CANDRIAM
A NEW YORK LIFE INVESTMENTS COMPANY

PROSPECTUS

Candriam Diversified Futures

1 August 2022

I. GENERAL CHARACTERISTICS

Name: CANDRIAM DIVERSIFIED FUTURES

Legal form of the UCITS: Fonds Commun de Placement (FCP) under French law.

Creation date and anticipated term: Formed on 16/11/2009 for a term of 99 years. The management company was changed from Candriam France to Candriam on 1 July 2022.

Unit	ISIN code	Allocation of distributable income	Currency	Minimum amount of subscription		Original net asset value	Type of subscriber	Foreign exchange risk hedging
				initial *(*)*	subscriptions			
Classique	FR0010794792	Capitalisation	EUR	None	None	EUR 10,000.00	All subscribers	see risk profile
I	FR0010813105	Capitalisation	EUR	EUR 250,000.00	None	EUR 10,000.00	All subscribers	see risk profile
I in GBP	FR0013201894	Capitalisation	GBP	EUR 250,000.00 or the equivalent in GBP	None	GBP 10,000.00	All subscribers	Full and systematic against the euro
I in USD	FR0013446341	Capitalisation	USD	EUR 250,000.00 or equivalent in USD	None	USD 1,500.00	All subscribers	Full and systematic against the euro
N	FR0013202835	Capitalisation	EUR	None	None	EUR 150.00	Restricted to distributors	see risk profile
U	FR0013201886	Capitalisation	EUR	None	None	EUR 150.00	Restricted to life assurance products marketed in Italy	see risk profile
R	FR0013305190	Capitalisation	EUR	None	None	EUR 150.00	Financial intermediaries (including distributors and platforms) which: (i) have different arrangements with their clients for the provision of investment services in connection with the fund, and (ii) as a result of their applicable laws and regulations, are not entitled to receive duties, fees and other monetary benefits from the Management Company in connection with the provision of the above-mentioned investment services.	see risk profile
Z	FR0013245081	Capitalisation	EUR	None	None	EUR 1,000.00	UCIs approved by the Management Company and managed by an entity of the Candriam Group.	see risk profile

(*)The minimum initial subscription amount will not apply to the Management Company, to Candriam Group entities or funds managed by Group entities.

Place where the latest annual and interim reports can be obtained

The latest annual and interim reports will be sent to the unitholder within one week of a request to:

CANDRIAM
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen (Grand Duchy of Luxembourg)

Candriam – Succursale Française
40, rue Washington
75408 Paris Cedex 08
Tel: 01.53.93.40.00
www.candriam.com
contact: https://www.candriam.fr/contact/

For further clarification, please contact the Management Company at the address shown above.

Place where latest voting policy can be obtained

The "voting policy" document and the report on the conditions under which the voting rights were exercised can be consulted at the registered office of the Management Company or sent out to any holder who so requests from:

CANDRIAM
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen (Grand Duchy of Luxembourg)

Candriam – Succursale Française
40, rue Washington
75408 Paris Cedex 08
Tel: 01.53.93.40.00
www.candriam.com
contact: https://www.candriam.fr/contact/

In order to meet regulatory requirements, the Management Company may, over and above the legal publications, communicate the fund's portfolio composition to certain professional investors

In accordance with the provisions of the French law on the protection of persons with regard to the processing of personal data, and all applicable local laws and regulations, in each case, as amended, revised or replaced (including by operation of EU Regulation 2016/679, "GDPR"), the Management Company collects, stores and processes, by electronic or other means, the personal data of investors for the purpose of providing the services requested by the investors and complying with its legal and regulatory obligations. The personal data processed by the Management Company includes, in particular, the name, contact details (including postal or email address), the tax identification number (TIN), banking details, invested amount and holdings in the fund ("Personal Data"). The investor may at his/her discretion refuse to communicate Personal Data to the Management Company. In this case, however, the Management Company may reject a subscription application for units. Investors are entitled: (i) to consult their Personal Data (including, in certain cases, in a format in widespread use which is machine readable); (ii) to have their Personal Data corrected (if it is incorrect or incomplete); (iii) to have their Personal Data deleted if the Management Company or the fund no longer has a legitimate reason to process it; (iv) to impose a limit on the processing of their Personal Data; (v) to prevent their Personal Data being processed by the Management Company under certain circumstances; and (vi) to file a complaint with the relevant regulator by writing to the Management Company at the address of its registered office. Personal Data is processed, in particular, for the following purposes: processing subscriptions, redemptions and conversions of units and payments of dividends to investors; account administration; client relationship management; performing controls on excessive trading and market timing practices; tax identification as may be required under French or foreign laws and regulations (including laws and regulations relating to FATCA or CRS. CRS is the Common Reporting Standard, an information standard for the automatic exchange of information regarding bank accounts between tax authorities, developed by the OECD and implemented by Directive 2014/107/EU); and compliance with applicable anti-money laundering rules. Personal Data supplied by investors is also processed for the purpose of maintaining the register of unitholders of the fund. In addition, Personal Data may be processed for prospecting purposes. Investors have the right to object to the use of their Personal Data for prospecting purposes by writing to the fund. The Management Company may ask investors for their consent to collect or process their Personal Data on certain occasions, for example, for the purposes of marketing. The investors can withdraw this consent at any time. The Management Company also processes investors' Personal Data where necessary to fulfil its contract with the investors in question, or when required by law, such as if the fund receives a request from law enforcement or other government officials. The Management Company also processes investors' Personal Data when this is in its legitimate interests to do this and when these interests are not overridden by investors' data protection rights. For example, there is a legitimate interest in ensuring the effective operation of the fund.

Personal Data may be transferred to affiliates and third-party entities supporting the activities of the fund which include, in particular, the Management Company, administrator, depositary, transfer agent and distributors that are located in the European Union. Personal Data may also be transferred to entities which are located in countries outside the European Union and whose data protection laws do not necessarily guarantee an adequate level of protection. When subscribing for units, all investors expressly agree to the transfer and processing of their Personal Data to and by such entities, including those located outside the European Union, and in particular in those countries which do not necessarily guarantee an adequate level of protection. The Management Company or the fund may also transfer Personal Data to third parties such as governmental or regulatory bodies, including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the French tax authorities, which may in turn, acting as the data controller, disclose it to foreign tax authorities. Investors can obtain more detailed information about how the fund ensures that transfers of Personal Data comply with the GDPR by contacting the fund at the registered office of the Management Company. Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable legal minimum retention periods.

