



October 2023

# Belfius Sustainable Prospectus

A SICAV (open-ended investment fund)  
constituted under Belgian law, with a variable  
number of units, opting for investments meeting  
the conditions stipulated by the UCITS Directive.

The prospectus contains the following items:

- (i) Information regarding the SICAV and the sub-funds,
- (ii) Articles of incorporation,
- (iii) Periodic reports.

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## Preamble

Units of this fund are not and will not be registered in the United States in accordance with the U.S. Securities Act of 1933, as amended ("1933 Securities Act") and are not and will not be eligible under any law of the United States. These units may not be offered, sold or transferred to the United States (including its territories and possessions) or directly or indirectly benefit any US Person (as defined in Regulation S of the 1933 Securities Act, Rule 4.7. of the Commodity Exchange Act, and equivalents). Subscribers to units of the fund may be required to certify in writing that they are not U.S. Persons. Unitholders are required to notify the fund immediately in the event that they become U.S. Persons and will be required to dispose of their units to non-U.S. Persons. The fund reserves the right to redeem any unit that is or becomes the direct or indirect property of a U.S. Person or any holding of units by any person which is illegal or detrimental to the interests of the fund. However, notwithstanding the foregoing, the fund reserves the right to make a private placement of its units to a limited number of U.S. Persons to the extent permitted under applicable U.S. law. In addition, financial institutions which do not comply ("non compliant") with the FATCA programme (FATCA stands for the U.S. Foreign Account Tax Compliance Act), as included in the Hiring Incentives to Restore Employment Act (the "HIRE Act"), and its application measures, including the analogous provisions adopted by partner countries which have signed an "Intergovernmental Agreement" with the United States, must expect to be forced to have their units redeemed when the programme comes into force.

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

In accordance with the provisions of the Belgian law on the protection of persons with regard to the processing of personal data, and all applicable local laws and regulations, in each case, as amended, revised or replaced (including by operation of EU Regulation 2016/679, "GDPR"), the Management Company collects, stores and processes, by electronic or other means, the personal data of investors for the purpose of providing the services requested by the investors and complying with its legal and regulatory obligations. The personal data processed by the Management Company includes, in particular, the name, contact details (including postal or email address), the tax identification number (TIN), banking details, invested amount and holdings in the fund ("Personal Data"). The investor may at his/her discretion refuse to communicate Personal Data to the Management Company. In this case, however, the Management Company may reject a subscription application for units. Investors are entitled: (i) to consult their Personal Data (including, in certain cases, in a format in widespread use which is machine readable); (ii) to have their Personal Data corrected (if it is incorrect or incomplete); (iii) to have their Personal Data deleted if the Management Company or the fund no longer has a legitimate reason to process it; (iv) to impose a limit on the processing of their Personal Data; (v) to prevent their Personal Data being processed by the Management Company under certain circumstances; and (vi) to file a complaint with the relevant regulator by writing to the Management Company at the address of its registered office. Personal Data is processed, in particular, for the following

purposes: processing subscriptions, redemptions and conversions of units and payments of dividends to investors; account administration; client relationship management; performing controls on excessive trading and market timing practices; tax identification as may be required under Belgian or foreign laws and regulations (including laws and regulations relating to FATCA or CRS. CRS is the Common Reporting Standard, an information standard for the automatic exchange of information regarding bank accounts between tax authorities, developed by the OECD and implemented by Directive 2014/107/EU); and compliance with applicable anti-money laundering rules. Personal Data supplied by investors is also processed for the purpose of maintaining the register of fund investors. In addition, Personal Data may be processed for prospecting purposes. Investors have the right to object to the use of their Personal Data for prospecting purposes by writing to the fund. The Management Company may ask investors for their consent to collect or process their Personal Data on certain occasions, for example, for the purposes of marketing. The investors can withdraw this consent at any time. The Management Company also processes investors' Personal Data where necessary to fulfil its contract with the investors in question, or when required by law, such as if the fund receives a request from law enforcement or other government officials. The Management Company also processes investors' Personal Data when it is in its legitimate interests to do this and when these interests are not overridden by investors' data protection rights. For example, there is a legitimate interest in ensuring the effective operation of the fund.

