



Audited annual report
IndexIQ

31 December 2025



IndexIQ

SICAV under Luxembourg Law

Audited annual report for the year
from January 1, 2025 to December 31, 2025



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Administration of the SICAV

Board of Directors

Chairman

Mr Tanguy DE VILLENFAGNE
Advisor to the Group Strategic Committee
Candriam

Board members:

Mr Koen VAN DE MAELE
Chief Investment Solutions Officer
Candriam

Mr Pascal DEQUENNE
Global Head of Operations
Candriam

Mr Bertrand GIBEAU
Independent Director

Mr Jean-Yves MALDAGUE
Chief Financial Officer
Candriam

Ms Myriam VANNESTE
Global Head of Product Management
Candriam

Ms Isabelle Marie-Anne CABIE
Global Head of Corporate Sustainability
Candriam

Registered Office

CACEIS Bank, Luxembourg Branch
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Management Company

Candriam
19-21, route d'Arlon
L-8009 Strassen
Grand Duchy of Luxembourg

Depositary

CACEIS Bank, Luxembourg Branch
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

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

CACEIS Bank, Luxembourg Branch
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

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

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

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

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

“Réviseur d’entreprises agréé”

PricewaterhouseCoopers Assurance, Société coopérative (since 01/07/25)
PricewaterhouseCoopers, Société coopérative (until 30/06/25)
2, rue Gerhard Mercator, BP1443
L - 1014 Luxembourg
Grand Duchy of Luxembourg

Paying Agent in Germany

Marcard Stein, Co AG
Ballindamm 36,
D-20095 Hamburg
Germany



Report of the Board of Directors

IndexIQ Factors Sustainable Corporate Euro Bond

Market review

The year 2025 was characterized by a complex and evolving fixed income environment, marked by uneven disinflation, elevated political and fiscal uncertainty, and a progressive re-pricing of sovereign risk across developed markets. While the year began with expectations of a relatively orderly monetary easing cycle, successive political, fiscal and geopolitical developments repeatedly challenged that narrative, keeping volatility elevated across rates and credit markets.

In the first half of the year, markets were dominated by macro uncertainty and renewed trade tensions. The escalation of tariff measures by the United States, combined with geopolitical frictions in the Middle East, periodically reignited inflation concerns and weighed on risk sentiment. In Europe, growth remained subdued and inflation proved sticky in early 2025, prompting the ECB to proceed cautiously with rate cuts while emphasizing data dependence. Sovereign curves steepened as expectations of higher fiscal spending—particularly related to defense and infrastructure—translated into rising issuance needs.

The second quarter marked a turning point for subordinated financials despite heightened volatility. Following a sharp risk-off episode in April linked to renewed trade tensions, markets stabilized as inflation pressures eased and central banks confirmed their gradual easing bias. Strong bank earnings, solid capital ratios and sustained investor demand supported a broad recovery in AT1 and Tier 2 markets, with spreads tightening meaningfully into June. Issuer behaviour remained constructive, with a high volume of calls, tenders and refinancings highlighting favourable funding conditions.

During the summer, markets navigated renewed volatility driven by political uncertainty—particularly in France—and rising fiscal imbalances across several developed economies. While economic activity remained weak in Europe, disinflation progressed and central banks signaled that policy was approaching neutral territory. In this environment, sovereign risk became a more prominent differentiator, with investors increasingly sensitive to fiscal credibility. Despite these challenges, credit markets continued to display resilience, supported by robust financial-sector fundamentals and supportive technicals.

The fourth quarter reinforced these themes. Fiscal concerns intensified, notably following the downgrade of France's sovereign rating, and core euro area bonds became increasingly driven by domestic fiscal dynamics rather than global risk appetite. While inflation surprised modestly to the upside in November, year-end technicals and a sharp slowdown in issuance supported a partial normalization in December. Throughout this period, financial subordinated markets demonstrated notable composure, with spreads ending the year close to their starting levels despite meaningful intra-year swings.

IndexIQ Factors Sustainable Europe Equity

Market review

European markets in 2025 were shaped by political developments, trade dynamics and a gradual economic recovery. While global trade tensions, including U.S. tariff measures, contributed to periods of volatility, their impact on Europe remained contained as regional growth progressed at a measured but improving pace. Geopolitical tensions in Ukraine and the Middle East kept energy markets sensitive, yet without materially disrupting European economic activity. As a result, European equities rebounded strongly.

From an equity style perspective, European markets were characterized by a clear preference for Value and Momentum stocks, which significantly outperformed Growth and Quality segments. Sector performance was highly differentiated: Financials, Utilities and Industrials led the market, supported by higher interest rates, infrastructure investment and rising electricity demand linked to electrification trends. In contrast, Consumer Discretionary & Staples, Communication Services and Real Estate lagged, reflecting pressure from tighter financial conditions and more cautious consumer spending.

IndexIQ Factors Sustainable Japan Equity

Market review

Global markets in 2025 were driven largely by political developments and shifting trade dynamics. The new U.S. administration's tariff measures led to renewed equity volatility, but later trade deals and a one-year trade truce with China helped restore confidence. Geopolitical tensions in Ukraine and the Middle East kept energy markets sensitive, without materially disrupting global economic activity.

In Japan, equities delivered strong performance in 2025. The Japanese equity market staged a notable rally, with both the TOPIX and Nikkei 225 indexes reaching record highs amid a supportive macro environment and heightened investor optimism. This positive sentiment was tied in part to expectations of proactive fiscal policy under new political leadership and continued focus on structural reforms.

Political developments, including the leadership of Sanae Takaichi as Liberal Democratic Party head and poised prime minister, were accompanied by increased market interest in Japanese stocks, reflecting investor expectations of policy continuity and growth support.

In terms of sector performance, returns were clearly differentiated across the Japanese equity market in 2025. The best-performing sectors were utilities and energy. Also financials, information technology and industrials outperformed the broader market. By contrast, the worst-performing sectors lagging the broader market were among others healthcare, materials and consumer staples.

The Board of Directors' report covers the financial year ended 31 December 2025 and the month following the year-end.

The Board of Directors

Luxembourg, March 30, 2026

Audit report

To the Shareholders of
IndexIQ

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of IndexIQ (the “Fund”) and of each of its sub-funds as at 31 December 2025, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2025;
- the statement of changes in net assets for the year then ended;
- the Investment portfolio for each sub-funds as at 31 December 2025; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

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

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

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Fund, for the year then ended, are disclosed in Note 12 to the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

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

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

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

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

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

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

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

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;
- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as “Réviseur d’entreprises agréé” of the Fund by the General Meeting of the Shareholders on 22 April 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 9 years.

Luxembourg, 1 April 2026

PricewaterhouseCoopers Assurance, Société coopérative

Represented by

Signed by:
Sebastien Sadzot
828E58A1990A4FD...

Sébastien Sadzot



Statement of net assets as at December 31, 2025

		IndexIQ Factors Sustainable Corporate Euro Bond	IndexIQ Factors Sustainable Europe Equity	IndexIQ Factors Sustainable Japan Equity
		EUR	EUR	EUR
Assets				
Investment portfolio at market value	2c	32,434,158	149,653,915	92,561,993
Cash at bank and broker		442,603	398,078	344,567
Interest and dividends receivable, net		536,668	107,440	142,654
Other assets		0	95,750	0
Total assets		33,413,429	150,255,183	93,049,214
Liabilities				
Management fees payable	3	4,249	12,840	11,882
Operating and Administrative Expenses payable	4	4,242	19,205	11,870
Subscription tax payable	5	4	23	6
Other liabilities		0	107	0
Total liabilities		8,495	32,175	23,758
Total net assets		33,404,934	150,223,008	93,025,456



Statement of net assets as at December 31, 2025

		Combined
		EUR
Assets		
Investment portfolio at market value	2c	274,650,066
Cash at bank and broker		1,185,248
Interest and dividends receivable, net		786,762
Other assets		95,750
Total assets		276,717,826
Liabilities		
Management fees payable	3	28,971
Operating and Administrative Expenses payable	4	35,317
Subscription tax payable	5	33
Other liabilities		107
Total liabilities		64,428
Total net assets		276,653,398



Statement of changes in net assets for the period from January 1, 2025 to December 31, 2025

		IndexIQ Factors Sustainable Corporate Euro Bond	IndexIQ Factors Sustainable Europe Equity	IndexIQ Factors Sustainable Japan Equity
		EUR	EUR	EUR
Net assets at the beginning of the year		29,924,645	169,275,115	112,890,178
Income				
Dividends, net	2g	0	5,191,506	2,354,251
Interest on bonds and money market instruments, net		854,341	0	0
Bank interest		7,766	8,402	2,574
Other income		3,141	470	0
Total income		865,248	5,200,378	2,356,825
Expenses				
Investment management fees	3	51,140	161,494	156,729
Operating and Administrative Expenses	4	51,061	241,608	156,610
Subscription tax	5	16	86	24
Transaction costs	2f	0	291,099	35,114
Bank interest		1,561	807	1,457
Other expenses		2	463	0
Total expenses		103,780	695,557	349,934
Net income / (loss) from investments		761,468	4,504,821	2,006,891
Net realised gain / (loss) on sales of investments		621,183	17,782,053	14,221,289
Net realised gain / (loss) on foreign exchange		(1)	411,893	(6,096,460)
Net realised gain / (loss)		1,382,650	22,698,767	10,131,720
Change in net unrealised appreciation / depreciation on investments		(352,770)	7,150,165	(4,359,146)
Net increase / (decrease) in net assets as a result of operations		1,029,880	29,848,932	5,772,574
Evolution of the capital				
Subscriptions of shares		11,017,226	50,116,765	15,877,991
Redemptions of shares		(7,958,377)	(99,017,804)	(41,515,287)
Dividends distributed	6	(608,440)	0	0
Net assets at the end of the year		33,404,934	150,223,008	93,025,456



Statement of changes in net assets for the period from January 1, 2025 to December 31, 2025

		Combined
		EUR
Net assets at the beginning of the year		312,089,938
Income		
Dividends, net	2g	7,545,757
Interest on bonds and money market instruments, net		854,341
Bank interest		18,742
Other income		3,611
Total income		8,422,451
Expenses		
Investment management fees	3	369,363
Operating and Administrative Expenses	4	449,279
Subscription tax	5	126
Transaction costs	2f	326,213
Bank interest		3,825
Other expenses		465
Total expenses		1,149,271
Net income / (loss) from investments		7,273,180
Net realised gain / (loss) on sales of investments		32,624,525
Net realised gain / (loss) on foreign exchange		(5,684,568)
Net realised gain / (loss)		34,213,137
Change in net unrealised appreciation / depreciation on investments		2,438,249
Net increase / (decrease) in net assets as a result of operations		36,651,386
Evolution of the capital		
Subscriptions of shares		77,011,982
Redemptions of shares		(148,491,468)
Dividends distributed	6	(608,440)
Net assets at the end of the year		276,653,398



Statistics

IndexIQ Factors Sustainable Corporate Euro Bond

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2025	Net asset value per share as at 31.12.2024	Net asset value per share as at 31.12.2023
Total net assets			EUR		33,404,934	29,924,645	80,122,286
S	LU1603777555	Capitalisation	EUR	1,500,000.00	0.11	0.10	0.10
UCITS ETF	LU1603790731	Distribution	EUR	1,374,000.00	24.20	23.93	23.81

IndexIQ Factors Sustainable Europe Equity

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2025	Net asset value per share as at 31.12.2024	Net asset value per share as at 31.12.2023
Total net assets			EUR		150,223,008	169,275,115	173,049,325
S	LU1603778108	Capitalisation	EUR	4,878,287.00	0.19	0.16	0.14
UCITS ETF	LU1603795458	Capitalisation	EUR	3,174,377.00	47.04	39.01	35.83

IndexIQ Factors Sustainable Japan Equity

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2025	Net asset value per share as at 31.12.2024	Net asset value per share as at 31.12.2023
Total net assets			EUR		93,025,456	112,890,178	113,782,801
S	LU1603778520	Capitalisation	EUR	1,500,000.00	0.17	0.16	0.14
UCITS ETF	LU1603797587	Capitalisation	EUR	2,191,336.00	42.34	40.10	35.60



IndexIQ Factors Sustainable Corporate Euro Bond

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
Transferable securities admitted to an official stock exchange listing or dealt on another regulated market				
Bonds				
Australia				
MACQUARIE GROUP 4.7471 23-30 23/01A	300,000	EUR	317,628	0.95
MACQUARIE GROUP LTD 0.943 22-29 19/01A	100,000	EUR	94,244	0.28
NATL AUSTRALIA BANK 2.125 22-28 24/05A	200,000	EUR	197,865	0.59
NBN 3.5% 22-03-30 EMTN	100,000	EUR	101,501	0.30
SCENTRE GROUP 1.75 18-28 11/04A	200,000	EUR	196,220	0.59
TELSTRA GROUP 3.5% 03-09-36	100,000	EUR	98,194	0.29
TRANSURBAN FINANCE 1.75 17-28 29/03A	144,000	EUR	141,720	0.42
WESFARMERS LTD 0.954 21-33 21/10A	100,000	EUR	82,724	0.25
WESTPAC BANKING 0.875% 17-04-27	200,000	EUR	196,364	0.59
WOOLWORTHS GROUP 0.375 21-28 15/11A	100,000	EUR	93,470	0.28
			1,519,930	4.55
Austria				
BAWAG P.S.K. 4.1250 23-27 18/01A	100,000	EUR	101,587	0.30
ERSTE GROUP BANK AG 0.875 20 27 13/05A	100,000	EUR	97,949	0.29
VERBUND AG 0.9 21-41 01/04A	100,000	EUR	65,378	0.20
			264,914	0.79
Belgium				
AEDIFICA SA 0.75 21-31 09/09A	100,000	EUR	85,360	0.26
LONZA FINANCE INTL NV 3.875% 24-04-36	100,000	EUR	99,581	0.30
PROXIMUS SA 4.0 23-30 08/03A	100,000	EUR	103,348	0.31
			288,289	0.86
Canada				
BANK OF NOVA SCOTIA 0.25 21-28 01/11A	100,000	EUR	93,192	0.28
BANK OF NOVA SCOTIA 3.375% 05-03-33	100,000	EUR	99,640	0.30
BANK OF NOVA SCOTIA 3.5 24-29 17/04A	139,000	EUR	141,812	0.42
CAN IMP BK 3.807% 09-07-29	300,000	EUR	308,138	0.92
MAGNA INTL 4.375 23-32 17/03A	200,000	EUR	210,050	0.63
NATL BANK OF CANADA 3.75 23-28 25/01A	156,000	EUR	159,543	0.48
ROYAL BANK OF CANADA 1.034 22-34 25/01A	156,000	EUR	126,796	0.38
ROYAL BANK OF CANADA 4.375 23-30 02/10A	100,000	EUR	105,739	0.32
			1,244,910	3.73
Denmark				
A.P. MOELLER - MAERSK 3.75 24-32 05/03A	140,000	EUR	143,556	0.43
A.P. MOELLER - MAERSK 4.125 24-36 05/03A	100,000	EUR	102,503	0.31
A.P. MOELLER-MAERSK 0.75 21-31 25/11A	100,000	EUR	86,873	0.26
JYSKE BANK DNK 2.875% 05-05-29	100,000	EUR	100,158	0.30
PANDORA AS 4.5% 10-04-28 EMTN	100,000	EUR	103,519	0.31
			536,609	1.61
Finland				
KOJAMO OYJ 1.875% 27-05-27	100,000	EUR	98,913	0.30
STORA ENSO OYJ 4.25 23-29 01/09A	100,000	EUR	103,227	0.31
			202,140	0.61
France				
ALD SA 4.0000 22-27 05/07A	100,000	EUR	102,149	0.31
ALSTOM SA 0.5 21-30 27/07A	100,000	EUR	89,230	0.27
AYVENS 4.0% 24-01-31	100,000	EUR	103,480	0.31
BANQUE FEDERATIVE DU 4.75 23-31 10/11A	100,000	EUR	106,081	0.32
BPCE 3.50 23-28 25/01A	100,000	EUR	101,746	0.30
BQ POSTALE 3.5% 13-06-30 EMTN	100,000	EUR	101,818	0.30
BUREAU VERITAS 1.125 19-27 18/01A	100,000	EUR	98,681	0.30
CIE GEN DES ETS MICHELIN 3.125% 16-05-31	100,000	EUR	100,111	0.30
COVIVIO 4.6250 23-32 05/06A	100,000	EUR	105,061	0.31
COVIVIO HOTELS SCA 1.0% 27-07-29	100,000	EUR	93,163	0.28
CREDIT AGRICOLE 1.75 19-29 05/03A	100,000	EUR	96,230	0.29
CREDIT MUTUEL ARKEA 0.75 22-30 18/01A	100,000	EUR	91,167	0.27

