post tracking error (the target of which, calculated over a period of 52 weeks, is less than 1.5%) – the performance of the MSCI Europe Net Return index (hereinafter the "Benchmark Index") by selecting a range of securities, based on their key characteristics, using a mathematical model.

The replication is mainly achieved by investing in transferable securities (physical replication).

As the Benchmark Index is not reproduced in full (not all the securities are necessarily bought and/or weighted exactly the same as in the Benchmark Index), and as the sub-fund pays the costs (transaction costs, for example) and fees, there is no guarantee that the sub-fund will fully reproduce the performance of Benchmark Index.

The investment strategy factors in an ESG (environmental, social and governance) analysis in the selection of securities, using a normative form of analysis developed in-house by Candriam.

This analysis is an additional source of difference in composition and/or performance between the index and the portfolio.

This normative approach consists in selecting companies which meet the principles of the United Nations Global Compact in the areas of human rights, labour, the environment and anti-corruption.
The strategy excludes companies that are significantly exposed to controversial activities (notably tobacco, thermal coal and weapons, etc.). The details of Candriam's Controversial Activity Policy are available on the Management Company's website at: https://www.candriam.com/en/professional/market-insights/sri-publications. The strategy does not invest in companies that produce, use or hold, or are engaged in activities linked to, anti-personnel mines, cluster bombs or depleted uranium, chemical, nuclear, biological or white phosphorus weapons. This ESG analysis and selection process is accompanied by an active dialogue with the companies.

3. Benchmark index

MSCI Europe Net Return

This benchmark index is provided by MSCI Limited which is an entity approved by ESMA in accordance with Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

The index contains equities representing the market capitalisations of the European developed countries. The calculation reflects the reinvestment of net dividends.

The index is revised on a quarterly basis, which may, as a result, give rise to the purchase or sale of securities and therefore transaction costs charged to the sub-fund.

Information on the composition, weightings, methodology and the rules concerning index rebalancing and reviews is available online at www.MSCI.com, as well as from the Management Company upon request.

The Management Company has robust written plans to deal with scenarios in which the benchmark index is not published or there is a substantial change in its composition. The Board of Directors of the SICAV may choose a different benchmark index on the basis of these plans or if it considers this to be appropriate. Any change of benchmark index must be stated in the Prospectus which must be updated accordingly. These plans are available for inspection free of charge on request at the registered office of the Management Company.

4. Efficient portfolio management techniques

The sub-fund may use lending transactions corresponding to a maximum of 100% of the total asset value of the securities in the portfolio.
The proportion is normally expected to vary between 0 and 75 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 100% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 20 %.

The sub-fund may use repurchase agreements corresponding to a maximum of 10% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 10 %.

5. **Investor profile:** The sub-fund is aimed at investors without an urgent requirement for their funds and who wish to profit from the higher return offered by equities over a long period.

6. **Risk factors specific to the sub-fund and risk management**

6.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Equity risk
- Foreign exchange risk
- Index tracking risk
- Risk associated with derivative financial instruments
- Liquidity risk
- Model risk
- Risk related to external factors
- Counterparty risk
- Risk of changes to the benchmark index by the index provider

The general explanation of the various risk factors is given in the article entitled Risk factors in the Prospectus.

6.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

7. **Valuation currency of the sub-fund:** EUR

8. **Classes**

- **C** class (capitalisation) (LU0461106337)
- **C** class (distribution) (LU1365257432)
- **I** class (capitalisation) (LU0461106683)
- **I** class (distribution) (LU1292955389)
- **R** class (capitalisation) (LU1006087669)
- **R** class (distribution) (LU1718421826)
- **V** class (capitalisation) (LU1933089705)
- **V** class (distribution) (LU0438017088)
- **V2** class (capitalisation) (LU0438017591)
- **Y** class (capitalisation) (LU0102768701)
- **Z** class (capitalisation) (LU0479710047)
  Z class (distribution) (LU1379319319)

9. **Form of the shares:** registered shares only.

10. **Number of decimals:** the shares are divisible into thousandths (three decimal places).

