

KEY INFORMATION DOCUMENT

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

PRODUCT

Equity Circular Economy, I - Capitalisation, a sub-fund of Candriam Sustainable, SICAV

ISIN:	LU2109441258
Manufacturer:	Candriam
Website:	www.candriam.com
Contact:	+352 27 97 24 25
Competent Authority:	Candriam is authorized in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF). Candriam Sustainable is authorized in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

This key information document is valid as at 2023-03-01.

WHAT IS THIS PRODUCT?

Type: SICAV

Term: Open-ended.

Objectives:

Principal assets traded:

Shares of small, mid and large cap companies throughout the world that provide solutions for a transition towards a circular economy.

Investment strategy:

The fund seeks to achieve capital growth by investing in the principal assets traded and selecting companies involved in activities which enable the transition to, or the adaptation to a circular economy, i.e. companies providing innovation and solutions in waste management, renewable resources, products and services life extension as well as resources optimization ("enablers") and companies that are active in the process of transforming their business operations and value chain into circular ones, with the aim to provide products or services that help consumers reduce their environmental impact ("transformers").

The management team makes discretionary investment choices on the basis of an economic/financial analysis process as well as on a Candriam's proprietary analysis of Environmental, Social and Governance (ESG) considerations, both indicative of risks and long-term opportunities, along with a specific screening based on circular economy considerations.

Firstly, investment ideas are screened and scored. All selected companies have been identified as a provider of direct and tangible solutions to tackle circular economy challenges.

Secondly, each company is assessed through a financial framework according to five fundamental criteria: quality of management, business growth, competitive advantage, value creation, and financial leverage.

The fund's sustainable investment objective is to contribute to reducing greenhouse gas emissions, in particular the alignment with the Paris Agreement on climate change which aims to reduce the emission of gases that contribute to global warming. Indeed the transition to a circular economy where the need to exploit natural resources is reduced or eliminated represents an important lever to reduce greenhouse gas emissions. Essential for this strategy is to consider not just individual companies' carbon emissions, but their overall contribution to the Paris Agreement objectives through their alignment with a 2 degree global warming low carbon scenario. More specifically, the Fund aims to achieve an overall portfolio alignment with a temperature scenario equal or lower than 2,5 degrees (2 degrees by January 1st 2025).

In line with this objective, the Sub-Fund aims to invest a higher share of its assets in high stake companies than the Benchmark. High stake companies are defined by the EU Climate Benchmark regulation as those belonging to one of the sectors considered to play the biggest role in achieving the Paris Agreement objectives.

This analysis and selection process is enriched by the results of dialogs led with issuers.

This investment approach will cause the fund to avoid certain issuers due to their poor contribution to attaining the sustainability objective of the Fund. Whilst the manager believes that such issuers are likely to lose out to more sustainable ones over the long term, market volatility and short term market trends could result in such issuers outperforming more sustainable ones over shorter periods.

For further information, please refer to Candriam's website and/or the prospectus.

The fund may use derivative products both for investment and hedging purposes (hedging against unfavourable future financial events).

Benchmark: MSCI ACWI (Net Return).

The fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark definition: The index measures the performance of the large and mid-capitalization equity segment across developed and emerging markets worldwide.

Use of the benchmark:

- as investment universe. In general, the majority of the fund's financial instruments are part of the benchmark. This said, investments outside this benchmark are admitted,
- in the determination of risk levels/parameters.

Deviation level of the portfolio composition from the benchmark:

The fund being managed actively, its objective is not to invest in all constituents of the benchmark, nor to invest to the same extent in the constituents of the benchmark. Under normal market conditions, the tracking error of the fund will be important this is more than 4%.

This measure is an estimation of the deviation of the fund's performance compared to the performance of the benchmark. The more the tracking error is important, the more deviations compared to the benchmark are important. The effective tracking error depends notably on the market conditions (volatility and correlations between financial instruments) and can deviate from the expected tracking error.

Redemption of shares: On request, every day, in Luxembourg.

Allocation of income: Reinvestment.

Intended retail investor:

This product is for investors who meet the conditions for accessing the product in question (see prospectus) with any level of knowledge and experience who are looking for Capital Growth. This product can be used as a core holding or a component of a diversified portfolio for investments with an investment horizon of 6 years. Investors should understand the product risks and only invest if they can bear potentially substantial losses.

General information:

Depository bank: CACEIS Bank, Luxembourg Branch.

Other information:

This document provides a description of a share class of a sub-fund of Candriam Sustainable. The prospectus and periodical reports are established for all the sub-funds. There are other share classes and these are listed in the prospectus.

Investors may apply for the conversion of their shares into shares of another class of the same sub-fund or into shares of a class of another sub-fund of the fund, based on the eligibility criteria and following the procedures available through their financial intermediary.

The sub-fund is only liable for the debts, liabilities and obligations that can be charged to it.

Additional information about the fund can be found in the prospectus and the periodical reports, which may be obtained free of charge on request from Candriam or viewed at any time on the website www.candriam.com. These documents are available in one of the languages approved by the local authority of each country where the fund is authorised to market its shares or in a common language in the international finance sphere. All other practical information, in particular the latest share price, is available from the places shown above.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?