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



IndexIQ Factors Sustainable Corporate Euro Bond

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
EDENRED SA 1.375 20-29 18/06A	100,000	EUR	94,631	0.28
GECINA 0.875 22-33 25/01A	100,000	EUR	83,377	0.25
ICADE SA 1.00 22-30 19/01A	100,000	EUR	91,077	0.27
JC DECAUX SE 2.625 20-28 24/04A	100,000	EUR	99,425	0.30
KLEPIERRE 3.875 24-33 23/09A	200,000	EUR	203,216	0.61
L OREAL S A 3.375 23-27 23/01A	100,000	EUR	101,078	0.30
			1,861,721	5.57
Germany				
DEUTSCHE TELEKOM AG 1.75 19-31 25/03A	300,000	EUR	282,736	0.85
EVONIK INDUSTRIES 2.25 22-27 25/09A	100,000	EUR	99,422	0.30
HAMBURG COMMERCIAL BANK AG E 4.75% 02-05-29	100,000	EUR	104,801	0.31
HOCHTIEF AG 0.5 19-27 03/09A	72,000	EUR	69,526	0.21
LANDESBANK BADEN-WUER 2.2 19-29 09/05A	100,000	EUR	96,770	0.29
LANXESS AG 0.625 21-29 01/12A	100,000	EUR	89,552	0.27
LEG IMMOBILIEN 1.0000 21-32 19/11A	100,000	EUR	82,716	0.25
LEG IMMOBILIEN SE 0.75 21-31 30/06A	100,000	EUR	86,125	0.26
MERCEDES-BENZ GROUP 2.125 17-37 03/07S	43,000	EUR	36,582	0.11
			948,230	2.84
Greece				
EUROBANK S A 3.25% 12-03-30	100,000	EUR	100,231	0.30
			100,231	0.30
Ireland				
ESB FIN 1.75% 07-02-29 EMTN	100,000	EUR	97,340	0.29
GRENKE FINANCE 5.25% 08-04-30	100,000	EUR	105,123	0.31
GRENKE FINANCE 7.875% 06-04-27	100,000	EUR	105,989	0.32
SECURITAS TREASURY I 4.25 23-27 04/04A	100,000	EUR	101,694	0.30
SECURITAS TREASURY I 4.375 23-29 06/03A	100,000	EUR	103,961	0.31
			514,107	1.54
Italy				
A2A EX AEM 3.625% 30-01-35	100,000	EUR	98,679	0.30
ASS GENERALI 4.1562% 03-01-35	200,000	EUR	200,440	0.60
AUTOSTRADA PER L ITA 4.75 23-31 24/01A	100,000	EUR	106,044	0.32
FERROVIE STATO ITALIA 3.75 22-27 14/04AA	100,000	EUR	101,487	0.30
INTESA SANPAOLO 0.75 21-28 16/03A	200,000	EUR	192,061	0.57
PRYSMIAN 3.625% 28-11-28 EMTN	100,000	EUR	101,326	0.30
			800,037	2.39
Japan				
MIZU FI 4.416 23-33 20/05A	100,000	EUR	104,996	0.31
MIZUHO FINANCIAL GP 2.096 22-32 08/04A	100,000	EUR	92,401	0.28
ORIX 3.78% 29-05-29 EMTN	100,000	EUR	101,599	0.30
ORIX CORP 4.477 23-28 01/06A	158,000	EUR	163,968	0.49
SUMITOMO MITSUI FIN 0.632 19-29 23/10A	100,000	EUR	91,620	0.27
SUMITOMO MITSUI FINA 4.492 23-30 12/06A	100,000	EUR	106,140	0.32
SUMITOMO MITSUI FINANCIAL GROUP 3.318% 07-10-31	100,000	EUR	100,279	0.30
SUMITOMO MITSUI FINL 0.303 20-27 28/10A	200,000	EUR	192,218	0.58
			953,221	2.85
Luxembourg				
NOVARTIS FINANCE S 1.125 17-27 30/09A	100,000	EUR	98,142	0.29
NOVARTIS FINANCE SA 0 20-28 23/09A	100,000	EUR	93,309	0.28
PROLOGIS INTL FUND II 3.7% 07-10-34	200,000	EUR	197,374	0.59
ZURICH FINANCE 1.6250 19-39 17/06A	200,000	EUR	156,295	0.47
			545,120	1.63
Mexico				
AMERICA MOVIL 0.75 19-27 26/06A	100,000	EUR	97,396	0.29
AMERICA MOVIL 2.125 16-28 10/03A	100,000	EUR	98,539	0.29
			195,935	0.59
Netherlands				
ABB FINANCE BV 3.25 23-27 16/01A	100,000	EUR	100,823	0.30
ACHMEA BV 1.5% 26-05-27 EMTN	100,000	EUR	98,673	0.30
AGCO INTL HLDG BV 0.8 21-28 06/10A	100,000	EUR	94,406	0.28

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IndexIQ Factors Sustainable Corporate Euro Bond

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
ALLIANDER 3.0% 07-10-34 EMTN	100,000	EUR	96,280	0.29
ARCADIS NV 4.875 23-28 28/02A	100,000	EUR	103,526	0.31
BRENNTAG FINANCE 0.50 21-29 06/10A	100,000	EUR	91,032	0.27
COMPASS FINANCE 3.0 22-30 08/03A	100,000	EUR	100,110	0.30
CRH FUNDING B.V. 1.625 20-30 05/05A	100,000	EUR	94,535	0.28
DIGITAL DUTCH FINCO 1.5 20-30 17/01A	100,000	EUR	93,173	0.28
DIGITAL DUTCH FINCO 1 20-32 23/09A	200,000	EUR	171,039	0.51
GIVAUDAN FINANCE EUR 4.125 23-33 28/11A	100,000	EUR	104,060	0.31
HEIMSTADEN BOSTAD TSY 1 21-28 13/04A	100,000	EUR	95,548	0.29
HM FINANCE BV 0.25% 25-08-29	100,000	EUR	90,949	0.27
ING GROEP NV 4.50 23-29 23/05A	100,000	EUR	103,704	0.31
JDE PEET S BV 0.625 21-28 09/02A	100,000	EUR	95,608	0.29
KONINKLIJKE AHOLD DE 1.75 20-27 02/04A	200,000	EUR	198,374	0.59
KONINKLIJKE AHOLD DE 3.875 24-36 11/03A	100,000	EUR	100,836	0.30
LKQ DUTCH BOND 4.125 24-31 13/03A	100,000	EUR	102,006	0.31
LSEG NETHERLANDS B.V 0.75 21-33 06/04A	50,000	EUR	41,337	0.12
MERCEDESBENZ INTL FI 3.25 24-30 15/11A	100,000	EUR	100,827	0.30
NV LUCHTHAVEN SCHIPHOL 1.5% 05-11-30	100,000	EUR	93,118	0.28
RANDSTAD NV 3.61 24-29 12/03A	138,000	EUR	140,163	0.42
ROCHE FINANCE EUR 3.586 23-36 04/12A	200,000	EUR	200,212	0.60
SIGNIFY NV 2.375 20-27 11/05A	100,000	EUR	99,381	0.30
STELLANTIS NV 0.625 21-27 30/03A	200,000	EUR	193,082	0.58
STELLANTIS NV 4.2500 23-31 16/06A	100,000	EUR	101,923	0.31
STELLANTIS NV 4.5 20-28 07/07A	100,000	EUR	103,278	0.31
VIATRIS INC 3.125 16-28 22/11	100,000	EUR	100,344	0.30
			3,108,347	9.31
Norway				
NORSK HYDRO AS 3.625% 23-01-32	100,000	EUR	100,657	0.30
SPAREBANK 1 OSTLANDE 1.75 22-27 27/04A	100,000	EUR	99,062	0.30
SPAREBANK 1 SMN 0.01 21-28 18/02A	140,000	EUR	132,502	0.40
SR BANK SPAREBANKEN 3.625 24-29 12/03A	100,000	EUR	102,387	0.31
STATNETT SF 3.375% 26-02-36	100,000	EUR	97,736	0.29
			532,344	1.59
Poland				
PKO Bank Polski 4.5% 27-03-28	100,000	EUR	101,928	0.31
			101,928	0.31
Portugal				
BANCO COMERCIAL PORTUGUES 3.125% 21-10-29	100,000	EUR	100,859	0.30
			100,859	0.30
Romania				
NE PROPERTY BV 2.0 22-30 20/01A	100,000	EUR	94,697	0.28
			94,697	0.28
Spain				
BANCO DE BADELL 4.0% 15-01-30	200,000	EUR	206,103	0.62
BBVA FL.R 24-36 08/02A	100,000	EUR	105,295	0.32
CAIXABANK 3.625% 19-09-32 EMTN	100,000	EUR	100,893	0.30
INMOBILIARIA COLONIAL 1.35 20-28 14/10A	100,000	EUR	96,493	0.29
MERLIN PROPERTIES 1.375 21-30 01/06A	100,000	EUR	92,497	0.28
			601,281	1.80
Sweden				
HEIMSTADEN BOSTAD TREASURY BV 0.75% 06-09-29	200,000	EUR	181,138	0.54
SBAB BANK AB STATENS BOSTADSFINAN AB 3.375% 21-05-	100,000	EUR	99,911	0.30
			281,049	0.84
Switzerland				
RAIFFEISEN SCHW 4.8400 23-28 03/11A	100,000	EUR	105,291	0.32
			105,291	0.32
United Arab Emirates				
BANK OF ABU DHABI 1.625 22-27 07/04A	146,000	EUR	144,536	0.43
EMIRATES TELECOMMUNI 0.875 21-33 17/05A	100,000	EUR	83,985	0.25
			228,521	0.68

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IndexIQ Factors Sustainable Corporate Euro Bond

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
United Kingdom				
3I GROUP 4.875 23-29 14/06A	100,000	EUR	105,005	0.31
ASB FINANCE LTD 0.25 21-28 08/09A	300,000	EUR	281,309	0.84
ASTRAZENECA PLC 1.25 16-28 12/05A	100,000	EUR	96,570	0.29
ASTRAZENECA PLC 3.625 23-27 03/03A	100,000	EUR	101,323	0.30
AVIVA 4.625% 28-08-56	100,000	EUR	102,559	0.31
BRAMBLES FINANCE PLC 1.5 17-27 04/10A	122,000	EUR	119,812	0.36
CREDIT AGRICOLE LDN 1.375 17-27 03/05A	100,000	EUR	98,606	0.30
CREDIT AGRICOLE SA 3.875 23-31 20/04A	100,000	EUR	103,075	0.31
EXPERIAN FIN 3.51% 15-12-33	100,000	EUR	99,173	0.30
GSK CAPITAL BV 2.875% 19-11-31	100,000	EUR	98,709	0.30
HALEON NETHERLANDS 2.1250 22-34 29/03A	100,000	EUR	89,972	0.27
INFORMA PLC 1.2500 19-28 22/04A	100,000	EUR	96,592	0.29
INTERCONTINENTAL HOTELS GROUP 2.125% 15-05-27	100,000	EUR	99,402	0.30
INTERMEDIATE CAPITAL 2.5 22-30 28/01A	101,000	EUR	97,206	0.29
ITV 4.25% 19-06-32 EMTN	100,000	EUR	102,292	0.31
LONDON STOCK EX 1.7500 18-27 06/12A	100,000	EUR	98,540	0.29
LSE GROUP 1.75 17-29 19/09A	59,000	EUR	56,670	0.17
MONDI FINANCE 3.75% 31-05-32	100,000	EUR	100,506	0.30
MOTABILITY OPERATION 0.125 21-28 20/01A	136,000	EUR	127,335	0.38
MOTABILITY OPERATIONS GROUP 4.0% 17-01-30	100,000	EUR	103,015	0.31
OMNICOM FINANCE HLDG 0.80 19-27 08/07A	100,000	EUR	97,369	0.29
RECKITT BENCKIS 3.8750 23-33 14/09A	100,000	EUR	102,612	0.31
SCOTTISH HYDRO ELECTRIC TRANSMISSION 3.375% 04-09-	100,000	EUR	99,721	0.30
TESCO CORPORATE TREASURY SERVICES 4.25% 27-02-31	100,000	EUR	105,002	0.31
UNITED UTILITIES WATER FINANCE 3.75% 23-05-34	100,000	EUR	99,514	0.30
			2,681,889	8.03
United States of America				
AIR PROD CHEMICALS 0.5 20-28 05/05A	200,000	EUR	190,524	0.57
AIR PRODUCTS 2.95% 14-05-31	100,000	EUR	98,554	0.30
ALCON FINANCE CORP 2.375 22-28 31/05A	161,000	EUR	160,026	0.48
ALPHABET 2.5% 06-05-29	200,000	EUR	198,978	0.60
ALPHABET 3.0% 06-05-33	200,000	EUR	196,796	0.59
ALPHABET 3.375% 06-05-37	100,000	EUR	96,994	0.29
ALPHABET 3.875% 06-05-45	100,000	EUR	95,602	0.29
ALPHABET 4.0% 06-05-54	100,000	EUR	92,752	0.28
AMEX 3.433% 20-05-32	200,000	EUR	201,065	0.60
APPLE INC 1.375 17-29 24/05A	470,000	EUR	452,224	1.35
APTIV SWISS 4.25% 11-06-36	100,000	EUR	99,148	0.30
BANK OF AMERICA CORP 1.102 21-32 24/05A	100,000	EUR	89,101	0.27
BK AMERICA 3.261% 28-01-31	100,000	EUR	100,439	0.30
BMW US LLC 3.375 24-34 02/02A	100,000	EUR	98,368	0.29
BRISTOL-MYERS SQUIBB 1.75 15-35 15/05A	150,000	EUR	127,827	0.38
CAPITAL ONE FIN CORP 1.65 19-29 12/06A	200,000	EUR	189,804	0.57
CARRIER GLOBAL CORPORATION 4.125% 29-05-28	100,000	EUR	102,975	0.31
CARRIER GLOBAL CORPORATION 4.5% 29-11-32	100,000	EUR	105,393	0.32
CENCORA 2.875% 22-05-28	100,000	EUR	100,477	0.30
CENCORA 3.625% 22-05-32	100,000	EUR	100,688	0.30
CITIGROUP INC 1.25 19-29 10/04A	100,000	EUR	95,018	0.28
CITIGROUP INC 1.50 16-28 26/10A	128,000	EUR	124,125	0.37
CITIGROUP INC 1.625 18-28 21/03A	100,000	EUR	97,858	0.29
COLGATE-PALMOLIVE CO 1.375 19-34 06/03A	200,000	EUR	172,469	0.52
COMCAST 3.25% 26-09-32	100,000	EUR	98,649	0.30
COMCAST CORP 0.7500 20-32 20/02A	100,000	EUR	85,620	0.26
COMCAST CORP 1.2500 20-40 20/02A	163,000	EUR	116,521	0.35
EMERSON ELECTRIC CO 2.00 19-29 15/10A	200,000	EUR	194,356	0.58
FIDELITY NATIONAL INF 1.5 19-27 21/05A	100,000	EUR	98,480	0.29
GENERAL ELECTRIC CO 2.125 17-37 17/05A	200,000	EUR	169,618	0.51
GLOBAL PAYMENTS 4.875 23-31 17/03A	100,000	EUR	104,077	0.31

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Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
HYUNDAI CAPITAL AMERICA 2.875% 26-06-28	200,000	EUR	200,471	0.60
HYUNDAI CAPITAL AMERICA 3.5% 26-06-31	100,000	EUR	100,467	0.30
JOHNSON NTROLS INTL PLC TY 3.125% 11-12-33	100,000	EUR	96,592	0.29
KRAFT HEINZ FOODS CO 2.25 16-28 25/05A	200,000	EUR	197,050	0.59
LIBERTY MUTUAL GROUP 4.625 22-30 02/12A	150,000	EUR	158,525	0.47
MASSMUTUAL GLOBAL FU 3.75 23-30 19/01A	100,000	EUR	102,072	0.31
MASSMUTUAL GLOBAL FUNDING II 3.25% 11-06-32	100,000	EUR	98,432	0.29
MASTERCARD INC 1.00 22-29 22/02A	300,000	EUR	285,583	0.85
METROPOLITAN LIFE GL 3.625 24-34 26/03A	100,000	EUR	99,286	0.30
MICROSOFT 2.625 13-33 02/05A	300,000	EUR	293,478	0.88
MMS USA INVESTMENTS 1.25 19-28 13/06A	100,000	EUR	96,424	0.29
MOHAWK CAPITAL FINANCE 1.75% 12-06-27	100,000	EUR	98,927	0.30
MOODY'S CORPORATION 1.75 15-27 09/03A	100,000	EUR	99,293	0.30
MORGAN STANLEY 0.497 21-31 08/02A	100,000	EUR	89,744	0.27
MORGAN STANLEY 1.875 17-27 27/04A	100,000	EUR	99,227	0.30
NEW YORK LIFE GLOBAL FUNDING 3.45% 30-01-31	100,000	EUR	101,074	0.30
NORTHWESTERN MUTUAL 4.109 23-30 15/03A	100,000	EUR	104,226	0.31
ONCOR ELECTRIC DELIVERY CO LLC 3.5% 15-05-31	100,000	EUR	101,360	0.30
PEPSICO INC 0.875 16-28 18/07A	100,000	EUR	95,236	0.29
PPG INDUSTRIES 1.40 15-27 13/03A	100,000	EUR	98,791	0.30
PRICOA GLOBAL FUNDING I 3.0% 03-07-30	100,000	EUR	99,224	0.30
PROCTER & GAMBLE 1.25 17-29 25/10A	100,000	EUR	95,033	0.28
PROCTER AND GAMBLE 3.2 24-34A	100,000	EUR	99,318	0.30
PROLOGIS EURO FINANCE 0.5 21-32 16/02A	100,000	EUR	84,250	0.25
PROLOGIS EURO FINANCE 0.625 19-31 10/09A	200,000	EUR	172,241	0.52
PUBLIC STORAGE 0.875 20-32 24/01A	100,000	EUR	86,434	0.26
PVH CORP 3.125 17-27 15/12S	100,000	EUR	100,634	0.30
TIMKEN 4.125% 23-05-34	100,000	EUR	100,631	0.30
TOYOTA MOTOR CREDIT 0.125 21-27 06/05A	200,000	EUR	191,131	0.57
TOYOTA MOTOR CREDIT 3.625% 15-07-31	102,000	EUR	104,146	0.31
TOYOTA MOTOR CREDIT 3.85 23-30 24/07A	100,000	EUR	103,206	0.31
TOYOTA MOTOR CREDIT 4.05 23-29 13/09A	200,000	EUR	207,598	0.62
UNITED PARCEL 1.50 17-32 15/11A	158,000	EUR	141,500	0.42
US BAN 4.009% 21-05-32	168,000	EUR	172,353	0.52
VISA 2.0 22-29 15/06A	250,000	EUR	244,511	0.73
WP CAREY 4.25 24-32 23/07A	100,000	EUR	102,624	0.31
ZIMMER BIOMET HLDG 1.164 19-27 15/11A	126,000	EUR	122,816	0.37
			9,098,434	27.24
Virgin Islands (UK)				
SWISS LIFE FINANCE 0.5 21-31 15/09A	100,000	EUR	86,726	0.26
			86,726	0.26
Total bonds			26,996,760	80.82
Floating rate notes				
Austria				
VOLKSBANK WIEN AG 5.75% 21-06-34	100,000	EUR	104,118	0.31
			104,118	0.31
Belgium				
AGEAS NV FL.R 19-XX 02/07A	100,000	EUR	99,110	0.30
			99,110	0.30
Canada				
BANK OF MONTREAL 3.75% 10-07-30	200,000	EUR	204,185	0.61
			204,185	0.61
Denmark				
JYSKE BANK DNK 4.125% 06-09-30	100,000	EUR	103,086	0.31
JYSKE BANK DNK FL.R 23-28 26/10A	100,000	EUR	103,836	0.31
			206,922	0.62
France				
AXA FL.R 22-43 10/03A	100,000	EUR	102,017	0.31

