



Audited annual report  
**Candriam Money Market**

31 December 2023



# Candriam Money Market

SICAV under Luxembourg Law

Audited annual report for the year  
from January 1, 2023 to December 31, 2023



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## Administration of the SICAV

### Board of Directors

#### **Chairman**

Jean-Yves MALDAGUE  
Managing Director  
Candriam

#### **Directors**

Annemarie ARENS  
Independent Director

Thierry BLONDEAU  
Independent Director

Tanguy DE VILLENFAGNE  
Advisor to the Group Strategic Committee  
Candriam

Damien ROL  
Deputy Global Head of Legal  
Candriam

Myriam VANNESTE  
Global Head of Product Management  
Candriam

### Registered Office

5, Allée Scheffer  
L-2520 Luxembourg

### Depositary

CACEIS Bank, Luxembourg Branch  
5, Allée Scheffer  
L-2520 Luxembourg

### Management Company

Candriam  
SERENITY - Bloc B  
19-21, Route d'Arlon  
L-8009 Strassen

The functions of **Administrative Agent**, **Domiciliary Agent** and **Transfer Agent** (including the **Register Holding** business) are delegated to:

CACEIS Bank, Luxembourg Branch  
5, Allée Scheffer  
L-2520 Luxembourg

Implementation of the **Portfolio Management** activities performed by Candriam and/or by one or more of its branches:

Candriam - Belgian Branch  
58, Avenue des Arts  
B-1000 Brussels

Candriam Succursale française  
40, rue Washington  
F-75408 Paris Cedex 08

Candriam – UK Establishment  
Aldersgate Street 200, London EC1A 4 HD

### “Réviseur d’entreprises agréé”

PricewaterhouseCoopers, Société coopérative  
2, Rue Gerhard Mercator  
L-2182 Luxembourg



## Details about the SICAV

Candriam Money Market is an investment company with variable capital (SICAV) incorporated under the laws of the Grand Duchy of Luxembourg relating to Undertakings for Collective Investment and has been authorised as a Monetary Fund by the CSSF in accordance with the MMF Regulation.

The SICAV is subject to the provisions of part I of the modified law of December 17, 2010 relating to Undertakings for Collective Investment ("UCIs"), as amended and of the law of August 10, 1915 governing commercial companies, as amended.

The capital of the SICAV is at all times equal to the aggregate net assets of the SICAV.

The SICAV is entered in the Company's Register of and in of Luxembourg under Number B-26803.

The SICAV offers investors several portfolios each consisting of a distinct collection of assets represented by distinct share classes (hereafter designated "sub-funds").

The SICAV thereby constitutes a multiple sub-funds investment company.

The annual reports to shareholders for each sub-fund and the consolidated results are available upon request and free of charge at the registered office of the SICAV and can be sent to the holders of registered shares at the address shown in the register of shareholders, on request and free of charge.

Furthermore, unaudited semi-annual reports are also available upon request and free of charge at the registered office of the SICAV and can be sent to the holders of registered shares upon request and free of charge.

The SICAV's financial year ends on December 31 of each year.

The shares are only available in registered form.

The Annual General Meeting of Shareholders of the SICAV is held each year at the registered office of the SICAV, or at any other place in Luxembourg which will be specified on the convocation.

It is held within six months of the end of the financial year.

Notices of all general meetings are sent to all holders of registered shares at their address shown in the register of shareholders at least eight days before the general meeting. These notices indicate the time and place of the general meeting as well as the conditions of admission, the agenda and the requirements of Luxembourg law regarding the necessary quorum and majority.

Notices will also be published in the "Mémorial, Recueil des Sociétés et Associations du Grand-Duché de Luxembourg", and in a Luxembourg newspaper the "Luxemburger Wort" if the legislation requires it, as well as in the press of the countries where the SICAV is marketed if the legislation of those countries so requires.

The net asset value per share of each sub-fund, the subscription and repurchase prices of the shares of each sub-fund and the changes in portfolio may be obtained from the registered office of the SICAV.

The prospectus, Key Information Documents for packaged retail and insurance-based investment products (PRIIPs KID), the SICAV's Articles of Incorporation and financial reports are kept for public inspection, free of charge, at the SICAV's registered office.



## Report of the Board of Directors

### Economic and financial background

At United States, in January and February 2023, with the exception of residential real estate, the vast majority of economic indicators remain fairly positive, despite past rate hikes by the Federal Reserve (Fed). On February 1, the latter raised its key rate by 25 basis points to 4.75%. Over these two months, more than 700,000 new jobs were created. The ISM service sector index stood at 55.1 in February. This briefly pushed the ten-year rate above 4% in early March. However, the closure by the authorities of the 16th largest US bank (Silicon Valley Bank) on March 10, following excessive deposit outflows, and, a few days later, of Signature Bank, have raised fears of contagion to other medium-sized banks. The FDIC, in consultation with the Federal Reserve and the US Treasury, can invoke a " Systemic Risk Exception ", which enables it to insure all the deposits of these two banks (insured deposits (< \$250,000) and uninsured deposits). To avoid a liquidity and contagion problem, the Fed is opening a new borrowing facility (BTFP - Bank Term Funding Program), the special feature of which is that the government bonds used as collateral are valued at par and not at market price. With the authorities in charge, the risk of contagion diminishes and stress on financial markets is reduced. In addition, thanks to reduced tensions in supply chains and lower energy and industrial metal prices, total inflation in the first few months of 2023 is falling steadily (5% in March 2023). Core inflation, on the other hand, is stagnating, hovering around 5.5 . Indeed, while goods inflation is slowing, the "real estate" component of inflation (over 30% of CPI) and that of non-real estate services are not. On the other hand, wage growth is still significant, and is an important input in the price of services. These are the reasons why, despite the developments in March, the Federal Reserve raised its key rate by a further 25 basis points to 5% on March 22. At the end of March, the ten-year rate was 35 basis points lower at 3.48% than at the end of 2022. The stock market grew by 7%. In the second quarter, as in the rest of the world, the manufacturing sector experienced sluggish growth, while the service sector grew steadily. Over 600,000 new jobs were created during the quarter, while wage growth and underlying inflation slowed only slowly. In June, the unemployment rate was 3.6%. GDP growth in the 2th quarter was 0.5% quarter-on-quarter, after 0.6% in the first quarter. This led the Fed, on May 3, to raise its key rate by 25 basis points to 5.25%. However, at the FOMC meeting on June 14, the Federal Reserve announced a pause in its tightening cycle. This underpins the performance of the stock market, which rose - particularly in June - by 8.3% over the quarter, driven by the excitement surrounding companies linked to artificial intelligence. The ten-year rate rose by 33 basis points to 3.81%. In the third quarter, despite a tightening of 525 basis points - the final 25 basis point increase was decided on July 26 - and the downgrading of the US debt rating by Fitch in early August, the US economy continued to create over 650,000 jobs over the quarter. In September, the unemployment rate stood at 3.8%, the ISM service sector index remained above 50 and, in general, other economic indicators remained positive. Despite these good indicators, at its meeting on September 20, the Federal Reserve maintained its key rate unchanged at 5.5%, believing it to be sufficiently restrictive. These developments are leading the market to anticipate that the US will not fall into recession, but that the Fed will keep rates high for longer, despite core inflation falling to 4.1% (in September). During the quarter, caught between the absence of any prospect of recession in the United States and OPEC+ production cuts, the price of oil continued to climb. Both Brent and WTI exceeded \$90 a barrel at the end of September (compared with around \$70 at the beginning of July). All this pushed the ten-year rate up to 4.57% at the end of September, 77 basis points higher than at the end of June. Over the same period, in response to the sharp rise in interest rates, the stock market fell by 3.6%. At the beginning of October, both the labor market and activity in the services sector remained buoyant. At the end of October, third-quarter GDP growth was announced at 1.2% quarter-on-quarter (the fifth consecutive quarter with growth in excess of 2% quarter-on-quarter on an annualized basis). Against this backdrop, and with the bond risk premium rising sharply, the ten-year yield is almost 5%. However, at the beginning of November, job creation of barely 100,000, mortgage rates above 8% and slightly weaker ISM figures led the markets to think that activity might be slowing more sharply than expected, and that the Federal Reserve might cut its key rate faster than anticipated. This pushes the ten-year rate down. This movement was amplified in mid-December at the Federal Reserve's latest meeting, when its governor gave a more " dovish " message and federal funds rate projections for 2024 were lower than in September. All in all, after this bond rally, the ten-year yield closes the year at 3.87%, three basis points higher than at the end of 2022. The S&P500 ended 2023 up 24.2% on the year at 4770, helped by an 11.2% rise in the fourth quarter.



## Report of the Board of Directors

### Economic and financial background (Continued)

In the euro zone, in the first quarter 2023, while total inflation (6.9% in March) has been falling steadily since its peak in October 2022, core inflation has been rising steadily (5.7% in March) in a context where the labor market remains tight. The unemployment rate is 6.5% and wage growth is strong. In addition, as gas prices continue to fall, the outlook for growth has been revised upwards, as have expectations of terminal rates from the European Central Bank (ECB). On February 2, the latter raised its key rate by 50 basis points to 3%. Despite developments in the US banking system, the ECB raised its key rate by a further 50 basis points to 3.5% at its meeting on March 16. Indeed, as Christine Lagarde points out, the European banking sector is resilient, well capitalized and has no liquidity problems. The other reason is the ECB's latest macroeconomic forecasts, which show that inflation is likely to remain too high for too long. Over the weekend of March 18 and 19, the Swiss National Bank and the Swiss Financial Market Supervisory Authority are organizing the takeover of Credit Suisse by UBS. All in all, at the end of March, compared with the end of 2022, the German ten-year rate fell by 27 basis points to 2.3%. The stock market grew by 11.9%. In the second quarter, although both the manufacturing and services PMIs deteriorated, the services PMI remained above 50. Compared with the start of the year, consumer confidence is improving, but is becoming more heterogeneous between eurozone countries. As for the job market, it remains buoyant. With salaries growing by around five percent, the growth in the wage bill means that purchasing power is likely to improve as inflation falls. While total inflation continues to slow (5.5% in June), core inflation is showing more downward rigidity (5.5% in June). For this reason, the ECB raised its key rate twice, on May 4 and June 15 respectively, each time by 25 basis points. At the end of June, the ECB's key rate was 4%, the German ten-year yield was 2.39% and the stock market was up 1.0% over the quarter. In the third quarter, despite differing domestic dynamics between the Eurozone and the United States, European rates moved in tandem with US rates throughout the quarter, but with less amplitude. Although inflation is falling, it remains high (4.3% in September) and core inflation is decelerating even more slowly (4.5%). This is why the ECB raised rates twice more during the quarter (first on July 27 to 4.25%, then on September 14 to 4.5%). In this environment of higher interest rates, business is slowing down. While the PMI index for the eurozone manufacturing sector has been below 50 for the past fourteen months, in August the PMI for the services sector also fell below this threshold. It's becoming clear that growth in the eurozone will be sluggish at best, especially as production cuts by OPEC+ countries weigh on the price of Brent crude. Indeed, third-quarter GDP growth showed a quarter-on-quarter contraction of 0.1%. Overall, between the third quarter of 2023 and the third quarter of 2022, GDP in the eurozone rose by just 0.1%. Although partially offset by government aid, the main reason for this lack of growth is the energy shock, which has weighed heavily on household purchasing power and business activity. The only really positive element in the eurozone economy is the labor market, which remains buoyant. Unemployment remains low at 6.5% (in September) and wage growth is still fairly high. This helps household consumption to hold up and provides support for growth. Overall, the German ten-year yield rose by 42 basis points over the quarter to 2.81%. The stock market lost 4.6% over the same period. The fourth quarter was marked by PMI surveys for both the manufacturing and services sectors, which deteriorated further (the composite index averaged 47 over the quarter). However, with inflation falling and wages continuing to rise, this should enable households to regain purchasing power. At the end of October, German ten-year yields followed the trend in US yields, reaching almost 3%. As in the United States, weak growth is prompting expectations of a faster cut in ECB key rates, especially as November's inflation and core inflation figures are down to 2.4% and 3.5% respectively. At the last ECB meeting, however, the President of the ECB indicated that this was not the time to cut key rates. In fact, the labor market remains buoyant and wage growth is still relatively high, which is having an impact on service prices in particular. All in all, after the bond rally, the ten-year yield closes the year at 2%, 56 basis points lower than at the end of 2022. The stock market ended 2023 up 16% for the year, helped by a 7.5% rise in the fourth quarter.



## Report of the Board of Directors

**Candriam Money Market Euro - Candriam Money Market Euro AAA - Candriam Money Market USD Sustainable**

### Market Context

#### 1st Quarter

The year started with a positive risk sentiment as the global economic outlook improved amid Europe's resilience during the energy crisis, China reopening, and subsiding inflationary pressures. The market, expecting a sharp slowdown in inflation, directly opposed the ECB's view that we may not yet have seen peak inflation, as well as the FED's view that rates need to go above 5% and stay there for some time.

During their February meetings, neither central bank made a convincing effort to push back those dovish market expectations. Instead, markets succumbed to a barrage of economic data pointing towards a resilient economy in the US (but also in the EU) and stubbornly high (and accelerating) core inflation across both sides of the Atlantic, accompanied by a step-up in hawkish central bank messaging.

Both the FED and ECB hiked rates during their March meetings, despite the turmoil in financial markets. Yield curves strongly inverted, and the entire US and German treasury curve traded below the respective deposit rate, as investors repriced for a crisis that would force the hand of central banks.

Rates markets hence remained highly volatile over the quarter, and the Euribor 3 months and 12 months ended the period at 3.04% (+91 bps) and respectively.

#### 2nd Quarter

Headline inflation sharply declined in the US and EU because of strong base energy effects, while core inflation remained sticky and, in some cases, accelerated. During their quarter, the heads of the ECB, Fed and BoE shared a common hawkish tone, while BoJ Governor Kazuo Ueda maintained a more dovish one. Instead, markets succumbed to a barrage of economic data pointing towards a resilient economy in the US and a relative slowdown in EU. In China, activity growth data is likely to show more evidence of China's struggle to keep the economy on track for recovery after the initial post-Covid reopening boost seen in Q1.

Both the FED and ECB hiked rates during their meetings, despite the turmoil in financial markets. Yield curves strongly inverted, and the entire US and German treasury curve traded below the respective deposit rate, as investors repriced for a crisis that would force the hand of central banks.

Despite the uncertain macro backdrop, Post-SVB/CSG turmoil in March, market perception has gradually improved on Banks, as reflected by May being the second busiest month of the year after January. Turning to Non-Financials, primary activity was stronger YoY in H123, both for the IG and HY segment, including in Q2 despite a soft start to the quarter

Rates markets hence remained highly volatile over the quarter, and the Euribor 3 months and 12 months ended the period at 3.57% and 4.13% respectively.

#### 3rd Quarter

Economic data continued to paint a mixed picture over the quarter. Markets started off with reignited expectations of a policy pivot, which were quashed over the next months. The FED hiked rates in July, bringing the lower bound to 5.25%, the highest it has been since 2007. In September, the ECB raised rates, bringing the deposit rate to 4%, the highest it has ever been since the start of its mandate. The tightening cycle has been unprecedented, not only in its absolute level, but also the pace by which both central banks have raised rates over the short period of about 16 months.

Are we at the peak? Probably, but the focus has shifted from the level of rates to the duration that rates remain elevated. But the devil hides in the details, as any inflation slippage that puts the inflation target at risk would bring rate hikes back into play. Global rates curves bear steepened as markets reconciled with the fact that central banks can keep monetary policy tight by pushing back rate cuts further in time.

Earnings results were well-received, with most corporations beating expectations. Nevertheless, companies had a tougher time passing on higher prices to consumers as price-elasticities increased to historic average levels. Pricing pressure is expected to moderate over the remainder of the year, though dispersion is likely to increase as we will discover which companies truly have pricing power and will be able to defend their margins.

Rates markets remained highly volatile over the quarter, and the Euribor 3 months and 12 months ended the period at 3.95% and 4.23% respectively.

