

Candriam M (in liquidation)  
5, Allée Scheffer  
L-2520, Luxembourg  
Grand Duchy of Luxembourg  
(the “Fund”)

*Represented by*  
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(the “Liquidator”)

Luxembourg, 10 December 2024

To the Shareholders of  
Candriam M (in liquidation)  
5, Allée Scheffer  
L-2520, Luxembourg  
Grand Duchy of Luxembourg

#### **FAQ from the Liquidator of Candriam M (in liquidation)**

1. What are the reasons for the liquidation?

As a reminder, the shareholders have been informed by a notice dated 7 March 2024 that the board of directors of the Fund decided, on 26 February 2024, to dissolve and put the Fund into liquidation due to (i) important and constant redemption orders received in the sub-funds “Impact Finance” and “Multi-Strategies” that have led to a decrease in the assets under management to reach a level which no longer allows effective management of the portfolio (ii) the absence of commercial interest and therefore the absence of perspectives for the Fund.

The Shareholders of the Fund have decided during the extraordinary general meeting (“EGM”) held on 13 May 2024, to put the Fund into liquidation, with effect as of 14 May 2024, and to appoint the Liquidator.

The Liquidator has thus replaced the former board of directors of the Fund with effect as from 14 May 2024.

2. What is the role of the Liquidator during the liquidation process?

After its appointment by the shareholders during the above mentioned EGM, the Liquidator’s role is inter alia to realize the assets of the Fund, pay outstanding liabilities, terminate different contracts in place and handle the different situations that are outstanding. Once the liquidation is finalized, the liquidation proceeds are to be paid out to shareholders. If during the liquidation process the Liquidator considers that there are sufficient available liquidities, the Liquidator may, at its own discretion, decide to pay an advance on liquidation bonus.

3. Do shareholders need to assert their claims?

It is a voluntary and solvent liquidation. Therefore, shareholders do not need to take any action to assert their claims. Proceeds will be distributed to shareholders on the basis of the shareholders’ register.

4. How long is the statutory period after the liquidation process within which the liquidation proceeds are deposited?

For shareholders whose accounts are not “blocked” from an AML/KYC perspective and comply with AML/KYC requirements, the Liquidator will instruct for the liquidation proceeds to be distributed to shareholders.

For shareholders that cannot be reached by the Liquidator and that are not compliant from an AML/KYC perspective, the net liquidation proceeds will be deposited by the custodian (CACEIS Bank, Luxembourg Branch) for the account of shareholders at the official depository in Luxembourg (Caisse de Consignation). The deposited amounts will remain available for the statutory period, currently of 30 years, and non-compliant shareholders will have to remedy their situation and claim reimbursement at the official depository.

5. What is a realistic timeframe for the liquidation and will individual securities be held until maturity?

5.1. What is the expected timeline for the realisation of the positions of the “Impact Finance” sub-fund?

The Liquidator expects the liquidation of this sub-fund to last until the end of the financial year 2026.

The portfolio of assets consists in microcredit loans with different maturities. Selling these loans immediately may result in a significant discount, hence lowering their overall value.

The Liquidator will seek to collect offers from the secondary market with the assistance of Symbiotics Asset Management S.A. (the “Investment Manager”) on a regular basis and assess, based on the offers received if, in the best interest of the shareholders, the loans should be held until maturity (and continue paying interests) or should be sold on the secondary market.

For remaining positions in the portfolio presenting a maturity longer than two years (representing around 20% of the portfolio as at the date of the beginning of the liquidation) and considering the reduced overall estimated value, the Liquidator will seek to collect offers from the secondary market and sell the positions in the best interest of the shareholders.

5.2. When could shareholders expect the payment of final liquidation bonuses?

The closing of the liquidation and payment of final liquidation bonuses for the three sub-funds are expected to be made on the following periods:

- Candriam M Global Trading: the first quarter of the financial year 2025,
- Candriam M Multi Strategies: the first quarter of the financial year 2025,
- Candriam M Impact Finance: end of the financial year 2026, based on the above explanation.

The above mentioned dates are not to be considered as definitive payment dates, but rather as targets that the Liquidator considers realistic based on current market conditions. These dates may change over time.

Shares held by shareholders will be cancelled at the closing of the liquidation process.

6. Information about the net asset value per share

The Liquidator reminds the shareholders that the issuance and redemption of shares, as well as the calculation of the net asset value (“NAV”) of the “Multi Strategies” and “Impact Finance” sub-funds were suspended effective 6 March 2024, as mentioned in the notice to shareholders referred to under question 1 above.