II. ORGANISATIONS

Management Company:
CANDRIAM
Approved by the CSSF on 1 April 2004 as a UCITS management company under the number S00000626 and registered since 3 July 2014 as an AIFM under the number A00000634
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen (Grand Duchy of Luxembourg)

Financial management is performed directly by CANDRIAM and/or by one or more of its branches, namely: .

Candriam – Succursale Française
40, rue Washington
75408 Paris Cedex 08

Candriam – Belgian Branch
Avenue des Arts 58
1000 Brussels (Belgium)

Depositary – custodian:
CACEIS BANK
Société Anonyme (Public Limited Company)

Registered office:	89-91 rue Gabriel Péri 92120 Montrouge
Postal address:	12, Place de Etats-Unis CS 40083 – 92549 Montrouge CEDEX

Principal activity: Bank and investment services provider authorised by CECEI on 1 April 2005.

The duties of the depositary, as defined in the applicable regulations, include the safekeeping of assets, compliance oversight of the Management Company's decisions, and liquidity monitoring of the FCP.
The depositary is independent of the Management Company.

A description of delegated safekeeping functions, the list of delegates and sub-delegates of CACEIS Bank France, and information about potential conflicts of interest arising from these delegations is available on the CACEIS website: www.caceis.com.

Up-to-date information is available to investors on request.

Auditors:
PRICEWATERHOUSECOOPERS Audit

Registered office and postal address:	63, rue de Villiers 92200 Neuilly Sur Seine
Signatory:	Amaury Couplez

Delegates:
Fund administration and accounting:
CACEIS Fund Administration

Registered office:	89-91 rue Gabriel Péri 92120 Montrouge
Postal address:	12, Place de Etats-Unis CS 40083 – 92549 Montrouge CEDEX

Management of liabilities and fund centralisation:
CACEIS BANK
Société Anonyme (Public Limited Company)

Registered office:	89-91 rue Gabriel Péri 92120 Montrouge
Postal address:	12, Place de Etats-Unis CS 40083 – 92549 Montrouge CEDEX

The Management Company CACEIS Bank is responsible, by delegation of the Management Company, for managing the liabilities of the FCP, including the centralisation and processing of subscription and redemption orders for units of the FCP.

Up-to-date information is available to investors on request.

Marketing agents:
CANDRIAM
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen (Grand Duchy of Luxembourg)
and/or by the branches of CANDRIAM.
Candriam may delegate the marketing of fund units to any third party duly authorised by it. As the fund is admitted to Euroclear France, its units may be purchased or redeemed from financial intermediaries that are not known to the Management Company.

Advisers:
None.

Conflicts of interest policy:
The Management Company has and maintains effective organisational and administrative procedures to identify, manage and monitor conflicts of interest.
The Management Company also has a delegate selection and monitoring procedure and a contractual policy designed to prevent all potential conflicts of interest.

1. GENERAL CHARACTERISTICS

Rights attached to the units:
Each unitholder has a right of co-ownership of the fund's assets that is proportional to the number of units held.

Entry in a register or note on liabilities holding arrangements:
The depositary is responsible for liability accounting. Euroclear France is responsible for the administration of the units.

Voting rights:
As the units of an FCP do not carry any voting rights, the decisions are made by the Management Company.

Form of the units:
Bearer shares.

Decimalisation:
Yes, each unit is divided into hundred thousandths.

Closing date:
Last net asset value in December.

Information on the tax regime:
The fund is not subject to corporate income tax. In accordance with the transparency principle, the tax authorities take the view that the holder is the direct holder of a fraction of the financial instruments and cash sums held by the fund. The tax regime applicable to the sums distributed by the fund or to the unrealised or realised capital gains or losses of the fund depends on the taxation provisions applicable to the investor and/or the fund jurisdiction. Investors are recommended to consult an adviser on this matter.

2. SPECIFIC PROVISIONS

Management objective:
Within the context of systematic investment, the fund's objective is to achieve an absolute performance net of all management fees exceeding the capitalised €STR index for euro denominated units, exceeding the capitalised SONIA index for GBP denominated units, and exceeding the capitalised EFFR index for USD denominated units, independent of trends on the international equities, interest rates, currencies and volatility markets by means of systematic quantitative strategies with an annualised target volatility of less than 12% under normal market conditions.

Benchmark index:
The fund is actively managed and the investment approach implies a reference to an index. The index used does not explicitly take sustainability criteria into account.

Index name	**Capitalised €STR** **Capitalised SONIA (Sterling Overnight Index Average)** **Capitalised Effective Federal Funds Rate – EFFR or Fed Fund**
Index definition	€STR: represents the short term rate in euros that reflects unsecured overnight borrowing costs in euros for banks in the euro zone. SONIA: the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions. Effective Federal Funds Rate (Interest Rate) - EFFR: the interest rate at which depository institutions lend reserve balances (USD amounts held at Federal Reserve Banks) to each other overnight.
Use of the index	In determining risk levels / parameters: - to compare performance, - to calculate the outperformance fee for some categories of units
Index provider	The €STR index is provided by European Money Markets Institute, which is an entity registered with ESMA in accordance with Article 34 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014. It is available from https://www.emmi-benchmarks.eu.

	The SONIA is provided by the Bank of England It is available from https://www.bankofengland.co.uk/markets/benchmarks The EFFR index is provided by the Federal Reserve Bank of New York (New York Fed) It is available from: https://apps.newyorkfed.org/markets/autorates/fed%20funds
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Management Company, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

Investment strategy:

This fund does not particularly take into account an analysis of ESG aspects, and more precisely it does not have sustainable investment as its objective and does not specifically promote environmental and/or social characteristics, as described in the SFDR Regulation.

The fund does not systematically take into account the principal adverse impacts on sustainability for one or more of the following reasons:
- All or some of the issuing companies do not provide sufficient PAI data,
- The PAI element is not considered to be a predominant element in the fund's investment process,
- The fund uses derivative products for which the processing of PAI elements has not yet been defined and standardised".
- The underlying funds might not take account of the principal adverse impacts on sustainability factors as defined by the Management Company.

Alignment with the Taxonomy
For the funds which do not have sustainable investment as their objective and which do not specifically promote environmental and/or social characteristics, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
For more details please see the transparency code on the Management Company's website:
https://www.candriam.com/en/private/market-insights/sri-publications/#transparency

The fund has exposure to systematic strategies on the world futures markets.

1. Strategies used:

The portfolio is managed based on two focal points:
- Dynamic strategy,
- Portfolio fund management strategy.

1. Dynamic strategy: systematic management

a) Description of the strategy
The rules governing the positions taken and their neutralisation methods are established in advance. Inputting these rules into a computer system translates them into market action signals.