#### 4th Quarter

Rate curves continued to bear steepen over the start of the quarter until FED officials commented that the tightening in financial conditions and the sharp increase in long-term real yields had done some of the hard work for them. Over the quarter economic data highlighted that the transmission of restrictive monetary policy remains forceful across both sides of the Atlantic. Banks continued to tighten commercial credit, households are pulling back on discretionary spending, and the labor market gradually cooled. Central bankers would prefer to stay in wait-and-see-mode and let tighter credit conditions further cool economic activity and inflation, while warning that although inflation is moderating, it will take time to reach their targets. On the other hand, investors have heard the "high for longer" narrative ad nauseam and financial markets rallied strongly across the developed world over the final months of 2023, driven by the expectation of easier monetary policy as inflation fears evaporated.

The earnings season saw large dispersion, and roughly half of the companies missed on top-line expectations. Although the majority could beat on the operating margin, guidance has generally become more cautious, and companies conceded increasing concern about their ability to defend margins.

Rates markets remained highly volatile over the quarter, and the Euribor 3 months and 12 months ended the period at 3.91% and 3.51% respectively.

### Fund Strategy

The overall structure of the fund remains the same, with a neutral stance on credit and a defensive stance on rates. We continue to prefer shorter maturities, while favouring quality and liquidity.





## Report of the Board of Directors

### **Candriam Money Market Euro - Candriam Money Market Euro AAA - Candriam Money Market USD Sustainable (Continued)**

#### **Market Outlook**

We closely monitor the evolution of economic activity, inflationary pressures and the varying and lagging impacts from the unprecedented rate hike cycles all around the world. Economic data and financial stability are likely to drive the reaction functions of central banks. While risks to global supply chains, from climate disruption to geopolitics (Ukraine/Russia, Israel/Palestine, risks to maritime transport in the red sea and other rising tensions) remain. All of these will likely be key drivers for financial markets over 2024 and the uncertainty surrounding them will likely support volatility as sharp, two-way market reactions are being driven by incremental news flow. We therefore pay close attention to downside risk and favor high-quality, liquid assets while remaining selective in our investments. We rely on our rigorous in-house, bottom-up analysis and hold a preference for companies with strong ratings and low leverage

The Board of Directors

Luxembourg, March 28, 2024



## Audit report

To the Shareholders of  
**CANDRIAM MONEY MARKET**

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### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of CANDRIAM MONEY MARKET (the “Fund”) and of each of its sub-funds as at 31 December 2023, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2023;
- the statement of changes in net assets for the year then ended;
- the investment portfolio as at 31 December 2023; and
- the notes to the financial statements - Schedule of derivative instruments and the other notes to the financial statements, which include a summary of significant accounting policies.

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### Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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#### **Responsibilities of the Board of Directors of the Fund for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

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#### **Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;



- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 5 April 2024

Sébastien Sadzot



## Statement of net assets as at December 31, 2023

		Candriam Money Market Euro	Candriam Money Market Euro AAA	Candriam Money Market USD Sustainable
		EUR	EUR	USD
<b>Assets</b>				
Investment portfolio at market value	2a	1,349,677,825	1,008,034,997	131,301,214
Cash at bank and broker		115,978,287	351,666,121	12,389,213
Receivable on subscriptions		13,668,021	73,573,654	79,344
Interest and dividends receivable, net		8,998,569	6,430,156	1,582,820
Net unrealised appreciation on forward foreign exchange contracts	2e	0	258,524	0
<b>Total assets</b>		<b>1,488,322,702</b>	<b>1,439,963,452</b>	<b>145,352,591</b>
<b>Liabilities</b>				
Payable on investments purchased		5,979,957	144,781,179	0
Payable on redemptions		4,130,961	27,382,226	213,126
Net unrealised depreciation on forward foreign exchange contracts	2e	1,204,201	0	605,960
Management fees payable	3	294,031	79,765	28,294
Operating and Administrative Expenses payable	4	86,274	52,479	8,281
Subscription tax payable	5	181,665	0	15,526
<b>Total liabilities</b>		<b>11,877,089</b>	<b>172,295,649</b>	<b>871,187</b>
<b>Total net assets</b>		<b>1,476,445,613</b>	<b>1,267,667,803</b>	<b>144,481,404</b>



## Statement of net assets as at December 31, 2023

		Combined
		EUR
<b>Assets</b>		
Investment portfolio at market value	2a	2,476,575,099
Cash at bank and broker		478,859,918
Receivable on subscriptions		87,313,502
Interest and dividends receivable, net		16,861,595
Net unrealised appreciation on forward foreign exchange contracts	2e	258,524
<b>Total assets</b>		<b>3,059,868,638</b>
<b>Liabilities</b>		
Payable on investments purchased		150,761,136
Payable on redemptions		31,706,122
Net unrealised depreciation on forward foreign exchange contracts	2e	1,752,755
Management fees payable	3	399,410
Operating and Administrative Expenses payable	4	146,249
Subscription tax payable	5	195,720
<b>Total liabilities</b>		<b>184,961,392</b>
<b>Total net assets</b>		<b>2,874,907,246</b>



## Statement of changes in net assets for the year ended December 31, 2023

		Candriam Money Market Euro	Candriam Money Market Euro AAA	Candriam Money Market USD Sustainable
		EUR	EUR	USD
<b>Net assets at the beginning of the year</b>		<b>1,731,332,326</b>	<b>390,766,206</b>	<b>103,579,075</b>
<b>Income</b>				
Interest on bonds and money market instruments, net	2g	43,114,564	17,309,341	4,824,397
Interest received on swaps	2g	0	0	986,791
Bank interest	2g	4,291,554	4,539,729	685,535
Other income		1,261	57,917	26
<b>Total income</b>		<b>47,407,379</b>	<b>21,906,987</b>	<b>6,496,749</b>
<b>Expenses</b>				
Management fees	3	3,209,329	751,012	355,551
Operating and Administrative Expenses	4	920,209	359,863	81,205
Depository fees	4	68,727	29,305	5,944
Subscription tax	5	214,330	0	25,387
Interest paid on swaps	2g	0	0	1,003,362
Bank interest	2g	3,131	0	4,687
Other expenses		1,230	0	0
<b>Total expenses</b>		<b>4,416,956</b>	<b>1,140,180</b>	<b>1,476,136</b>
<b>Net income / (loss) from investments</b>		<b>42,990,423</b>	<b>20,766,807</b>	<b>5,020,613</b>
Net realised gain / (loss) on sales of investments	2b	2,070,962	1,596,792	665,103
Net realised gain / (loss) on forward foreign exchange contracts	2e	(2,132,875)	(985,456)	(1,638,533)
Net realised gain / (loss) on swaps		0	0	18,253
Net realised gain / (loss) on foreign exchange		2,026,879	562,381	1,828,697
<b>Net realised gain / (loss)</b>		<b>44,955,389</b>	<b>21,940,524</b>	<b>5,894,133</b>
Change in net unrealised appreciation / depreciation on investments	2a	1,036,810	22,646	(473,913)
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2e	3,655,806	258,524	1,473,673
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>49,648,005</b>	<b>22,221,694</b>	<b>6,893,893</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		2,753,207,337	5,237,444,165	232,301,053
Redemptions of shares		(3,057,742,055)	(4,382,764,262)	(198,286,224)
Dividends distributed	6	0	0	(6,393)
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>1,476,445,613</b>	<b>1,267,667,803</b>	<b>144,481,404</b>



## Statement of changes in net assets for the year ended December 31, 2023

		Combined
		EUR
<b>Net assets at the beginning of the year</b>		<b>2,219,150,840</b>
<b>Income</b>		
Interest on bonds and money market instruments, net	2g	64,791,258
Interest received on swaps	2g	893,306
Bank interest	2g	9,451,873
Other income		59,202
<b>Total income</b>		<b>75,195,639</b>
<b>Expenses</b>		
Management fees	3	4,282,209
Operating and Administrative Expenses	4	1,353,584
Depositary fees	4	103,413
Subscription tax	5	237,312
Interest paid on swaps	2g	908,308
Bank interest	2g	7,374
Other expenses		1,230
<b>Total expenses</b>		<b>6,893,430</b>
<b>Net income / (loss) from investments</b>		<b>68,302,209</b>
Net realised gain / (loss) on sales of investments	2b	4,269,848
Net realised gain / (loss) on forward foreign exchange contracts	2e	(4,601,636)
Net realised gain / (loss) on swaps		16,524
Net realised gain / (loss) on foreign exchange		4,244,713
<b>Net realised gain / (loss)</b>		<b>72,231,658</b>
Change in net unrealised appreciation / depreciation on investments	2a	630,440
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2e	5,248,393
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>78,110,491</b>
<b>Evolution of the capital</b>		
Subscriptions of shares		8,200,945,308
Redemptions of shares		(7,620,007,719)
Dividends distributed	6	(5,787)
Currency translation		(3,285,887)
<b>Net assets at the end of the year</b>		<b>2,874,907,246</b>





## Statistics

### Candriam Money Market Euro

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>1,476,445,613</b>	<b>1,731,332,326</b>	<b>1,333,059,823</b>
C	LU0093583077	Capitalisation	EUR	879,023.04	523.06	508.21	510.67
C	LU0093583234	Distribution	EUR	102,805.06	363.10	353.18	355.12
I	LU0206982331	Capitalisation	EUR	523,888.00	561.80	543.99	544.23
R	LU0936337848	Capitalisation	EUR	89,065.04	101.32	98.13	98.20
R2	LU1389877876	Distribution	EUR	637,705.21	152.02	147.14	147.28
V	LU0323048693	Capitalisation	EUR	421,937.43	1,042.05	1,007.46	1,007.36
Z	LU0391999124	Capitalisation	EUR	132,997.97	1,047.87	1,012.59	1,012.04

### Candriam Money Market Euro AAA

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>EUR</b>		<b>1,267,667,803</b>	<b>390,766,206</b>	<b>326,824,499</b>
C	LU0354091653	Capitalisation	EUR	843,048.11	104.95	102.07	102.22
C	LU0354091737	Distribution	EUR	1,593.46	103.02	100.19	99.97
I	LU0354091901	Capitalisation	EUR	242,933.92	1,077.91	1,044.77	1,045.55
I	LU0354127358	Distribution	EUR	9,648.31	1,057.05	1,024.78	1,025.56
R	LU0936338655	Capitalisation	EUR	6,599.15	154.35	149.63	149.77
V	LU0354092115	Capitalisation	EUR	517,300.37	1,081.68	1,047.48	1,048.09
V	LU0354092206	Distribution	EUR	1.00	1,067.78	1,033.03	1,032.72
Z	LU0391999470	Capitalisation	EUR	318,308.25	1,088.23	1,053.29	1,053.57

### Candriam Money Market USD Sustainable

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2023	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021
<b>Total net assets</b>			<b>USD</b>		<b>144,481,404</b>	<b>103,579,075</b>	<b>121,258,156</b>
C	LU0049341216	Capitalisation	USD	55,404.65	585.04	557.70	549.25
C	LU0094032728	Distribution	USD	28,476.29	388.87	371.35	365.99
I	LU0206982414	Capitalisation	USD	66,465.99	612.23	581.64	571.71
I	LU0355214700	Distribution	USD	7,856.22	580.59	552.04	542.66
V	LU0323048347	Capitalisation	USD	1.00	1,187.47	1,126.31	1,105.34
Z	LU0391999553	Capitalisation	USD	46,665.09	1,194.46	1,132.56	1,111.68



## Candriam Money Market Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Australia</b>				
NATIONAL AUSTR 0.3 081124	20,000,000	EUR	20,001,826	1.35
			<b>20,001,826</b>	<b>1.35</b>
<b>Belgium</b>				
AEDIFICA NV/SA ZCP 050124	4,000,000	EUR	3,982,975	0.27
AEDIFICA NV/SA ZCP 220124	5,000,000	EUR	4,982,138	0.34
AEDIFICA NV/SA ZCP 310124	5,000,000	EUR	4,947,743	0.34
BRUSSELS MUNICIPALIT ZCP 150124	15,000,000	EUR	14,951,789	1.01
FLUVIUS SYSTEM OPER ZCP 120224	15,000,000	EUR	14,896,842	1.01
FLUVIUS SYSTEM OPER ZCP 150124	3,000,000	EUR	2,979,272	0.20
KBC GROUPE SA ZCP 230424	20,000,000	EUR	19,598,613	1.33
REGION WALLONNE ZCP 010224	6,000,000	EUR	5,980,075	0.41
			<b>72,319,447</b>	<b>4.90</b>
<b>Canada</b>				
BANK OF MONTREAL LDN FL.R 12-11-24	15,000,000	EUR	14,995,807	1.02
BANK OF MONTREAL LDN FL.R 12-11-24	15,000,000	EUR	14,999,488	1.02
			<b>29,995,295</b>	<b>2.03</b>
<b>Denmark</b>				
JYSKE BANK DNK 0.3 190924	15,000,000	EUR	15,008,177	1.02
			<b>15,008,177</b>	<b>1.02</b>
<b>Finland</b>				
NORDEA BANK ABP 0.0 181124	20,000,000	EUR	20,011,138	1.36
			<b>20,011,138</b>	<b>1.36</b>
<b>France</b>				
ALLIANZ BANQUE SA 0.215 220324	5,000,000	EUR	5,004,033	0.34
ALLIANZ BANQUE SA 0.22 220524	5,000,000	EUR	5,004,925	0.34
ALLIANZ BANQUE SA 0.23 230124	5,000,000	EUR	5,002,929	0.34
ALLIANZ BQ 0.23 061224	5,000,000	EUR	4,999,517	0.34
ALLIANZ BQ 0.23 221124	5,000,000	EUR	4,999,437	0.34
ALLIANZ BQ 0.23 251024	5,000,000	EUR	4,999,453	0.34
BPCE (ISSUER) 0.32 111024	15,000,000	EUR	15,000,123	1.02
BPCE OISEST+0.33% 19-07-24	10,000,000	EUR	10,004,961	0.68
BPCE SA 0.33 040924	15,000,000	EUR	15,003,978	1.02
BPCE SA 0.33 110924	5,000,000	EUR	5,001,257	0.34
BROKERFR2 0.22 140624	5,000,000	EUR	5,004,850	0.34
BROKERFR2 0.23 010724	5,000,000	EUR	5,004,581	0.34
CMCIFRPA 0.3 190724	10,000,000	EUR	10,001,874	0.68
CMCIFRPA 0.3 230824	8,000,000	EUR	8,000,761	0.54
CMCIFRPA 0.32 191124	8,000,000	EUR	7,999,434	0.54
CMCIFRPA 0.32 300824	15,000,000	EUR	15,003,265	1.02
LA BQUE POST 0.15 260224	5,000,000	EUR	5,000,815	0.34
SOCIETE GENERALE SA 0.285 180124	12,000,000	EUR	12,000,868	0.81
			<b>143,037,061</b>	<b>9.69</b>
<b>Germany</b>				
BASF REGS 2.50 14-24 22/01A	4,000,000	EUR	3,997,220	0.27
DEUTSCHE BANK AG, ZCP 010324	15,000,000	EUR	14,871,574	1.01
			<b>18,868,794</b>	<b>1.28</b>
<b>Ireland</b>				
JOHNSON CONTROLS INT ZCP 240524	4,000,000	EUR	3,922,354	0.27
			<b>3,922,354</b>	<b>0.27</b>
<b>Italy</b>				
SNAM SPA ZCP 040324	10,000,000	EUR	9,900,052	0.67
SNAM SPA ZCP 180124	3,000,000	EUR	2,984,136	0.20
SNAM SPA ZCP 190324	15,000,000	EUR	14,850,049	1.01
			<b>27,734,237</b>	<b>1.88</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Money Market Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Japan</b>				
JAPA TREA DISC BIL ZCP 19-02-24	8,070,000,000	JPY	51,842,714	3.51
			<b>51,842,714</b>	<b>3.51</b>
<b>Luxembourg</b>				
DH EUROPE FINANCE II ZCP 240124	6,500,000	EUR	6,432,788	0.44
DH EUROPE FINANCE II ZCP 290124	6,000,000	EUR	5,936,032	0.40
MCDONALD'S CORP 0.625 17-24 29/01A	200,000	EUR	199,421	0.01
TRATON FINANCE LUX ZCP 110124	20,000,000	EUR	19,935,408	1.35
			<b>32,503,649</b>	<b>2.20</b>
<b>Netherlands</b>				
AKZO NOBEL NV ZCP 100524	25,000,000	EUR	24,513,839	1.66
BNP PARIBAS 1.125 19-24 28/08A	1,100,000	EUR	1,081,223	0.07
COOPERATIEVE RABOBANK 0.28 081124	20,000,000	EUR	19,999,524	1.35
COOPERATIEVE RABOBANK 0.31 180724	10,000,000	EUR	10,008,216	0.68
ENEL FINANCE INT NV ZCP 310124	9,000,000	EUR	8,939,207	0.61
FERROVIAL SE ZCP 180124	5,000,000	EUR	4,965,981	0.34
STELLANTIS 3.75 16-24 29/03A	1,544,000	EUR	1,543,050	0.10
TENNET HOLDING BV ZCP 180324	23,000,000	EUR	22,772,549	1.54
			<b>93,823,589</b>	<b>6.35</b>
<b>Norway</b>				
DNB BANK A OIEST 08-11-24	20,000,000	EUR	20,011,702	1.36
			<b>20,011,702</b>	<b>1.36</b>
<b>Spain</b>				
BANCO BILBAO VIZCAYA 1.125 19-24 28/02A	11,400,000	EUR	11,350,581	0.77
BANCO BILBAO VIZCAYA ZCP 200524	19,500,000	EUR	19,118,662	1.29
IBERDROLA FINANZAS 1.00 16-24 07/03A	19,700,000	EUR	19,600,712	1.33
			<b>50,069,955</b>	<b>3.39</b>
<b>Sweden</b>				
ASSA ABLOY FIN ZCP 080524	14,500,000	EUR	14,236,311	0.96
			<b>14,236,311</b>	<b>0.96</b>
<b>United Kingdom</b>				
BARCLAYS BANK PLC 0.4 290824	13,000,000	EUR	13,015,365	0.88
LLOYDS BANK CORP E 0.3 201124	10,000,000	EUR	9,999,086	0.68
STANDARD CHARTERED 0.28% 19-02-24	12,000,000	EUR	12,009,957	0.81
			<b>35,024,408</b>	<b>2.37</b>
<b>United States of America</b>				
FISERV INC ZCP 080224	4,000,000	EUR	3,973,159	0.27
FISERV INC ZCP 150224	10,000,000	EUR	9,932,535	0.67
FISERV INC ZCP 220224	13,500,000	EUR	13,420,734	0.91
VERIZON COMMUNICATION 1.625 14-24 01/03A	9,200,000	EUR	9,166,374	0.62
			<b>36,492,802</b>	<b>2.47</b>
<b>Total bonds</b>			<b>684,903,459</b>	<b>46.39</b>
<b>Floating rate notes</b>				
<b>Canada</b>				
BANK OF MONTREAL FL.R 23-25 06/06Q	26,000,000	EUR	26,075,140	1.77
BANK OF NOVA SC FL.R 23-25 12/12Q	7,800,000	EUR	7,806,864	0.53
BANK OF NOVA SCOTIA FL.R 23-25 02/05Q	33,000,000	EUR	33,067,815	2.24
CAN IMP BK E3R FL.R 22-24 26/01Q	3,000,000	EUR	3,001,365	0.20
CAN IMP BK FL.R 23-25 09/06Q	5,000,000	EUR	5,007,350	0.34
CANADIAN IMPERIAL FL.R 23-25 24/01Q	24,000,000	EUR	24,056,640	1.63
NATL BANK OF CAN FL.R 22-24 01/02Q	5,000,000	EUR	5,002,475	0.34
NATL BANK OF CANADA FL.R 23-25 13/05Q	21,000,000	EUR	21,034,755	1.42
ROYAL BANK OF CANADA FL.R 23-25 17/01Q	40,000,000	EUR	40,078,600	2.71
TORONTO DOMINION BANK FL.R 23-25 20/01Q	49,000,000	EUR	49,112,210	3.33
			<b>214,243,214</b>	<b>14.51</b>
<b>France</b>				
BNP PARIBAS FL.R 17-24 07/06Q	27,386,000	EUR	27,465,967	1.86
BNP PARIBAS FL.R 23-25 24/02Q	21,000,000	EUR	21,038,010	1.42
COMPAGNIE DE SAINT G FL.R 23-24 18/07Q	22,000,000	EUR	22,008,470	1.49