Lower risk

Higher risk



The SRI assumes you keep the product for 6 years.

The actual risk can vary significantly if you cash in at an early stage and you may get back less.

Risk indicator

The summary risk indicator ("SRI") is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as class 4 out of 7, which is a medium risk class.

This rates the potential losses from future performance at a medium level, and poor market conditions could impact the capacity of the fund to pay you.

Be aware of currency risk. In some circumstances, you may receive payments in a different currency, so the final return you will get may depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Other risk(s) materially relevant not included in the SRI: Emerging markets. Liquidity.

This product does not include any protection from future market performance. Please refer to the 'Risk' section of the prospectus for more details.

Performance scenarios

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product/a suitable benchmark over the last 11 years. Markets could develop very differently in the future.

The stress scenario shows what you might get back in extreme market circumstances.

Unfavourable: This type of scenario occurred for an investment between 11/2021 and 01/2023.

Moderate: This type of scenario occurred for an investment between 11/2012 and 10/2018.

Favourable: This type of scenario occurred for an investment between 09/2015 and 08/2021.

Investment 10 000 USD			
Scenarios		1 year	6 years (recommended holding period)
Minimum: There is no minimum guaranteed return. You could lose some or all of your investment.			
Stress scenario	What you might get back after costs	1 580 USD	1 300 USD
	Average return each year	- 84.16%	- 28.80%
Unfavourable scenario	What you might get back after costs	7 310 USD	8 230 USD
	Average return each year	- 26.90%	- 3.20%
Moderate scenario	What you might get back after costs	11 070 USD	16 610 USD
	Average return each year	10.73%	8.83%
Favourable scenario	What you might get back after costs	15 990 USD	22 070 USD
	Average return each year	59.87%	14.10%

WHAT HAPPENS IF CANDRIAM IS UNABLE TO PAY OUT?

The assets under management of Candriam do not form part of the estate in case of insolvency of Candriam. They cannot be claimed by creditors of Candriam. Nevertheless, the investor may face a financial loss due to the default of Candriam.

The financial loss is not covered by an investor compensation or guarantee scheme.

WHAT ARE THE COSTS?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over Time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods:

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.

- USD 10 000 is invested.

Investment 10 000 USD	If you exit after 1 year	If you exit after 6 years
Total costs	109 USD	1 118 USD
Annual cost impact *	1.1%	1.2%

* This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 10.0% before costs and 8.8% after costs.

Composition of costs

		If you exit after 1 year
One-off costs upon entry or exit		
Entry costs	We do not charge any entry fee.	0 USD
Exit costs	We do not charge an exit fee for this product.	0 USD
Ongoing costs		
Management fees and other administrative or operating costs	1.00% of the value of your investment per year. This is an estimate based on actual costs over the last year.	101 USD
Transaction costs	0.08% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	8 USD
Incidental costs taken under specific conditions		
Performance Fee	There is no performance fee for this product.	N/A

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MY MONEY OUT EARLY?

Recommended holding period: 6 years

The selection of the recommended holding period depends on the underlying investments type as well as the level of associated risk (from high to low risk). For example, "equity" products (with a high level of risk) generally have a recommended holding period of 6 years (long-term period), "bond or money market" products (with a lower risk profile) have a shorter recommended holding period (generally between 2 and 4 years for bonds products or less than 1 year for money market products - medium-term/short-term period). "Mixed" products generally have a recommended holding period between 3 and 5 years, depending on the weight of the underlying instruments type. The recommended holding period for "Alternative-type" products is generally 3 years.

The investor may request for the redemption of its shares, at any time, under the conditions set out in the section "What are the costs?". A decision to shorten your holding period, compared to the recommended one, may increase the impact of potential fees on the performance profile.

HOW CAN I COMPLAIN?

Complaints about this product or about the conduct of the product manufacturer or the person advising on, or selling, the product:

Postal address: Candriam, SERENITY – Bloc B, 19-21, route d'Arlon – L-8009 Strassen

Website: <https://contact.candriam.com>

E-mail: complaints@candriam.com

OTHER RELEVANT INFORMATION

Alongside with this document, please read the prospectus on the website www.candriam.com.

The past performance of this product for 2 years can be accessed via the following link: <https://www.candriam.com/documents/redirect/Candriam/KPP/en/LU2109441258>. Past performance is not a reliable indicator of future performance. Markets could develop very differently in the future. However, it can help you to assess how the fund has been managed in the past.

Past performance scenario calculations are available via the following link: <https://www.candriam.com/documents/redirect/Candriam/KMS/en/LU2109441258>.

Details of the up-to-date remuneration policy, including the composition of the remuneration committee and an overview of how remuneration and benefits are determined, are available on the website https://www.candriam.com/siteassets/legal-and-disclaimer/external_disclosure_remuneration_policy.pdf.

Upon request, a paper copy of the remuneration policy can be obtained from the Management Company free of charge.