The strategies stem from permanent research conducted by Candriam Group. Integrating a strategy is determined by its correlation with the existing models and its capacity to generate a return over the recommended investment period.
There are currently three types of strategies:

- The principal strategy, called trend following, consists of exploiting the directionality of the markets.
- Two diversifying strategies:
  - The contrasting approach, which uses the return properties at the market average.
  - Form recognition which runs a statistical analysis of the markets.

The trend-following strategy remains the main performance driver, while the current or any future diversifying strategies aim to generate a performance with low correlation to that of the main strategy, thereby improving the risk/ yield pairing and limiting drawdowns (cumulative losses). A new strategy will be implemented if it has a low correlation to the existing strategies and has positive yield prospects.

b) Diversified investment universe
A diversification in investments in terms of asset classes will be carried out with an exposure notably to:
- Equities indices,
- Volatility indices,
- Short rates,
- Long rates,
- Foreign currencies.

c) Managed risk framework
The system for allocating positions between the various markets is based on the principle of risk diversification found on each of the futures contracts. This risk is understood by calculating the volatility of each contract and includes the concept of liquidity.

The investment decisions made for this fund do not consistently include sustainability risks in the selection of assets. Nevertheless, sustainability risks may be considered on a discretionary basis when a financial instrument is selected or sold.

The investment strategy is based on the use of index derivatives, and at present such instruments do not allow the principal negative repercussions on sustainability as identified by the Management Company to be hedged with sufficient depth. In this context, negative repercussions on sustainability are therefore not taken into account in investment decisions.

2. Portfolio fund strategy

The strategy consists of constructing a diversified portfolio invested in securities issued by private issuers (corporate debt and securities issued by financial institutions), government bonds and other French and foreign money market instruments with a short-term rating of at least A-2, when acquired, (or equivalent) by a ratings agency or considered to be of equivalent quality by the Management Company (in particular if there is no rating).
The fund may also make use of efficient portfolio management techniques as described below.
This part of the portfolio will represent between 0 and 100% of the fund's net assets.

2. Instruments used:

In order to achieve its investment objective and implement its strategy, the fund invests essentially in the following financial instruments:

1. Equities

None

2. Debt securities and money market instruments: between 0 and 100%

Within the context of managing its cash, the fund may invest in debt securities and money market instruments. These are mainly bonds and negotiable debt securities, including commercial paper, of all types of issuers with a short-term rating of at least A-2 when acquired (or equivalent) from one of the ratings agencies or considered to be of equivalent quality by the Management Company (in particular if there is no rating). This part of the portfolio is between 0 and 100%.

3. Shares or units in UCIs: between 0 and 10%

In accordance with the applicable laws, the fund may invest up to 10% of its assets in:
- units or shares in European UCITS which do not hold more than 10% of UCI units,
- units or shares of European AIFs or foreign investment funds which do not hold more than 10% of UCI units or of foreign investment funds and which meet the three other criteria of the Code monétaire et financier.

The UCIs will be managed directly by Candriam or by an external Management Company and may be of any type.

Investment will be for the purpose of diversifying the portfolio and optimising performance.

4. Other assets: between 0 and 10%

The fund may invest up to 10% of its assets in eligible financial securities or money market instruments not traded on a regulated market.

5. Derivative financial instruments: Limited by the fund's VaR

Type of derivative instruments
The fund will invest in derivative instruments: forward contracts traded on regulated markets (through futures, options and forward foreign exchange) and notably on the following categories of futures markets: short-term interest rates, medium and long-term government bonds, stock exchange indices, currencies).
The fund may also make use of total return swaps, CDSs (credit default swaps) and credit derivative indices or other derivative financial instruments which have the same characteristics, for example contracts for difference, for the purpose of (long or short) exposure, hedging or arbitrage.
The underlying instruments to these operations may be either individual securities, financial indices (equities, interest rates, currencies, volatility, credit, etc.) in which the fund may invest in accordance with its investment objectives.
These derivatives may be traded on regulated or over-the-counter markets.

Authorised counterparties.
In over-the-counter operations, counterparties to these transactions are approved by the Management Company's risk management department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised ratings agency or considered to be of equivalent quality by the Management Company (in particular if there is no rating). The counterparties are located in an OECD member country.
Additional information on the one or more counterparties to the transactions is contained in the fund's annual report.

Financial collateral:

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

6. Instruments with embedded derivatives: max. 100%

The fund may also use ETNs (Exchange Traded Notes) in commodities index futures and ETCs (Exchange Traded Commodities), which are debt securities traded on a regulated market.
It may hold callable and/or puttable bonds, and more generally any financial instrument containing a financial contract.

7. Deposits: between 0 and 100%

The asset manager may make use of cash deposits representing up to 100% of the assets for cash management purposes.

8. Cash borrowing: between 0 and 10%

The fund may temporarily register a debit balance as a result of transactions related to cash flow (investments and divestments in progress, subscription/redemption and purchase/sale transactions, etc.), within a limit of 10% of the assets.

9. Efficient portfolio management technique:

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

- Reverse repurchase agreements (reverse repo)

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

Such transactions may relate to 100% of the net assets. The proportion is normally expected to vary between 50 % and 100 %.

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

- Repurchase agreements (repo)

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

To meet temporary liquidity needs, such transactions may relate to 10% of the net assets. The proportion is normally expected to vary between 0 and 10%.

The fund must, on expiration of the term of the repurchase agreement, have the necessary assets to pay the agreed return price to the fund.

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

- Risks associated with risk-limiting measures

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

i. Selection of counterparties and legal framework

Counterparties to these transactions are approved by the Management Company's risk management department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised ratings agency or are considered to be of equivalent quality by the Management Company. These counterparties are entities which are subject to prudential supervision. The counterparties are located in an OECD member country. Each counterparty is bound by a contract the clauses of which have been validated by the legal department/risk management department.

ii. *Financial collateral*

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

iii. Restrictions on reinvestment of financial collateral received

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

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

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

v. Remuneration policy for reverse repurchase agreements (reverse repo)

Income from reverse repurchase agreements (reverse repo) is paid in full to the fund.

vi. Remuneration policy for repurchase agreements

This activity does not generate income.

- Periodic investor information

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

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

Some over-the-counter transactions in financial instruments are covered by a collateralisation policy that has been validated by the risk management department.

a. General criteria

All collateral to reduce exposure to counterparty risk satisfies the following criteria:

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

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

• Credit quality of issuers: see point b below.