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Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
BPCE SA FL.R 23-35 25/01A	100,000	EUR	105,064	0.31
			207,081	0.62
Germany				
INFINEON TECHNOLOGIES AG 3.625% PERP	100,000	EUR	100,446	0.30
TALANX AG FL.R 17-47 05/12A	100,000	EUR	98,663	0.30
TALANX AG FL.R 21-42 01/12A	200,000	EUR	177,149	0.53
			376,258	1.13
Greece				
EFG EUROBANK 7.0% 26-01-29	100,000	EUR	108,091	0.32
PIRAEUS BANK 6.75% 05-12-29	100,000	EUR	110,130	0.33
			218,221	0.65
Hong Kong				
AIA GROUP LTD FL.R 21-33 09/09A	100,000	EUR	94,856	0.28
			94,856	0.28
Ireland				
AIB GROUP PLC FL.R 22-29 16/02A	200,000	EUR	211,954	0.63
BANK OF IRELAND GROUP FL.R 23-29 13/11A	200,000	EUR	209,543	0.63
PERMANENT TSB GROUP 6.625% 30-06-29	100,000	EUR	108,460	0.32
			529,957	1.59
Italy				
ENEL FL.R 23-XX 16/07A	100,000	EUR	106,598	0.32
			106,598	0.32
Netherlands				
ACHMEA BV 5.625% 02-11-44 EMTN	100,000	EUR	108,238	0.32
ADECCO INTL FIN SERV FL.R 21-82 21/03A	100,000	EUR	97,729	0.29
ASR NEDERLAND NV FL.R 19-49 02/05A	100,000	EUR	100,146	0.30
			306,113	0.92
Norway				
DNB BANK ASA 0.375 22-28 18/01A	300,000	EUR	293,631	0.88
			293,631	0.88
Poland				
BANK POLSKA KA OPIEKI 4.0% 24-09-30	100,000	EUR	101,983	0.31
			101,983	0.31
Portugal				
BC PORTUGUES FL.R 21-28 07/04A	100,000	EUR	98,959	0.30
NOVO BAN 3.5% 09-03-29 EMTN	100,000	EUR	101,387	0.30
			200,346	0.60
Spain				
BANKINTER SA FL.R 23-30 03/05A	100,000	EUR	104,395	0.31
BBVA 4.375% 29-08-36 EMTN	100,000	EUR	102,832	0.31
IBERDROLA FINANZAS FL.R 29-XX 25/07A	100,000	EUR	103,538	0.31
KUTXABANK FL.R 23-28 01/02A	100,000	EUR	101,629	0.30
NCG BAN 5.875% 02-04-30 EMTN	200,000	EUR	217,163	0.65
			629,557	1.88
United Kingdom				
NATIONWIDE BUILDING SOCIETY 4.375% 16-04-34	200,000	EUR	205,894	0.62
NATWEST GROUP PLC FL.R 22-28 06/09A	100,000	EUR	102,338	0.31
SWISS RE FINANCE UK FL.R 20-52 04/06A	200,000	EUR	187,272	0.56
			495,504	1.48
United States of America				
BANK OF AMERICA CORP FL.R 18-28 25/04A	166,000	EUR	164,135	0.49
BANK OF AMERICA CORP FL.R 20-29 31/03A	156,000	EUR	159,056	0.48
BANK OF AMERICA CORP FL.R 20-31 26/10A	200,000	EUR	177,034	0.53
BANK OF AMERICA CORP FL.R 21-31 22/03A	300,000	EUR	270,729	0.81
CITIGROUP 3.75% 14-05-32 EMTN	100,000	EUR	101,500	0.30
CITIGROUP INC FL.R 22-33 22/09A	100,000	EUR	103,380	0.31
FEDEX 0.45% 04-05-29	100,000	EUR	91,227	0.27
MORGAN STANLEY 3.79% 21-03-30	100,000	EUR	102,310	0.31
MORGAN STANLEY FL.R 20-29 26/10A	100,000	EUR	93,587	0.28
			1,262,958	3.78

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IndexIQ Factors Sustainable Corporate Euro Bond

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
Total floating rate notes			5,437,398	16.28
Total transferable securities admitted to an official stock exchange listing or dealt on another regulated market			32,434,158	97.09
Total investment portfolio			32,434,158	97.09
Acquisition cost			31,756,730	



IndexIQ Factors Sustainable Corporate Euro Bond

Geographical and economic breakdown of investments as at December 31, 2025

Geographical breakdown (in % of net assets)

United States of America	31.02
Netherlands	10.22
United Kingdom	9.51
France	6.19
Australia	4.55
Canada	4.34
Germany	3.96
Spain	3.68
Ireland	3.13
Japan	2.85
Italy	2.71
Norway	2.47
Denmark	2.23
Luxembourg	1.63
Belgium	1.16
Austria	1.10
Greece	0.95
Portugal	0.90
Sweden	0.84
United Arab Emirates	0.68
Finland	0.61
Poland	0.61
Mexico	0.59
Switzerland	0.32
Hong Kong	0.28
Romania	0.28
Virgin Islands (UK)	0.26
	97.09

Economic breakdown (in % of net assets)

Banks and other financial institutions	61.60
Real estate	4.40
Transportation	3.16
Insurance	3.10
Pharmaceuticals	2.78
Communication	2.59
Electrical engineering	1.97
Office supplies and computing	1.93
Road vehicles	1.93
Internet and internet services	1.78
Miscellaneous services	1.74
Chemicals	1.72
Miscellaneous consumer goods	1.72
Utilities	1.41
Graphic art and publishing	1.19
Retail trade and department stores	1.18
Foods and non-alcoholic drinks	1.16
Building materials	0.52
Non classifiable Institutions	0.31
Paper and forest products	0.31
Machine and apparatus construction	0.30
Textiles and garments	0.30
	97.09

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



IndexIQ Factors Sustainable Europe Equity

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
Transferable securities admitted to an official stock exchange listing or dealt on another regulated market				
Shares				
Austria				
ANDRITZ AG	10,107	EUR	674,642	0.45
ERSTE GROUP BANK AG	2,804	EUR	288,532	0.19
VERBUND AG	10,295	EUR	638,290	0.42
VOESTALPINE AG	5,048	EUR	190,713	0.13
			1,792,177	1.19
Belgium				
AGEAS	11,020	EUR	658,996	0.44
D'IETEREN	3,341	EUR	514,180	0.34
ELIA SYSTEM OPERATOR SA	491	EUR	53,863	0.04
FINANCIERE DE TUBIZE	234	EUR	48,906	0.03
KBC ANCORA CVA	6,742	EUR	494,189	0.33
LOTUS BAKERIES NV	26	EUR	204,100	0.14
SOFINA SA	823	EUR	203,281	0.14
UCB	213	EUR	50,822	0.03
			2,228,337	1.48
Denmark				
A.P. MOELLER-MAERSK A/S -B-	1,091	DKK	2,138,470	1.42
DEMANT A/S	11,733	DKK	338,056	0.23
GENMAB AS	727	DKK	197,299	0.13
JYSKE BANK A/S	4,433	DKK	517,846	0.34
LK-ABELLO - BEARER AND/OR REGISTERED S	1,667	DKK	51,021	0.03
NKT A/S (NORDISKE KABEL-OG TRAADFARBIKK)	4,584	DKK	490,069	0.33
NOVOZYMES -B-	3,704	DKK	202,235	0.13
ORSTED	2,701	DKK	44,245	0.03
PANDORA	3,657	DKK	346,458	0.23
TRYG A/S	22,775	DKK	507,704	0.34
VESTAS WIND SYSTEMS - BEARER AND/OR SHS	2,182	DKK	50,657	0.03
			4,884,060	3.25
Finland				
ELISA CORPORATION -A-	17,003	EUR	641,693	0.43
KESKO CORP	34,505	EUR	664,221	0.44
KONE OYJ -B-	10,652	EUR	645,085	0.43
KONECRANES OYJ	3,789	EUR	355,787	0.24
METSO CORPORATION	3,470	EUR	51,981	0.03
NOKIA OYJ	81,779	EUR	455,673	0.30
NORDEA BANK	76,083	EUR	1,223,795	0.81
ORION CORPORATION (NEW) -B-	3,265	EUR	207,817	0.14
STORA ENSO -R-	4,934	EUR	52,818	0.04
UPM KYMMENE CORP	8,244	EUR	204,369	0.14
WARTSILA CORPORATION -B-	11,253	EUR	342,091	0.23
			4,845,330	3.23
France				
ABIVAX	462	EUR	55,625	0.04
ACCOR SA	4,189	EUR	201,994	0.13
AIR LIQUIDE SA	5,555	EUR	890,244	0.59
ALD SA	15,664	EUR	179,196	0.12
ALSTOM SA	2,059	EUR	51,825	0.03
AMUNDI SA	2,928	EUR	206,717	0.14
AXA SA	49,508	EUR	2,027,848	1.35
BIOMERIEUX SA	4,558	EUR	502,747	0.33
BOUYGUES SA	16,449	EUR	729,513	0.49
BUREAU VERITAS SA	24,505	EUR	666,046	0.44
CAPGEMINI SE	2,577	EUR	366,578	0.24
CARREFOUR SA	72,569	EUR	1,032,657	0.69
CIE DE SAINT-GOBAIN	9,183	EUR	798,554	0.53

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



IndexIQ Factors Sustainable Europe Equity

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
CIE GENERALE DES ETABLISSEMENTS MICHELIN	29,255	EUR	828,209	0.55
COVIVIO SA	3,627	EUR	205,470	0.14
DANONE SA	10,389	EUR	797,667	0.53
DASSAULT SYST.	14,551	EUR	346,896	0.23
ELIS SA	21,096	EUR	511,789	0.34
GECINA	4,306	EUR	348,355	0.23
GETLINKÁ ACT	41,424	EUR	651,600	0.43
HERMES INTERNATIONAL SA	190	EUR	403,180	0.27
IPSEN	2,825	EUR	336,175	0.22
KERING	822	EUR	247,422	0.16
KLEPIERRE SA	19,312	EUR	651,587	0.43
L'OREAL SA	3,290	EUR	1,206,114	0.80
LEGRAND SA	1,586	EUR	201,819	0.13
NEXANS SA	2,770	EUR	348,466	0.23
PUBLICIS GROUPE	7,245	EUR	642,052	0.43
REXEL SA	10,357	EUR	347,892	0.23
SANOFI	19,837	EUR	1,640,917	1.09
SARTORIUS STEDIM BIOTECH	244	EUR	51,240	0.03
SCHNEIDER ELECTRIC SE	2,799	EUR	657,485	0.44
SODEXO SA	10,757	EUR	470,081	0.31
SPIE SA	7,354	EUR	362,258	0.24
UNIBAIL RODAMCO	3,743	EUR	347,201	0.23
			19,313,419	12.86
Germany				
ADIDAS AG - REG SHS	299	EUR	50,546	0.03
AURUBIS AG	1,692	EUR	210,146	0.14
BECHTLE	4,538	EUR	198,220	0.13
BEIERSDORF AG	5,224	EUR	489,384	0.33
BMW AG	25,649	EUR	2,388,947	1.59
BRENNTAG - REG SHS	6,772	EUR	335,620	0.22
CTS EVENTIM AG & CO KGAA	4,423	EUR	347,206	0.23
DEUTSCHE BOERSE AG - REG SHS	2,275	EUR	508,918	0.34
DEUTSCHE POST AG - REG SHS	29,178	EUR	1,363,488	0.91
DEUTSCHE TELEKOM AG - REG SHS	112,211	EUR	3,103,755	2.07
E.ON SE	85,818	EUR	1,383,815	0.92
EVONIK INDUSTRIES	14,796	EUR	197,675	0.13
FRAPORT AG	719	EUR	50,294	0.03
FRESENIUS MEDICAL CARE AG	9,001	EUR	366,881	0.24
FRESENIUS SE	12,127	EUR	593,980	0.40
GEA GROUP AG	11,366	EUR	656,955	0.44
HENKEL AG & CO KGAA PREFERENTIAL SHARE	10,950	EUR	761,901	0.51
HOCHTIEF AG	1,044	EUR	351,828	0.23
INFINEON TECHNOLOGIES - REG SHS	4,645	EUR	175,256	0.12
KION GROUP AG	772	EUR	52,689	0.04
KNORR-BREMSE - BEARER SHS	541	EUR	51,476	0.03
MERCEDES-BENZ GROUP	50,718	EUR	3,046,629	2.03
MERCK KGAA	4,598	EUR	563,715	0.38
NEMETSCHEK	537	EUR	49,834	0.03
NORDEX SE	1,740	EUR	50,669	0.03
RATIONAL NAMEN	534	EUR	353,241	0.24
SAP AG	3,400	EUR	708,390	0.47
SARTORIUS VORZ.OHNE STIMMRECHT.	207	EUR	51,170	0.03
SCOUT24	5,630	EUR	483,054	0.32
SIEMENS AG PREFERENTIAL SHARE	6,681	EUR	1,597,761	1.06
SIEMENS HEALTHINEERS AG	10,991	EUR	493,716	0.33
SYMRISE AG	2,927	EUR	201,612	0.13
TALANX AG NAM AKT	9,284	EUR	1,056,519	0.70
VONOVIA SE	2,066	EUR	50,700	0.03

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



IndexIQ Factors Sustainable Europe Equity

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
ZALANDO SE	8,491	EUR	215,162	0.14
			22,561,152	15.02
Ireland				
AIB GRP - REGISTERED	55,283	EUR	508,604	0.34
BANK OF IRELAND - REGISTERED	12,476	EUR	204,295	0.14
DCC PLC	8,447	GBP	447,914	0.30
KERRY GROUP -A-	6,509	EUR	507,702	0.34
KINGSPAN GROUP	2,633	EUR	195,237	0.13
			1,863,752	1.24
Italy				
A2A SPA	212,332	EUR	490,487	0.33
ASSICURAZIONI GENERALI SPA	48,572	EUR	1,736,449	1.16
BANCA GENERALI SPA	8,756	EUR	500,843	0.33
BANCA MEDIOLANUM SPA	34,430	EUR	670,352	0.45
BANCO BPM SPA - REGISTERED	46,354	EUR	603,529	0.40
BPER BANCA SPA	31,809	EUR	368,984	0.25
DE'LONGHI SPA	9,231	EUR	336,932	0.22
ENEL SPA	194,748	EUR	1,728,778	1.15
FINECOBANK	16,471	EUR	365,656	0.24
INFRASTRUTTURE WIRELESS ITALIANE SPA	25,881	EUR	204,072	0.14
INTESA SANPAOLO	265,718	EUR	1,573,316	1.05
MONCLER SPA	3,502	EUR	192,330	0.13
PIRELLI & C.SPA	106,588	EUR	624,179	0.42
PRYSMIAN SPA	2,372	EUR	204,893	0.14
RECORDATI SPA	4,067	EUR	197,412	0.13
TERNA SPA	55,296	EUR	500,650	0.33
UGF	25,091	EUR	516,122	0.34
			10,814,984	7.20
Jersey				
CVC CAPITAL PARTNERS PLC	3,519	EUR	50,322	0.03
			50,322	0.03
Luxembourg				
BAWAG GROUP AG	5,228	EUR	674,412	0.45
			674,412	0.45
Mexico				
FRESNILLO PLC	1,514	GBP	57,810	0.04
			57,810	0.04
Netherlands				
AKZO NOBEL NV	6,025	EUR	356,680	0.24
ARGENX SE	66	EUR	47,309	0.03
ASM INTERNATIONAL NV	97	EUR	50,207	0.03
ASML HOLDING NV	900	EUR	829,260	0.55
ASR NEDERLAND NV	10,830	EUR	656,515	0.44
BESI - REG SHS	379	EUR	50,691	0.03
CTP NV	11,229	EUR	200,325	0.13
EURONEXT NV	5,177	EUR	662,656	0.44
ING GROEP NV	52,679	EUR	1,264,823	0.84
JDE PEET S BV	6,189	EUR	197,182	0.13
KONINKLIJKE AHOLD DELHAIZE NV	35,293	EUR	1,230,667	0.82
KONINKLIJKE KPN NV	162,241	EUR	645,070	0.43
NN GROUP NV	10,622	EUR	698,290	0.46
RANDSTAD BR	1,539	EUR	49,817	0.03
STELLANTIS NV-BEARER AND REGISTERED SHS	256,458	EUR	2,410,728	1.60
STMICROELECTRONICS NV	14,940	EUR	335,777	0.22
UNIVERSAL MUSIC GROUP N.V.	8,964	EUR	199,270	0.13
WOLTERS KLUWER NV	3,850	EUR	340,109	0.23
			10,225,376	6.81
Norway				
DNB BANK ASA	37,475	NOK	890,492	0.59
GJENSIDIGE FORSIKRING ASA	13,967	NOK	356,057	0.24