11. **Minimum initial subscription**

- No minimum subscription for the C, I, R, Y and Z classes.
- EUR 30,000,000 for the V2 class (this minimum may be changed at the discretion of the Board of Directors, provided that shareholders are treated equally on the same Valuation Date).

- EUR 15,000,000 for the V class (this minimum may be changed at the discretion of the Board of Directors, provided that shareholders are treated equally on the same Valuation Date).

12. **Net asset value calculation frequency:** each Bank Business Day.

13. **Subscription, redemption and conversion arrangements**

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

14. **Fees and charges**

Classes	Fees and charges					
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges	Distribution
C	Max. 2.5%	0%	0%	Max. 1%	Max. 0.40%	n/a
I	0%	0%	0%	Max. 0.20%	Max. 0.30%	n/a
R	Max. 2.5%	0%	0%	Max. 0.50%	Max. 0.40%	n/a
V	0%	0%	0%	Max. 0.10%	Max. 0.30%	n/a
V2	0%	0%	0%	Max. 0.10%	Max. 0.30%	n/a
Y	Max. 2.5%	0%	0%	Max. 0.30%	Max. 0.40%	1.04% (1)
Z	0%	0%	0%	0%	Max. 0.30%	n/a

(1) This fee is expressed as an annual percentage of the average net asset value of the class and payable by the SICAV at the end of each quarter, proportionate to the contribution made by the distributor.

15. **Stock exchange listing:** the classes are listed on the Luxembourg Stock Exchange.

This Fact Sheet forms an integral part of the 15 November 2019 Prospectus.

FACT SHEET

CLEOME INDEX GLOBAL EQUITIES

1. Investment objective

The objective of the sub-fund is to track its composite Benchmark Index (65% MSCI Europe Net Return, 25% MSCI World ex-Europe Net Return, 10% MSCI Emerging Markets Net Return) thereby enabling investors to benefit from the growth potential of equities representing the market capitalisations of developed European countries, equities representing the market capitalisations of developed countries throughout the world excluding Europe, and equities representing the market capitalisations of emerging countries, of companies operating in any business sector and in any country.

2. Investment policy

The assets of this sub-fund are invested principally in equity-type securities of companies that have their registered office and/or carry out their primary economic activity around the world.

The remainder of the assets may be invested in:

- Transferable securities and money market instruments other than those described above
- UCITS or other open-ended UCIs
- Deposits and/or cash

The sub-fund may also make use of derivative financial instruments such as options or futures on stock exchange indices and/or individual equities and warrants on transferable securities for the purpose of hedging or exposure.

Investors' attention is drawn to the fact that warrants and futures contracts are more volatile than the underlying equities and that the leverage effect may operate unfavourably on the performance of the sub-fund.

This sub-fund is managed as a tracker fund. As such, it is managed passively.

Its objective is therefore to replicate – not requiring total replication and with a limited ex-post tracking error (the target of which, calculated over a period of 52 weeks, is less than 1.5%) – the performance of the composite index below (hereinafter the "Benchmark Index") by selecting a range of securities, based on their key characteristics, using a mathematical model:

- 65% of the MSCI Europe index
- 25% of the MSCI World ex-Europe index
- 10% of the MSCI Emerging Markets index

The replication is mainly achieved by investing in transferable securities (physical replication).

As the Benchmark Index is not reproduced in full (not all the securities are necessarily bought and/or weighted exactly the same as in the Benchmark Index), and as the sub-fund pays the costs (transaction costs, for example) and fees, there is no guarantee that the sub-fund will fully reproduce the performance of Benchmark Index.

The investment strategy excludes companies that are significantly exposed to controversial activities (notably tobacco, thermal coal and weapons, etc.). This analysis is an additional source of difference in composition and/or performance between the index and the portfolio. The details of Candriam's Controversial Activities Policy are available on the Management Company's website at: https://www.candriam.com/en/professional/market-insights/sri-publications. The strategy does not invest in companies that produce, use or hold anti-personnel landmines, cluster bombs, depleted uranium, chemical, biological or white phosphorus weapons.

These exclusions are applicable to direct line and/or UCI/UCITS investments of which Candriam is the Management Company.