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

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

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

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

b. Types of authorised collateral

The permitted types of financial collateral are as follows:

• cash denominated in the reference currency of the fund/affected fund,

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

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

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

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

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

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

c. Level of financial collateral received

The level of collateral required for over-the-counter financial instruments and efficient portfolio management techniques is determined by the agreements reached with each of the counterparties taking account, as applicable, of factors such as the nature and the characteristics of the transactions, the quality of credit and of the counterparties, as well as market conditions at the time. The counterparty's exposure which is not covered by collateral will at all times remain below the counterparty risk limits fixed by the regulations.

d. Discounting policy

The Management Company has put in place a discounting policy suited to each category of assets (depending on the credit quality in particular) received as financial collateral. This policy can be obtained by investors free of charge from the Management Company's registered office.

e. Restrictions on reinvestment of financial collateral received

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

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

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

f. Safekeeping of collateral

In the event of transfer of ownership, the collateral received will be held by the depositary bank. In other types of collateral agreement, the collateral may be held by an external depositary subject to prudential supervision which is not connected to the supplier of the financial collateral.

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

g. Financial collateral in favour of the counterparty

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

11. Valuation

Reverse repurchase and repurchase agreements

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

Collateral

Collateral received is valued daily by the Management Company and/or the collateral agent.

Collateral provided is valued daily by the Management Company and/or the collateral agent.

TABLE OF DERIVATIVE INSTRUMENTS AND SECURITIES WITH EMBEDDED DERIVATIVES

	TYPE OF MARKET		TYPE OF RISK					TYPE OF USE	
	Regulated and/or organised markets	OTC markets	Equity	Interest rates	Foreign exchange	Credit	Other risk(s)	Hedging	Exposure
Futures in									
Indices	x	x	x					x	x
Interest rates	x	x		x				x	x
Foreign exchange	x	x			x			x	x
Volatility	x	x					x	x	x
Options in									
Equities indices	x	x	x					x	x
Interest rates	x	x		x				x	x
Foreign exchange	x	x			x			x	x
Volatility	x	x					x	x	x
Swaps									
Equities indices		x	x					x	x
Interest rates		x		x				x	x
Foreign exchange		x			x			x	x
Volatility		x					x	x	x
Forward exchange									
Currencies		x			x			x	x
Credit derivatives									
Credit default swaps		x				x		x	x
Credit derivative indices		x				x		x	x
Total Return Swap		x				x		x	x

Risk profile:
Your money will be mainly invested in financial instruments selected by the Management Company. These instruments will be subject to market trends and uncertainties.

Within the scope of its management strategy, the portfolio will be primarily invested on the futures markets by means notably of futures contracts on equity indices, interest rates, currencies, volatility, which give rise to the undermentioned risks. These risks are characterised, among other things, by the fact that the initial investment (initial margin) is far lower than the nominal contract amount, thereby generating a leverage effect.

The fund may be exposed to the following principal types of risk:

Risk of capital loss:
There is no guarantee for investors relating to the capital invested, and investors may not receive back the full amount invested.

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

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

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

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

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

Risk arising from discretionary management and the arbitrage strategy:
The fund aims to generate performance from exposure to various markets according to the asset manager’s convictions based on technical and financial indicators. The interpretation of these indicators and the predictions of the asset manager may be wrong and cause the fund to underperform its investment objective. arbitrage is a technique which consists in benefiting from the differences in prices recorded (or anticipated) between markets and/or sectors and/or securities and/or currencies and/or instruments. If such arbitrage transactions perform unfavourably (a rise in short transactions and/or fall in long transactions), the fund's net asset value may fall.

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

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

Leverage risk:
Compared with other types of investment, the fund may operate with a high level of leverage. Use of leverage may entail high volatility and the fund may suffer higher losses depending on the leverage level.

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

Credit risk:
Risk that an issuer or a counterparty will default. This risk includes the risk of changes in credit spreads and default risk. The fund may be exposed to the credit market and/or specific issuers in particular whose prices will change based on the expectations of the market as regards their ability to repay their debt. The fund may also be exposed the risk that a selected issuer will default, i.e. will be unable to honour its debt repayment, in the form of coupons and/or principal. Depending on whether the fund is positively or negatively positioned on the credit market and/or some issuers in particular, an upward or downward movement respectively of the credit spreads, or a default, may negatively impact the net asset value.

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

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

Legal risk:
the risk of litigation of all kinds with a counterparty or a third party. The Management Company aims to reduce these risks by putting in place controls and procedures.
Management Company
Custody risk:
the risk of loss of assets held by a depositary as a result of insolvency, negligence or fraudulent action by the depositary or a sub-custodian. This risk is mitigated by the regulatory requirements governing depositary services.

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

Risk of changes to the benchmark index by the index provider:
Unitholders should note that the benchmark index provider has full discretion to determine and therefore alter the characteristics of the relevant benchmark index for which it acts as sponsor. Under the terms of the licence contract, an index provider may not be required to give licence holders using the relevant benchmark index sufficient notice of changes to the benchmark index. As a result, the Management Company may not be able to inform fund unitholders in advance of changes made by the index provider to the characteristics of the relevant benchmark index.

Sustainability risk:
The sustainability risk refers to any environmental, social or governance-related event or situation that might affect the performance and/or reputation of issuers in the portfolio.
Sustainability risks may be subdivided into three categories:

- Environmental: environmental events may create physical risks for the companies in the portfolio. For example, such events could arise from the consequences of climate change, loss of biodiversity, changes in ocean chemistry, etc. Apart from these physical risks, the companies could be negatively impacted by steps taken by governments to address environmental risks (such as a carbon tax). These mitigation risks could affect companies depending on their exposure to the above risks and how well they adapt to them.
- Social: refers to the risk factors linked to human capital, the supply chain and the way companies manage their impact on society. Issues around gender equality, remuneration policies, health and safety and the risks associated with working conditions in general all fall within the social dimension. The social dimension also includes risks of violation of human rights or labour rights in the supply chain.
- Governance: these aspects are linked to governance structures, for example the independence of the board of directors, management structures, labour relations, remuneration and compliance, or tax practices. The thing that governance risks have in common is that they are due to inadequate oversight of the company and/or the lack of incentive for the company to move towards higher governance standards.

The sustainability risk may be specific to the issuer, depending on its activities and practices, but may also be due to external factors. If an unforeseen event occurs in a specific issuer such as a strike or more generally an environmental disaster, the event could have a negative impact on portfolio performance. In addition, issuers which adapt their activities and/or policies may be less exposed to the sustainability risk.

Possible mitigation measures to manage risk exposure include the following:

- exclusion of controversial activities or issuers
- exclusion of issuers based on sustainability criteria
- inclusion of sustainability risks when issuers are selected or given weightings in the portfolio
- engagement and sound management of the issuers

Where applicable, these mitigation measures are described in the section in the prospectus describing the investment policy of the fund.