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IndexIQ Factors Sustainable Europe Equity

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
NORSK HYDRO ASA	76,668	NOK	506,094	0.34
ORKLA ASA	69,141	NOK	656,596	0.44
SALMAR ASA	986	NOK	51,395	0.03
SCHIBSTED -B-	8,093	NOK	191,284	0.13
SPBK 1 SR-BANK	31,312	NOK	524,400	0.35
STOREBRAND ASA	45,538	NOK	663,860	0.44
TELENOR ASA	52,395	NOK	648,828	0.43
			4,489,006	2.99
Portugal				
BANCO COMERCIAL PORTUGUES-R	572,006	EUR	512,632	0.34
EDP ENERGIAS DE PORTUGAL SA - REG SHS	91,106	EUR	356,680	0.24
JERONIMO MARTINS SGPS SA	24,692	EUR	500,260	0.33
			1,369,572	0.91
Spain				
ACCIONA SA	1,096	EUR	203,746	0.14
AENA SME SA	26,873	EUR	640,115	0.43
AMADEUS IT GROUP SA -A-	7,803	EUR	490,341	0.33
BANCO BILBAO VIZCAYA ARGENTARIA SA	188,255	EUR	3,774,512	2.51
BANCO SABADELL PREFERENTIAL SHARE	164,678	EUR	554,141	0.37
BANKINTER SA - REG SHS	35,907	EUR	508,264	0.34
CAIXABANK SA	141,027	EUR	1,473,027	0.98
CELLNEX TELECOM SA	13,400	EUR	367,562	0.24
EDP RENOVAVEIS SA	4,248	EUR	51,146	0.03
IBERDROLA SA	78,580	EUR	1,450,980	0.97
MAPFRE REG-SHS	154,607	EUR	662,027	0.44
MERLIN PROPERTIES SOCIMI S.A.	16,203	EUR	201,403	0.13
PUIG BRANDS SA-B	22,776	EUR	338,679	0.23
REDEIA CORPORACION SA	22,929	EUR	347,833	0.23
TELEFONICA SA	226,328	EUR	790,564	0.53
UNICAJA BANCO SA	127,554	EUR	354,345	0.24
			12,208,685	8.13
Sweden				
AAK --- REGISTERED SHS	14,356	SEK	349,784	0.23
ADDTECH AB-B SHARES	6,392	SEK	193,289	0.13
ALFA LAVAL	8,096	SEK	348,232	0.23
ASSA ABLOY -B- NEW I	10,430	SEK	345,740	0.23
ATLAS COPCO AB -A-	15,395	SEK	236,108	0.16
AXFOOD AB	19,844	SEK	531,886	0.35
BEIJER REF AB	3,505	SEK	48,268	0.03
BIOVITRUM AB	1,654	SEK	50,841	0.03
BOLIDEN - REG SHS	4,471	SEK	212,751	0.14
EPIROC - REG SHS -A-	2,583	SEK	50,076	0.03
EQT AB	1,643	SEK	55,207	0.04
ESSITY AB REGISTERED -B-	26,341	SEK	645,205	0.43
HENNES AND MAURITZ AB	11,842	SEK	203,328	0.14
HEXAGON - REG SHS -B-	5,025	SEK	50,821	0.03
INDUTRADE AB	8,929	SEK	198,257	0.13
LATOUR INVESTMENT REGISTERED B	2,439	SEK	50,776	0.03
NIBE INDUSTRIER	15,422	SEK	50,737	0.03
NORDNET AB PUBL	26,513	SEK	661,662	0.44
SAGAX -B-	2,749	SEK	50,171	0.03
SANDVIK AB	7,343	SEK	203,870	0.14
SECURITAS -B- FREE	48,421	SEK	658,315	0.44
SKANSKA -B- FREE	15,021	SEK	350,032	0.23
SKF AB -B-	14,848	SEK	337,087	0.22
SSAB - REG SHS -B-	53,405	SEK	343,603	0.23
SVENSKA CELLULOSA SCA AB-SHS-B-	4,560	SEK	51,635	0.03
SWECO AB-B SHS	13,790	SEK	192,196	0.13
TELE2 AB	36,131	SEK	515,752	0.34

The accompanying notes form an integral part of the financial statements.
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IndexIQ Factors Sustainable Europe Equity

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
TELIA COMPANY AB	184,092	SEK	669,580	0.45
VOLVO AB -B-	25,946	SEK	709,100	0.47
			8,364,309	5.57
Switzerland				
ABB LTD PREFERENTIAL SHARE	11,040	CHF	702,621	0.47
ALCON - REG SHS	5,113	CHF	347,717	0.23
BARRY CALLEBAUT - NAMEN-AKT	39	CHF	54,738	0.04
BC VAUDOISE - REG SHS	6,077	CHF	655,702	0.44
BELIMO HOLDING LTD	59	CHF	49,521	0.03
CHOCOLADEFABRIKEN LINDT & SP PARTIZIPSCH	40	CHF	498,227	0.33
DSM FIRMENICH	7,160	EUR	492,322	0.33
GALDERMA GROUP AG	286	CHF	49,823	0.03
GEBERIT AG	741	CHF	493,416	0.33
GIVAUDAN SA - REG SHS	104	CHF	351,622	0.23
HELVETIA HLDG - REGISTERED SHS	2,989	CHF	672,003	0.45
JULIUS BAER GROUP - REG SHS	5,297	CHF	355,221	0.24
KUEHNE + NAGEL INTERNATIONAL AG	2,754	CHF	506,848	0.34
LOGITECH - REG SHS	2,056	CHF	180,168	0.12
LONZA GROUP	91	CHF	52,595	0.04
NESTLE SA PREFERENTIAL SHARE	24,805	CHF	2,099,027	1.40
NOVARTIS AG PREFERENTIAL SHARE	18,171	CHF	2,140,291	1.42
PARTNERS GROUP HLDG - REG SHS	193	CHF	203,765	0.14
PSP SWISS PROPERTY AG	2,286	CHF	352,543	0.23
ROCHE HOLDING LTD	5,539	CHF	1,953,681	1.30
SGS LTD	5,224	CHF	510,105	0.34
SIKA - REGISTERED SHS	2,001	CHF	349,664	0.23
SONOVA HOLDING NAM-AKT	1,598	CHF	355,664	0.24
STRAUMANN HOLDING LTDÄ	490	CHF	49,216	0.03
SWISS LIFE HOLDING - REG SHS	680	CHF	669,988	0.45
SWISS PRIME SITE AG-NAMEN AKT	2,711	CHF	358,942	0.24
SWISS RE - REG SHS	6,506	CHF	928,879	0.62
SWISSCOM SHS NOM	941	CHF	581,994	0.39
SWISSQUOTE GROUP HOLDING	387	CHF	202,546	0.13
TEMENOS AG NAM.AKT	622	CHF	53,209	0.04
VAT GROUP SA	119	CHF	49,352	0.03
VZ HOLDING LTD	3,065	CHF	492,113	0.33
ZURICH INSURANCE GROUP - REG SHS	2,167	CHF	1,401,505	0.93
			18,215,028	12.13
United Kingdom				
3I GROUP PLC	12,460	GBP	465,636	0.31
ADMIRAL GROUP PLC	17,983	GBP	654,115	0.44
ANTOFAGASTA PLC	1,499	GBP	56,293	0.04
ASHTREAD GROUP	3,354	GBP	195,367	0.13
ASSOCIATED BRITISH FOODS PLC	21,898	GBP	533,437	0.36
ASTRAZENECA PLC	5,965	GBP	942,076	0.63
AUTO TRADER GROUP PLC	71,276	GBP	478,683	0.32
AVIVA PLC	113,421	GBP	889,026	0.59
BARRATT DEVELOPMENTS PLC	12,250	GBP	53,467	0.04
BEAZLEY PLC	68,526	GBP	652,965	0.43
BT GROUP PLC	283,401	GBP	597,377	0.40
BUNZL PLC	19,957	GBP	474,497	0.32
CENTRICA	335,618	GBP	651,710	0.43
COMPASS GROUP	26,457	GBP	716,307	0.48
EXPERIAN GROUP	8,992	GBP	346,333	0.23
GAMES WORKSHOP GROUP PLC	886	GBP	191,984	0.13
GSK REG SHS	47,273	GBP	987,798	0.66
HALEON PLC REGISTERED SHARE	129,833	GBP	557,309	0.37
HALMA PLC	8,661	GBP	350,943	0.23
ICG(OST)	2,167	GBP	50,977	0.03

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



IndexIQ Factors Sustainable Europe Equity

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
IMI	22,979	GBP	654,776	0.44
INFORMA PLC	19,385	GBP	196,259	0.13
INTERCONTINENTAL HOTELS GROUP PLC	4,192	GBP	502,185	0.33
INTERTEK GROUP PLC	9,699	GBP	513,859	0.34
INVESTEC	82,596	GBP	521,694	0.35
J SAINSBURY PLC	178,013	GBP	662,592	0.44
KINGFISHER PLC	56,893	GBP	203,750	0.14
LEGAL & GENERAL GROUP PLC	70,081	GBP	210,207	0.14
LSE GROUP	1,084	GBP	111,137	0.07
M&G REGISTERED SHS	156,772	GBP	514,224	0.34
METLEN ENERGY & METALS	1,187	EUR	51,991	0.03
NATIONAL GRID PLC	67,892	GBP	887,576	0.59
NATWEST GROUP PLC	101,529	GBP	757,906	0.50
NEXT PLC	4,170	GBP	653,331	0.43
PEARSON PLC	41,061	GBP	493,776	0.33
PHOENIX GROUP HOLDINGS PLC - REG SHS	63,427	GBP	535,368	0.36
PRUDENTIAL PLC	43,994	GBP	576,661	0.38
RECKITT BENCKISER GROUP PLC	7,382	GBP	507,436	0.34
RELX PLC	18,484	EUR	641,025	0.43
RENTOKIL INITIAL PLC	10,284	GBP	52,707	0.04
SAGE GROUP	40,027	GBP	496,470	0.33
SCHRODERS PLC	44,807	GBP	208,858	0.14
SEGRO (REIT)	6,394	GBP	52,754	0.04
SEVERN TRENT PLC	6,385	GBP	203,949	0.14
SMITH AND NEPHEW PLC	3,616	GBP	51,290	0.03
SPIRAX-SARCO ENGIN	653	GBP	51,005	0.03
SSE PLC	9,133	GBP	227,920	0.15
ST JAME'S PLACE CAPITAL	13,090	GBP	207,560	0.14
TESCO --- REGISTERED SHS	208,352	GBP	1,054,228	0.70
UNILEVER PLC	26,856	GBP	1,494,666	0.99
UNITED UTILITIES GROUP PLC	25,560	GBP	349,523	0.23
VODAFONE GROUP PLC	1,406,077	GBP	1,592,314	1.06
WISE PLC	19,969	GBP	203,772	0.14
ZEGONA COMMUNICATIONS PLC	3,042	GBP	48,601	0.03
			25,337,670	16.87
United States of America				
AEGON - REGISTERED SHS	53,993	EUR	358,514	0.24
			358,514	0.24
Total Shares			149,653,915	99.62
Total transferable securities admitted to an official stock exchange listing or dealt on another regulated market			149,653,915	99.62
Total investment portfolio			149,653,915	99.62
Acquisition cost			133,547,676	

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



IndexIQ Factors Sustainable Europe Equity

Geographical and economic breakdown of investments as at December 31, 2025

Geographical breakdown (in % of net assets)

United Kingdom	16.87
Germany	15.02
France	12.86
Switzerland	12.13
Spain	8.13
Italy	7.20
Netherlands	6.81
Sweden	5.57
Denmark	3.25
Finland	3.23
Norway	2.99
Belgium	1.48
Ireland	1.24
Austria	1.19
Portugal	0.91
Luxembourg	0.45
United States of America	0.24
Mexico	0.04
Jersey	0.03
	99.62

Economic breakdown (in % of net assets)

Banks and other financial institutions	19.76
Insurance	10.72
Pharmaceuticals	9.46
Communication	7.23
Utilities	6.61
Road vehicles	6.27
Foods and non-alcoholic drinks	4.79
Retail trade and department stores	4.78
Transportation	3.56
Machine and apparatus construction	3.46
Electrical engineering	3.20
Chemicals	2.53
Building materials	2.48
Miscellaneous services	2.23
Graphic art and publishing	1.90
Real estate	1.84
Internet and internet services	1.77
Electronics and semiconductors	1.36
Miscellaneous consumer goods	1.30
Hotels and restaurants	0.95
Textiles and garments	0.95
Tires and rubber	0.55
Paper and forest products	0.52
Coal mining and steel industry & Chemicals	0.50
Healthcare	0.27
Non ferrous metals	0.25
Biotechnology	0.20
Office supplies and computing	0.12
Agriculture and fishery	0.03
Environmental services and recycling	0.03
	99.62

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



IndexIQ Factors Sustainable Japan Equity

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
Transferable securities admitted to an official stock exchange listing or dealt on another regulated market				
Shares				
Japan				
ADVANTEST CORP	1,800	JPY	191,989	0.21
AJINOMOTO CO INC	21,300	JPY	383,793	0.41
ANA HOLDINGS INC	60,400	JPY	977,416	1.05
ASAHI KASEI CORPORATION	100,200	JPY	756,035	0.81
ASICS CORP KOBE	18,400	JPY	375,318	0.40
ASTELLAS PHARMA	34,800	JPY	395,658	0.43
BANDAI NAMCO HOLDINGS INC	24,800	JPY	562,041	0.60
BRIDGESTONE CORP	61,000	JPY	1,164,403	1.25
CANON INC	43,900	JPY	1,104,838	1.19
CAPCOM CO LTD	29,300	JPY	581,101	0.62
CENTRAL JAPAN RAILWAY CO	33,200	JPY	782,167	0.84
CHIBA BANK	21,800	JPY	207,000	0.22
CHUGAI PHARMACEUTICAL	4,500	JPY	201,497	0.22
CONCORDIA FIN GRP	28,800	JPY	202,363	0.22
DAI NIPPON PRINTING CO LTD	63,400	JPY	927,809	1.00
DAIFUKU CO	21,100	JPY	564,839	0.61
DAIICHI SANKYO CO LTD	21,300	JPY	387,380	0.42
DAINIPPON SCREEN MFG CO LTD	10,600	JPY	877,531	0.94
DAIWA HOUSE INDUSTRY CO LTD	42,200	JPY	1,191,573	1.28
DAIWA SECURITIES GROUP INC	75,800	JPY	564,313	0.61
DENSO CORP	133,400	JPY	1,563,792	1.68
DISCO CO LTD	800	JPY	209,333	0.23
EAST JAPAN RAILWAY CO	43,500	JPY	976,386	1.05
EBARA CORPORATION	18,200	JPY	364,219	0.39
EISAI	8,200	JPY	207,573	0.22
FANUC CORP SHS	5,900	JPY	194,990	0.21
FAST RETAILING CO LTD	2,400	JPY	742,336	0.80
FUJIFILM HOLDINGS CORP	37,700	JPY	684,825	0.74
FUJIKURA LTD	3,900	JPY	369,473	0.40
FUJITSU LTD	27,500	JPY	646,684	0.70
HANKYU HANSHIN HOLDINGS INC	27,100	JPY	580,454	0.62
HIKARI TSUSHIN	1,700	JPY	404,016	0.43
HITACHI LTD	53,500	JPY	1,424,620	1.53
HONDA MOTOR CO LTD	312,500	JPY	2,607,432	2.80
HOYA CORP	3,000	JPY	385,981	0.41
HULIC CO LTD	100,100	JPY	932,274	1.00
ISUZU MOTORS LTD	57,500	JPY	761,975	0.82
JAPAN POST BANK	64,300	JPY	771,576	0.83
JAPAN POST HOLDINGS CO	152,300	JPY	1,365,486	1.47
JFE HOLDINGS INC	98,100	JPY	1,064,456	1.14
JP POST INSRAN CO	16,200	JPY	414,660	0.45
KAJIMA CORP	12,300	JPY	389,868	0.42
KAO CORP	22,200	JPY	755,037	0.81
KDDI CORP	141,000	JPY	2,074,530	2.23
KEYENCE CORP	2,700	JPY	831,315	0.89
KIKKOMAN CORP	97,800	JPY	755,458	0.81
KOBE BUSSAN CO LTD	38,400	JPY	790,573	0.85
KUBOTA CORP	46,600	JPY	561,081	0.60
KYOCERA CORP	31,800	JPY	379,429	0.41
KYOWA KIRIN CO LTD	54,900	JPY	753,615	0.81
LASERTEC CORP	2,300	JPY	370,383	0.40
MATSIKIYOCOCO - REG SHS	60,800	JPY	895,705	0.96
MINEBEA MITSUMI	31,700	JPY	540,878	0.58
MITSUBISHI CHEMICAL GROUP CORPORATION	202,500	JPY	1,006,620	1.08