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Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Money Market Euro

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
SG FL.R 23-25 13/01Q	38,000,000	EUR	38,082,080	2.58
SOCIETE GENERALE FL.R 17-24 22/05Q	10,000,000	EUR	10,024,350	0.68
			<b>118,618,877</b>	<b>8.03</b>
<b>Germany</b>				
MERCEDES-BENZ GROUP FL.R 17-24 03/07Q	3,900,000	EUR	3,908,385	0.26
			<b>3,908,385</b>	<b>0.26</b>
<b>Netherlands</b>				
ABB FINANCE FL.R 22-24 31/03Q	2,473,000	EUR	2,476,536	0.17
ABN AMRO BK FL.R 23-25 10/01Q	32,500,000	EUR	32,573,613	2.21
SIEMENS FINANCIE FL.R 23-25 18/12Q	12,200,000	EUR	12,221,594	0.83
SIKA CAPITAL BV FL.R 23-24 01/11Q	12,000,000	EUR	12,005,460	0.81
			<b>59,277,203</b>	<b>4.01</b>
<b>Spain</b>				
BANCO SANTANDER FL.R 23-25 16/01Q	30,000,000	EUR	30,099,600	2.04
BANCO SANTANDER SA FL.R 22-24 05/05Q	18,000,000	EUR	18,058,320	1.22
			<b>48,157,920</b>	<b>3.26</b>
<b>Sweden</b>				
SKANDINAVISKA ENSKIL FL.R 23-25 13/06Q	7,000,000	EUR	7,020,230	0.48
			<b>7,020,230</b>	<b>0.48</b>
<b>United Kingdom</b>				
LLOYDS BANKING GROUP FL.R 17-24 21/06Q	13,000,000	EUR	13,035,425	0.88
			<b>13,035,425</b>	<b>0.88</b>
<b>United States of America</b>				
BANK OF AMERICA CORP FL.R 21-25 24/05Q	33,000,000	EUR	33,146,190	2.24
CATERPILLAR FIN FL.R 23-25 08/12Q	16,300,000	EUR	16,316,626	1.11
KRAFT HEINZ FOODS CO FL.R 23-25 09/05Q	5,067,000	EUR	5,073,359	0.34
PROLOGIS EURO FINANCE FL.R 22-24 08/02Q	2,000,000	EUR	2,000,840	0.14
			<b>56,537,015</b>	<b>3.83</b>
<b>Total floating rate notes</b>			<b>520,798,269</b>	<b>35.27</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,205,701,728</b>	<b>81.66</b>
<b>Undertakings for Collective Investment</b>				
<b>Shares/Units in investment funds</b>				
<b>France</b>				
CANDRIAM MONÉTAIRE SICAV Z C	45,000	EUR	68,943,149	4.67
			<b>68,943,149</b>	<b>4.67</b>
<b>Luxembourg</b>				
CANDRIAM MONEY MARKET USD SUSTAINABLE Z C	14,500	USD	15,678,088	1.06
CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	54,500	EUR	59,354,860	4.02
			<b>75,032,948</b>	<b>5.08</b>
<b>Total Shares/Units in investment funds</b>			<b>143,976,097</b>	<b>9.75</b>
<b>Total Undertakings for Collective Investment</b>			<b>143,976,097</b>	<b>9.75</b>
<b>Total investment portfolio</b>			<b>1,349,677,825</b>	<b>91.41</b>
Acquisition cost			1,344,251,363	

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Money Market Euro

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

France	22.39
Canada	16.54
Netherlands	10.37
Luxembourg	7.28
Spain	6.65
United States of America	6.30
Belgium	4.90
Japan	3.51
United Kingdom	3.26
Italy	1.88
Germany	1.54
Sweden	1.44
Finland	1.36
Norway	1.36
Australia	1.35
Denmark	1.02
Ireland	0.27
	<b>91.41</b>

### Economic breakdown (in % of net assets)

Banks and other financial institutions	66.96
Investments funds	10.69
Bonds of States, Provinces and municipalities	3.92
Utilities	3.09
Real estate	1.99
Chemicals	1.93
Building materials	1.49
Communication	0.62
Road vehicles	0.37
Foods and non alcoholic drinks	0.34
Hotels and restaurants	0.01
	<b>91.41</b>



## Candriam Money Market Euro AAA

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Australia</b>				
AUST AND NEW ZEALAND ZCP 080324	15,000,000	EUR	14,855,184	1.17
NATIONAL AUSTR 0.3 081124	10,000,000	EUR	10,000,942	0.79
TOYOTA FIN. AUSTR. ZCP 130624	20,000,000	EUR	19,631,331	1.55
			<b>44,487,457</b>	<b>3.51</b>
<b>Belgium</b>				
BELFIUS BANK SA NV ZCP 120424	10,000,000	EUR	9,801,826	0.77
BELGIUM TREAS BILL ZCP 070324	50,000,000	EUR	49,654,590	3.92
BRUSSELS MUNICIPALIT ZCP 100124	10,400,000	EUR	10,387,302	0.82
BRUSSELS MUNICIPALIT ZCP 150124	15,000,000	EUR	14,950,128	1.18
BRUSSELS MUNICIPALIT ZCP 220124	10,100,000	EUR	10,066,423	0.79
			<b>94,860,269</b>	<b>7.48</b>
<b>Canada</b>				
BANK OF MONTREAL LDN FL.R 12-11-24	10,000,000	EUR	9,999,685	0.79
BANK OF MONTREAL LDN FL.R 12-11-24	15,000,000	EUR	14,995,828	1.18
TOR DOM BK LDN BR 0.16 310524	15,000,000	EUR	15,004,856	1.18
TORONTO DOMINION BK 0.375 19-24 25/04A	18,000,000	EUR	17,799,210	1.40
			<b>57,799,579</b>	<b>4.56</b>
<b>Denmark</b>				
JYSKE BANK DNK ZCP 040124	40,000,000	EUR	39,961,138	3.15
			<b>39,961,138</b>	<b>3.15</b>
<b>Finland</b>				
OP CORPORATE BK ZCP 150124	2,500,000	EUR	2,470,110	0.19
			<b>2,470,110</b>	<b>0.19</b>
<b>France</b>				
0138984KERING F ZCP 060224	10,000,000	EUR	9,900,086	0.78
ALLI B OISEST+0.23% 22-07-24	5,000,000	EUR	5,003,600	0.39
ALLIANZ BANQUE SA 0.22 190424	5,000,000	EUR	5,004,931	0.39
ALLIANZ BQ 0.2 111024	5,000,000	EUR	4,999,322	0.39
ALLIANZ BQ 0.23 041024	5,000,000	EUR	4,999,602	0.39
ALLIANZ BQ 0.23 230824	5,000,000	EUR	5,001,537	0.39
BFCM 0.125 19-24 05/02Y	2,800,000	EUR	2,789,738	0.22
BPCE (ISSUER) 0.32 111024	10,000,000	EUR	10,000,107	0.79
BPCE OISEST+0.33% 19-07-24	10,000,000	EUR	10,005,002	0.79
BPCE SA 0.33 110924	5,000,000	EUR	5,001,273	0.39
CADES 2.375 13-24 25/01A	6,000,000	EUR	5,994,900	0.47
CMCIFRPA 0.3 190724	10,000,000	EUR	10,001,899	0.79
CMCIFRPA 0.3 230824	5,000,000	EUR	5,000,487	0.39
CMCIFRPA 0.32 300824	5,000,000	EUR	5,001,103	0.39
DASSAULT SYSTEMES ZCP 040324	35,000,000	EUR	34,654,579	2.73
FRAN TREA BILL BTF ZCP 20-03-24	15,000,000	EUR	14,881,081	1.17
FRAN TREA BILL BTF ZCP 31-01-24	25,000,000	EUR	24,848,376	1.96
FRANCE TREASURY BILL ZCP 170124	10,000,000	EUR	9,920,905	0.78
L OREAL S A 0.375 22-24 29/03A	25,000,000	EUR	24,790,750	1.96
LA BQUE POST 0.15 260224	15,000,000	EUR	15,002,495	1.18
LVMH MOET HENNESSY L 0 20-24 11/02A	33,000,000	EUR	32,868,495	2.59
PARIS (VILLE DE) ZCP 020124	13,000,000	EUR	12,960,579	1.02
PARIS (VILLE DE) ZCP 190124	15,000,000	EUR	14,952,674	1.18
REGION HAUTS DE FRA ZCP 250124	17,000,000	EUR	16,935,143	1.34
SNCF RESEAU 4.50 09-24 30/01A	30,000,000	EUR	30,009,000	2.37
SOCIETE GENERALE 0.07 310124	20,000,000	EUR	20,000,000	1.58
SOCIETE GENERALE 0.3 230824	5,000,000	EUR	5,002,144	0.39
			<b>345,529,808</b>	<b>27.26</b>
<b>Germany</b>				
DEUTSCHE BOERSE AG ZCP 170124	13,000,000	EUR	12,882,726	1.02
			<b>12,882,726</b>	<b>1.02</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Money Market Euro AAA

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Ireland</b>				
CATERPILLAR INT. FIN ZCP 210324	14,000,000	EUR	13,865,238	1.09
ZURICH FINANCE IRE ZCP 240124	10,000,000	EUR	9,899,814	0.78
			<b>23,765,052</b>	<b>1.87</b>
<b>Netherlands</b>				
ABN AMRO BANK 0.875 19-24 15/01A	3,000,000	EUR	2,995,845	0.24
BANK V.NED.GEM. 1.125 14-24 04/09A	10,164,000	EUR	10,010,524	0.79
BMW FINANCE REGS 0.75 16-24 15/04A	2,498,000	EUR	2,475,418	0.20
BMW ZCP 290124	20,000,000	EUR	19,930,982	1.57
COOPERATIEVE RABOBANK 0.28 081124	15,000,000	EUR	14,999,680	1.18
COOPERATIEVE RABOBANK 0.31 180724	10,000,000	EUR	10,008,273	0.79
DUTC TREA CERT ZCP 30-01-24	50,000,000	EUR	49,850,172	3.93
J.P. MORGAN SEC LLC ZCP 190124	25,000,000	EUR	24,919,251	1.97
LINDE FINANCE BV ZCP 080124	8,000,000	EUR	7,940,983	0.63
SIEMENS FINANCIERING 0.3 19-24 28/02A	8,000,000	EUR	7,953,480	0.63
TOYOTA MOTOR FIN ZCP 290124	15,000,000	EUR	14,898,456	1.18
			<b>165,983,064</b>	<b>13.09</b>
<b>Norway</b>				
DNB BANK A OISEST 08-11-24	25,000,000	EUR	25,014,739	1.97
			<b>25,014,739</b>	<b>1.97</b>
<b>Spain</b>				
SPAI LETR DEL TESO ZCP 12-01-24	35,000,000	EUR	34,855,573	2.75
			<b>34,855,573</b>	<b>2.75</b>
<b>Sweden</b>				
SVENSKA HANDELSBANKEN ZCP 020524	20,000,000	EUR	19,605,966	1.55
SVENSKA HANDELSBANKEN ZCP 040624	14,000,000	EUR	13,727,589	1.08
			<b>33,333,555</b>	<b>2.63</b>
<b>United Kingdom</b>				
BARCLAYS BANK PLC 0.4 290824	5,000,000	EUR	5,005,945	0.39
LLOYDS BANK 0.0 170124	1,000,000	EUR	1,000,212	0.08
LLOYDS BANK 0.33 270924	15,000,000	EUR	15,007,841	1.18
STANDARD CHARTERED 0.28% 19-02-24	4,000,000	EUR	4,003,389	0.32
TRANSPORT FOR LONDON ZCP 040124	20,000,000	GBP	22,930,568	1.81
			<b>47,947,955</b>	<b>3.78</b>
<b>United States of America</b>				
JOHNSON & JOHNSON 0.65 16-24 20/05A	6,100,000	EUR	6,029,057	0.48
PRAXAIR INC 1.20 16-24 12/02A	2,410,000	EUR	2,401,794	0.19
PROCTER AND GAMBLE C ZCP 050124	25,000,000	EUR	24,765,216	1.95
			<b>33,196,067</b>	<b>2.62</b>
<b>Total bonds</b>			<b>962,087,092</b>	<b>75.89</b>
<b>Floating rate notes</b>				
<b>Canada</b>				
ROYAL BK CANADA FL.R 22-24 31/01Q	21,882,000	EUR	21,880,249	1.73
			<b>21,880,249</b>	<b>1.73</b>
<b>Finland</b>				
OP CORPORATE BANK PLC FL.R 21-24 18/01Q	4,850,000	EUR	4,852,037	0.38
			<b>4,852,037</b>	<b>0.38</b>
<b>France</b>				
BFCM EMTN FL.R 14-24 18/03Q	1,900,000	EUR	1,894,547	0.15
L OREAL S A E3R+ F.LR 22-24 29/03Q	9,100,000	EUR	9,112,058	0.72
			<b>11,006,605</b>	<b>0.87</b>
<b>Germany</b>				
MERCEDES-BENZ GROUP FL.R 17-24 03/07Q	4,600,000	EUR	4,608,510	0.36
			<b>4,608,510</b>	<b>0.36</b>
<b>Sweden</b>				
VOLVO TREASURY AB FL.R 22-24 11/01Q	3,600,000	EUR	3,600,504	0.28
			<b>3,600,504</b>	<b>0.28</b>
<b>Total floating rate notes</b>			<b>45,947,905</b>	<b>3.62</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Money Market Euro AAA