Guarantee or protection:
None

Type of subscriber/profile of the typical investor:

Classique unit:	open to all subscribers.
I, I in GBP or I in USD units:	open to all subscribers subject to a minimum initial subscription of EUR 250,000.00 for I units, EUR 250,000.00 or the equivalent in GBP for I in GBP units, and EUR 250,000.00 or the equivalent in USD for I in USD units.
N units:	restricted to distributors.
U units:	Restricted to life assurance products marketed in Italy.
R units:	Financial intermediaries (including distributors and platforms) which: (i) have different arrangements with their clients for the provision of investment services in connection with the fund, and (ii) as a result of their applicable laws and regulations, are not entitled to receive duties, fees and other monetary benefits from the Management Company in connection with the provision of the above-mentioned investment.
Z units:	UCIs approved by the Management Company and managed by a Candriam Group entity.

In view of the instruments and strategies used, Candriam Diversified Futures is aimed at investors who are aware of the risks arising from systematic quantitative strategies and investments in futures and, accepting these risks, wish to achieve earnings on their invested capital over the recommended investment period.

The amount it is reasonable to invest in this UCITS depends on the investor's personal circumstances. To determine this amount, investors should take into account their financial capacity and personal asset base, their requirements at present and for the next three years and whether they wish to take risks or instead opt for a cautious investment approach. Investors are also strongly advised to diversify their investments sufficiently so as not to be exposed solely to the risks of this UCITS.

The recommended investment term is three years.

The units of this fund are not and will not be registered in the United States in accordance with the U.S. Securities Act of 1933 as amended ("1933 Securities Act") and are not and will not be eligible under any law of the United States. These units may not be offered, sold or transferred to the United States (including its territories and possessions) or directly or indirectly benefit any U.S. Person (as defined in Regulation S of the 1933 Securities Act and equivalents and Rule 4.7. of the Commodity Exchange Act). Subscribers to units of the fund may be required to certify in writing that they are not U.S. Persons. Unitholders are required to notify the Management Company immediately in the event that they become U.S. Persons and will be required to dispose of their units to non-U.S. Persons. The Management Company reserves the right to redeem any unit that is or becomes the direct or indirect property of a U.S. Person or any holding of units by any person which is illegal or detrimental to the interests of the fund.
However, notwithstanding the foregoing, the FCP reserves the right to make a private placement of its units to a limited number of U.S. Persons to the extent permitted under applicable U.S. law.

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

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

Pursuant to an exemption from the *Commodity Futures Trading Commission* in connection with funds whose investors are limited to *qualified eligible persons* in accordance with the applicable U.S. rules, a prospectus of this fund is not required to be, and has not been, submitted to the CFTC. The *CFTC* does not have a view on the merits of the holdings in a fund nor on the adequacy or accuracy of a prospectus. Consequently, the Commodity Futures Trading Commission has not reviewed nor approved this prospectus or any prospectus related to this SICAV.

Methods for determining and allocating distributable amounts:
All the fund’s distributable amounts are fully capitalised.

Share or unit currencies:

Unit	ISIN code	Allocation of distributable income	Currency	Minimum amount of subscription		Original net asset value	Type of subscriber	Foreign exchange risk hedging
				initial (*)	subscriptions			
Classique	FR0010794792	Capitalisation	EUR	None	None	EUR 10,000.00	All subscribers	see risk profile
I	FR0010813105	Capitalisation	EUR	EUR 250,000.00	None	EUR 10,000.00	All subscribers	see risk profile
I in GBP	FR0013201894	Capitalisation	GBP	EUR 250,000.00 or the equivalent in GBP	None	GBP 10,000.00	All subscribers	Full and systematic against the euro
N	FR0013202835	Capitalisation	EUR	None	None	EUR 150.00	Restricted to distributors	see risk profile
I in USD	FR0013446341	Capitalisation	USD	EUR 250,000.00 or equivalent in USD	None	USD 1,500.00	All subscribers	All subscribers
U	FR0013201886	Capitalisation	EUR	None	None	EUR 150.00	Restricted to life assurance products marketed in Italy	see risk profile
R	FR0013305190	Capitalisation	EUR	None	None	EUR 150.00	Financial intermediaries (including distributors and platforms) which: (i) have different arrangements with their clients for the provision of investment services in connection with the fund, and (ii) as a result of their applicable laws and regulations, are not entitled to receive duties, fees and other monetary benefits from the Management Company in connection with the provision of the above-mentioned investment services.	see risk profile
Z	FR0013245081	Capitalisation	EUR	None	None	EUR 1,000.00	UCIs approved by the Management Company and managed by a Candriam Group entity.	see risk profile

(*)The minimum initial subscription amount will not apply to the Management Company, to Candriam Group entities or funds managed by Group entities.

Subscription and redemption arrangements:

Orders are executed as shown in the table below:

Business day D	Business day D	D NAV calculation day	Business day D+1	Business day D+1	Business day D+3	Business day D+3
Centralisation of subscription orders before midday[1]	Centralisation of redemption orders before midday[1]	Order execution on D at the latest	Calculation of NAV	NAV publication	Subscription settlement	Redemption settlement

[1]Unless a different period is agreed with your financial institution.

Subscriptions and redemptions may relate to an amount, a whole number of units or a fraction of a unit, each unit being divided into hundred thousandths.

Subscription and redemption orders are centralised by CACEIS Bank, at the following address:

CACEIS BANK

CACEIS BANK

Registered office: 89-91 rue Gabriel Péri – 92120 Montrouge

Postal address: 12 place des États-Unis - CS 40083 - 92549 Montrouge CEDEX

Investors should note that orders sent to marketing agents other than the institutions set out above must take account of the fact that these marketing agents are subject to the order centralisation cut-off time imposed by CACEIS Bank. As a result, these marketing agents may impose their own cut-off time, earlier than the one stated here, in order to allow time to send the orders to CACEIS Bank.

Frequency of net asset value calculation:
Daily. On every trading day on the Paris Stock Exchange, except for French public holidays.

Additional information
The place of publication of the net asset value is the premises of the Management Company. The prospectus of the UCI, the latest annual reports and the asset breakdown will be sent to the unitholder within eight business days of a written request addressed to:

CANDRIAM
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen (Grand Duchy of Luxembourg)

Candriam, Succursale Française
40, rue Washington
75408 Paris Cedex 08
Tel: 01.53.93.40.00
www.candriam.com
contact: https://www.candriam.fr/contact/

Charges and fees:
Subscription and redemption fees:
Subscription and redemption fees are added to the subscription price paid by investors or deducted from the redemption price. The fees paid to the UCITS are used to offset the fees incurred by the UCITS in order to invest or divest the assets allocated. Fees not retained are returned to the Management Company, marketing agent, etc.