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



IndexIQ Factors Sustainable Japan Equity

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
mitsubishi estate	18,600	JPY	386,066	0.42
MITSUBISHI HC CAPITAL INC	107,600	JPY	766,279	0.82
MITSUI FUDOSAN CO LTD	62,900	JPY	608,365	0.65
MIZUHO FINANCIAL GROUP INC	68,600	JPY	2,124,080	2.28
MONOTARO CO LTD	16,600	JPY	225,479	0.24
MURATA MANUFACTURING CO LTD	24,800	JPY	437,292	0.47
NEC CORP	6,800	JPY	196,144	0.21
NEXON CO LTD	18,700	JPY	388,751	0.42
NINTENDO CO LTD	6,300	JPY	362,588	0.39
NIPPON BUILDING FD	734	JPY	569,771	0.61
NIPPON SANZO HOLDINGS CORP	29,400	JPY	745,504	0.80
NISSAN MOTOR CO LTD	464,200	JPY	983,678	1.06
NITTO DENKO CORP	45,200	JPY	912,156	0.98
NOMURA HOLDINGS INC	38,800	JPY	274,208	0.29
NOMURA RESEARCH INSTITUTE	11,600	JPY	379,401	0.41
OBAYASHI CORP	43,000	JPY	763,581	0.82
ORIENTAL LAND CO LTD	37,300	JPY	587,292	0.63
ORIX CORP	63,800	JPY	1,578,285	1.70
OSAKA SECURITIES EXCHANGE	80,800	JPY	735,626	0.79
OTSUKA HOLDINGS	11,400	JPY	549,474	0.59
PANASONIC HLDGS - REG SHS	89,600	JPY	984,879	1.06
RAKUTEN	113,900	JPY	621,197	0.67
RECRUIT HOLDINGS CO LTD	15,700	JPY	754,514	0.81
RENASAS ELECTRONICS	17,000	JPY	197,622	0.21
RESONA HOLDINGS INC	24,000	JPY	194,645	0.21
RYOHIN KEIKAKU CO LTD	12,300	JPY	185,881	0.20
SECOM CO LTD	31,600	JPY	956,639	1.03
SEIBU HOLDINGS INC	37,100	JPY	867,397	0.93
SEKISUI CHEMICAL CO LTD	68,100	JPY	974,764	1.05
SEKISUI HOUSE LTD	40,400	JPY	767,667	0.83
SG HOLDINGS CO LTD	97,500	JPY	759,231	0.82
SHIMADZU CORPORATION	32,100	JPY	726,783	0.78
SHIMANO INC	2,200	JPY	197,605	0.21
SHIN-ETSU CHEM. CO LTD	48,900	JPY	1,294,426	1.39
SHINOBI CO LTD	65,200	JPY	1,006,215	1.08
SHISEIDO	15,300	JPY	189,329	0.20
SMC CORP	700	JPY	207,084	0.22
SOMPO HOLDINGS INC	41,000	JPY	1,188,424	1.28
SONY CORP	109,600	JPY	2,395,744	2.58
SONY FINANCIAL GROUP INC	326,100	JPY	294,056	0.32
SUBARU CORPORATION	58,500	JPY	1,078,866	1.16
SUMITOMO ELECTRIC INDUSTRIES LTD	15,900	JPY	546,298	0.59
SUMITOMO METAL MINING CO LTD	6,300	JPY	217,553	0.23
SUMITOMO MITSUI FINANCIAL GROUP INC	78,800	JPY	2,157,818	2.32
SUMITOMO MITSUI TRUST - SHS	31,700	JPY	822,595	0.88
SUNTORY	36,500	JPY	937,239	1.01
SYSTEMEX	48,900	JPY	409,738	0.44
T&D HOLDING	30,300	JPY	595,008	0.64
TAISEI	7,400	JPY	596,336	0.64
TDK CORP	45,300	JPY	544,075	0.58
TERUMO CORP.	45,900	JPY	565,992	0.61
TIS SHS	27,300	JPY	779,601	0.84
TOHO CO	8,600	JPY	372,798	0.40
TOKYO ELECTRON LTD	2,100	JPY	391,506	0.42
TOKYO METRO CO LTD	88,500	JPY	766,548	0.82
TOKYU CORP	97,600	JPY	970,226	1.04
TOPPAN HOLDINGS INC.	7,400	JPY	187,362	0.20
TOYOTA MOTOR CORP	471,200	JPY	8,590,116	9.23

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



IndexIQ Factors Sustainable Japan Equity

Investment portfolio as at December 31, 2025

Description	Quantity	Currency	Market value (in EUR)	% net assets
UNI CHARM	197,400	JPY	959,714	1.03
WEST JAPAN RAILWAY COMPANY	56,900	JPY	966,213	1.04
YAMAHA MOTOR CO LTD	144,700	JPY	911,404	0.98
YOKOGAWA ELECTRIC CORP	34,300	JPY	934,595	1.00
ZOZO INC	106,400	JPY	746,173	0.80
			92,561,993	99.50
Total Shares			92,561,993	99.50
Total transferable securities admitted to an official stock exchange listing or dealt on another regulated market			92,561,993	99.50
Total investment portfolio			92,561,993	99.50
Acquisition cost			84,947,683	



IndexIQ Factors Sustainable Japan Equity

Geographical and economic breakdown of investments as at December 31, 2025

Geographical breakdown (in % of net assets)

Japan	99.50
	99.50

Economic breakdown (in % of net assets)

Banks and other financial institutions	21.56
Road vehicles	17.95
Electronics and semiconductors	13.71
Transportation	8.13
Building materials	5.28
Chemicals	4.80
Pharmaceuticals	4.60
Retail trade and department stores	3.32
Real estate	2.68
Communication	2.66
Graphic art and publishing	2.41
Machine and apparatus construction	2.41
Internet and internet services	1.45
Foods and non-alcoholic drinks	1.42
Tires and rubber	1.25
Electrical engineering	1.19
Miscellaneous consumer goods	1.03
Miscellaneous services	1.03
Office supplies and computing	0.91
Hotels and restaurants	0.63
Insurance	0.45
Textiles and garments	0.40
Non ferrous metals	0.23
	99.50



Notes to the financial statements

Note 1 - General Information

IndexIQ (the "Company" or the "Fund") is a public limited company (société anonyme) incorporated on April 6, 2017 under the laws of Luxembourg as an investment company with variable share capital (société d'investissement à capital variable). The Fund is subject to Part I of the Luxembourg law of December 17, 2010 relating to undertakings for collective investment, as amended or supplemented from time to time and qualifies as a UCITS.

The Fund is registered with the Luxembourg Trade and Companies Register under number B-214117. The latest version of the Articles of Association was published on the Recueil électronique des sociétés et associations (RESA), the central electronic platform of the Grand-Duchy of Luxembourg on April 21, 2017.

In order to offer investments with different levels of risks, IndexIQ is subdivided into Sub-Funds. On December 31, 2025, three Sub-funds are active and are detailed as follows:

<u>Sub-Funds</u>	<u>Reference currency</u>
IndexIQ Factors Sustainable Corporate Euro Bond	EUR
IndexIQ Factors Sustainable Europe Equity	EUR
IndexIQ Factors Sustainable Japan Equity	EUR

The Fund may issue Shares of different Share Classes in each Sub-Fund. Such Share Classes may each have specific characteristics. Certain Share Classes may be reserved to certain categories of investors: the Share Class UCITS ETF is reserved for Authorized Participants designated by the Fund and Share Class S is reserved for limited Institutional Investors designated by the Management Company.

On December 31, 2025, the Share classes available are the following:

IndexIQ Factors Sustainable Corporate Euro Bond

Share Class name	Launch Date
Class UCITS ETF Acc (EUR)	Not yet launched
Class UCITS ETF Dis (EUR)	June 28, 2017
Class S Acc (EUR)	June 28, 2017

IndexIQ Factors Sustainable Europe Equity

Share Class name	Launch Date
Class UCITS ETF Acc (EUR)	June 28, 2017
Class UCITS ETF Dis (EUR)	Not yet launched
Class S Acc (EUR)	June 28, 2017

IndexIQ Factors Sustainable Japan Equity

Share Class name	Launch Date
Class UCITS ETF Acc (EUR)	June 29, 2017
Class UCITS ETF Dis (EUR)	Not yet launched
Class S Acc (EUR)	June 29, 2017

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

The annual general meeting of shareholders will be held within six (6) months of the end of each financial year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice of such meeting.

Audited annual reports will be made available for public inspection at the registered offices of the Company.

The annual report will be available at the registered office of the Company at least eight (8) days before the annual general meeting - cf art. 461-6 law 1915: each shareholder shall be entitled to obtain a copy of the annual report, free of charge, upon request and against evidence of his title, eight (8) days before the annual general meeting.

Unaudited semi-annual reports will be published within two (2) months after the end of the relevant period.

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

Note 2 - Principal accounting policies

a) Presentation of the financial statements

The financial statements are prepared in accordance with Luxembourg legal and regulatory requirements relating to investment funds.

This annual report is prepared on the basis of the last unofficial technical net asset values, calculated for the purpose of the financial statements as at December 31, 2025.



Notes to the financial statements

Note 2 - Principal accounting policies (continued)

b) Investment objective and policy

The objective of the Sub-Fund - **IndexIQ Factors Sustainable Corporate Euro Bond** is to track, before the Sub-Fund fees and expenses, the performance of Solactive Candriam Factors Sustainable Corporate Euro Bond Index.

The objective of the Sub-Fund - **IndexIQ Factors Sustainable Europe Equity** is to track the performance, before the Sub-Fund fees and expenses, of Solactive Candriam Factors Sustainable Europe Equity Index.

The objective of the Sub-Fund - **IndexIQ Factors Sustainable Japan Equity** is to track the performance, before the Sub-Fund fees and expenses, of Solactive Candriam Factors Sustainable Japan Equity Index.

There can be no assurance that the Sub-Funds will achieve their investment objective.

The Sub-Funds will seek to track the performance of the Reference Index mainly by making direct investments in Transferable Securities representing an optimized sample of the underlying components of the Reference Index.

c) Valuation of each Sub-Fund's portfolio

i. Equities, warrants and rights:

Equities are valued at the closing (or alternatively last available) price on the various stock exchanges on the reference date or in the absence thereof the preceding date.

ii. Exchange Traded Fund ("ETF") and UCI:

ETF and UCI are valued at the Net Asset Value (or alternatively based on the method applied for equities for quoted, listed or traded funds) representative of the markets on the reference date or in the absence thereof the preceding date.

iii. Bonds:

Bonds are valued at the closing price on the basis of contributor prices on the reference date or in the absence thereof the preceding date.

iv. Negotiable debt securities and other money market instruments:

Negotiable debt securities are valued at the closing price on the basis of contributor prices on the reference date (or in the absence thereof the preceding date) or according to the straight-line method.

v. Spot exchange rates

The spot exchange rates are valued from the market data available from specialized data providers on the reference date or in the absence thereof the preceding date.

vi. Derivatives

Other derivatives are valued based on counterparties prices, market prices or are calculated based on models validated on the reference date or in the absence thereof the preceding date.

vii. Exceptional treatment

Any asset in which there are not significant amounts of transactions or for which the price is not available or clearly not representative of the market, will be valued based on the probable realization value estimated with care and in good faith by the Management Company using any valuation method approved by the Board of Directors.

d) Foreign currency translation

The accounting and the financial statements of the sub-funds are drawn up in EUR.

Cash held with banks, the other net assets and the market value of investments denominated in currencies other than EUR are converted into EUR at the exchange rate available on December 31, 2025.

The income and expenses denominated in currencies other than the EUR are converted into EUR at the exchange rate applicable at the date of the transaction.

The resulting currency conversion gains and losses are recorded in the statement of changes in net assets.

Exchange rates used as at December 31, 2025 are the following:

1 EUR =	0.930500	CHF	1 EUR =	0.873150	GBP	1 EUR =	11.846500	NOK	1 EUR =	1.174450	USD
1 EUR =	7.469000	DKK	1 EUR =	184.089150	JPY	1 EUR =	10.827000	SEK			

e) Combined financial statements of the SICAV

The financial statements of the SICAV are drawn up in EUR. The different items of the combined statement of the SICAV's net assets as at December 31, 2025 are equal to the sum of the corresponding items in the financial statements of each Sub-Fund.

f) Transaction costs

For the year ended December 31, 2025, the SICAV incurred transaction costs and broker's charges related to the purchase and sale of transferable securities, money market instruments, other eligible assets and derivatives instruments.



Notes to the financial statements

Note 2 - Principal accounting policies (continued)

Furthermore, in accordance with the practices of the bond markets, a bid-offer spread is applied to securities purchase or sale transactions. According to this principle, the selling and buying prices applied by the broker to a given transaction are not identical and the difference between them constitutes the broker's remuneration.

g) Income

Interest income is accrued daily. Investment transactions are accounted for on a trade date basis. Dividend income is recorded on the ex-dividend date, net of withholding tax. Interest income comprises the amortization / accretion income using the effective interest yield method.

Note 3 - Investment Manager fees

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

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

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

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

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

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

The management fees rate applicable as at December 31, 2025 are as follows:

Sub-fund	Share class	Share type	ISIN	Management fee
IndexIQ Factors Sustainable Corporate Euro Bond	S	Capitalisation	LU1603777555	0.20%
	UCITS ETF	Distribution	LU1603790731	0.15%
IndexIQ Factors Sustainable Europe Equity	S	Capitalisation	LU1603778108	0.15%
	UCITS ETF	Capitalisation	LU1603795458	0.10%
IndexIQ Factors Sustainable Japan Equity	S	Capitalisation	LU1603778520	0.20%
	UCITS ETF	Capitalisation	LU1603797587	0.15%

Note 4 - Operating and Administrative Expenses

The Fund will bear the day-to-day operational and administrative expenses incurred to cover all the overhead, variable costs, charges, fees and other expenses, as described below (the "Operational and Administrative Expenses").

The Operational and Administrative Charges cover the following costs, although this list is not exhaustive:

(a) expenses incurred directly by the Fund, including, among others, fees and charges owing to the Depositary, to the principal paying agent, commissions and fees for certified auditors, share classes hedging fees, including those charged by the Management Company;

(b) the Fund pays annual fees to Independent Directors in consideration of the services they provide to the SICAV. For the year ended 31 December 2025, the aggregate fees paid to its Independent Directors amounted to € 15,000.

(c) a "service fee" which includes the remaining amount of Operational and Administrative Charges after deducting the costs indicated in section (a) above, being, among others, the fees and costs of the domiciliary agent, the Administrator the costs associated with registration and for maintaining this registration in all jurisdictions (such as fees levied by the supervisory authorities concerned, translation costs and payment for representatives abroad and local paying agents), stock exchange listing and maintenance fees, share price publication costs, postal and communication costs, the costs for preparing, printing, translating and distributing prospectuses, key investor information documents, notices to the shareholders, financial reports or any other documents for shareholders, legal fees and expenses, the costs and fees associated with the subscription for any account or license or any other use of paid information or data, the fees incurred for using a trademark registered by the Fund and the fees and expenses for the Management Company and/or its delegates and/or any other agent appointed by the Fund itself and/or independent experts.

Operational and Administrative Charges are expressed as an annual percentage of the average Net Asset Value of each Sub-Fund or Share Class and are payable monthly.

At the end of a given year, if the charges and expenses were to exceed the percentage of the Operational or Administrative Charges set for share classes then the Management Company would pay the difference. Conversely if the actual charges and expenses were to be less than the percentage of the Operational and Administrative Charges set for classes of shares, then the Management Company would retain the difference.

The Management Company may instruct the Fund to settle all or part of the expenses as stated above directly on its assets. In such case, the amount of Operational and Administrative Charges will be reduced accordingly.

The total expense level including investment manager fees as per Prospectus as at December 31, 2025 were:



Notes to the financial statements

Note 4 - Operating and Administrative Expenses (continued)

Sub-fund	Share class	Share type	ISIN	Maximum rate
IndexIQ Factors Sustainable Corporate Euro Bond	S	Capitalisation	LU1603777555	0.35%
	UCITS ETF	Distribution	LU1603790731	0.35%
IndexIQ Factors Sustainable Europe Equity	S	Capitalisation	LU1603778108	0.30%
	UCITS ETF	Capitalisation	LU1603795458	0.30%
IndexIQ Factors Sustainable Japan Equity	S	Capitalisation	LU1603778520	0.35%
	UCITS ETF	Capitalisation	LU1603797587	0.35%

CACEIS Bank, Luxembourg Branch acts as the depositary of the SICAV ("Depositary") in accordance with a depositary bank agreement for an unlimited term as amended from time to time ("Depositary Bank Agreement") and with the relevant provisions of the Law and applicable regulations.