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,008,034,997</b>	<b>79.52</b>
<b>Total investment portfolio</b>			<b>1,008,034,997</b>	<b>79.52</b>
Acquisition cost			1,007,988,221	





## Candriam Money Market Euro AAA

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

France	28.13
Netherlands	13.09
Belgium	7.48
Canada	6.29
United Kingdom	3.78
Australia	3.51
Denmark	3.15
Sweden	2.91
Spain	2.75
United States of America	2.62
Norway	1.97
Ireland	1.87
Germany	1.38
Finland	0.58
	<b>79.52</b>

### Economic breakdown (in % of net assets)

Banks and other financial institutions	53.40
Bonds of States, Provinces and municipalities	11.92
Pharmaceuticals	3.15
Other	2.84
Textiles and garments	2.59
Miscellaneous consumer goods	1.95
Transportation	1.81
Real estate	1.02
Road vehicles	0.65
Chemicals	0.19
	<b>79.52</b>



## Candriam Money Market USD Sustainable

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Belgium</b>				
KBC BANK N.V ZCP 120224	7,000,000	USD	6,813,657	4.72
			<b>6,813,657</b>	<b>4.72</b>
<b>Canada</b>				
TORONTO DOMINION ZCP 240124	2,500,000	USD	2,375,343	1.64
			<b>2,375,343</b>	<b>1.64</b>
<b>France</b>				
BANQUE FED CRED 0.6500 20-24 27/02S	2,696,000	USD	2,676,063	1.85
CMCIFRPA ZCP 090524	5,000,000	USD	4,863,957	3.37
LA BQUE POST ZCP 310724	5,000,000	USD	4,800,294	3.32
VEOLIA ENVIRONNEMENT ZCP 120324	10,000,000	USD	9,720,276	6.73
			<b>22,060,590</b>	<b>15.27</b>
<b>Ireland</b>				
JOHNSON CONTROLS 3.625 16-24 02/07S	4,000,000	USD	3,959,720	2.74
			<b>3,959,720</b>	<b>2.74</b>
<b>Japan</b>				
JAPA TREA DISC BIL ZCP 09-01-24	375,000,000	JPY	2,661,880	1.84
JAPA TREA DISC BIL ZCP 19-02-24	900,000,000	JPY	6,386,765	4.42
JAPAN TREASURY DISC ZCP 110324	450,000,000	JPY	3,193,321	2.21
			<b>12,241,966</b>	<b>8.47</b>
<b>Luxembourg</b>				
HP ENTERPRISE CO 5.90 23-24 01/10S	3,138,000	USD	3,144,637	2.18
			<b>3,144,637</b>	<b>2.18</b>
<b>Netherlands</b>				
ABN AMRO BANK NV ZCP 020224	4,000,000	USD	3,798,480	2.63
COOPERATIEVE RABOBANK ZCP 161224	8,000,000	USD	7,611,926	5.27
COOPERATIEVE RABOBANK ZCP 25-07-24	2,000,000	USD	1,892,603	1.31
ENEL FINANCE INTL 2.65 19-24 10/09S	803,000	USD	785,683	0.54
			<b>14,088,692</b>	<b>9.75</b>
<b>Norway</b>				
DNB BANK ASA ZCP 060224	5,000,000	USD	4,753,430	3.29
			<b>4,753,430</b>	<b>3.29</b>
<b>Spain</b>				
BANCO BILBAO VIZCAYA ZCP 180124	5,000,000	USD	4,967,143	3.44
			<b>4,967,143</b>	<b>3.44</b>
<b>United Kingdom</b>				
ABN AMRO BANK NV ZCP 220124	5,000,000	EUR	5,434,239	3.76
RECKITT B TSY SERV 2.75 17-24 26/06S	2,200,000	USD	2,169,255	1.50
VODAFONE GROUP 3.75 18-24 16/01S	3,650,000	USD	3,647,865	2.52
			<b>11,251,359</b>	<b>7.79</b>
<b>United States of America</b>				
AMERICAN EXPRESS CO 3.375 22-24 03/05S	2,399,000	USD	2,380,504	1.65
AMGEN INC 3.625 14-24 22/05S	3,805,000	USD	3,776,386	2.61
APPLE 3.00 17-24 09/02S	1,859,000	USD	1,854,102	1.28
ASTRAZENECA FINANCE 0.7 21-24 28/05S	5,512,000	USD	5,407,327	3.74
BECTON DICKINSON 3.363 17-24 06/06S	3,009,000	USD	2,978,383	2.06
CVS HEALTH CORP 5.0 16-24 01/12S	2,759,000	USD	2,746,115	1.90
FIDELITY NATIONAL IN 0.6 21-24 02/03S	3,725,000	USD	3,688,868	2.55
FISERV INC 2.75 19-24 07/01S	2,500,000	USD	2,462,825	1.70
GENERAL MILLS 3.65 14-24 15/02S	1,249,000	USD	1,245,803	0.86
HP ENTERPRISE CO 1.45 20-24 01/04S7/07S	3,000,000	USD	2,968,020	2.05
KROGER CO 4.0 14-24 01/02S	7,000,000	USD	6,989,010	4.84
THE WALT DISNEY COMP 1.75 19-24 30/08S	2,307,000	USD	2,252,636	1.56
THERMO FISHER SCIENTI 1.125 21-24 18/10S	1,556,000	USD	1,507,717	1.04
TOYOTA MOTOR CREDIT 0.625 21-24 13/09S	1,557,000	USD	1,507,838	1.04
VERIZON COMMUNICATIO 0.75 21-24 22/03S	2,808,000	USD	2,778,642	1.92
			<b>44,544,176</b>	<b>30.83</b>

The accompanying notes form an integral part of the financial statements.  
Any differences in the percentage of Net Assets are the result of roundings.



## Candriam Money Market USD Sustainable

Investment portfolio as at December 31, 2023

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Total bonds</b>			<b>130,200,713</b>	<b>90.12</b>
<b>Floating rate notes</b>				
<b>United States of America</b>				
AMEX SOFRIND FL.R 22-24 03/05Q	1,100,000	USD	1,100,501	0.76
			<b>1,100,501</b>	<b>0.76</b>
<b>Total floating rate notes</b>			<b>1,100,501</b>	<b>0.76</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>131,301,214</b>	<b>90.88</b>
<b>Total investment portfolio</b>			<b>131,301,214</b>	<b>90.88</b>
Acquisition cost			130,021,007	



## Candriam Money Market USD Sustainable

Geographical and economic breakdown of investments as at December 31, 2023

### Geographical breakdown (in % of net assets)

United States of America	31.59
France	15.27
Netherlands	9.75
Japan	8.47
United Kingdom	7.79
Belgium	4.72
Spain	3.44
Norway	3.29
Ireland	2.74
Luxembourg	2.18
Canada	1.64
	<b>90.88</b>

### Economic breakdown (in % of net assets)

Banks and other financial institutions	47.01
Bonds of States, Provinces and municipalities	8.47
Pharmaceuticals	6.58
Office supplies and computing	5.51
Retail trade and department stores	4.84
Communication	4.45
Miscellaneous consumer goods	4.24
Miscellaneous services	3.76
Internet and internet services	2.55
Graphic art and publishing	1.56
Electronics and semiconductors	1.04
Foods and non alcoholic drinks	0.86
	<b>90.88</b>



## Notes to the financial statements - Schedule of derivative instruments

### Forward foreign exchange contracts

As at December 31, 2023, the following forward foreign exchange contracts were outstanding:

#### Candriam Money Market Euro AAA

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	23,253,967	GBP	20,000,000	04/01/2024	Barclays Bank Ireland Plc	258,524
						<b>258,524</b>

#### Candriam Money Market USD Sustainable

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in USD)
USD	5,480,273	EUR	5,000,000	22/01/2024	Société Générale	(47,513)
USD	6,115,384	JPY	900,600,000	20/02/2024	Société Générale	(318,331)
USD	2,543,505	JPY	375,300,000	09/01/2024	Société Générale	(121,380)
USD	3,107,093	JPY	450,182,000	11/03/2024	UBS Europe SE	(118,736)
						<b>(605,960)</b>

#### Candriam Money Market Euro

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	50,299,615	JPY	8,075,150,000	19/02/2024	Barclays Bank Ireland Plc	(1,825,300)
EUR	16,121,896	USD	17,125,000	05/01/2024	UBS Europe SE	621,099
						<b>(1,204,201)</b>

Please refer to Note 7 for collateral received/posted in relation with the forward foreign exchange contracts.



## Other notes to the financial statements

### Note 1 - General Information

Candriam Money Market (the "SICAV") was incorporated for an unlimited term on November 16, 1987 under the name "BIL GLOBAL FUND" as an investment company with variable capital (SICAV) in accordance with the laws of the Grand Duchy of Luxembourg. Its minimum capital is EUR 1,250,000. Its Articles of Incorporation were published in the "Mémorial, Recueil des Sociétés et Associations" (the "Mémorial") on December 11, 1987. The SICAV is entered in the Register of Trade and Companies of Luxembourg under Number B-26803.

On May 30, 1990, the SICAV changed its name to "BIL Money Market Fund", its Articles of Incorporation were amended, and the capital denominated in BEF. On February 1, 1999, the SICAV changed its name to "Dexia Money Market". On May 16, 2014 the SICAV changed its name to "Candriam Money Market".

On January 27, 1999, the Articles of Incorporation were amended and the capital denominated in EUR. The amendments were published in the "Mémorial".

A coordinated version of the Articles of Incorporation was filed at the Register of Trade and Companies of and in Luxembourg. They have been modified for the last time on July 6, 2020, the corresponding modifications have been published in the "Recueil Electronique des Sociétés et Associations".

The SICAV and all its sub-funds classify themselves as Money Market Funds and have been authorised by the CSSF in accordance with the MMF Regulation. They are thus registered as Money Market Funds on the official list of UCIs in accordance with the Law of 2010.

In compliance with the Regulation, the following information is already made available to investors at least on a weekly basis on the website of the Management Company [www.candriam.com](http://www.candriam.com):

- i) the maturity breakdown of the investment portfolio of the sub-funds;
- ii) the credit profile of the sub-funds;
- iii) the weighted average maturity and weighted average life of the sub-funds;
- iv) details of the 10 largest holdings in the sub-funds;
- v) the total value of the assets of the sub-funds;
- vi) the net yield of the sub-funds.

The management company is monitoring the situation very closely in order to manage it in the best interest of the shareholders.

The following sub-funds are currently available to investors:

<u>Sub-funds</u>	<u>Reference currency</u>
Candriam Money Market Euro	EUR
Candriam Money Market USD Sustainable	USD
Candriam Money Market Euro AAA	EUR

The issued share classes are the following:

- The **Classique class (C class)**, which is available to individuals and legal entities.
- The **I class** is reserved solely for institutional investors.
- The **R class**, is 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.
- The **R2 class** is reserved to:
  - 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.
- The **S Class** is available only to institutional investors specially approved by the Management Company, and has a minimum initial subscription of EUR 100,000,000. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on any given valuation date.
- The **V Class** is reserved exclusively for institutional investors whose minimum initial subscription is EUR 30,000,000. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same valuation date.
- The **Z class** is reserved to:
  - 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.



## Other notes to the financial statements

### Note 1 - General Information (Continued)

Furthermore, a currency hedging process may be applied to the Share Classes:

- **Base currency hedged share classes:**

These hedged share classes aim to reduce the effect of exchange rate fluctuations between the base currency of the sub-fund and the currency in which the hedged share class is denominated.

The aim of this type of hedging is for the performance of the hedged share class to be reasonably comparable (after adjusting for the difference in interest rates between the two currencies) to the performance of a share class denominated in the sub-fund's base currency. This type of hedging is identified with the suffix H added in the denomination of the share class.

- **Asset hedged share classes:**

These hedged share classes aim to reduce the effect of exchange rate fluctuations between the currencies in which a sub-fund's investments are held and the currency of the hedged share class. This type of hedging is identified with the suffix AH added in the denomination of the share class.

In the frame of the Sustainable Finance Disclosure Regulation (SFDR), information on environmental and/or social characteristics and/or sustainable investments is available in the relevant annexes under the (unaudited) Sustainable Finance Disclosure Regulation section.

### Note 2 - Principal accounting policies

The financial statements of the SICAV are prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment. Some small discrepancies might appear in some totals or sub-totals in the financial statements due to rounding rules.

The net asset values used for the purpose of the financial statements are dated December 31, 2023.

Sub-funds Candriam Money Market Euro and Candriam Money Market USD Sustainable: the net asset value of each sub-fund has been calculated on January 2, 2024 on the basis of the last known prices at the time of the valuation.

Sub-fund Candriam Money Market Euro AAA: the net asset value of the sub-fund has been calculated on December 31, 2023 on the basis of the last known prices at the time of the valuation.

#### a) Valuation of each sub-fund's portfolio

The valuation of any security admitted for trading to an official listing or any other normally operating regulated market which is recognised and open to the public is based on the last price known in Luxembourg on the valuation date or, if this stock is traded on several markets, on the last known price on the principal market on which it is traded. If the last known price is not representative, the valuation shall be based on the probable realisation value as estimated by the Board of Directors with prudence and good faith. Securities which are neither quoted nor traded on a stock market or any other normally operating regulated market which is recognised and open to the public shall be valued on the basis of the probable realisation value as estimated with due prudence and good faith. All other assets shall be valued by the directors on the basis of the probable realisation value which must be estimated in good faith and according to generally accepted principles and procedures.

In line with the SICAV's valuation policy, 40.22% of assets were valued on a model basis as at December 29, 2023 for the sub-fund Candriam Money Market Euro, 50.37% for Candriam Money Market Euro AAA and 40.18% for Candriam Money Market USD Sustainable.

#### b) Net realised profits or losses on sales of investments

The realised profits or losses realised on sales of investments from each sub-fund are calculated based on the average cost of the investments sold.

#### c) Foreign currency translation

The values expressed in a currency other than the reference currency of each sub-fund are translated into that currency at the exchange rate prevailing at closing date.

Income and expenses in a currency other than the reference currency of each sub-fund are translated into that currency at the exchange rates prevailing at the transaction date.

The acquisition cost of securities in each sub-fund expressed in a currency other than the reference currency of the sub-fund is translated into that currency at the exchange rates prevailing at the day of purchase.