Maximum charges payable by investors and collected upon subscription or redemption*	Calculation basis	Rate incl. taxes
Subscription fee not paid to the UCITS	NAV x number of units	1.00%
Subscription fee paid to the UCITS	NAV x number of units	None
Redemption fee not paid to the UCITS	NAV x number of units	1.00%
Redemption fee paid to the UCITS	NAV x number of units	None

** Exemption conditions: subscription preceded by redemption on the same day for the same number of units, based on the same net asset value and by the same holder.*

Operating and management charges:
These cover all the costs billed directly to the UCITS apart from the transaction fees. Transaction charges include intermediary charges (brokerage, stock exchange duties, etc.) and any turnover fees, where applicable, which may be collected in particular by the depositary and the Management Company.
In addition to the operating and management charges, there may be:

- Outperformance fees. These are paid to the Management Company if the UCITS outperforms its objectives. They are therefore billed to the UCITS,
- Transfer fees billed to the UCITS.

Charges billed to the FCP	Calculation basis	Rate/amount incl. taxes	
Financial management charges and administration charges external to the Management Company	Net assets	Classique units	1.70% maximum*
		I units I in GBP units I in USD units	1.20% maximum*
		N units	2.00% maximum*
		U units	1.20% maximum*
		R units	1.20% maximum*
		Z units	0.25% maximum*
Maximum indirect charges (fees and management charges)	Net assets	Not significant **	
Turnover fees collected by the depositary	Levied on each transaction	Maximum EUR 80/transaction***	
Outperformance fee	Net assets	Classique, I, N, U, R and Z units, denominated in EUR: 20% of performance above the capitalised €STR* consisting of a high water mark and a hurdle (see below) I in GBP units: 20% of any performance over and above that of the capitalised SONIA* I in USD units: 20% of any performance over and above that of capitalised EFFR*	

**Since the Management Company has opted out of VAT, these fees are charged excluding VAT and their amount including taxes is equal to their amount excluding taxes.*
*** The fund invests a maximum of 10% in UCIs.*
**** Maximum amount that varies according to the instruments used.*

Research costs:
The costs relating to research as described in article 314-21 of the General Regulation of the AMF may be billed to the UCITS.

Not included in the categories of charges set out above:
- contributions owed for management of the UCITS pursuant to, 4°, II of article L. 621-5-3 of the Code monétaire et financier,
- exceptional and non-recurrent taxes, duties and other government fees (relating to the UCITS),
- exceptional and non-recurrent costs in connection with debt collection (e.g. Lehman) or to proceedings in order to exercise a right (e.g. class action lawsuit).

Methods of calculating and sharing remuneration from temporary acquisitions and disposals of securities (efficient portfolio management techniques):
These transactions, if carried out, must be conducted under market conditions. The proceeds of these transactions will be paid in full to the UCITS.

Outperformance fees**:**
For each unit category, the asset manager may be entitled to an outperformance fee based on the outperformance of the net asset value (NAV) in relation to the reference indicator defined below.

Unit	Cap. / Dis.	Currency	ISIN	Outperformance fee	Provisioning rate	Minimum return rate	Model applied
Classique	Cap.	EUR	FR0010794792	Yes	20%	Capitalised €STR, floored 0	Permanent HWM
I	Cap.	EUR	FR0010813105	Yes	20%	Capitalised €STR, floored 0	Permanent HWM
I in GBP	Cap.	GBP	FR0013201894	Yes	20%	Capitalised SONIA, floored 0	Permanent HWM
I in USD	Cap.	USD	FR0013446341	Yes	20%	Capitalised EFFR, floored 0	Permanent HWM
N	Cap.	EUR	FR0013202835	Yes	20%	Capitalised €STR, floored 0	Permanent HWM
U	Cap.	EUR	FR0013201886	Yes	20%	Capitalised €STR, floored 0	Permanent HWM
R	Cap	EUR	FR0013305190	Yes	20%	Capitalised €STR, floored 0	Permanent HWM
Z	Cap.	EUR	FR0013245081	Yes	20%	Capitalised €STR, floored 0	Permanent HWM

Benchmark index

The reference indicator is made up of the two following elements:

- A high water mark (HWM) corresponding to a first reference asset based on the highest NAV achieved at the end of a financial year from 31/12/2021.

The initial HWM corresponds to the NAV of 31/12/2021. If a new unit category is activated subsequently or a pre-existing unit category is reactivated, the initial NAV of this new class at (re)launch will be used as the initial HWM.

- A hurdle corresponding to a second reference asset based on a theoretical investment of assets at the minimum rate of return which increases the subscription totals and proportionally reduces the redemption totals. If this minimum rate of return is negative, the rate of 0% is used to determine the hurdle rate.

Using a HWM guarantees that unitholders will not be billed for an outperformance fee while the NAV remains below the highest NAV achieved at the end of a financial year from 31/12/2021.

This variable remuneration aligns the interests of the asset manager with those of the investors and is a link with the FCP's risk/return ratio.

Method for calculating the outperformance fee

As the NAV is different for each unit category, the outperformance fees are calculated independently for each unit, producing fees of different amounts.
The outperformance fee is calculated with the same frequency as the NAV calculation.
The outperformance fee is included in the NAV calculation.

If the NAV upon which fee calculation is based, in other words the NAV after the outperformance fee on redemptions but excluding the outperformance fee on units still in circulation, is greater than the two components of the reference indicator (HWM and hurdle), this constitutes an outperformance.

The smaller of these two outperformances is the basis of calculation for the provision for an outperformance fee in line with the provisioning rate of this outperformance as set out in the table below (the "Provisioning rate").

In the event of underperformance in relation to one of the two components of the reference indicator, the outperformance fee is reversed in line with the provisioning rate of this underperformance. Nevertheless, the accounting provision for the outperformance fee will never be negative.

When a dilution adjustment is applied to the NAV, it is excluded from the outperformance fee calculation.

In the case of a unit category with distribution rights, any distributions of dividends will have no effect on the outperformance fee of the unit category.

For each unit category denominated in the currency of the fund, outperformance fees are calculated in this currency, whereas for unit categories denominated in another currency, whether or not they are currency hedged, the outperformance fees will be calculated in the currency of the unit category.

Reference period

In general, the outperformance fee is calculated for each 12 month period corresponding to the financial year. This period is regarded as the reference period for calculation of the outperformance fee.
In the case of activation or reactivation of a unit category, the first crystallisation of performance fees for this unit category cannot take place (apart from redemptions) until the end of the financial year following the financial year during which the unit category was (re)activated.