The Operating and Administrative Expenses caption presented in the statement of changes in net assets of the SICAV for the year ending on December 31, 2025 includes the following amount of depositary fees:

Sub-fund	Currency	Depositary fees
IndexIQ Factors Sustainable Corporate Euro Bond	EUR	1,393
IndexIQ Factors Sustainable Europe Equity	EUR	6,599
IndexIQ Factors Sustainable Japan Equity	EUR	4,291

Note 5 - Subscription tax

The Fund is normally subject to a subscription tax ("taxe d'abonnement"). For the Sub-Funds whose securities are listed on a Stock Exchange and whose exclusive object is to replicate the performance of one or more indices, the Fund is exempted from the "taxe d'abonnement" pursuant to article 175 (e) of the 2010 Law as amended. Only the ETF share classes are exempted from the "taxe d'abonnement", the share classes "S" has to bear the tax since it's not quoted on a stock exchange.

The Fund is not currently subject to any other Luxembourg taxes on income or capital gains (except on dividends from asset source in Luxembourg which are normally paid to the Fund after deduction of a 15% withholding tax). Distributions paid by the Fund are not subject to any form of Luxembourg withholding tax.

Certain revenues of the Fund in terms of dividends and interest, or capital gain, from asset sources outside Luxembourg may, however, be liable to taxes at variable rates, which are generally deducted at source. Generally speaking, these taxes or deductions at source are not fully or partly recoverable. Within this context, the relief on these taxes and deductions at source provided for by the international double taxation prevention treaties entered into by the Grand Duchy of Luxembourg and the respective countries is not always applicable. Moreover, some transaction taxes or stamp duties may be applied on subscription, purchase, sale, exchange, transfer, or conversion of assets sources outside Luxembourg.

While the above tax information is accurate to the best of the Board of Directors' knowledge, it is possible that a tax authority may impose new taxes (including retroactive taxes).

Note 6 - Dividends

The Fund distributed the following dividends during the year ended December 31, 2025:

Sub-fund	Share class	Currency	Dividend	Ex-date
IndexIQ Factors Sustainable Corporate Euro Bond	UCITS ETF	EUR	0.41	30/04/2025

Note 7 - Conflict of interest

The Board of Directors, the Management Company, the Investment Manager, the Depositary, the Administrator and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

As further described in the Articles of Association, any director of the Fund who has, directly or indirectly, an interest in a transaction submitted to the approval of the Board of Directors which conflicts with the Fund's interest, must inform the Board of Directors. The director may not take part in the discussions on and may not vote on the transaction. Where, by reason of a conflicting interest, the number of directors required in order to validly deliberate is not met, the board of directors may submit the decision on this specific item to the general meeting of shareholders.

The Management Company has adopted and implemented a conflicts of interest policy and has made appropriate organizational and administrative arrangements to identify and manage conflicts of interests so as to minimize the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund is treated fairly.

Note 8 - Global exposure

The global exposure of the Sub-Funds is calculated and monitored under the commitment approach. The global exposure of the Sub-Funds may not exceed its Net Asset Value.

Note 9 - Listing

The sub-funds contain UCITS ETF Shares. As a consequence, the UCITS ETF Shares shall be traded throughout the day on one or several Regulated Market or multilateral trading facilities with at least one Market Maker which takes action to ensure that the Stock Exchange value of the Shares does not significantly vary from its NAV.



Notes to the financial statements

Note 10 - Changes in portfolio composition

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

Note 11 - Subsequent events

There is no subsequent event.

Note 12 - Auditor's other services

During the year from January 1, 2025 to December 31, 2025, the external auditor's services delivered to the Fund included:

- Other assurance related work:

Preparation of the separate report in accordance with CSSF circular 21/790.

Note 13 - Auditor's fees

The auditor's fees during the year ended December 31, 2025 were the following:

- Audit of the financial statements as of December 31, 2025: EUR 18,569.07.
- Preparation of the Separate Report as of December 31, 2025: EUR 8,373.69.



Additional unaudited information

Additional Information for Investors in the Federal Republic of Germany

Facilities referred to in Article 92(1) of Directive 2009/65/EC as amended by Directive (EU) 2021/2261 or Section 306a KAGB

Marcard, Stein & Co AG, Ballindamm 36, D-20095 Hamburg:

- Orders for the subscription, redemption and conversion of shares of the UCITS in accordance with the conditions set out in the UCITS' documents may be submitted to this facility.
- All payments to a shareholder, including redemption proceeds and distributions, if any, may be remitted through this facility at the request of the shareholder.
- This facility provides information on how the above-mentioned orders can be made and how redemption proceeds are paid.
- This facility facilitates the access to procedures and arrangements referred to in Article 15 of Directive 2009/65/EC as amended by Directive (EU) 2021/2261 and Section 28 (2) No. 1 KAGB relating to the exercise of investor rights (investor complaints) and provides information in relation thereto.
- The prospectus, the key information documents, the articles of association of the SICAV, the latest annual and semi-annual reports – upon request in paper form – as well as other information and documents are available free of charge at this facility.
- The net asset value per share and the issue, redemption and conversion prices are available free of charge at this facility.
- This facility provides investors with information relevant to the tasks that the facility performs in a durable medium
- This facility acts as a contact point for communicating with the Bundesanstalt für Finanzdienstleistungsaufsicht

The website www.candriam.com:

- The prospectus, the key information documents, the articles of association of the SICAV, the latest annual and semi-annual reports as well as other information and documents are published on this website and are available there free of charge.
- The net asset value per share and the issue, redemption and conversion prices are published on this website and are available there free of charge.

The registered office of the SICAV:

- The prospectus, the key information documents, the articles of association of the SICAV, the latest annual and semi-annual reports – upon request in paper form - and other information and documents are available free of charge at the registered office of the SICAV.
- The net asset value per share and the issue, redemption and conversion prices are available free of charge at the SICAV's registered office.

Any notices to the shareholders in Germany will be published under www.candriam.com and sent to the shareholders at their address registered in the register of shareholders. In the following cases, a notice to shareholders will be published by means of a durable medium: suspension of the redemption of the shares; termination of the management of the fund or the winding-up of the fund; amendments to the fund rules which are inconsistent with existing investment principles, amendments to material investor rights to the detriment of investors, or amendments to the detriment of investors relating to remuneration or the reimbursement of expenses that may be taken out of the fund (including the reasons for the amendments and the rights of investors); the merger of the fund or a sub-fund; and the conversion of the fund or a sub-fund into a feeder fund.

Additional Information for Investors in Austria

Facility in Austria according to EU directive 2019/1160 article 92:

Erste Bank der oesterreichischen Sparkassen AG
Am Belvedere 1,
A-1100 Vienna/Austria
E-Mail: foreignfunds0540@erstebank.at

Additional information on the fund's investment strategy - European directive on shareholders' rights (SRD II)¹

In accordance with the transparency rules set out in the "Shareholders' Rights" European directive and related to annual disclosures to institutional investors, you can obtain additional information on the investment strategy implemented by Candriam and the contribution of this strategy to the medium to long-term performance of the Fund.

You may submit your request to the following address: <https://www.candriam.fr/contact/>.

¹Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.

Sub-fund	Portfolio Turnover Rate (in %)*
IndexIQ Factors Sustainable Europe Equity	104.15
IndexIQ Factors Sustainable Japan Equity	101.9

* Formula used: $[(Total\ purchases + total\ sales) - (total\ subscriptions + total\ redemptions)] / Average\ of\ net\ assets\ during\ the\ year\ under\ review.$

Engagement & voting policies, use of voting rights

Candriam exercises voting rights for the considered funds.

For all engagement matters, please refer to the engagement policy and to the associated reports, all available under Candriam website

<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>



Additional unaudited information

Proxy Voting

Candriam's proxy voting policy applies to the open-ended funds which are managed by an entity of the group Candriam. This policy also applies to dedicated funds and mandates if the underlying client has given his agreement to the application of such policy. The central goal of the Candriam Voting Policy is to safeguard the interests of all Candriam clients and funds under management, and to foster shareholder value while also taking into consideration the interests of all stakeholders. The policy is available here:

https://www.candriam.com/siteassets/medias/publications/brochure/corporate-brochures-and-reports/proxy-voting/proxy_voting_policy_en.pdf and the details of our votes can be found here: <https://vds.issgovernance.com/vds/#/NDA0Nw==/>.

Non voted meetings result from operational / technical burdens defined in our voting policy (for more details please refer to Candriam voting policy) or others encountered at our third party levels and for which remediation plans have been defined.

For the present SICAV, Candriam exercised voting rights for the following sub-funds:

- IndexIQ Factors Sustainable Europe Equity
- IndexIQ Factors Sustainable Japan Equity

As announced above, details of the voting are available on the web site <https://vds.issgovernance.com/vds/#/NDA0Nw==/>.

All General Assembly Meetings the Management company attended or was represented at are detailed, as well as the voted resolutions, effective votes and associated rationales when votes against management were registered.

At Intesa Sanpaolo SpA's 2025 General Meeting, Candriam co-filed, in cooperation with Assogestioni, the minority board slate resolution through its position in this fund, and supported the minority nominees, as these candidates could be best positioned to represent the interests of minority shareholders and carry out effective oversight of management's behaviour. In Italy, listed companies can be elected under the voto di lista mechanism, whereby shareholders submit slates of candidates and minority shareholders may obtain board representation through the allocation of seats to minority lists. Candidates on the minority list co-filed have agreed to adhere to the chart of corporate governance principles adopted by Assogestioni and upon the voting at the AGM, 5 candidates have been appointed to the board from the minority slate.

Other non voted meetings result from either the defined voting scope itself (for more details please refer to Candriam voting policy) or from delays in reception of needed powers of attorney."

Candriam Luxembourg has formulated and implemented a voting policy based on four principles of corporate governance. Voting decisions are taken in accordance with these principles:

1. Protection of all shareholders' rights in accordance with the "one share – one vote – one dividend" rule.
2. Guaranteed equality of treatment of shareholders, including minority and foreign shareholders.
3. Communication of accurate and transparent financial information.
4. Accountability and independence of the Board of Directors and the external auditors.

As part of its voting decisions, Candriam Luxembourg satisfies itself that it has obtained all the information required for the decision to be taken. Candriam Luxembourg's ESG and financial analysts examine the resolutions presented to the shareholders, taking into account the voting recommendations provided by external corporate governance advisors. Candriam Luxembourg does, however, retain total independence as regards its votes.

This voting policy is available under Candriam website (*) and notably details:

- The definition of the voting scope,
- How conflict of interest are identified and managed,
- The Role of proxy Advisers.

In addition, a Proxy Voting Committee has been established within Candriam Luxembourg, Its role is to evaluate the voting policy and make changes to it when deemed appropriate.

The Committee consists of internal representatives from the Management, Operations, Risk and ESG Research & Stewardship Teams and the Committee also has an external independent member. Representatives of the Legal department may attend meetings upon request.

There are no securities lending programs for funds which are part of the present SICAV.

(*) https://www.candriam.com/siteassets/medias/publications/brochure/corporate-brochures-and-reports/proxy-voting/proxy_voting_policy_en.pdf



Additional unaudited information

Information concerning the remuneration policy

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

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

During its financial year ended on December 31, 2025, Candriam paid the following amounts to its personnel:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 18,849,154.
- Total gross amount of variable remunerations paid: EUR 8,704,787.
- Number of beneficiaries: 157.

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

- Aggregate amount of the remunerations of the senior management: EUR 4,065,490.
- Aggregate amount of the remunerations of the members of the personnel of Candriam whose activities have a significant impact on the risk profile of the funds of which it is the management company (excluding senior management): EUR 3,638,212.

Remunerations paid by Candriam to the personnel of its Belgian branch (i.e. Candriam – Belgian Branch), acting as investment manager, during the financial year ended on December 31, 2025:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 25,891,096.
- Total gross amount of variable remunerations paid: EUR 9,250,700.
- Number of beneficiaries: 236.

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

- Aggregate amount of the remunerations of the senior management: EUR: 5,714,716
- Aggregate amount of the remunerations of the members of the personnel of the investment manager whose activities have a significant impact on the risk profile of the funds of which it is the investment manager (excluding senior management): EUR 5,934,564.

Remunerations paid by Candriam to the personnel of its French branch (i.e. Candriam – Succursale française), acting as investment manager(s), during the financial year ended on December 31, 2025:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 19,515,427.
- Total gross amount of variable remunerations paid: EUR 6,190,300.
- Number of beneficiaries: 198.

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

- Aggregate amount of the remunerations of the senior management: EUR 2,694,456.
- Aggregate amount of the remunerations of the members of the personnel of the investment manager whose activities have a significant impact on the risk profile of the funds of which it is the investment manager (excluding senior management): EUR 3,958,642.

The remuneration policy was last reviewed by the remuneration committee of Candriam on April 14, 2025 and was adopted by the Board of Directors of Candriam.



Additional unaudited information

Index tracking portfolios as at December 31, 2025

The following disclosures are required for Index-Tracking Portfolio's based on European Securities and Market Authority ("ESMA") guidelines and other UCITS issues (ESMA/2014/937EN), issued on August 01, 2014:

Sub-Fund	Share Class	NAV Performance*	Index Tracked	Index Performance	Performance difference	Level of Expenses	Expected tracking error	Effective tracking error	Tracking error difference
IndexIQ Factors Sustainable Corporate Euro Bond	UCITS ETF Dis	2.85%	Solactive Candriam Factors Sustainable Corporate Bond Index	3.04%	-0.19%	0.35%	0.30%	0.15%	0.15%
	S Acc	2.85%							
IndexIQ Factors Sustainable Europe Equity	UCITS ETF Acc	21.36%	Solactive Candriam Factors Sustainable Europe Equity Index	21.61%	-0.25%	0.30%	0.10%	0.16%	-0.06%
	S Acc	21.36%							
IndexIQ Factors Sustainable Japan Equity	UCITS ETF Acc	6.02%	Solactive Candriam Factors Sustainable Japan Equity Index	6.39%	-0.37%	0.35%	0.15%	0.21%	-0.06%
	S Acc	6.02%							

*The figures reflect the percentages changes of official NAV per share (cum dividends).

The anticipated tracking error for each portfolio under normal market circumstances is set out in the table above. Investors should note that the actual performance of the portfolios will not necessarily be aligned with the anticipated tracking error as detailed above. Anticipated tracking error has been calculated using historical data and therefore may not capture all factors that will impact a portfolio's actual performance against its benchmark index.

The performances are covering the period from January 1, 2025 to December 31, 2025.

Fixed Income:

IndexIQ Factors Sustainable Corporate Euro Bond:

The performance of IndexIQ Factors Sustainable Corporate Euro Bond - UCITS ETF for the year ended December 31, 2025 is 2.85%. Performances, gross of fees and distribution are in line with the benchmark as shown on table above.

The level of realised tracking error in 2025 was within the expected range, due to the effectiveness of replication techniques utilized.

Equities:

IndexIQ Factors Sustainable Europe Equity:

The performance of IndexIQ Factors Sustainable Europe Equity - UCITS ETF for the year ended December 31, 2025 is 21.36%. Performances, gross of fees are in line with the benchmark as shown on table above.

The level of realised tracking error in 2025 was outside the expected range.

IndexIQ Factors Sustainable Japan Equity:

The performance of IndexIQ Factors Sustainable Japan Equity - UCITS ETF for the year ended December 31, 2025 is 6.02%. Performances, gross of fees are in line with the benchmark as shown on table above.

The level of realised tracking error in 2025 was outside the expected range.

Sources: Candriam, Bloomberg.



Additional unaudited information

Sustainable Finance Disclosure Regulation (SFDR)

All the sub-funds of the SICAV are falling under article 8 of SFDR.

Entity LEI: 549300CSCF77KOFUBB98

Environmental and/or social characteristics

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

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

Did this financial product have a sustainable investment objective?

YES

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

NO

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



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

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

- avoiding exposure to companies that present both significant and severe structural risks and that are the most seriously in breach of the normative principles, taking account of their practices with regard to environmental and social issues and of adherence to norms such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises;
- avoiding exposure to companies that are significantly exposed to controversial activities such as the mining, transport or distribution of thermal coal, the production or retail of tobacco, and the production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, white phosphorus and or depleted uranium weapons);
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

How did the sustainability indicators perform?

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

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

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

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 50%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

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

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

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

Investment Category	Proportion of Investments	Proportion of Investments	Proportion of Investments	Proportion of Investments
	2025	2024	2023	2022
#1 Aligned with E/S characteristics	97.99%	98.36%	98.22%	97.27%
#2 Other	2.01%	1.64%	1.78%	2.73%
#1A Sustainable	81.54%	83.10%	93.44%	86.85%
#1B Other E/S characteristics	16.45%	15.26%	4.78%	10.42%
Taxonomy-aligned	0.00%	0.00%	0.00%	0.00%
Other environmental	45.42%	46.83%	49.75%	44.57%
Social	36.11%	36.26%	43.70%	42.28%

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

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to have a positive environmental and social impact in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 50%). It allowed the Sub-fund to exceed the objectives initially set.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

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

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

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

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

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

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

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



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

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

ENGAGEMENT

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

DIALOGUE with corporate issuers

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

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

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

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

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

Candriam also actively participate to several collaborative initiatives such as Climate Action 100+ or IIGCC & ShareAction Climate initiatives on Financials. Such initiatives targeted 24 issuer(s) of the financial product. These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in Candriam's annual engagement & voting report, available on Candriam's public website (Publications | Candriam) [\[https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications\]](https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications).