Exchange rates used as at December 31, 2023:

For the sub-funds Candriam Money Market Euro and Candriam Money Market USD Sustainable:

1 EUR =	1.618900	AUD	1 EUR =	0.929700	CHF	1 EUR =	0.866550	GBP	1 EUR =	11.132500	SEK
1 EUR =	1.456600	CAD	1 EUR =	7.454550	DKK	1 EUR =	155.733550	JPY	1 EUR =	1.104650	USD

For the sub-fund Candriam Money Market Euro AAA:

1 EUR =	0.928800	CHF	1 EUR =	7.453750	DKK	1 EUR =	0.869650	GBP	1 EUR =	1.110550	USD
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#### d) Combined financial statements of the SICAV

The combined statement of the SICAV's net assets and the combined statement of changes in net assets which are expressed in EUR are the sum of the statement of net assets, the statement of changes in net assets of each sub-fund converted into the currency of the SICAV using exchange rates prevailing at the closing date.



## Other notes to the financial statements

### Note 2 - Principal accounting policies (Continued)

The investments made by certain sub-funds of the SICAV in other sub-funds of the SICAV have not been eliminated from the combined statement of net assets as of December 31, 2023. As of December 31, 2023, the total of intra-SICAV investments amounted to EUR 15,678,088.00. Therefore, the combined net assets at the closing date would amount to EUR 2,859,229,158.00 if these intra-SICAV investments were eliminated.

Sub-funds	Intra-SICAV Investments	Amount (EUR)
Candriam Money Market Euro	CANDRIAM MONEY MARKET USD SUSTAINABLE Z C	15,678,088

#### e) Valuation of forward foreign exchange contracts

The forward foreign exchange contracts are valued on the basis of forward exchange rates prevailing at the closing date and applicable to the remaining period until the expiration date. The unrealised appreciation / (depreciation) on forward foreign exchange contracts is disclosed in the statement of net assets under "Net unrealised appreciation / (depreciation) on forward foreign exchange contracts".

Realised gains / (losses) and change in unrealised appreciation / depreciation resulting there from are included in the statement of changes in net assets respectively under "Net realised gain / (loss) on forward foreign exchanges contracts" and "Change in net unrealised appreciation / depreciation on forward foreign exchange contracts".

For the details of outstanding forward foreign exchange contracts, if any, please refer to the section "Notes to the financial statements - Schedule of derivative instruments".

#### f) Transaction costs

For the year ended December 31, 2023, the SICAV incurred transaction costs and broker's charges related to the purchase and sale of transferable securities, money market instruments, other eligible assets and derivatives instruments. Those charges are disclosed in the statement of changes in net assets under the heading "Transaction costs".

#### g) Income

Interest income is accrued pursuant to the terms of the underlying investment. Income is recorded net of respective withholding taxes, if any. Dividends are recognised on ex-date.

#### h) Abbreviations used in investment portfolio:

FL.R: Floating Rate Notes

ZCP: Zero Coupon

Q: Quarterly

A: Annual

S: Semi-Annual

### Note 3 - Management fees

Candriam, a partnership limited by shares under Luxembourg law whose registered office is located at SERENITY - Bloc B, 19-21, Route d'Arlon, L-8009 Strassen, has been appointed Management Company. An agreement to that effect was entered into for an unlimited term. Either party is entitled to terminate the agreement at any time by registered letter (with signed receipt requested) sent to the other party, subject to 90 days' notice.

Candriam is a subsidiary of Candriam Group, an entity of the New York Life Insurance Company group.

It is authorised as a Management Company of Chapter 15 of the law of December 17, 2010, concerning UCITS and is authorised to exercise the activities of collective portfolio management, investment portfolio management and to provide investment advisory services.

The Management Company is vested with the widest powers to carry out all actions relating to the management and administration of the SICAV within the scope of this purpose, in accordance with its articles of association. It is responsible for the portfolio management activities, administration activities (Administrative Agent, Transfer Agent (including the Register holding business)) and marketing activities (distribution).

The portfolio management function is performed directly by Candriam and/or by one or more of its branches : Candriam -Belgian Branch, Candriam - Succursale française, Candriam - UK Establishment.

The Management Company receives management fees as payment for its services, expressed as an annual percentage of the average net asset value. These fees are payable by the SICAV at the end of each month.

The rates applicable as at December 31, 2023 are as follows:

Sub-funds	Share class	Share type	ISIN	Management fee
Candriam Money Market Euro	C	Capitalisation	LU0093583077	0.50%
	C	Distribution	LU0093583234	0.50%
	I	Capitalisation	LU0206982331	0.20%
	R	Capitalisation	LU0936337848	0.20%
	R2	Distribution	LU1389877876	0.13%
	V	Capitalisation	LU0323048693	0.05%
	Z	Capitalisation	LU0391999124	0.00%





Other notes to the financial statements

**Note 3 - Management fees (Continued)**

Sub-funds	Share class	Share type	ISIN	Management fee
Candriam Money Market Euro AAA	C	Capitalisation	LU0354091653	0.45%
	C	Distribution	LU0354091737	0.45%
	I	Capitalisation	LU0354091901	0.14%
	I	Distribution	LU0354127358	0.14%
	R	Capitalisation	LU0936338655	0.14%
	V	Capitalisation	LU0354092115	0.05%
	V	Distribution	LU0354092206	0.05%
Candriam Money Market USD Sustainable	Z	Capitalisation	LU0391999470	0.00%
	C	Capitalisation	LU0049341216	0.50%
	C	Distribution	LU0094032728	0.50%
	I	Capitalisation	LU0206982414	0.20%
	I	Distribution	LU0355214700	0.20%
	V	Capitalisation	LU0323048347	0.06%
	Z	Capitalisation	LU0391999553	0.00%

The table hereafter reflects the maximum Management fee's annual rates applied as at December 31, 2023 to UCITS invested into by Candriam Money Market.

Target fund	Maximum rate
CANDRIAM MONÉTAIRE SICAV Z C	0.15%
CANDRIAM MONEY MARKET USD SUSTAINABLE Z C	0.00%
CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	0.00%

**Note 4 - Operating and Administrative Expenses**

The SICAV bears the current operating and administrative expenses incurred to cover all the overheads and variable expenses, the charges, fees and other expenses, as defined below ("Operating and Administrative Expenses").

The Operating and Administrative Expenses cover, but are not limited to, the following expenses:

a) the expenditures incurred directly by the SICAV, including, inter alia, the depositary fees and charges, the fees and expenses of the approved independent auditors, the cost of share class hedging, including that invoiced by the Management Company, the fees paid to the Directors and the reasonable expenses and outlays incurred by or for the Directors;

b) a "service fee" paid to the Management Company and including the remaining sum of the Operating and Administrative Expenses after deduction of the expenses detailed in section (a) above, that is, inter alia, the fees and expenses of the Domiciliary Agent, the Administrative Agent, the Transfer Agent and Register Holding and the Principal Paying Agent, the costs related to registration and maintenance of the registration in all the jurisdictions (such as the fees charged by the supervisory authorities concerned, the translation expenses and the remuneration of the Representatives abroad and the local paying agents), the cost of publishing the share prices, the postal and telecommunication charges, preparation cost, printing, translating and distributing the prospectuses, key investor information documents, notices to shareholders, financial reports or of any other document intended for the shareholders, the legal fees and expenses, the charges and expenses related to the taking out of any subscription/license or any other use of fee-paying information or data, the expenses incurred by the use of a registered trademark by the SICAV, the expenses and fees payable to the Management Company and/or its delegates and/or to any other agent appointed by the SICAV itself and/or to the independent experts.

The Operating and Administrative Expenses are expressed as an annual percentage of the average net asset value of each share class.

At the end of a given year, if the actual charges and expenses were to be higher than the percentage of Operating and Administrative Expenses set for a share class, then the Management Company would pay for the difference itself. Conversely, if the actual charges and expenses were to turn out to be lower than the percentage of Operating and Administrative Expenses set for a share class, then the Management Company would retain the difference.

The Management Company shall be entitled to instruct the SICAV to proceed to settle all or part of the expenses as listed above directly from its assets.

In such a case, the amount of the Operating and Administrative Expenses would be reduced accordingly.

They are payable monthly.

The maximum rates applicable as at December 31, 2023 are as follows:

Sub-funds	Share class	Share type	ISIN	Maximum rate
Candriam Money Market Euro	C	Distribution	LU0093583234	0.30%
	C	Capitalisation	LU0093583077	0.30%
	I	Capitalisation	LU0206982331	0.17%
	R	Capitalisation	LU0936337848	0.30%
	R2	Distribution	LU1389877876	0.30%
	V	Capitalisation	LU0323048693	0.17%
	Z	Capitalisation	LU0391999124	0.17%
Candriam Money Market Euro AAA	C	Distribution	LU0354091737	0.30%
	C	Capitalisation	LU0354091653	0.30%
	I	Distribution	LU0354127358	0.17%
	I	Capitalisation	LU0354091901	0.17%
	R	Capitalisation	LU0936338655	0.30%
	V	Distribution	LU0354092206	0.17%
	V	Capitalisation	LU0354092115	0.17%



## Other notes to the financial statements

### Note 4 - Operating and Administrative Expenses (Continued)

Sub-funds	Share class	Share type	ISIN	Maximum rate
Candriam Money Market Euro AAA (Continued)	Z	Capitalisation	LU0391999470	0.17%
Candriam Money Market USD Sustainable	C	Distribution	LU0094032728	0.25%
	C	Capitalisation	LU0049341216	0.25%
	I	Distribution	LU0355214700	0.16%
	I	Capitalisation	LU0206982414	0.16%
	V	Capitalisation	LU0323048347	0.16%
	Z	Capitalisation	LU0391999553	0.16%

### Note 5 - Subscription tax

The SICAV is governed by the Luxembourg tax laws.

By virtue of the legislation and regulations currently in force, the SICAV is subject in Luxembourg to an annual tax of 0.01%, which is payable quarterly and calculated on the net asset value of the SICAV at the end of each quarter. This rate is reduced to 0% for the classes reserved for institutional investors.

In addition, no subscription tax is due on the assets which the SICAV holds in units of other UCITS already subject to the subscription tax in Luxembourg.

The Belgian government enacted a law to tax once a year the net asset value of foreign investment funds registered in Belgium. This annual tax is calculated on the net amounts defined as invested in Belgium by Belgian financial intermediaries. In the absence of a sufficient declaration relating to these figures, the tax authority will be entitled to calculate the tax on the entirety of the assets of these sub-funds. The Belgian law of June 17, 2013 comprising fiscal and financial provisions and provisions relating to sustainable development set the rate of the annual tax for Undertakings for Collective Investment at 0.0925% with effect from January 1, 2014.

As a precautionary measure, the SICAV filed a claim with the Belgian tax authority and the Brussels Court of First Instance for the tax to be refunded. At this stage, it is not possible to prejudge the outcome of the dispute or any reimbursement in favour of the SICAV. In a similar case, the Belgian State appealed to the Court of Cassation against the Court of Appeal's rulings in favour of the plaintiff. The management company was informed that the Court of Cassation ruled against the plaintiff on March 25, 2022. The Court of Cassation (French-speaking chamber) considers that the Brussels Court of Appeal wrongly qualified the Belgian subscription tax as a wealth tax covered by the double taxation convention between Belgium and Luxembourg (which convention attributes the right to tax Luxembourg SICAVs only by Luxembourg and not by Belgium, which justified the claim for reimbursement of the Belgian subscription tax).

The case is referred back to the Court of Appeal of Liège which will be bound by the assessment taken by the Court of Cassation.

Another decision of the Court of Cassation (Dutch-speaking chamber) of April 21, 2022 does not dispute that the Belgian subscription tax is a wealth tax, but considers that the double taxation convention between Belgium and Luxembourg (unlike the one signed with the Netherlands) does not cover in its scope a wealth tax levied in Belgium.

The prospect of a refund is therefore limited and will in any case not be possible in the short term.

### Note 6 - Dividends

The SICAV distributed the following dividends during the period ended December 31, 2023:

Sub-funds	Share class	Currency	Dividend	Ex-date
Candriam Money Market Usd Sustainable	C	USD	0.29	27/04/2023
	I	USD	0.44	27/04/2023

### Note 7 - Collateral

In relation with the OTC derivative instruments, cash collateral has been both provided to and received from Barclays Bank PLC - Ireland - LC, Société Générale SA and UBS Europe SE (Brexit / ongoing) amounting to:

Sub-funds	Currency	Cash Collateral Posted	Cash Collateral held
Candriam Money Market Euro	EUR	(1,600,000)	710,000
Candriam Money Market USD Sustainable	USD	(440,000)	0

### Note 8 - Changes in portfolio composition

A list including the transactions (sales and purchases) in the investment portfolios is available free of charge at the SICAV's registered office.

### Note 9 - Subsequent event

There is no subsequent event.



### Additional unaudited information

#### **Global Risk Exposure**

As required by the CSSF Circular 11/512, the Board of Directors of the Company must determine the Company risk management method, using either the commitment approach or the VaR approach. The Board of Directors of the Company has chosen to adopt the commitment approach as the method for determining overall risk for all the Sub-Funds of the Company.

#### **Engagement & voting policies, use of voting rights**

The Management company does not exercise voting rights for the considered funds. For all engagement matters, we refer to the engagement policy and to the associated reports, all available on Candriam website: <https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>.



## Additional unaudited information

### Information concerning the remuneration policy

European Directive 2014/91/EU amending Directive 2009/65/EC on undertakings for collective investment in transferable securities, which is applicable to the SICAV, came into force on 18 March 2016. It is implemented in national law under the Luxembourg Act of 10 May 2016 implementing Directive 2014/91/EU. Due to these new regulations, the SICAV is required to publish information relating to the remuneration of identified employees within the meaning of the Act in the annual report.

Candriam holds a double license, first, as a management company in accordance with section 15 of the Law of December 17, 2010 on undertakings for collective investment and, second, as a manager of alternative investment funds in accordance with the Law of July 12, 2013 relating to alternative investment fund managers. The responsibilities incumbent on Candriam under these two laws are relatively similar and Candriam considers that its personnel is remunerated in the same manner for tasks relating to administration of UCITS and of alternative investment funds.

During its financial year ended on December 31, 2023, Candriam paid the following amounts to its personnel:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 17,425,254.
- Total gross amount of variable remunerations paid: EUR 6,348,617.
- Number of beneficiaries: 146.

Aggregate amount of remunerations, broken down between senior management and the members of the personnel of the investment manager whose activities have a significant impact on the funds risk profile. The systems of Candriam do not permit such an identification for each fund under management. The numbers below also show the aggregate amount of overall remunerations at Candriam.

- Aggregate amount of the remunerations of the senior management: EUR 5,155,684.
- Aggregate amount of the remunerations of the members of the personnel of Candriam whose activities have a significant impact on the risk profile of the funds of which it is the management company (excluding senior management): EUR 2,015,066.

Remunerations paid by Candriam to the personnel of its Belgian branch (i.e. Candriam – Belgian Branch), acting as investment manager, during the financial year ended on December 31, 2023:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 25,071,403.
- Total gross amount of variable remunerations paid: EUR 8,188,525.
- Number of beneficiaries: 245.

Aggregate amount of remunerations, broken down between senior management and the members of the personnel of the investment manager whose activities have a significant impact on the funds risk profile. The systems of the investment manager do not permit such an identification for each fund under management. The numbers below also show the aggregate amount of overall remunerations at the level of the investment manager.

- Aggregate amount of the remunerations of the senior management: EUR: 6,214,566
- Aggregate amount of the remunerations of the members of the personnel of the investment manager whose activities have a significant impact on the risk profile of the funds of which it is the investment manager (excluding senior management): EUR 4,602,623.

Remunerations paid by Candriam to the personnel of its French branch (i.e. Candriam – Succursale française), acting as investment manager(s), during the financial year ended on December 31, 2023:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 19,094,936.
- Total gross amount of variable remunerations paid: EUR 6,255,350.
- Number of beneficiaries: 202.

Aggregate amount of remunerations, broken down between senior management and the members of the personnel of the investment manager whose activities have a significant impact on the funds risk profile. The systems of the investment manager do not permit such an identification for each fund under management. The numbers below also show the aggregate amount of overall remunerations at the level of the investment manager.