3. Benchmark index

65% MSCI Europe Net Return, 25% MSCI World ex-Europe Net Return, 10% MSCI Emerging Markets Net Return

These benchmarks are provided by MSCI Limited which is an entity approved by ESMA in accordance with Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

The MSCI EUROPE index contains equities representing the market capitalisations of the European developed countries.

The MSCI World ex-Europe index contains equities representing the market capitalisations of developed countries throughout the world excluding Europe.

The MSCI Emerging Markets index contains equities representing the market capitalisations of emerging countries.

The above-mentioned indices are revised on a quarterly basis, which may, as a result, give rise to the purchase or sale of securities and therefore transaction costs charged to the sub-fund.

Information on the composition, weightings, methodology and the rules concerning index rebalancing and reviews is available online at www.MSCI.com, as well as from the Management Company upon request.

The Management Company has robust written plans to deal with scenarios in which the benchmark index is not published or there is a substantial change in its composition. The Board of Directors of the SICAV may choose a different benchmark index on the basis of these plans or if it considers this to be appropriate. Any change of benchmark index must be stated in the Prospectus which must be updated accordingly. These plans are available for inspection free of charge on request at the registered office of the Management Company.

4. Efficient portfolio management techniques

The sub-fund may use lending transactions corresponding to a maximum of 100% of the total asset value of the securities in the portfolio.

The proportion is normally expected to vary between 0 and 75 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 100% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 20 %.

The sub-fund may use repurchase agreements corresponding to a maximum of 10% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 10 %.

5. **Investor profile:** The sub-fund is aimed at investors without an urgent requirement for their funds and who wish to profit from the higher return offered by equities over a long period.

6. **Risk factors specific to the sub-fund and risk management**

6.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Equity risk
- Foreign exchange risk
- Index tracking risk
- Risk associated with derivative financial instruments
- Model risk
- Emerging countries risk
- Risk related to external factors
- Counterparty risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in article entitled Risk factors in the Prospectus.

6.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

7. **Valuation currency of the sub-fund:** EUR

8. **Classes**
   - **C** class (capitalisation) (LU0547831833)
   - **C** class (distribution) (LU0547832997)
   - **I** class (capitalisation) (LU0644254632)
   - **I** class (distribution) (LU1292955462)
   - **R** class (capitalisation) (LU1718421586)
   - **R** class (distribution) (LU1718421669)
   - **V** class (capitalisation) (LU0644255365)
   - **V** class (distribution) (LU0644256090)
   - **Z** class (capitalisation) (LU0644254475)
   - **Z** class (distribution) (LU1379319749)

9. **Form of the shares:** registered shares only.

10. **Number of decimals:** the shares are divisible into thousandths (3 decimal places).

11. Minimum initial subscription

- No minimum subscription for the C, I, R and Z classes.
- EUR 15,000,000 for the V class (this minimum may be changed at the discretion of the Board of Directors, provided that shareholders are treated equally on the same Valuation Date).

12. Frequency of net asset value calculation: Each Bank Business Day.

13. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

14. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
C	Max. 2.5%	0%	0%	Max. 1.10%	Max. 0.40%
I	Max. 2.5%	0%	0%	Max. 0.20%	Max. 0.33%
R	Max. 2.5%	0%	0%	Max. 0.40%	Max. 0.40%
V	0%	0%	0%	Max. 0.10%	Max. 0.33%
Z	0%	0%	0%	0%	Max. 0.33%

15. Stock exchange listing: the classes are listed on the Luxembourg Stock Exchange.

This Fact Sheet forms an integral part of the 15 November 2019 Prospectus.

FACT SHEET

CLEOME INDEX USA EQUITIES

1. Investment objective

The objective of the sub-fund is to track its benchmark index, the MSCI USA Net Return, thereby enabling investors to benefit from the growth potential of equities in companies which have their registered office and/or carry out their primary economic activity in the USA.

2. Investment policy

The assets of this sub-fund are invested principally in equity-type securities of companies that have their registered office and/or carry out their primary economic activity in the USA.