Given the geopolitical context and observed increase in inequalities, 24 issuer(s) with presence in the financial product have also been contacted in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10 PAI11).

While above mentioned PAI are prevalent when considering engagement performed for this financial product in 2025, other PAI such as biodiversity-related ones may also have been addressed in Candriam's dialogues with issuers. For more information, please refer to Candriam Engagement Annual review under Candriam website [<https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>].

EXCLUSIONS

PAI3

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 279 gCO₂/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

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

The carbon intensity (PAI 3) threshold for the product in 2025 was established at 279 gCO₂/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

PAI4

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

Companies directly involved in coal extraction are excluded regardless of the level of sales/revenues.

Companies generating more than 5% of revenues from the exploration, processing, transportation and distribution of thermal coal are also excluded.

The exclusion of companies developing new projects in coal extraction, coal power generation and coal transportation is appreciated without a minimum revenue threshold.

Additionally, companies involved in the exploration, production, refining or transport of oil & gas (>5% revenues), providing services and equipment dedicated to oil & gas production (>25% revenues), or with expansion or exploration plans for new oil and gas projects are excluded. This applies for both conventional and unconventional oil & gas activities.

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

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

PAI10

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

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

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

PAI14

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

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

MONITORING: calculation and evaluation of the principal adverse impact indicators

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

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	642.74	81.16%	82.57%
Scope 2 GHG Emissions	291.48	81.16%	82.57%
Total GHG Emissions	934.22	81.16%	82.57%
2 - Carbon Footprint	33.06	81.16%	82.57%
4 - Exposure to companies active in fossil fuel sector	2.48%	82.24%	82.58%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	97.77%	97.77%
13 - Board gender diversity	38.96%	85.12%	97.77%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	97.77%	97.77%



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2025 - 31/12/2025.

Largest investments	Sector	% of Assets	Country
Bank Of Montreal 2.75% 15-06-27	Banks And Other Credit Institutions	1.44%	Canada
Apple 1.375% 24-05-29	Office Supplies And Computing	1.12%	United States (u.s.a.)
Microsoft 2.625% 02-05-33	Internet And Internet Services	0.85%	United States (u.s.a.)
Asb Bank Ltd 0.25% 08-09-28	Banks And Other Credit Institutions	0.80%	New Zealand
Mastercard 1.0% 22-02-29	Banks And Other Credit Institutions	0.75%	United States (u.s.a.)
Vi 2.0% 15-06-29	Financial - Investment - Other Diversified Comp.	0.71%	United States (u.s.a.)
Bk America 0.694% 22-03-31	Banks And Other Credit Institutions	0.65%	United States (u.s.a.)
Deutsche Telekom Ag 1.75% 25-03-31	Telecommunication	0.65%	Germany
Ass Generali 5.8% 06-07-32	Insurance Companies	0.64%	Italy
Ass Generali 4.1562% 03-01-35	Insurance Companies	0.60%	Italy
Banco De Badell 4.0% 15-01-30	Banks And Other Credit Institutions	0.60%	Spain
Amex 3.433% 20-05-32	Banks And Other Credit Institutions	0.58%	United States (u.s.a.)
Hyundai Capital America 2.875% 26-06-28	Financial - Investment - Other Diversified Comp.	0.58%	United States (u.s.a.)

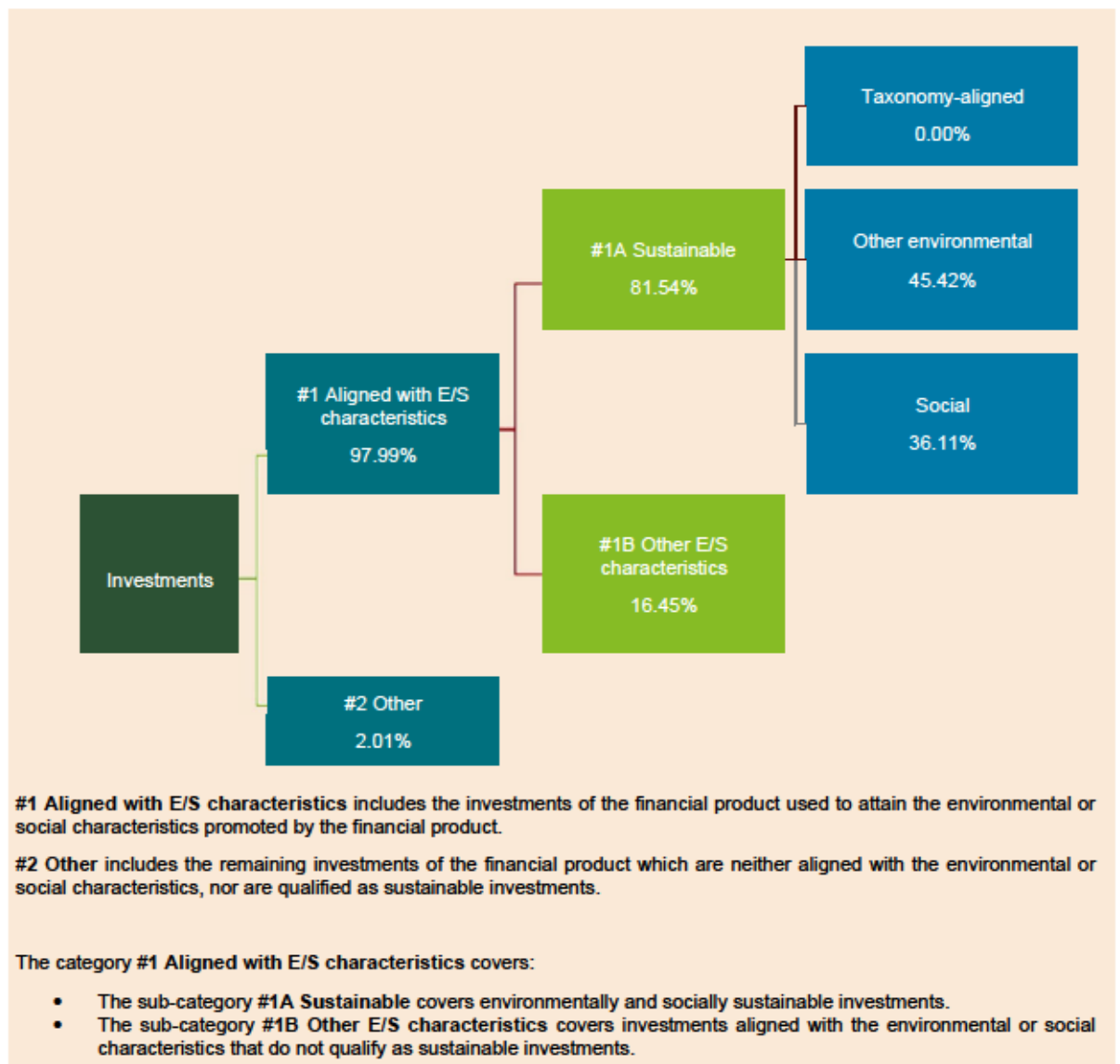
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

● What was the asset allocation?



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

Top sector	% of Assets
Banks And Other Credit Institutions	28.51%
Financial - Investment - Other Diversified Comp.	26.80%
Real Estate	4.87%
Transportation	4.29%
Insurance Companies	3.41%
Internet And Internet Services	3.10%
Telecommunication	2.54%
Electrical Engineering	2.44%
Pharmaceuticals - Cosmetics - Med. Products	2.39%
Energy And Water Supply	2.28%
Office Supplies And Computing	1.83%
Road Vehicles	1.77%
Miscellaneous Consumer Goods	1.76%
Chemicals	1.70%
Miscellaneous Services	1.58%

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

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

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

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

Taxonomy-aligned activities are expressed as a share of:

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



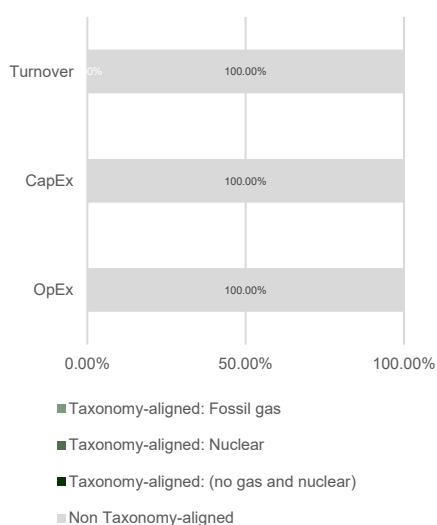
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

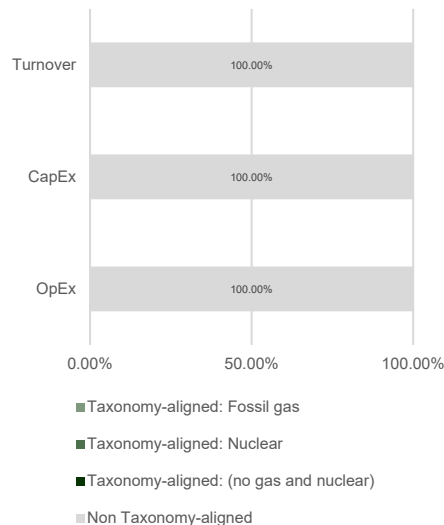
- Yes
- In fossil gas In nuclear energy
- No

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

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents 100.00% of the total investments.

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

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

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

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

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

Year	% EU Taxonomy Aligned
2025	0.00%
2024	0.00%
2023	0.00%
2022	0.00%

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

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

Therefore, this percentage is considered as null.

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

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

The Sub-Fund had a share of 45.42% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2025 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

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

The Sub-fund had a share of investments with a social objective of 36.11%

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

The investments included under "Other" are present in the Sub-fund for 2.01% of the total net assets.

These investments include one or more of the following assets:

- Cash: demand deposits, reverse repurchase transactions that are necessary in order to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or resulting from the Sub-fund's market exposure decisions,
- Other investments (including single name derivatives) which comply at least with good governance principles;
- Non single name derivatives used in the manner indicated in the Sub-fund's fact sheet.

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

For your information, to demonstrate the integration of ESG considerations within the investments of the financial product during the reference period, various metrics have been computed. One such metric is the carbon footprint; specifically, the financial product accounted for 33.06 tons of CO2eq per million euros invested, with a preference towards issuers exhibiting lower carbon footprints. Furthermore, it should be noted that the financial product divested from one issuer experiencing a deterioration in its carbon footprint. Additionally, the ESG score, assessed in accordance with Candriam's proprietary ESG methodology, reflects the financial product's performance, with an ESG score of 55.8. This indicates a strategic tilt toward issuers with superior ESG profiles. In this context, the financial product allocated investments to four issuers across Banks, Industrial Goods & Services, and Retail, all of whom have demonstrated improvements in their ESG performance, while simultaneously divesting from five issuers within Media and Real Estate sectors whose ESG profiles had deteriorated.

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

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

Reference benchmarks are indexes to measure

whether the financial product attains the environmental or social characteristics that they promote.

Entity LEI: 549300AR65FDXV42F471

Environmental and/or social characteristics

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

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

Did this financial product have a sustainable investment objective?

YES

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

NO

- It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 91.63% of sustainable investments
 - with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
 - with a social objective
- It promoted E/S characteristics, but did not make any sustainable investments



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

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

- avoiding exposure to companies that present both significant and severe structural risks and that are the most seriously in breach of the normative principles, taking account of their practices with regard to environmental and social issues and of adherence to norms such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises;
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium);
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

● How did the sustainability indicators perform?

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

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

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

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 50%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

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

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

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

Investment Category	Proportion of Investments	Proportion of Investments	Proportion of Investments	Proportion of Investments
	2025	2024	2023	2022
#1 Aligned with E/S characteristics	99.58%	99.45%	99.29%	99.28%
#2 Other	0.42%	0.55%	0.71%	0.83%
#1A Sustainable	91.63%	91.30%	94.43%	90.67%
#1B Other E/S characteristics	7.95%	8.15%	4.85%	8.60%
Taxonomy-aligned	0.00%	0.00%	0.00%	0.00%
Other environmental	47.54%	43.44%	37.97%	32.64%
Social	44.08%	47.86%	56.46%	58.03%

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

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to have a positive environmental and social impact in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 50%). It allowed the Sub-fund to exceed the objectives initially set.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

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

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

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

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

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

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

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



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

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

ENGAGEMENT

Candriam's engagement and voting policies are available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

VOTING

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of Candriam's voting policy. When exercising its votes Candriam pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, Candriam voted at 311 meetings: for 91% of them Candriam cast at least once against management.

With respect to environmental or social related resolutions, management submitted 87 of which Candriam supported 95%.

More specifically, 3 proposals were related to climate (0% support).

In addition, and for any voted director-election items (1640 resolutions), Candriam took into consideration Board Gender diversity aspects (PAI13).

In total 74 resolutions were filed by shareholders and Candriam supported 44% of them.

More specifically 2 were Human Rights, Climate or Diversity & Inclusion related: Candriam supported 50% of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to Candriam's voting dashboard <https://vds.issgovernance.com/vds/#/NDA0Nw==/>

EXCLUSIONS

PAI3

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 279 gCO₂/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

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

The carbon intensity (PAI 3) threshold for the product in 2025 was established at 279 gCO₂/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

PAI4

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

Companies directly involved in coal extraction are excluded regardless of the level of sales/revenues.

Companies generating more than 5% of revenues from the exploration, processing, transportation and distribution of thermal coal are also excluded.

The exclusion of companies developing new projects in coal extraction, coal power generation and coal transportation is appreciated without a minimum revenue threshold.

Additionally, companies involved in the exploration, production, refining or transport of oil & gas (>5% revenues), providing services and equipment dedicated to oil & gas production (>25% revenues), or with expansion or exploration plans for new oil and gas projects are excluded. This applies for both conventional and unconventional oil & gas activities.

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

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

PAI10

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

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

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

PAI14

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

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

MONITORING: calculation and evaluation of the principal adverse impact indicators

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

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	5,325.87	99.48%	99.59%
Scope 2 GHG Emissions	1,608.11	99.48%	99.59%
Total GHG Emissions	6,933.98	99.48%	99.59%
2 - Carbon Footprint	45.36	99.48%	99.59%
4 - Exposure to companies active in fossil fuel sector	6.77%	99.49%	99.59%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	99.59%	99.59%
13 - Board gender diversity	41.89%	99.50%	99.59%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	99.59%	99.59%



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2025 - 31/12/2025.

Largest investments	Sector	% of Assets	Country
Banco Bilbao Vizcaya Argenta	Banks And Other Credit Institutions	2.49%	Spain
Deutsche Telekom Ag-Reg	Telecommunication	2.09%	Germany
Mercedes-Benz Group Ag	Road Vehicles	2.07%	Germany
Stellantis Nv	Road Vehicles	1.73%	Netherlands
Bayerische Motoren Werke Ag	Road Vehicles	1.70%	Germany
Nestle Sa-Reg	Including Foods And Also Retail Trade	1.54%	Switzerland
Novartis Ag-Reg	Pharmaceuticals - Cosmetics - Med. Products	1.44%	Switzerland
Credit Agricole Sa	Banks And Other Credit Institutions	1.43%	France
Ap Moller-Maersk A/s-B	Transportation	1.41%	Denmark
Axa Sa	Insurance Companies	1.41%	France
Roche Holding Ag-Genusschein	Pharmaceuticals - Cosmetics - Med. Products	1.36%	Switzerland
Enel Spa	Energy And Water Supply	1.21%	Italy
Generali	Insurance Companies	1.16%	Italy
Sanofi	Pharmaceuticals - Cosmetics - Med. Products	1.15%	France
Intesa Sanpaolo	Banks And Other Credit Institutions	1.09%	Italy

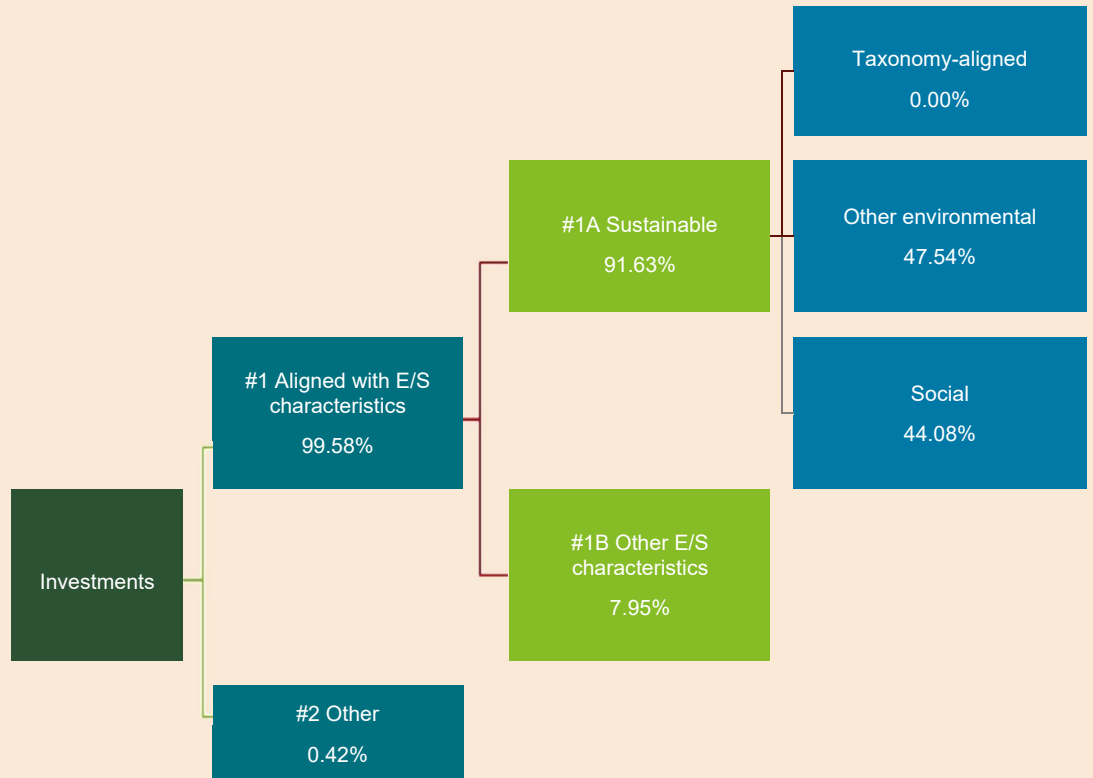
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

● What was the asset allocation?