- Aggregate amount of the remunerations of the senior management: EUR 4,298,365.
- Aggregate amount of the remunerations of the members of the personnel of the investment manager whose activities have a significant impact on the risk profile of the funds of which it is the investment manager (excluding senior management): EUR 3,422,966.

The remuneration policy was last reviewed by the remuneration committee of Candriam on January 29, 2021 and was adopted by the Board of Directors of Candriam



### Additional unaudited information

#### **Sustainable Finance Disclosure Regulation (SFDR)**

The sub-funds of the SICAV are falling under Art. 8 or 9 of SFDR and the respective information are disclosed at sub-fund level below.

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

YES

- It made **sustainable investments with an environmental objective**: \_\_\_%
- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- It made **sustainable investments with a social objective**: \_\_\_%

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 80.03% of sustainable investments
- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective
- It promoted E/S characteristics, but **did not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-fund have been achieved by:

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium.
- avoiding exposure to countries considered to be oppressive regimes
- achieving a lower carbon footprint than the benchmark
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### ● How did the sustainability indicators perform?

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

For sovereign issuers, these assessments are based on the analysis of the countries' management of their natural, human, social and economic capital. In addition, exclusion filters are used to screen out issuers that do not meet democratic and governance standards.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices for the corporates.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 20%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - Lower than absolute threshold (currently 140)	24.12		

### ● ... And compared to previous periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than absolute threshold (currently 140)	2022	64.12	

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Aligned with E/S characteristics	93.31%	90.49%
#2 Other	6.69%	9.80%
#1A Sustainable	80.03%	79.01%
#1B Other E/S characteristics	13.27%	11.47%
Taxonomy-aligned	0.00%	0.00%
Other environmental	46.48%	47.28%
Social	33.55%	31.73%

## **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to contribute to the reduction of greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 20%). It allowed the Sub-fund to exceed the objectives initially set.

However, the Sub-fund is not able to publish a percentage of alignment with the Taxonomy since a small number of companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

## **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Candriam ensured that those investments have not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers.

Based on its ESG Ratings and Scorings, Candriam's ESG methodology sets criteria and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, have not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of the principal adverse impacts is an essential part of Candriam's approach to sustainable investment. The principal adverse impacts were taken into account throughout the ESG research and analysis process and by means of

several methods.

For the analysis of companies, these methods include:

1. ESG ratings of companies: the ESG research and filtering methodology considers and evaluates the principal adverse impacts on sustainability from two distinct but related perspectives:

- the commercial activities of the issuers of the company and their positive or adverse impact on the main sustainability challenges such as climate change and resource depletion,
- the company's interactions with the main stakeholders.

2. Negative filtering of companies, consisting of a normative exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with the companies based on dialogue, helping to avoid or mitigate the adverse impacts. The ESG analysis framework and its results feed into Candriam's engagement policy and vice versa.

For the analysis of sovereign issuers, these methods include:

1. ESG ratings of countries: the ESG research and filtering methodology considers and evaluates the principal adverse impacts on sustainability from the perspective of four capitals of sustainable development:

- natural capital, evaluating how a country conserves and uses its natural resources in a sustainable way,
- human capital, measuring economic and creative productivity by evaluating levels of education and expertise, innovation, health, including sustainability issues,
- social capital, evaluating civil society and state institutions in each country, focusing on transparency and democracy, the effectiveness of government, corruption, inequality and population security,
- economic capital, evaluating a country's economic fundamentals in order to determine each government's capacity to finance and support sustainable development policies in the long term.

2. Negative filtering of countries comprising the following elements in particular:

- Candriam's list of highly oppressive regimes — States guilty of serious human rights violations.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry/sector to which the company belongs or for each country in order to ensure that a country's score adequately reflects the short, medium and long term problems, challenges and/or opportunities that matter for the future development of the country. This materiality depends on a number of elements including the type of information, the quality and scope of the data, applicability, relevance and geographical coverage.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



The sustainable investments of the Sub-fund have been compliant with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

They are subject to a norms-based controversy analysis that considers the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## How did this financial product consider principal adverse impacts on sustainability factors?

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdri/>)

### ENGAGEMENT

Our engagement policy is available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### DIALOGUE with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [\[https://www.netzeroassetmanagers.org/signatories/candriam/\]](https://www.netzeroassetmanagers.org/signatories/candriam/). Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

5 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [\[https://www.cdp.net/en\]](https://www.cdp.net/en), a large transparency survey feeding our investment processes : out of the 27 financial product's issuers targeted, 92.59% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 18 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [\[https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications\]](https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications).

Given the geopolitical context and observed increase in inequalities, 14 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 25 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### EXCLUSIONS

#### PAI10

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 1" company exclusion policy, companies that have committed the most serious violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**PAI16**

Our list of repressive regimes is made up of countries in which human rights are regularly violated, fundamental freedoms are systematically denied and personal safety is not guaranteed due to government failure and systematic ethical violations. We are also extremely vigilant with regard to totalitarian states or countries whose governments are involved in a war against their own people. To compile the list of repressive regimes, we rely on data provided by external sources, such as Freedom House's Index of Freedom in the World, the World Bank's Governance Indicators and the Economist Intelligence Unit's Democracy Index, which guide our qualitative examination of non-democratic countries.

For this list of countries, Candriam's analysts have developed processes that apply to both sovereign and corporate investments, including exclusion, mitigation and engagement processes based on our risk assessment. Candriam considers debt issued by sovereign or quasi-sovereign entities on the list of repressive regimes to be ineligible for investment.

Over the reference period, no additional sovereign issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
2 - Carbon Footprint	24.12	80.33%	83.12%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	83.48%	83.48%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	83.48%	83.48%
16 - Investee countries subject to social violations	0.00%	3.26%	3.26%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
CANDRIAM MONÉTAIRE SICAV	Banks and other financial institutions	4.63%	FRA
CANDRIAM SUS MONEY MARKET EURO Z EUR C	Banks and other financial institutions	4.56%	LUX
SG FL.R 23-25 13/01Q	Banks and other financial institutions	2.23%	FRA
TORONTO DOMINION BK FL.R 23-25 20/01Q	Banks and other financial institutions	2.04%	CAN
ROYAL BANK OF CANADA FL.R 23-25 17/01Q	Banks and other financial institutions	2.04%	CAN
ABN AMRO BK FL.R 23-25 10/01Q	Banks and other financial institutions	2.01%	NLD
BNP PARIBAS FL.R 17-24 07/06Q	Banks and other financial institutions	1.76%	FRA
BANK OF NOVA SCOTIA FL.R 23-25 02/05Q	Banks and other financial institutions	1.69%	CAN
BANCO SANTANDER FL.R 23-25 16/01Q	Banks and other financial institutions	1.53%	ESP
BANK OF MONTREAL FL.R 23-25 06/06Q	Banks and other financial institutions	1.42%	CAN
BANK OF AMERICA CORP FL.R 21-25 24/05Q	Banks and other financial institutions	1.18%	USA
THE TO OIEST+0.41% 14-11-23	Banks and other financial institutions	1.12%	GBR
BANK O OIEST+0.39% 14-11-23	Banks and other financial institutions	1.12%	GBR
JYSK B OIEST+0.32% 20-11-23	Banks and other financial institutions	1.11%	DNK
NATIONAL AUST BK LDN 0.27 101123	Banks and other financial institutions	1.11%	GBR

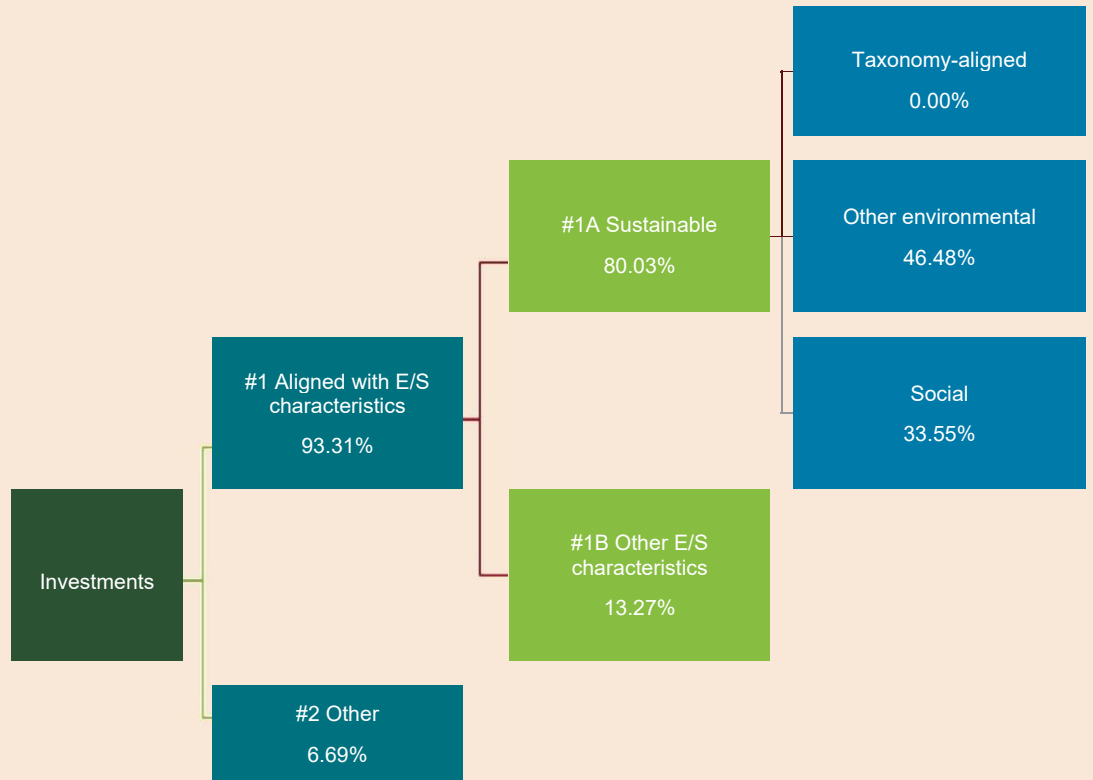
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



## What was the proportion of sustainability-related investments?

**Asset allocation** describes the share of investments in specific assets.

### ● What was the asset allocation?



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

<b>Top sector</b>	<b>% of Assets</b>
Banks and other financial institutions	74.51%
Bonds of States, Provinces and municipalities	2.57%
Investments funds	2.44%
Internet and internet services	2.35%
Utilities	2.29%
Building materials	2.01%
Communication	1.91%
Tobacco and alcoholic drinks	1.76%
Machine and apparatus construction	1.21%
Non Classifiable Institutions	1.07%
Real estate	1.06%
Tires and rubber	0.94%
Chemicals	0.89%
Electrical engineering	0.86%
Road vehicles	0.78%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting the green operational activities of investee companies.

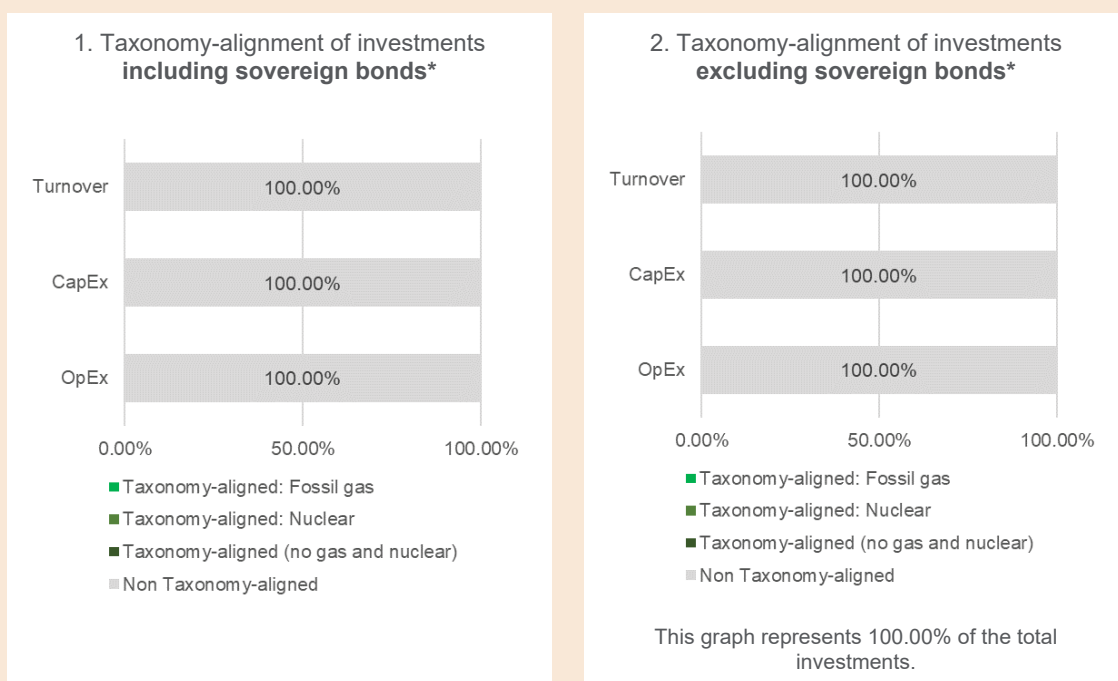


## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

● **What is the breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy

Therefore, this percentage is considered as nul.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

 **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The Sub-Fund had a share of 46.48% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-fund had a share of investments with a social objective of 33.55%

 **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Other" are present in the Sub-fund for 6.69% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments have been sold during the period or considered as other investments;
- Other investments (including single name derivatives) purchased for diversification purposes, which do not meet environmental or social characteristics or which may not be subject to an ESG screening or for which ESG data was not available. These investments have respected the good governance;
- Non single name derivatives used for exposition and hedging purposes.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The financial product aims to achieve a carbon footprint that is lower than 140 Tons CO<sub>2</sub>eq per million € invested.

Over the reference period, the financial product emitted 24.12 Tons CO<sub>2</sub>eq per million € invested.

Compared to the previous year, the financial product's carbon footprint has decreased by 62.38%.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.





## How did this financial product perform compared to the reference benchmark?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

YES

- It made **sustainable investments with an environmental objective**: \_\_\_%
- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- It made **sustainable investments with a social objective**: \_\_\_%

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 81.54% of sustainable investments
  - with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - with a social objective
- It promoted E/S characteristics, but **did not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics promoted by the Sub-fund have been achieved by:

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium.
- avoiding exposure to countries considered to be oppressive regimes
- achieving a lower carbon footprint than the benchmark
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### ● How did the sustainability indicators perform?

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

For sovereign issuers, these assessments are based on the analysis of the countries' management of their natural, human, social and economic capital. In addition, exclusion filters are used to screen out issuers that do not meet democratic and governance standards.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices for the corporates.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 20%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - Lower than absolute threshold (currently 140)	50.27		

### ● ... And compared to previous periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than absolute threshold (currently 140)	2022	14.41	

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	Proportion of Investments
	2023	2022
#1 Aligned with E/S characteristics	88.58%	93.18%
#2 Other	11.42%	6.82%
#1A Sustainable	81.54%	85.20%
#1B Other E/S characteristics	7.05%	7.98%
Taxonomy-aligned	0.00%	0.00%
Other environmental	49.79%	52.64%
Social	31.75%	32.56%

## **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to contribute to the reduction of greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 20%). It allowed the Sub-fund to exceed the objectives initially set.

However, the Sub-fund is not able to publish a percentage of alignment with the Taxonomy since a small number of companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

## **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Candriam ensured that those investments have not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers.

Based on its ESG Ratings and Scorings, Candriam's ESG methodology sets criteria and minimum thresholds to identify those issuers that qualify as 'sustainable investment' and, in particular, have not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of the principal adverse impacts is an essential part of Candriam's approach to sustainable investment. The principal adverse impacts were taken into account throughout the ESG research and analysis process and by means of

several methods.