The remainder of the assets may be invested in:

- Transferable securities and money market instruments other than those described above
- UCITS or other open-ended UCIs, but may not exceed 10% of the net assets
- Deposits and/or cash

The sub-fund may also make use of derivative financial instruments such as options or futures on stock exchange indices and/or individual equities and warrants on transferable securities for the purpose of hedging or exposure.

Investors' attention is drawn to the fact that warrants and futures contracts are more volatile than the underlying equities and that the leverage effect may operate unfavourably on the performance of the sub-fund.

This sub-fund is managed as a tracker fund. As such, it is managed passively.

Its objective is therefore to replicate – not requiring total replication and with a limited ex-post tracking error (the target of which, calculated over a period of 52 weeks, is less than 1.5%) – the performance of the MSCI USA Net dividend index (hereinafter the "Benchmark Index") by selecting a range of securities, based on their key characteristics, using a mathematical model.

The replication is mainly achieved by investing in transferable securities (physical replication).

As the Benchmark Index is not reproduced in full (not all the securities are necessarily bought and/or weighted exactly the same as in the Benchmark Index), and as the sub-fund pays the costs (transaction costs, for example) and fees, there is no guarantee that the sub-fund will fully reproduce the performance of Benchmark Index.

The investment strategy factors in an ESG (environmental, social and governance) analysis in the selection of securities, using a normative form of analysis developed in-house by Candriam.
This analysis is an additional source of difference in composition and/or performance between the index and the portfolio.

This normative approach consists in selecting companies which meet the principles of the United Nations Global Compact in the areas of human rights, labour, the environment and anti-corruption.
The strategy excludes companies that are significantly exposed to controversial activities (notably tobacco, thermal coal and weapons, etc.). The details of Candriam's Controversial Activity Policy are available on the Management Company's website at: https://www.candriam.com/en/professional/market-insights/sri-publications. The strategy does not invest in companies that produce, use or hold, or are engaged in activities linked to, anti-personnel mines, cluster bombs or depleted uranium, chemical, nuclear, biological or white phosphorus weapons. This ESG analysis and selection process is accompanied by an active dialogue with the companies.

3. Benchmark index

MSCI USA Net Return

This benchmark index is provided by MSCI Limited which is an entity approved by ESMA in accordance with Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

The index contains equities representing the market capitalisations of the US equities market. The calculation reflects the reinvestment of net dividends.

The index is revised on a quarterly basis, which may, as a result, give rise to the purchase or sale of securities and therefore transaction costs charged to the sub-fund.

Information on the composition, weightings, methodology and the rules concerning index rebalancing and reviews is available online at www.MSCI.com, as well as from the Management Company upon request.

The Management Company has robust written plans to deal with scenarios in which the benchmark index is not published or there is a substantial change in its composition. The Board of Directors of the SICAV may choose a different benchmark index on the basis of these plans or if it considers this to be appropriate. Any change of benchmark index must be stated in the Prospectus which must be updated accordingly. These plans are available for inspection free of charge on request at the registered office of the Management Company.

4. Efficient portfolio management techniques

The sub-fund may use lending transactions corresponding to a maximum of 100% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 75 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 100% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 20 %.

The sub-fund may use repurchase agreements corresponding to a maximum of 10% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 10 %.

5. Investor profile: The sub-fund is aimed at investors without an urgent requirement for their funds and who wish to profit from the higher return offered by equities over a long period compared to bond and monetary investments.

6. Risk factors specific to the sub-fund and risk management

6.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Equity risk
- Index tracking risk
- Risk associated with derivative financial instruments
- Concentration risk
- Model risk
- Risk related to external factors
- Risk of changes to the benchmark index by the index provider

The general explanation of the various risk factors is given in the article entitled Risk factors in the Prospectus.