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

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

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

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

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

Top sector	% of Assets
Banks And Other Credit Institutions	14.50%
Insurance Companies	10.44%
Pharmaceuticals - Cosmetics - Med. Products	9.29%
Telecommunication	7.47%
Road Vehicles	6.31%
Road vehicles	6.19%
Energy And Water Supply	5.99%
Including Foods And Also Retail Trade	5.15%
Retail Trade And Department Stores	4.66%
Machine And Apparatus Construction	3.66%
Financial - Investment - Other Diversified Comp.	3.60%
Transportation	3.43%
Miscellaneous Services	3.01%
Building Materials And Building Industry	2.99%
Electrical Engineering	2.85%

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

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

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

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

Taxonomy-aligned activities are expressed as a share of:

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



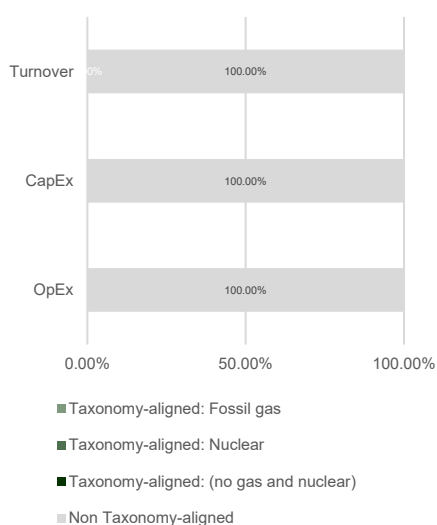
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

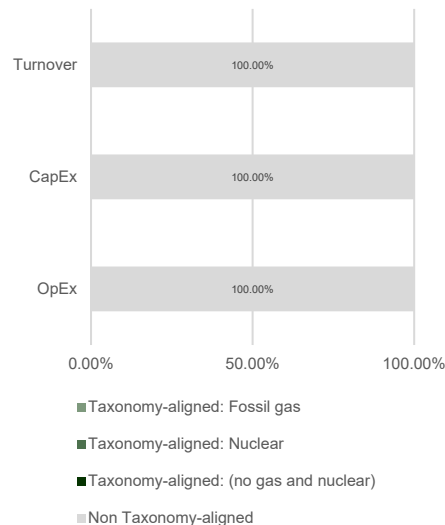
- Yes
- In fossil gas In nuclear energy
- No

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

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents 100.00% of the total investments.

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

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

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

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

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

Year	% EU Taxonomy Aligned
2025	0.00%
2024	0.00%
2023	0.00%
2022	0.00%

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

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

Therefore, this percentage is considered as null.

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

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

The Sub-Fund had a share of 47.54% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2025 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

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

The Sub-fund had a share of investments with a social objective of 44.08%

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

The investments included under "Other" are present in the Sub-fund for 0.42% of the total net assets.

These investments include one or more of the following assets:

- Cash: demand deposits, reverse repurchase transactions that are necessary in order to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or resulting from the Sub-fund's market exposure decisions,
- Other investments (including single name derivatives) which comply at least with good governance principles;
- Non single name derivatives used in the manner indicated in the Sub-fund's fact sheet.

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

For your information, to demonstrate the integration of ESG factors within the investments of the financial product, various metrics have been assessed during the reference period. Specifically, the carbon footprint metric indicates that the financial product generated 45.36 Tons CO2eq per million euros invested, thereby prioritizing issuers with a lower carbon footprint. Furthermore, the ESG score, determined according to Candriam's proprietary ESG methodology, reveals that the financial product attained an ESG score of 57.43. This result highlights the emphasis placed on issuers displaying a more robust ESG profile.

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

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

Reference benchmarks are indexes to measure whether the financial product attains the environmental or

social characteristics
that they promote.

Entity LEI: 549300YM1KCP7T070N44

Environmental and/or social characteristics

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

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

Did this financial product have a sustainable investment objective?

YES

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

NO

- It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 76.25% of sustainable investments
 - with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
 - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
 - with a social objective
- It promoted E/S characteristics, but **did not make any sustainable investments**



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

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

- avoiding exposure to companies that present both significant and severe structural risks and that are the most seriously in breach of the normative principles, taking account of their practices with regard to environmental and social issues and of adherence to norms such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises;
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium);
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

● How did the sustainability indicators perform?

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

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

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

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 50%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

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

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

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

Investment Category	Proportion of Investments	Proportion of Investments	Proportion of Investments	Proportion of Investments
	2025	2024	2023	2022
#1 Aligned with E/S characteristics	98.96%	99.06%	97.80%	99.63%
#2 Other	1.04%	0.94%	2.20%	0.37%
#1A Sustainable	76.25%	78.10%	82.31%	76.10%
#1B Other E/S characteristics	22.71%	20.96%	15.49%	23.53%
Taxonomy-aligned	0.00%	0.00%	0.00%	0.00%
Other environmental	39.57%	40.67%	35.49%	28.83%
Social	36.68%	37.43%	46.82%	47.27%

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

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to have a positive environmental and social impact in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 50%). It allowed the Sub-fund to exceed the objectives initially set.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector to which the company belongs. The materiality is dependent on several factors, such as: type of information, data quality and breadth, applicability, relevance, and geographical coverage.

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

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

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

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

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

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

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



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

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

ENGAGEMENT

Candriam's engagement and voting policies are available on Candriam website [\[https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities\]](https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities).

VOTING

The Candriam's approach to Corporate Governance relies on internationally-recognized standards.

Candriam has exercised voting rights when available on positions of the portfolio. Shareholders' rights, equality of shareholders, board accountability, transparency and integrity of financial statements are core pillars of Candriam's voting policy. When exercising its votes Candriam pay a particular attention to the respect of pay-for-performance principle and to the board's independence level, diversity (PAI13) and expertise level.

In the context of Candriam's voting policy, specific guidelines are applied for a range of environmental- (e.g. climate (PAI1 to PAI6), biodiversity (PAI7)), social- (e.g. diversity, gender pay gap (PAI12), human rights (PAI10 PAI11)) and governance- related management or shareholder resolutions.

Candriam has an active approach to voting, in line with the consideration of the principle adverse impacts. Resolutions and voting opportunities are analysed in detail. Candriam always considers the relevance, consistence and feasibility of measures sponsored by any ESG resolution before casting vote. Thus, Candriam may vote against certain resolutions if they do not correspond to the principles defined in its voting policy or to the requirements relating to principle adverse impacts.

This year, Candriam voted at 124 meetings: for 31% of them Candriam cast at least once against management. In addition, and for any voted director-election items (1257 resolutions), Candriam took into consideration Board Gender diversity aspects (PAI13).

In total 36 resolutions were filed by shareholders and Candriam supported 27% of them.

More specifically 2 were Human Rights, Climate or Diversity & Inclusion related: Candriam supported 100% of them.

For more detailed information about Candriam Voting policy evolution, votes and associated rationales, please refer to Candriam's voting dashboard [\[https://vds.issgovernance.com/vds/#/NDA0Nw==/\]](https://vds.issgovernance.com/vds/#/NDA0Nw==/)

EXCLUSIONS

PAI3

In addition to companies involved in the thermal coal, oil and gas activities (PAI 4), electricity-generating companies with a carbon intensity greater than 279 gCO₂/kWh (PAI 3), are considered risky for inclusion in sustainable investments, even if they are not

universally controversial. Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory.

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

The carbon intensity (PAI 3) threshold for the product in 2025 was established at 279 gCO₂/kWh. Over the reference period, no additional issuer(s) became ineligible for the financial product due to exceeding this threshold, in addition to those previously excluded.

PAI4

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

Companies directly involved in coal extraction are excluded regardless of the level of sales/revenues.

Companies generating more than 5% of revenues from the exploration, processing, transportation and distribution of thermal coal are also excluded.

The exclusion of companies developing new projects in coal extraction, coal power generation and coal transportation is appreciated without a minimum revenue threshold.

Additionally, companies involved in the exploration, production, refining or transport of oil & gas (>5% revenues), providing services and equipment dedicated to oil & gas production (>25% revenues), or with expansion or exploration plans for new oil and gas projects are excluded. This applies for both conventional and unconventional oil & gas activities.

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

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

PAI10

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

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

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

PAI14

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

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

MONITORING: calculation and evaluation of the principal adverse impact indicators

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

PAI indicators	Value	Coverage (% rated / total assets)	Eligible assets (% eligible assets / total assets)
Scope 1 GHG Emissions	4,685.08	98.96%	98.96%
Scope 2 GHG Emissions	2,683.63	98.96%	98.96%
Total GHG Emissions	7,368.70	98.96%	98.96%
2 - Carbon Footprint	74.24	98.96%	98.96%
4 - Exposure to companies active in fossil fuel sector	0.56%	98.76%	98.96%
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%	98.96%	98.96%
13 - Board gender diversity	21.96%	97.89%	98.96%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%	98.96%	98.96%



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 01/01/2025 - 31/12/2025.

Largest investments	Sector	% of Assets	Country
Toyota Motor Corp	Road Vehicles	8.77%	Japan
Ntt Inc	Telecommunication	4.16%	Japan
Honda Motor Co Ltd	Road vehicles	2.80%	Japan
Sony Group Corp	Electronics And Semiconductors	2.68%	Japan
Sumitomo Mitsui Financial Gr	Financial - Investment - Other Diversified Comp.	2.49%	Japan
Kddi Corp	Telecommunication	2.28%	Japan
Mizuho Financial Group Inc	Financial - Investment - Other Diversified Comp.	2.17%	Japan
Denso Corp	Road Vehicles	1.60%	Japan
Hitachi Ltd	Electronics And Semiconductors	1.57%	Japan
Orix Corp	Financial - Investment - Other Diversified Comp.	1.52%	Japan
Shin-Etsu Chemical Co Ltd	Chemicals	1.38%	Japan
Ms&ad Insurance Group Holdin	Financial - Investment - Other Diversified Comp.	1.34%	Japan
Japan Post Holdings Co Ltd	Transportation	1.31%	Japan
Panasonic Holdings Corp	Electronics And Semiconductors	1.29%	Japan
Bridgestone Corp	Tires And Rubber	1.28%	Japan

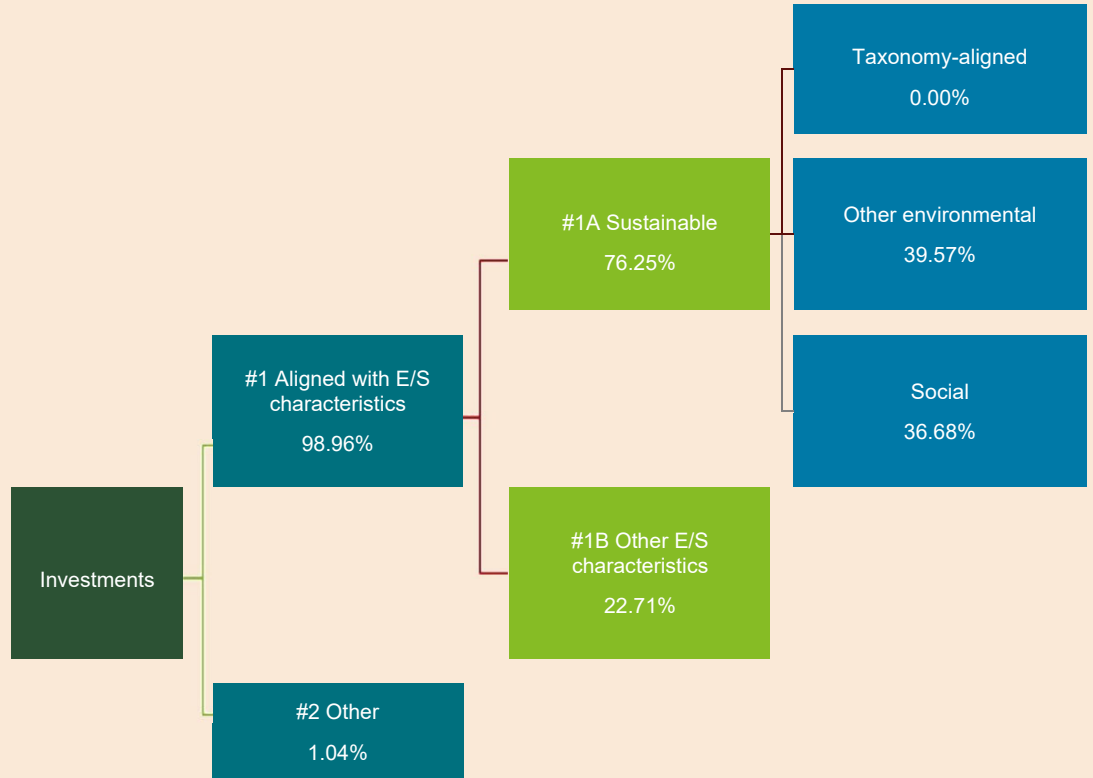
Data based on the main investments held on average during the reference period. This data is not comparable with those presented in the "Investment portfolio" section of the annual report.



What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

● What was the asset allocation?



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

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

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

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

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

Top sector	% of Assets
Financial - Investment - Other Diversified Comp.	18.02%
Road vehicles	16.72%
Electronics And Semiconductors	15.40%
Road Vehicles	15.00%
Transportation	6.44%
Building Materials And Building Industry	5.21%
Pharmaceuticals - Cosmetics - Med. Products	5.06%
Telecommunication	4.66%
Chemicals	4.54%
Real Estate	3.01%
Including Foods And Also Retail Trade	2.95%
Graphic Art And Publishing	2.41%
Machine And Apparatus Construction	2.14%
Banks And Other Credit Institutions	2.08%

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

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

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

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

Taxonomy-aligned activities are expressed as a share of:

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



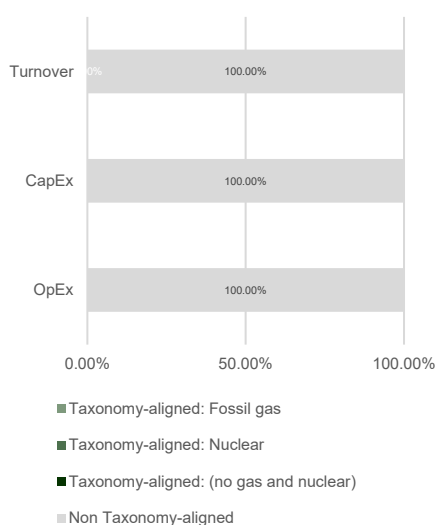
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

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

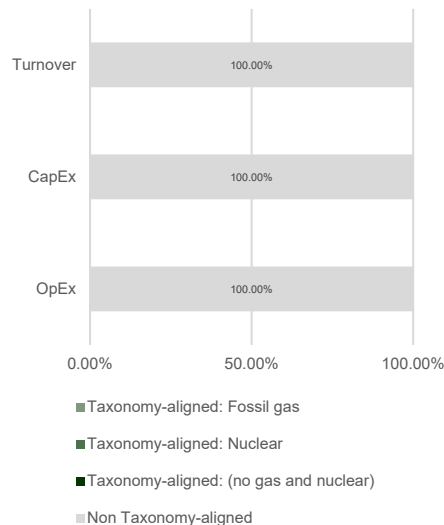
- Yes
- In fossil gas In nuclear energy
- No

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

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents 100.00% of the total investments.

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

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

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

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

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

Year	% EU Taxonomy Aligned
2025	0.00%
2024	0.00%
2023	0.00%
2022	0.00%

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

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

Therefore, this percentage is considered as null.

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

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

The Sub-Fund had a share of 39.57% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2025 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

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

The Sub-fund had a share of investments with a social objective of 36.68%

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

The investments included under "Other" are present in the Sub-fund for 1.04% of the total net assets.

These investments include one or more of the following assets:

- Cash: demand deposits, reverse repurchase transactions that are necessary in order to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or resulting from the Sub-fund's market exposure decisions,
- Other investments (including single name derivatives) which comply at least with good governance principles;
- Non single name derivatives used in the manner indicated in the Sub-fund's fact sheet.

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

For your information, to facilitate the incorporation of ESG principles into the investment decisions of the financial product, specific metrics are assessed over the relevant reference period. During this period, the carbon footprint reveals that the financial product emitted 74.24 tons of CO2 equivalent per million euros invested, thus preferentially supporting issuers with a lower carbon footprint. Regarding ESG performance, according to Candriam's proprietary ESG methodology, the financial product demonstrates an ESG score of 52.54, which indicates a preference for issuers exhibiting a robust ESG profile.

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

Reference benchmarks are indexes to measure whether the financial product attains the environmental or

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

social characteristics
that they promote.