For the analysis of companies, these methods include:

1. ESG ratings of companies: the ESG research and filtering methodology considers and evaluates the principal adverse impacts on sustainability from two distinct but related perspectives:

- the commercial activities of the issuers of the company and their positive or adverse impact on the main sustainability challenges such as climate change and resource depletion,
- the company's interactions with the main stakeholders.

2. Negative filtering of companies, consisting of a normative exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with the companies based on dialogue, helping to avoid or mitigate the adverse impacts. The ESG analysis framework and its results feed into Candriam's engagement policy and vice versa.

For the analysis of sovereign issuers, these methods include:

1. ESG ratings of countries: the ESG research and filtering methodology considers and evaluates the principal adverse impacts on sustainability from the perspective of four capitals of sustainable development:

- natural capital, evaluating how a country conserves and uses its natural resources in a sustainable way,
- human capital, measuring economic and creative productivity by evaluating levels of education and expertise, innovation, health, including sustainability issues,
- social capital, evaluating civil society and state institutions in each country, focusing on transparency and democracy, the effectiveness of government, corruption, inequality and population security,
- economic capital, evaluating a country's economic fundamentals in order to determine each government's capacity to finance and support sustainable development policies in the long term.

2. Negative filtering of countries comprising the following elements in particular:

- Candriam's list of highly oppressive regimes — States guilty of serious human rights violations.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry/sector to which the company belongs or for each country in order to ensure that a country's score adequately reflects the short, medium and long term problems, challenges and/or opportunities that matter for the future development of the country. This materiality depends on a number of elements including the type of information, the quality and scope of the data, applicability, relevance and geographical coverage.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The sustainable investments of the Sub-fund have been compliant with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

They are subject to a norms-based controversy analysis that considers the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## How did this financial product consider principal adverse impacts on sustainability factors?

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdri/>)

### ENGAGEMENT

Our engagement policy is available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### DIALOGUE with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.

Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [\[https://www.netzeroassetmanagers.org/signatories/candriam/\]](https://www.netzeroassetmanagers.org/signatories/candriam/). Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

2 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [\[https://www.cdp.net/en\]](https://www.cdp.net/en), a large transparency survey feeding our investment processes : out of the 9 financial product's issuers targeted, 88.89% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 5 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [\[https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications\]](https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications).

Given the geopolitical context and observed increase in inequalities, 7 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 9 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

### EXCLUSIONS

#### PAI10

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 1" company exclusion policy, companies that have committed the most serious violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises. .

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**PAI16**

Our list of repressive regimes is made up of countries in which human rights are regularly violated, fundamental freedoms are systematically denied and personal safety is not guaranteed due to government failure and systematic ethical violations. We are also extremely vigilant with regard to totalitarian states or countries whose governments are involved in a war against their own people. To compile the list of repressive regimes, we rely on data provided by external sources, such as Freedom House's Index of Freedom in the World, the World Bank's Governance Indicators and the Economist Intelligence Unit's Democracy Index, which guide our qualitative examination of non-democratic countries.

For this list of countries, Candriam's analysts have developed processes that apply to both sovereign and corporate investments, including exclusion, mitigation and engagement processes based on our risk assessment. Candriam considers debt issued by sovereign or quasi-sovereign entities on the list of repressive regimes to be ineligible for investment.

Over the reference period, no additional sovereign issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
2 - Carbon Footprint	50.27	61.97%	66.14%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	64.82%	66.22%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	64.51%	66.28%
16 - Investee countries subject to social violations	0.00%	20.29%	20.49%



## What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
KBC BANK NV ZCP 030723	Banks and other financial institutions	2.14%	BEL
NESTLE FIN ZCP 30-06-23	Banks and other financial institutions	1.60%	LUX
SANTAN CONS FIN S.A. ZCP 130423	Banks and other financial institutions	1.44%	ESP
OP CORPORATE BANK ZCP 29-09-23	Banks and other financial institutions	1.30%	FIN
FRAN TREA BILL BTF ZCP 23-08-23	Bonds of States, Provinces and municipalities	1.28%	FRA
EURO UNIO BILL ZCP 07-04-23	Supranational Organisations	1.08%	BEL
MUFG BANK LTD ZCP 030423	Banks and other financial institutions	1.08%	GBR
REGION HAUTS DE FRA ZCP 200723	Bonds of States, Provinces and municipalities	1.07%	FRA
DUTC TREA CERT ZCP 29-06-23	Bonds of States, Provinces and municipalities	1.07%	NLD
AIR LIQUIDE FINANCE ZCP 041023	Banks and other financial institutions	1.02%	FRA
NRW.BANK ZCP 091023	Banks and other financial institutions	1.02%	DEU
0473820FRENCH R ZCP 100124	Bonds of States, Provinces and municipalities	1.01%	FRA
PARIS (VILLE DE) ZCP 200423	Bonds of States, Provinces and municipalities	1.01%	FRA
SVENSKA HANDELSBANK ZCP 170423	Banks and other financial institutions	1.00%	SWE
DUTC TREA CERT ZCP 30-01-24	Banks and other financial institutions	0.99%	NLD

Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.

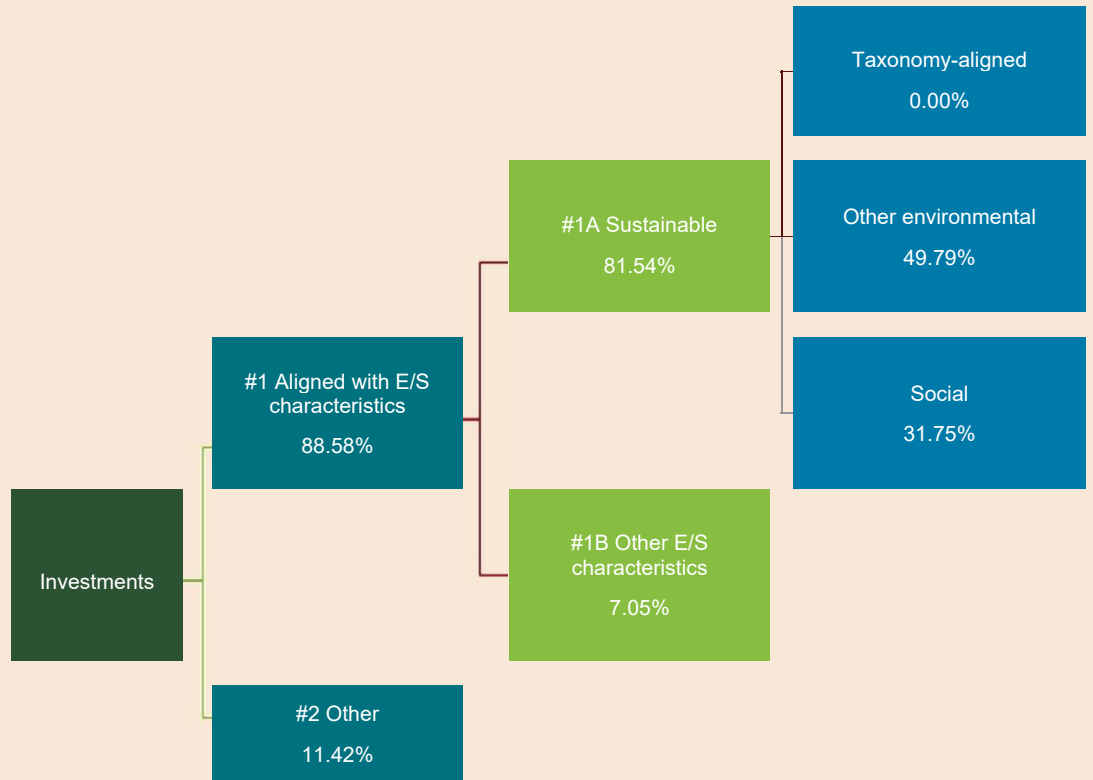




## What was the proportion of sustainability-related investments?

**Asset allocation** describes the share of investments in specific assets.

### ● What was the asset allocation?



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

<b>Top sector</b>	<b>% of Assets</b>
Banks and other financial institutions	69.44%
Bonds of States, Provinces and municipalities	15.12%
Miscellaneous consumer goods	3.49%
Insurance	1.99%
Pharmaceuticals	1.48%
Miscellaneous services	1.25%
Supranational Organisations	1.08%
Non Classifiable Institutions	1.07%
Utilities	0.98%
Retail trade and department stores	0.87%
Real estate	0.76%
Other	0.71%
Internet and internet services	0.60%
Machine and apparatus construction	0.57%
Transportation	0.45%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting the green operational activities of investee companies.

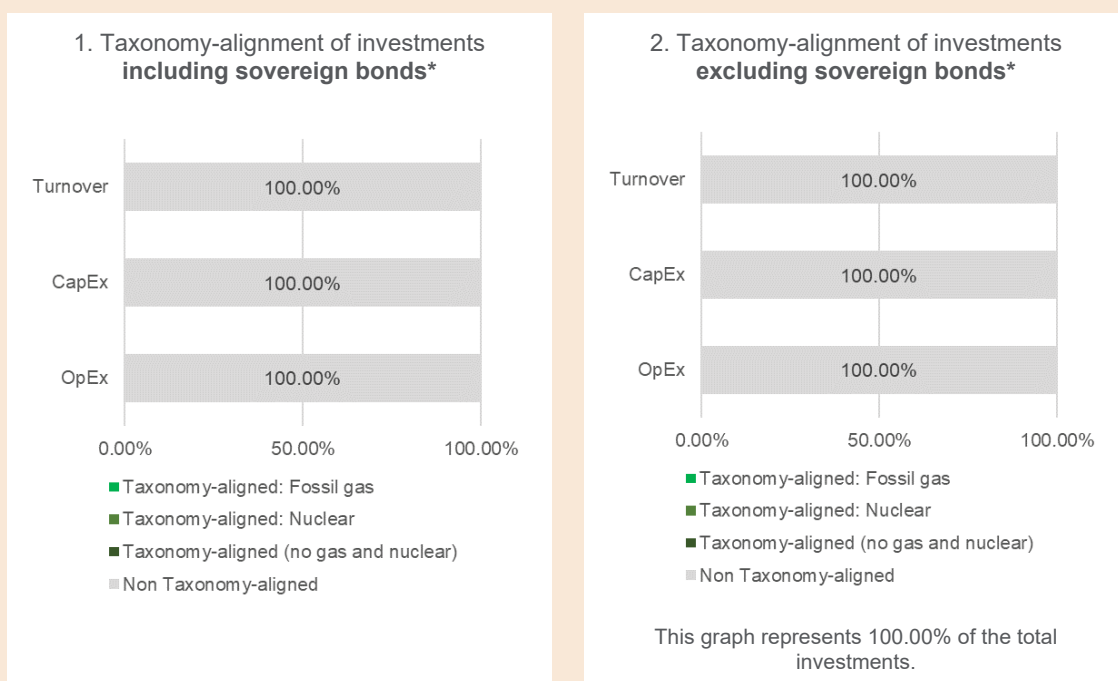


## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

**Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>**

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

● **What is the breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy

Therefore, this percentage is considered as nul.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The Sub-Fund had a share of 49.79% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

● **What was the share of socially sustainable investments?**

The Sub-fund had a share of investments with a social objective of 31.75%

● **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Other" are present in the Sub-fund for 11.42% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments have been sold during the period or considered as other investments;
- Other investments (including single name derivatives) purchased for diversification purposes, which do not meet environmental or social characteristics or which may not be subject to an ESG screening or for which ESG data was not available. These investments have respected the good governance;
- Non single name derivatives used for exposition and hedging purposes.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The financial product aims to achieve a carbon footprint that is lower than 140 Tons CO2eq per million € invested.

Over the reference period, the financial product emitted 50.27 Tons CO2eq per million € invested.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.



## How did this financial product perform compared to the reference benchmark?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund

## Sustainable investment objective

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?	
<p><input checked="" type="checkbox"/> <b>YES</b></p>	<p><input type="checkbox"/> <b>NO</b></p>
<p><input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 48.67%</b></p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 43.83%</b></p>	<p><input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>



### To what extent was the sustainable investment objective of this financial product met?

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Carbon footprint : the Sub-fund aimed to have a carbon footprint below a determined absolute threshold.
- ESG score : the Sub-fund aimed to have a weighted average ESG score , including corporate and sovereign issuers, which results from Candriam's proprietary ESG analysis , that is higher than 50 (on a scale from 0 to 100).

Moreover, the following indicators were monitored:

- to assure that there are no investments in issuers that are in violation with the OECD Guidelines for Multinational Enterprises or the UN Global Compact.
- to assure that there are no investments in issuers that are on the Candriam's SRI Level 3 exclusion list as a result of the application of the Candriam's Exclusion Policy.
- to assure that there are no sovereign investments in countries that are on Candriam's Oppressive regime list
- to assure that there are no sovereign investments in countries considered "Not free" by Freedom House.

### How did the sustainability indicators perform?

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

For the selection of sustainable investments, the portfolio manager has taken into account ESG assessments of issuers, produced by Candriam's ESG analyst team.

For companies, these assessments are based on the analysis of the company's interactions with its key stakeholders and the analysis of its business activities and their impact, positive or negative, on key sustainability challenges such as climate change and resource depletion. In addition, Candriam's ESG analysis includes exclusion filters based on compliance with international standards and involvement in controversial activities.

For sovereign issuers, these assessments are based on the analysis of the countries' management of their natural, human, social and economic capital. In addition, exclusion filters are used to screen out issuers that do not meet democratic and governance standards.

Candriam's ESG research and analysis for sustainable investments also assesses the compliance of investments with the "do no harm" principle to a sustainable investment objective and with good governance practices for the corporates.

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 75%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

The Sub-Fund's reference benchmark has not been designated for the purpose of attaining the sustainable investment objective of the Sub-Fund.

The Sub-Fund's reference benchmark does not qualify as an EU Climate Transition Benchmark or an EU Paris-Aligned Benchmark under Title III, Chapter 3a, of Regulation (EU) 2016/1011.

However, the Sub-Fund aimed to have a carbon footprint below a determined absolute threshold.

Moreover, Candriam being part of the Net Zero Asset Management initiative, the Sub-Fund aimed to reduce greenhouse gas emissions in line with the objectives of the Paris Agreement

Sustainability KPI Name	Portfolio	Benchmark	New indicator
Carbon Footprint - Corporate - Scope 1&2 - Lower than absolute threshold (currently 100)	32.62		
ESG Score - Country and Corporate - Higher than 50	56.86		

### ● ... And Compared to Previous Periods?

The sub-fund has also been managed in line with its sustainability indicators.

Sustainability KPI Name	Year	Portfolio	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than absolute threshold (currently 100)	2022	15.81	
ESG Score - Country and Corporate - Higher than 5	2022	56.18	

The asset allocation of the financial product has evolved over the years.

Investment Category	Proportion of Investments	
	2023	2022
#1 Sustainable	92.50%	90.46%
#2 Not sustainable	7.50%	11.55%
Environmental	48.67%	46.32%
Social	43.83%	44.14%
Taxonomy-aligned	0.00%	0.00%
Other	48.67%	46.32%

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

## **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments do not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology sets clear requirements and minimum thresholds to identify those issuers - companies and sovereigns - that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

The 'Do not significant harm' principle, in particular, was assessed for corporates through:

- the consideration of "principal adverse impacts"
- the alignment with the OECD Guidelines for Multinational Enterprises and the UN Global Compact to ensure minimum environmental & social safeguards.

For more details, refer to the section below on the consideration of principal adverse impacts on sustainability factors.

## **How were the indicators for adverse impacts on sustainability factors taken into account?**

The consideration of adverse impacts is central to Candriam's sustainable investment approach. Principal adverse impacts were taken into account throughout the entire ESG research and analysis process and through a wide range of methods:

For the analysis of corporate issuers, these methods include:

1. ESG rating of corporates: the ESG research and screening methodology considers and assesses the principal adverse impact on sustainability from two distinct, but interlinked, angles:

- the company's issuers' business activities and how they impact, either positively or negatively, key sustainable challenges such as climate change and resource depletion;
- company's interactions with key stakeholders.

2. Negative screening of companies, which includes a norms-based exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with companies, through dialogue and voting activities, which contribute to avoiding or reducing the extent of the adverse impacts. The ESG analysis framework and its results feed our engagement process, and vice versa.