Crystallisation

Any positive outperformance fee is crystallised:

- at the end of each reference period,
- at the time of each net redemption identified on each NAV calculation, in proportion to the number of units redeemed. In this case, the outperformance fee provision will be reduced by the amount crystallised in this way,
- if applicable, on the closing date of a unit category during the reference period.

In addition, and in accordance with the rules, an outperformance fee may be crystallised:

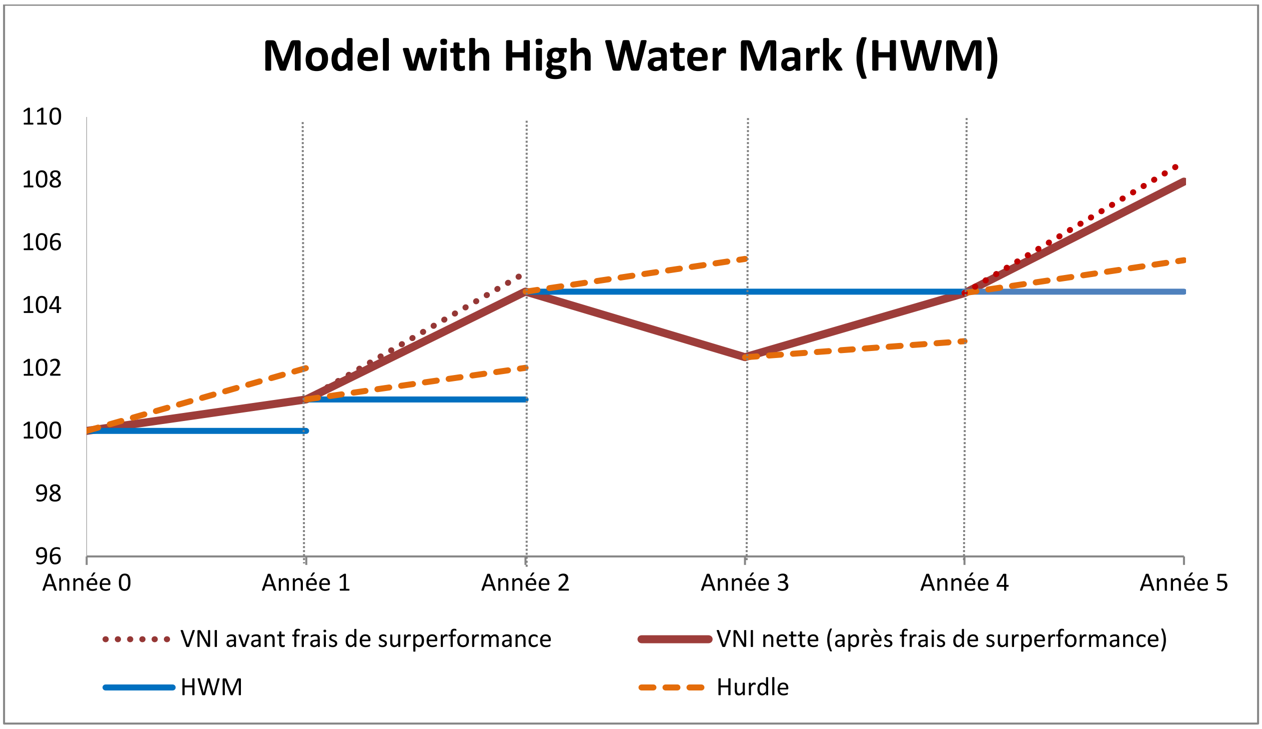
- in the event of merger/liquidation of the fund/unit category during the reference period,
- if the outperformance mechanism changes.

Clawback of negative performances

In the event of negative performance during the reference period, the underperformance will be carried over to the following reference period. The HWM will in this case remain identical to that of the previous period.

As for the hurdle, it is reinitialised at the start of each period regardless of whether an outperformance fee has been crystallised or not.

Examples illustrating the outperformance fee model applied



Year 1: The NAV is higher than the high water mark but lower than the hurdle. **No performance fee is paid. The HWM is adjusted.**
Year 2: The NAV at the end of the period is higher than the high water mark and the hurdle. **An outperformance fee is paid. The HWM is adjusted.**
Year 3: The NAV at the end of the period is lower than the high water mark and the hurdle. **No performance fee is paid. The HWM does not change.**
Year 4: The NAV at the end of the period is higher than the hurdle but not higher than the high water mark.
No performance fee is paid. The HWM does not change.
Year 5: The NAV at the end of the period is higher than the high water mark and the hurdle. **An outperformance fee is paid. The HWM is adjusted.**

	Année 0	Année 1	Année 2	Année 3	Année 4	Année 5
VNI - Début de période	0	100	101	104.4	102.3	104.4
Rendement de la classe d'action (après frais)		1%	4%	-2%	2%	4%
VNI - Fin de période (avant frais de surperformance)	100	101	105	102.3	104.4	108.6
Hurdle -Début de période		100	101	104.4	102.3	104.4
Rendement du hurdle (ou 0% si négatif)		2%	1%	1%	0.5%	1%
Hurdle - Fin de période	100	102	102	105.5	102.9	105.4
HWM - Début de période		100	101	104.4	104.4	104.4
Surperformance classe d'action		0.0	3.03	0.0	0.0	3.1
Commission de surperformance due		NON	OUI	NON	NON	OUI
Commission de surperformance (20%)		0.0	0.61	0.0	0.0	0.63
VNI nette - Fin de période (après frais de surperformance)	100	101	104.4	102.3	104.4	107.9
HWM - Fin de période	100	101	104.4	104.4	104.4	107.9

The performance graphics and performance fee tables presented in this document are simulations and/or are based solely on assumptions. They cannot be considered to be reliable indicators of future performance. They are in no way a guarantee that the fund will achieve or will be likely to achieve performances or receive performance fee amounts similar to those presented.

Subscribers may at any time obtain details from the asset manager regarding the methods for calculating the variable management fees. The total amount of the variable management fees will appear in the FCP's annual report.

Procedure for selecting intermediaries**:**

Candriam selects intermediaries to which it sends orders for execution for the major classes of financial instruments (bonds, shares, derivative products). The selection is mainly based on the intermediary's execution policy and subject to the "Selection policy for financial intermediaries to which Candriam sends orders for execution on behalf of the UCIs it manages".

The main execution factors considered are: price, cost, speed, probability of execution and settlement, size and type of order.

