

# 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

# Factors Sustainable Sovereign Euro Bond, UCITS ETF Dis - Distribution, a sub-fund of IndexIQ, SICAV

<b>Manufacturer:</b>	Candriam, a New York Life Investments group entity.
<b>ISIN:</b>	LU1603795292
<b>Website:</b>	<a href="http://www.candriam.com">www.candriam.com</a>
<b>Contact:</b>	Call +352 27 97 24 25 for more information
<b>Competent Authority:</b>	The Commission de Surveillance du Secteur Financier (CSSF) is in charge of the control of Candriam with regard to this key information document. . This product is authorised in Luxembourg. Candriam is approved in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

This key information document is valid as at 2024-03-01.

## WHAT IS THIS PRODUCT?

**Type:** This product is a share class (UCITS ETF Dis) of a sub-fund (Factors Sustainable Sovereign Euro Bond) of an investment company with variable capital (SICAV) under Luxembourg law (IndexIQ), Undertakings for Collective Investment in Transferable Securities (UCITS).

**Term:** Open-ended.

### Objectives:

#### Principal assets traded:

Bonds and other debt securities denominated in euro and issued by sovereign states, selected on basis of sustainable and responsible investing ("SRI") criteria.

#### Investment strategy:

The Fund is passively managed meaning that it seeks to track, before the Fund fees and expenses, the performance of the Solactive Candriam Factors Sustainable Sovereign Euro Bond Index (the Benchmark") mainly by making direct investments in transferable securities representing an optimized sample of the underlying components of the Benchmark (physical replication).

The Fund promotes, among other characteristics, environmental and/or social characteristics without having a sustainable investment objective.

The Benchmark is constructed based on Candriam's Environmental, Social and Governance (ESG) proprietary approach that aims to select the best sovereign issuers.

Sovereign Issuers (countries) are analysed and rated according to how they manage their human, natural and social capital in addition to economic capital, and which are not considered as highly oppressive regimes and/or are at risk from the perspective of terrorism financing and/or money laundering. For further information, please refer to the website of the Management Company and/or the prospectus.

The Fund has not filed for the French SRI Label.

It is expected that the Tracking Error (the volatility of the difference between the return of the Fund and the return of the Benchmark) of the Fund under normal market conditions will remain below 0.30% per annum.

Information on the Benchmark, including information on the underlying components of the Benchmark, the Benchmark calculation and rebalancing methodology, is available at [www.solactive.com](http://www.solactive.com).

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

**Benchmark:** Solactive Candriam Factors Sustainable Sovereign Euro Bond Index.

Solactive Candriam Factors Sustainable Sovereign Euro Bond Indexis designed to deliver exposure to investment grade fixed income securities denominated in Euro and issued by sovereign states (EMU and non-EMU countries), meeting sustainable and responsible investing ("SRI") criteria developed by Candriam.

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

**Allocation of income:** Distribution.

### 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 and Income. 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:

**Depositary bank:** CACEIS Bank, Luxembourg Branch.

### Other information:

This document provides a description of a share class of a sub-fund of IndexIQ. 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](http://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?



The risk indicator 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 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 2 out of 7, which is a low-risk class.

This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact the capacity to pay you.

**Other risk(s) materially relevant not included in the summary risk indicator:** Credit. Emerging markets. Concentration. Index replication. Sustainability.

This product does not include any protection from future market performance so you could lose some or all of your investment.

### 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 adviser 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 and/or 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 01/2021 and 01/2024.

Moderate: This type of scenario occurred for an investment between 01/2016 and 12/2021.

Favourable: This type of scenario occurred for an investment between 09/2013 and 08/2019.

Recommended holding period: Example Investment:		6 years 10 000 EUR	
		If you exit after 1 year	If you exit after 6 years
<b>Scenarios</b>			
<b>Minimum</b>	<b>There is no minimum guaranteed return. You could lose some or all of your investment.</b>		
<b>Stress</b>	<b>What you might get back after costs</b>	<b>7 290 EUR</b>	<b>6 460 EUR</b>
	Average return each year	- 27.11%	- 7.03%
<b>Unfavourable</b>	<b>What you might get back after costs</b>	<b>7 630 EUR</b>	<b>7 890 EUR</b>
	Average return each year	- 23.73%	- 3.87%
<b>Moderate</b>	<b>What you might get back after costs</b>	<b>9 350 EUR</b>	<b>10 160 EUR</b>
	Average return each year	- 6.54%	0.27%
<b>Favourable</b>	<b>What you might get back after costs</b>	<b>10 500 EUR</b>	<b>12 200 EUR</b>
	Average return each year	4.98%	3.37%

## WHAT HAPPENS IF CANDRIAM IS UNABLE TO PAY OUT?

As the Funds' assets are held with the depositary, they are not part of the assets of Candriam in case of bankruptcy and cannot be seized by the creditors of Candriam. Nevertheless, investors run the risk to suffer a financial loss in case of the default of Candriam.

In case of default of the depositary, the risk of a financial loss is mitigated to some extent as the Fund's assets are legally segregated from the assets of the depositary.

The potential financial loss associated with the default of Candriam 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.

- EUR 10 000 is invested.

	If you exit after 1 year	If you exit after 6 years
<b>Total costs</b>	<b>882 EUR</b>	<b>1 053 EUR</b>
Annual cost impact (*)	8.8%	1.7% each year

\* 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 1.9% before costs and 0.3% after costs.

We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.

If the fund is part of another product, such as an insurance product, the costs shown here do not include any additional costs you may incur.

## Composition of Costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	5.00% maximum of the amount you pay in when entering this investment.	Maximum 500 EUR
Exit costs	3.00% maximum of your investment before it is paid out to you.	309 EUR
<b>Ongoing costs taken each year</b>		
Management fees and other administrative or operating costs	0.20% of the value of your investment per year. This is an estimate based on actual costs over the last year.	65 EUR
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 EUR
<b>Incidental costs taken under specific conditions</b>		
Performance fees	There is no performance fee for this product.	N/A

**Switch fee:** 3%. For more information about how to exercise that right, see section "General information" and/or refer to the prospectus.

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE 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](mailto:complaints@candriam.com)

## OTHER RELEVANT INFORMATION

Alongside with this document, please read the prospectus on the website [www.candriam.com](http://www.candriam.com).

The past performance of this product for 6 years can be accessed via the following link: <https://www.candriam.com/documents/redirect/Candriam/KPP/en/LU1603795292>. 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/LU1603795292>.

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](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.