For the analysis of sovereign issuers, these methods include:

1. Country ESG Scores: the ESG research and screening methodology considers and assesses key negative sustainability impacts around four sustainability dimensions: Natural capital, Human capital, Social capital, and Economic capital.

2. Negative Country Screening, which includes the following:

- Candriam's list of highly oppressive regimes -States with serious human rights violations;
- Freedom House's World Freedom Index - states considered "not free".

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector/ to which the company belongs and for each country to ensure that a country's score adequately reflects the short, medium and long-term problems, challenges and/or opportunities that matter for that country's future development. This materiality depends on several elements, such as the type of information, quality and extent of data, applicability, relevance and geographical coverage.

## **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Sub-fund's investments were subject to a norms-based controversy analysis that considered the compliance with the international social, human, environmental and anti-corruption standards, as defined by the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises. The International Labour Organisation and International Bill of Human Rights are part of the many international references integrated into our norms-based analysis and ESG model.

This analysis aimed to exclude companies that have significantly and repeatedly breached any of these principles.



## **How did this financial product consider principal adverse impacts on sustainability factors?**

At Financial Product level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means: voting, dialogue, exclusions and/or monitoring (cfr. Candriam's PAI statement: <https://www.candriam.com/en/private/sfdr/>)

### **ENGAGEMENT**

Our engagement policy is available on Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

### **DIALOGUE** with corporate issuers

This financial product is invested in corporate issuers. Below statistics refer to engagement activities we have performed with these corporate issuers.



Climate (PAI1 to PAI6) is obviously central in our exchanges with companies. Priorities of Climate-engagement on the corporate side are identified taking into account :

- issuers presenting a weak transition profile (proprietary risk transition model), and/or still highly carbon intensive (Scope 1-2) or with large Scope 3 emissions
- issuers from financial sectors still largely exposed to fossil fuel and with a key role in financing the transition
- relative exposure of managed portfolios to the above issuers.

Candriam has joined in November 2021 the Net Zero Asset Management Initiative [<https://www.netzeroassetmanagers.org/signatories/candriam/>]. Through engagement, our objective is to encourage companies to publicly report on how they align with a 1.5D trajectory and to encourage such an alignment. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue.

2 issuers in the financial product are actually part of the priority targets of Candriam Net Zero Engagement campaign.

In addition, we continue to actively support CDP Climate [<https://www.cdp.net/en>], a large transparency survey feeding our investment processes : out of the 19 financial product's issuers targeted, 100% have properly filled the last survey. Filled surveys give us access to updated and more accurate Scope 1-2-3 emissions' data.

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 2 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (Publications | Candriam) [<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>].

Given the geopolitical context and observed increase in inequalities, 15 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

Inclusion is not to be outdone, with 17 issuers, of the portfolio having been more specifically engaged on topics related to PAI 12 (Unadjusted gender pay gap) or PAI 13 (Board gender diversity).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2023, other PAI such as biodiversity-related ones may also have been addressed in our dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

## **EXCLUSIONS**

### **PAI3**

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 354 gCO<sub>2</sub>/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment. Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5D limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.

The carbon intensity (PAI 3) threshold for the product in 2023 was established at 354 gCO<sub>2</sub>/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

### **PAI4**

Exposure to fossil fuels (PAI 4) undergoes stringent exclusions across all Candriam sustainable funds. Thermal coal, recognized for its detrimental impact and serious financial and sustainability implications, poses systemic and reputational risks that financial benefits cannot outweigh.

Companies deriving more than 5% of their sales from coal mining, coal-fired power generation, and coal-related operations such as exploration, processing, transport, and distribution are automatically excluded.

Additionally, companies exceeding a 5% threshold of revenue from conventional oil and gas activities, including exploration, extraction, refining, and transportation, are ineligible for investment. Similarly, entities with over 5% exposure to unconventional oil and gas activities are also excluded.

Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding the 5% threshold of exposure to thermal coal activities, supplementing the previously excluded entities.

Furthermore, no additional issuer(s) lost their eligibility due to surpassing the 5% threshold of exposure to conventional oil and gas activities, while no additional issuer(s) lost their eligibility for exceeding the 5% threshold of exposure to unconventional oil and gas activities.

### **PAI10**

In accordance with PAI10 Candriam's normative analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). Our norms based analysis incorporates various international references, including the United Nations Declaration of Human Rights, ILO Fundamental Conventions, and OECD Guidelines for Multinational Enterprises, ensuring comprehensive coverage of human rights, labor standards, corruption, and discrimination.

In Candriam's "Level 3" SRI exclusion policy, companies with severe to very severe violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**PAI14**

Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.

Over the reference period, no additional issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded, due to their involvement in these activities.

**PAI16**

Our list of repressive regimes is made up of countries in which human rights are regularly violated, fundamental freedoms are systematically denied and personal safety is not guaranteed due to government failure and systematic ethical violations. We are also extremely vigilant with regard to totalitarian states or countries whose governments are involved in a war against their own people. To compile the list of repressive regimes, we rely on data provided by external sources, such as Freedom House's Index of Freedom in the World, the World Bank's Governance Indicators and the Economist Intelligence Unit's Democracy Index, which guide our qualitative examination of non-democratic countries.

For this list of countries, Candriam's analysts have developed processes that apply to both sovereign and corporate investments, including exclusion, mitigation and engagement processes based on our risk assessment. Candriam considers debt issued by sovereign or quasi-sovereign entities on the list of repressive regimes to be ineligible for investment.

Over the reference period, no additional sovereign issuer(s) directly covered became ineligible for the financial product, in addition to those previously excluded.

**MONITORING:** calculation and evaluation of the principal adverse impact indicators

Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the Financial Product. See below the results of the indicators of this Financial Product

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	2,690.30	74.78%	86.16%
Scope 2 GHG Emissions	775.94	74.78%	86.16%
Total GHG Emissions	3,466.25	74.78%	86.16%
2 - Carbon Footprint	32.62	74.78%	86.16%
3 - GHG intensity of investee companies	59.57	74.78%	86.16%
4 - Exposure to companies active in fossil fuel sector	2.79%	85.11%	86.29%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	86.26%	86.26%
13 - Board gender diversity	38.04%	63.43%	86.23%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	86.26%	86.26%
15 - GHG intensity	272.31	4.70%	4.70%
16 - Investee countries subject to social violations	0.00%	4.70%	4.70%



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01/01/2023 - 31/12/2023.

Largest investments	Sector	% of Assets	Country
DANONE 144A 2.589 16-23 02/11S	Foods and non alcoholic drinks	4.26%	FRA
DNB BANK ASA ZCP 060224	Banks and other financial institutions	3.73%	NOR
KELLANOVA 2.65 16-23 01/12S	Foods and non alcoholic drinks	3.53%	USA
DAIMLER TRUCKS 1.1250 21-23 14/12S	Machine and apparatus construction	3.36%	USA
TORONTO DOMINION ZCP 240124	Banks and other financial institutions	3.32%	CAN
0031911VEOLIA E ZCP 120324	Banks and other financial institutions	3.25%	FRA
ABN AMRO BANK NV ZCP 020224	Banks and other financial institutions	2.99%	NLD
JYSKE BANK DNK ZCP 081123	Banks and other financial institutions	2.94%	DNK
COOPERAT RABOBANK UA ZCP 160124	Banks and other financial institutions	2.90%	NLD
LA BANQUE POSTALE ZCP 060224	Banks and other financial institutions	2.90%	FRA
KBC BANK N.V ZCP 120224	Banks and other financial institutions	2.28%	BEL
MACQUARIE ZCP 01-08-23	Banks and other financial institutions	2.20%	AUS
BANK OF NOVA SCOTIA FL.R 20-23 15/09Q	Banks and other financial institutions	2.04%	CAN
BPCE FL.R 18-23 12/09Q	Banks and other financial institutions	1.90%	FRA
ABN AMRO BANK NV ZCP 220124	Miscellaneous services	1.78%	GBR

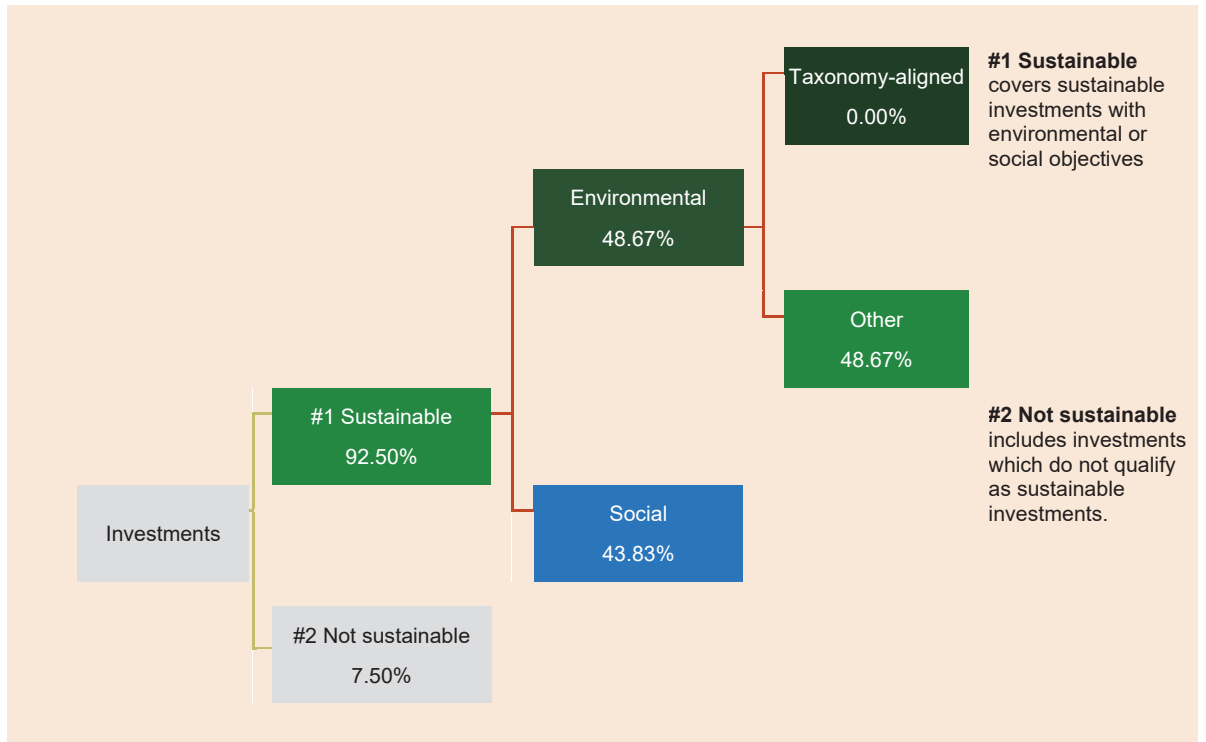
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## What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

### ● What was the asset allocation?



● **In which economic sectors were the investments made?**

<b>Top sector</b>	<b>% of Assets</b>
Banks and other financial institutions	60.07%
Foods and non alcoholic drinks	9.72%
Bonds of States, Provinces and municipalities	4.75%
Pharmaceuticals	4.57%
Machine and apparatus construction	3.36%
Internet and internet services	2.37%
Investments funds	2.21%
Electronics and semiconductors	2.08%
Miscellaneous consumer goods	2.05%
Office supplies and computing	1.86%
Miscellaneous services	1.78%
Communication	1.56%
Retail trade and department stores	1.22%
Real estate	0.82%
Textiles and garments	0.62%

*Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.*



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

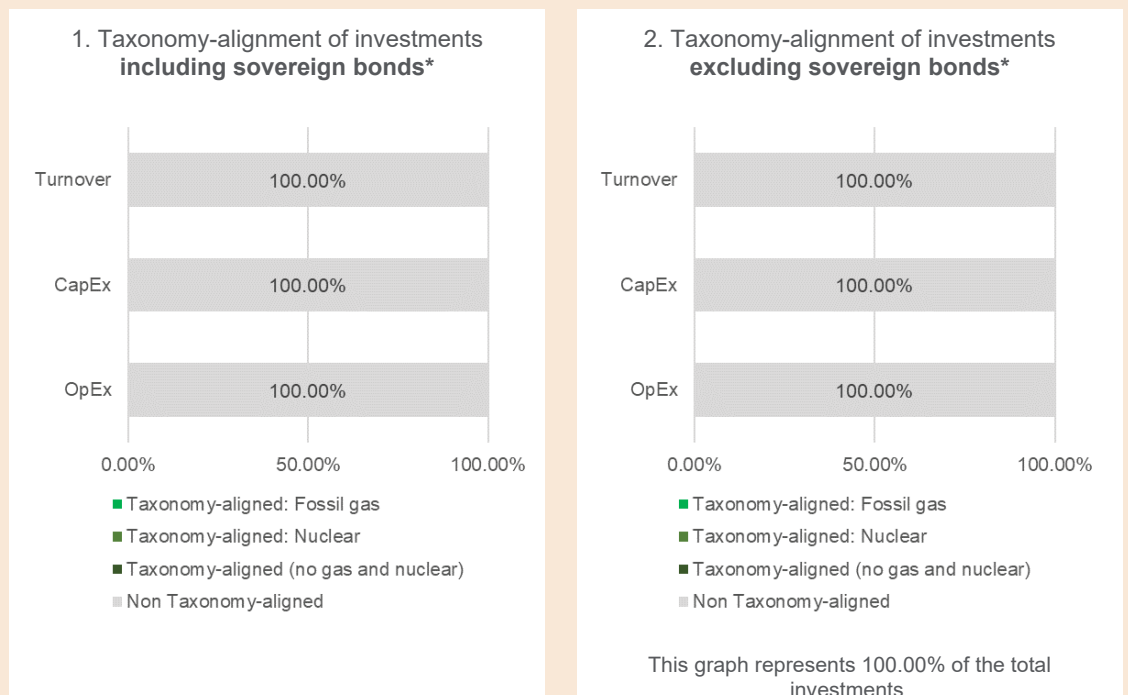
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?<sup>1</sup>

- Yes
- In fossil gas  In nuclear energy
- No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

<sup>1</sup>Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What was the share of investments made in transitional and enabling activities?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, nor on the transitional and enabling activities, as very few companies at global level provide the data necessary for a rigorous assessment their alignment with the Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Year	% EU Taxonomy Aligned
2023	0.00%
2022	0.00%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the breakdown of the proportion of the investments per each of the EU Taxonomy to which those investments contributed?**

The Sub-Fund is unable to publish a percentage of alignment with the Taxonomy, as very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

Therefore, this percentage is considered as nul.

 **What was the share of sustainable investments with an environmental objective that were not aligned with the EU taxonomy?**

The Sub-Fund had a share of 48.67% in sustainable investments with an environmental objective not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2023 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

 **What was the share of socially sustainable investments?**

The Sub-Fund had a share of investments with a social objective of 43.83%

 **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 7.5% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers considered as sustainable investments at the moment of the investment and that are not fully aligned anymore with the Candriam sustainable investment criteria. These investments have been sold during the period.
- Non single name derivatives used for exposition and hedging purposes.

These investments do not affect the delivery of the sustainable investment objectives of the Sub-Fund as they represent a minor proportion of its assets.

 **What actions have been taken to attain the sustainable investment objective during the reference period?**

The financial product aims to achieve a carbon footprint that is lower than 100 Tons CO2eq per million € invested.

Over the reference period, the financial product emitted 32.62 Tons CO2eq per million € invested.

The financial product has achieved its objective by favouring issuers with lower carbon footprint.

The financial product aims to achieve an ESG score, based on Candriam's proprietary ESG methodology, higher than an absolute threshold, currently set at 50.

Over the reference period, the financial product displayed an ESG score of 56.86.

In comparison to the previous year, the financial product overall ESG score is higher by 1.2%.

He financial product has achieved its objective by selectively favouring issuers that display a stronger ESG profile. More precisely, the financial product divested from 1 issuer(s) in Banks with deteriorating ESG score.





## How did this financial product perform compared to the reference sustainable benchmark?

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.