6.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

7. Valuation currency of the sub-fund: EUR

8. Classes

- **C** class (capitalisation) denominated in EUR (LU0461105529)
- **C** class (capitalisation) denominated in USD (LU1006087313)
- **C** class (distribution) denominated in USD (LU1365257515)
- **I** class (capitalisation) denominated in USD (LU0461105875)
- **R** class (capitalisation) denominated in EUR (LU1006087586)
- **R** class (distribution) (LU1718422394) denominated in EUR
- **R** class (capitalisation) (LU1718422477) denominated in USD
- **R** class (distribution) (LU1718422550) denominated in USD
- **V** class (capitalisation) denominated in USD (LU0438016601)
- **V** class (distribution) denominated in USD (LU0438016270)
- **Y** class (capitalisation) denominated in EUR (LU0102768370)
- **Z** class (capitalisation) denominated in EUR (LU0479709973)
- **Z** class (capitalisation) denominated in USD (LU0644256330)
- **Z** class (distribution) denominated in EUR (LU1379320085)

Z class (distribution) denominated in USD (LU1379320242)

The NAV of the classes denominated in USD may also be expressed in EUR if so decided by the Board of Directors.

The NAV of the classes denominated in EUR may also be expressed in USD if so decided by the Board of Directors.

9. Form of the shares: registered shares only.

10. Number of decimals: the shares are divisible into thousandths (three decimal places)

11. **Minimum initial subscription**

- No minimum subscription for the C, I, R, Y and Z classes.
- The USD equivalent of EUR 15,000,000 for the V class (this minimum may be changed at the discretion of the Board of Directors, provided shareholders are treated equally on the same Valuation Date).

12. **Net asset value calculation frequency:** each Bank Business Day.

13. **Subscription, redemption and conversion arrangements**

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

14. **Fees and charges**

Classes	Fees and charges					
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges	Distribution
C	Max. 2.5%	0%	0%	Max. 1%	Max. 0.40%	n/a
I	0%	0%	0%	Max. 0.20%	Max. 0.23%	n/a
R	Max. 2.5%	0%	0%	Max. 0.50%	Max. 0.40%	n/a
V	0%	0%	0%	Max. 0.10%	Max. 0.23%	n/a
Y	Max. 2.5%	0%	0%	Max. 0.30%	Max. 0.40%	1.04% (1)
Z	0%	0%	0%	0%	Max. 0.23%	n/a

(1) This fee is expressed as an annual percentage of the average net asset value of the class and payable by the SICAV at the end of each quarter, proportionate to the contribution made by the distributor.

15. **Stock exchange listing:** the classes are listed on the Luxembourg Stock Exchange.

This Fact Sheet forms an integral part of the 15 November 2019 Prospectus.

FACT SHEET

CLEOME INDEX WORLD EQUITIES

1. Investment objective

The objective of the sub-fund is to track its benchmark index, the MSCI World Net Return, thereby enabling investors to benefit from the growth potential of equities in companies operating in any business sector, in any country and which are globally diversified.

2. Investment policy

This sub-fund invests its assets principally in equity-type securities of companies that operate in any sector of activity, are globally diversified and officially listed on a stock exchange or traded on a regulated market.

The remainder of the assets may be invested in:

- Transferable securities and money market instruments other than those described above
- UCITS or other open-ended UCIs, but may not exceed 10% of the net assets
- Deposits and/or cash

The sub-fund may also make use of derivative financial instruments such as options or futures on stock exchange indices and/or individual equities and warrants on transferable securities for the purpose of hedging or exposure.

Investors' attention is drawn to the fact that warrants and futures contracts are more volatile than the underlying equities and that the leverage effect may operate unfavourably on the performance of the sub-fund.

This sub-fund is managed as a tracker fund. As such, it is managed passively.

Its objective is therefore to replicate – not requiring total replication and with a limited ex-post tracking error (the target of which, calculated over a period of 52 weeks, is less than 1.5%) – the performance of the MSCI World Net Dividend index (hereinafter the "Benchmark Index") by selecting a range of securities, based on their key characteristics, using a mathematical model.

The replication is mainly achieved by investing in transferable securities (physical replication).

As the Benchmark Index is not reproduced in full (not all the securities are necessarily bought and/or weighted exactly the same as in the Benchmark Index), and as the sub-fund pays the costs (transaction costs, for example) and fees, there is no guarantee that the sub-fund will fully reproduce the performance of Benchmark Index.

The investment strategy factors in an ESG (environmental, social and governance) analysis in the selection of securities, using a normative form of analysis developed in-house by Candriam.