In application of the broker and counterparty selection and evaluation procedure and at the request of the asset manager, Candriam's Broker Review approves or refuses any new broker application.

Therefore pursuant to this policy, a list by type of instruments (shares, interest rates, money market, derivatives) of the authorised brokers and a list of the authorised counterparties are kept.

Furthermore, on a periodic basis and as part of the Broker Review, the list of approved brokers is reviewed so as to evaluate them on the basis of various filters and make any appropriate and necessary changes.

IV. MARKETING INFORMATION

Circulation of information on the UCITS
Any information about the FCP can be requested directly from:

CANDRIAM
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen (Grand Duchy of Luxembourg)

Candriam - Succursale Française
40, rue Washington
75408 Paris Cedex 08
Tel: 01.53.93.40.00

Past performance data in relation to the reference indicator is available in the KIID of the fund unit, which can be consulted on the Management Company's website.

Unit redemptions or repurchases
FCP subscription and redemption applications are centralised at:

Depositary – custodian:
CACEIS BANK
Registered office: 89-91 rue Gabriel Péri
92120 Montrouge

Environmental, social and governance quality criteria (ESG)
Information on inclusion or non-inclusion of environmental, social and governance quality criteria in the investment policy is available on the website www.candriam.com and will be included in the annual report where applicable.

V. INVESTMENT RULES

The UCITS will comply with the regulatory ratios applicable to general UCITS under French law that comply with Directive 2009/65/EC as defined by the Code Monétaire et Financier. The risk diversification rules applicable to this UCITS must be followed at all times. If these limits are exceeded independently of the Management Company or as a result of the exercise of a subscription right, the priority objective of the Management Company will be to rectify the situation as soon as possible, taking into consideration the interests of the unitholders of the UCITS.

VI. TOTAL RISK

The total risk of the UCITS is calculated on the basis of the probabilistic absolute VaR method. The absolute VaR corresponds to the potential loss in 99% of cases over a period of 20 business days under normal market conditions. The VaR level for a 99% confidence range is below 20%.

The anticipated maximum leverage will be 85 times the net assets. This leverage will be calculated for all derivative instruments according to the nominal method. There may, however, be temporary exposure to a higher leverage.

VII. REMUNERATION

The Management Company has established a general framework concerning remuneration of its staff, in particular a remuneration policy (the "Remuneration Policy") in compliance with the applicable regulations and the following principles in particular:
The Remuneration Policy is compatible with sound and effective risk management including sustainability risks. It discourages any risk-taking that is inconsistent with the risk profile and the fund regulations. Candriam has designed policies aiming to promote responsible behaviour among personnel, taking account of sustainability-related impacts.

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

Candriam's remuneration structure is linked to a risk-adjusted performance. The evaluation of performance is set in a multi-year framework appropriate to the minimum holding period recommended to unitholders of the fund, in order to ensure that the performance evaluation process is based on the long term performance of the fund and that the effective payment of the performance-based remuneration elements is spread over the same period,

Candriam aims to ensure that the employees are not encouraged to take inappropriate and/or excessive risks (also concerning sustainability risks) which are incompatible with the risk profile of Candriam and, as applicable, of the funds managed". In addition, when sustainability-related impacts are considered by the fund, Candriam sees to it that the personnel take them fully into account.

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

The details of the updated Remuneration Policy, including the composition of the remuneration committee, a description of how remuneration and benefits are calculated, and how this policy is consistent with the consideration of sustainability risks and impacts, are available from the Management Company's website via this link:
https://www.candriam.com/siteassets/legal-and-disclaimer/external_disclosure_remuneration_policy.pdf

A printed copy is available free of charge on request.

Valuation rules:

Equities, warrants and rights
Equities are valued at the closing price on the various stock exchanges on the reference date.

ETFs and UCIs
ETFs and UCIs are valued at the net asset value representative of the markets on the reference date or in the absence thereof the preceding date.

Bonds
Bonds are valued at the closing price on the basis of contributor prices on the reference date.

Negotiable debt securities and other money market instruments
Negotiable debt securities and other money market instruments are valued using prices calculated on the basis of representative market data on the reference date.

Futures and options on organised markets
These financial instruments are valued at the closing prices on the various futures markets on the reference date.

Cleared OTC derivatives
These financial instruments are valued at the closing prices set by the clearing houses on the reference date.

Spot exchange rates
The spot exchange rates are valued from the market data available from specialised data providers.

Forward exchange
Forward exchange is valued on the basis of the market data available from specialised data providers (spot price, interest rate curve, etc.).

Credit derivatives
Uncleared credit derivatives are calculated based on models validated by the Management Company, using market data such as the spread curve, interest rate curve, etc., available from specialised data providers. The prices obtained are compared with those of the counterparties.

Rate swaps
Uncleared interest rate swaps are calculated based on models validated by the Management Company, using market data such as the interest rate curve, etc., available from specialised data providers. The prices obtained are compared with those of the counterparties.

Other OTC derivatives
Uncleared OTC products are calculated based on models validated by the Management Company, using the market data available from specialised data providers (volatility, interest rate curve, etc.).
The prices obtained from the models are compared with those of the counterparties.

Repurchase and reverse repurchase agreements, lending and borrowing of securities
Repurchase agreements, reverse repurchase agreements and securities borrowing/lending are valued at cost plus interest.
For contracts exceeding three months, the credit spread of the counterparty may be revalued.

Exceptional treatment
Debt securities in which there are not significant amounts of transactions or for which the price is clearly not representative of the market, may be valued on the basis of an estimated method and under the responsibility of the Management Company. In addition, the actuarial method may be used, the rate applied being that for issues of equivalent securities, where applicable, allocated by a differential representative of the intrinsic characteristics of the issuer of the security.
Options in which there are not significant amounts of transactions and/or for which the price is clearly not representative of the market, may be valued on the basis of a method representative of the close of the market at responsibility of the Management Company.

Off-balance sheet:

The off-balance sheet commitment relating to interest rate and currency swaps corresponds to the nominal contract value.
The off-balance sheet commitment on French and foreign futures markets is calculated based on the regulations in force:

- Outright futures transaction: amount by nominal value by the day's price in the day's currency;

Off-balance sheet transactions in foreign currencies against foreign currencies are presented in the table showing the breakdown by currency of listing both as hedging and under other transactions (unlike the line by line presentation used for off-balance sheet items) in order to reflect these two currencies.

Main sources

The principal specialised data providers for valuations are Bloomberg, IDC, CMA, WMC and Factset. The Management Company may, nevertheless, change these at its own responsibility if it deems appropriate.

Accounting method:

The accounting method for recording revenues on financial instruments is the matured coupon method.

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