Moreover, the Liquidator reminds the shareholders that the “Global Trading” sub-fund has been under liquidation following a forced redemption as from 1 September 2023.

The official liquidation NAV as at 13 May 2024 will be communicated to shareholders as soon as the audit is finished and the report is issued.

The Liquidator will, on a yearly basis, prepare interim liquidation accounts that will be communicated to the shareholders.

An estimated NAV will be published on a quarterly basis, however for the avoidance of doubt, the NAV will be published strictly for indicative purposes.

7. What are the anticipated next steps of the liquidation?

The liquidation will be carried out through a structured process:

- Service providers, if needed, will remain in place, such as the Investment Manager of the Candriam M “Impact Finance” sub-fund, who will therefore continue to handle the day-to-day management of the portfolio of investments. Their tasks will be performed under instructions and the supervision of the Liquidator.
- A quarterly assessment of the situation and liquidities of the three sub-funds will be made to assess whether payments of advances on liquidation bonus can be made.
- Following the quarterly assessments, a purely indicative NAV will be communicated to the shareholders on a quarterly basis.

8. What were the distributed advances on liquidation bonus and when are further advances planned?

- Candriam M Global Trading:
  - A distribution of USD 4.741.680 was made in February 2024 (in accordance to the liquidation plan announced to shareholders in September 2023), representing 91,8% of total net assets of the sub-fund as of 31 December 2023.
  - An additional advance on the liquidation bonus was instructed as of 16 July 2024 for a total amount of USD 400.000, representing 7,7% of the total net assets of the sub-fund as of 31 December 2023.
  - The final liquidation bonus is expected to be made by the end of the first quarter of 2025.
- Candriam M Multi Strategies:
  - A first advance on the liquidation bonus was instructed as of 09 September 2024 for a total amount of EUR 7.700.000, representing 76,3% of total net assets of the sub-fund as of 31 December 2023.
  - A second advance on the liquidation bonus was instructed as of 2 October 2024 for a total amount of EUR 2.200.000, representing 21,8% of total net assets of the sub-fund as of 31 December 2023.
  - The final liquidation bonus is expected to be made by the end of the first quarter of 2025.
- Candriam M Impact Finance:
  - A first advance on the liquidation bonus was instructed as of 07 October 2024 for a total amount of USD 8.800.000, representing 33,8% of total net assets of the sub-fund as of 31 December 2023.
  - Quarterly assessments of the situation and liquidities of the compartment will be made to determine whether further payments of advances of liquidation bonus can be made,
  - A second advance on the liquidation bonus is expected to take place during Q1 2025.
  - The final liquidation bonus is expected to be made by the end of the financial year 2026.

The distributions are made pro rata based on the number of shares held by each shareholder.

9. What is the current level of cash in the portfolios?

As at 26 November 2024, the level of cash in the portfolios is the following :

- Candriam M Global Trading:
  - USD 108.232,34
  - EUR 37.077,60
- Candriam M Multi Strategies:
  - USD 6.153,29
  - EUR 237.619,70
  - A EUR Term Deposit of 3 months, EUR 700.000,00
- Candriam M Impact Finance:
  - USD 909.548,39
  - EUR 203.828,56
  - A USD Term Deposit of 3 months, USD 2.300.000,00

The levels of cash in “Global Trading” and “Multi Strategies” are to cover the remaining fees with a safety buffer, with a view to distribute the final liquidation bonus by the end of Q1 2025.

There is an amount of USD 2.300.000,00 currently placed in a term deposit account that will mature by the end of January 2025.

10. How much of the portfolio of the sub-fund Impact Finance (excluding cash) is in fixed rates vs. floating rates?

As of 30 September 2024, 86,5% of the portfolio was invested in fixed rates and 13,5% in floating rates.

11. Excluding cash, what is the gross yield of the portfolio of the sub-fund Impact Finance?

The weighted average USD gross yield, as at 30 September 2024, was approximately 6,61%.

12. Breakdown of responsibilities between Candriam, Deloitte and Symbiotics Asset Management S.A.

The Liquidator, being responsible for the Fund, oversees, follows-up on and approves, if required, the tasks accomplished by the different service providers of the Fund.

Candriam automatically ceased to be the Fund’s alternative investment fund manager (“AIFM”) at the date of the beginning of the liquidation. For the avoidance of doubt, Candriam also no longer perceives advisory fees in relation to the sub-fund Impact Finance.

However a service agreement between Candriam and the Fund has been put in place for Candriam to assist and support the Liquidator to ensure a smooth liquidation process.