This analysis is an additional source of difference in composition and/or performance between the index and the portfolio.

This normative approach consists in selecting companies which meet the principles of the United Nations Global Compact in the areas of human rights, labour, the environment and anti-corruption.
The strategy excludes companies that are significantly exposed to controversial activities (notably tobacco, thermal coal and weapons, etc.). The details of Candriam's Controversial Activities Policy are available on the Management Company's website at: https://www.candriam.com/en/professional/market-insights/sri-publications. The strategy does not invest in companies that produce, use or hold, or are engaged in activities linked to, anti-personnel mines, cluster bombs or depleted uranium, chemical, nuclear, biological or white phosphorus weapons. This ESG analysis and selection process is accompanied by an active dialogue with the companies.

3. Benchmark index

MSCI World Net Return

This benchmark index is provided by MSCI Limited which is an entity approved by ESMA in accordance with Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

The index contains equities of developed countries around the world. The calculation reflects the reinvestment of net dividends.

The index is revised on a quarterly basis, which may, as a result, give rise to the purchase or sale of securities and therefore transaction costs charged to the sub-fund.

Information on the composition, weightings, methodology and the rules concerning index rebalancing and reviews is available online at www.MSCI.com, as well as from the Management Company upon request.

The Management Company has robust written plans to deal with scenarios in which the benchmark index is not published or there is a substantial change in its composition. The Board of Directors of the SICAV may choose a different benchmark index on the basis of these plans or if it considers this to be appropriate. Any change of benchmark index must be stated in the Prospectus which must be updated accordingly. These plans are available for inspection free of charge on request at the registered office of the Management Company.

4. Efficient portfolio management techniques

The sub-fund may use lending transactions corresponding to a maximum of 100% of the total asset value of the securities in the portfolio.
The proportion is normally expected to vary between 0 and 75 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 100% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 20 %.

The sub-fund may use repurchase agreements corresponding to a maximum of 10% of the total asset value of the securities in the portfolio. The proportion is normally expected to vary between 0 and 10 %.

5. **Investor profile:** The sub-fund is aimed at investors without an urgent requirement for their funds and who wish to profit from the higher return offered by equities over a long period.

6. **Risk factors specific to the sub-fund and risk management**

   6.1 Risk factors specific to the sub-fund

   - Risk of capital loss
   - Equity risk
   - Foreign exchange risk
   - Index tracking risk
   - Risk associated with derivative financial instruments
   - Model risk
   - Risk related to external factors
   - Counterparty risk
   - Risk of changes to the benchmark index by the index provider

   The general explanation of the various risk factors is given in the article entitled Risk factors in the Prospectus.

   6.2 Risk management

   The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

7. **Valuation currency of the sub-fund:** EUR

8. **Classes**

   - **C** class (capitalisation) (LU1292953848)
   - C class (distribution) (LU1365257945)
   - **I** class (capitalisation) (LU1292954903)
   - **R** class (capitalisation) (LU1292955033)
   - **R** class (distribution) (LU1718422634)
   - **V** class (capitalisation) (LU1292955116)
   - **Z** class (capitalisation) (LU1292955207)
     Z class (distribution) (LU1379320598)

9. **Form of the shares:** registered shares only.

10. **Number of decimals:** the shares are divisible into thousandths (three decimal places).

11. **Minimum initial subscription**

    - No minimum subscription for the C, I, R and Z classes.
    - EUR 15,000,000 for the V class (this minimum may be changed at the discretion of the Board of Directors, provided that shareholders are treated equally on the same Valuation Date).

12. **Net asset value calculation frequency:** each Bank Business Day.

13. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

14. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
C	Max. 2.5%	0%	0%	Max. 1%	Max. 0.40%
I	0%	0%	0%	Max. 0.20%	Max. 0.30%
R	Max. 2.5%	0%	0%	Max. 0.50%	Max. 0.40%
V	0%	0%	0%	Max. 0.10%	Max. 0.30%
Z	0%	0%	0%	0%	Max. 0.30%

15. Stock exchange listing: the classes are listed on the Luxembourg Stock Exchange.

This Fact Sheet forms an integral part of the 15 November 2019 Prospectus.