The Investment Manager of the sub-fund “Impact Finance” continues to manage the portfolio and is currently assisting the Liquidator and managing the workouts, valuations and realization of the assets.

13. Update on the liquidation status of Impact Finance

13.1. Provisions related to the sub-fund Impact Finance

For the avoidance of doubt, all the information provided in the present FAQ are indicative, at a given time and the situation may evolve, especially given the nature of assets currently held by the sub-fund “Impact Finance” and their lack of liquidity.

The level of provisions, related to the portfolio of the sub-fund “Impact Finance”, as at 30 September 2024, represented about 6,9% of AUM.

Note that such provision on the positions were either already reflected in the audited accounts as at 31 December 2023, or mentioned in the subsequent events .

For the avoidance of doubt, most provisions are related to workout cases and reflect the expected recovery levels of the positions. However some of them are applied due to the lack of liquidity of the underlying positions, to reflect a fair value in the event that the position were to be sold immediately, which is the case for the following positions:

- Sathapana;
- Access Bank PLC;
- Accial Capital Fund I; and
- Banco Rio.

The workout of LOLC Myanmar has been closed with a positive outcome: the Fund has recovered 20% of the principal, aligned with the expected recovery reflected in the sub-fund accounts.

#### 13.1.1. What are the expected recovery levels for each position ?

The Liquidator, with the advices provided by the Investment Manager has provisioned the amounts to reflect the expected recovery levels. However, since the situation may rapidly evolve, the Liquidator cannot currently provide more details on the expected recovery levels.

#### 13.1.2. At which time horizon for each position

All of the positions and related negotiations are actively managed by the Investment Manager, however the Liquidator cannot give an estimated time horizon for each position, some having already been affected by credit events or are currently undergoing restructuring.

#### 14. What are the NAV per share adjustments for the sub-fund Impact Finance as at 31 December 2023?

As the Fund has entered into liquidation, the annual report had to be prepared on a non-going concern basis. Therefore, some accounting policies differ from the one used previously and the NAV at the end of December 2023 was adjusted taking into account the following:

- Expected liquidation fees have been accrued for;
- Any remaining formation expenses have been fully expensed, if any;
- The valuation of the sub-funds' investments is based on their net realisable value.

Regarding the private loans held in Candriam M Impact Finance portfolio, the valuation policy is the following :

- For loans maturing within less than two years, valuation is made at par plus accrued interests as it is expected that these loans will be kept until maturity.
- For loans whose maturity is longer than two years, they are valued using expected price offered on the secondary market
- For distressed loans, probable recovery rate is used, taking into account their creditworthiness and geopolitical risk factors.

Share Class	ISIN	NAV 29/12	Adjusted NAV 31/12	Impact
<b>C</b>	LU2016895976	110.19	101.45	-7.93%
<b>C EUR Hedged</b>	LU2016896198	103.37	95.17	-7.93%
<b>EPIC C</b>	LU2016896867	108.94	100.3	-7.93%
<b>IC</b>	LU2016896438	1118.66	1040.45	-6.99%
<b>IC EUR Hedged</b>	LU2016896511	1050.19	977.06	-6.96%
<b>ID EUR Hedged</b>	LU2016896784	1005.11	935.11	-6.96%

As a precautionary measure, the fees were accrued and provisioned in the audited financial statements as of 31 December 2023 on the assumption that the level of assets under management remained unchanged throughout the entire liquidation period. For the avoidance of doubt, these provisions will be reviewed and adjusted on a regular basis by the Liquidator, taking into account the distributions that have already been made. Any surplus will be returned to the fund and distributed to the shareholders at the latest at the closing of the liquidation of the fund.

For more information regarding the composition of the adjustments, please refer to the audited financial statements as of 31 December 2023.

#### 15. Who to contact in case of any question?

Should you have any question, please feel free to contact the Liquidator via the email address [luliquicandriamm@deloitte.lu](mailto:luliquicandriamm@deloitte.lu).

The Liquidator wishes to emphasize that only the information sourced by the Liquidator are to be considered as authorized and official source of information. Shareholders will be informed by notice to shareholders signed by the Liquidator for some specific matters such as distribution of interim liquidation proceeds, or convening to a general assembly of shareholders. Moreover, this FAQ will be published on the website of the former AIFM (i.e. Candriam) and updated on a regular basis.

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This FAQ is updated as of 10 December 2024, and will be updated on a regular basis to ensure the information remains relevant.

**For Candriam M (in liquidation)**

The Liquidator

Deloitte Tax & Consulting

Société à responsabilité limitée

Nicolas Hennebert, Partner