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

## Presentation

### Name:

Belfius Sustainable (also called "the fund" in this document)

### Legal form:

Société Anonyme (Public Limited Company)

### Registered office:

Place Rogier 11, 1210 Brussels, Belgium

### Date of creation:

02/03/2000

### Term:

Unlimited term

### Status:

Umbrella SICAV that has opted for investments that meet the requirements of Directive 2009/65/EC and is governed, with regard to its operation and investments, by the law of 3 August 2012 relating to collective investment undertakings meeting the requirements of 2009/65/EC and undertakings investing in debt securities.

### Sub-funds:

- High,
- Low,
- Medium.

### Share classes:

- C class: basic class, with no distinguishing features. It is offered to individuals and legal entities.
- R class: characterised by the identity of the intermediaries marketing the equities. The class is reserved for investors who have entered into an agreement with the distributors and/or intermediaries approved by the Management Company. Access to the class is conditional upon an initial subscription amount defined in the section "Information on the units and trading of units".

If it appears that an investor no longer meets the conditions for accessing the class in question, the Board of Directors may take all the necessary measures and, if necessary, convert the shares into another appropriate class.

In the cases concerned by the regulation, the Board of Directors asks the transfer agent and/or the institutions providing the financial service to establish a procedure whereby it is possible to permanently check that the individuals who have subscribed the shares of a given class, benefiting, in one or more ways, from more advantageous conditions, or who have purchased these shares, still meet the criteria.

The Board of Directors may also decide, in the interests of the shareholders, to convert shares from one class into shares in another class but without, however, charging the conversion costs to the shareholders. A notice will be published in the press.

### Board of Directors:

#### Chairman:

- Mr Tomas Catrysse, Head of Private & Wealth - Wealth Management, Belfius Banque.

#### Directors:

- Mrs Maud Reinalter, Chief Investment Officer and Member of the Management Committee of Belfius Investment Partners S.A.
- Mrs Anne Heldenbergh, Director, Professor of the Warocqué School of Business and Economics, University of Mons
- Mr Christoph Finck, Director, member of the ILA
- Mrs Kristel Cools, Chief Business Development and Member of

the Executive Committee of Belfius Asset Management S.A.

- Mr Gunther Wuyts, Professor of Finance, KU Leuven, Independent Director
- Mr Koen Van De Maele, Member of the Executive Committee and Global Head of Investment Solutions, Candriam
- Mr Wim van Hyfte, Global Head of ESG Investments & Research, Candriam

### Management company:

Belfius Asset Management (Belfius AM), with its registered office at Place Rogier 11, 1210 Brussels, has been appointed as the investment fund management company.

Legal form: société anonyme.

Belfius AM was incorporated on 20 May 2016 for an unspecified term. Its paid-up capital amounts to EUR 93,446,000.

Belfius Investment Partners has been appointed as the management company for the following UCIs:

Undertakings for collective investment in transferable securities (UCITS): Belfius Fullinvest, Belfius Global, Belfius Equities, Belfius Smart, Belfius Plan Bonds, Belfius Plan Equities, Belfius Plan High, Belfius Plan Low, Belfius Plan Medium, Belfius Portfolio, Belfius Pension Fund Balanced Plus, Belfius Pension Fund High Equities, Belfius Pension Fund Low Equities, Belfius Wealth, Belfius Portfolio B, Belfius Sustainable.

Alternative UCIs [Organismes de placement collectif alternatifs (OPCA)]: Belfius Portfolio Advanced, Belfius Select Portfolio.

### Board of Directors

Its Board of Directors consists of the following individuals:

#### Chairman:

- Mr Johan Vankelecom, Chief Financial Officer and Member of the Management Committee of Belfius Banque

#### Non-executive directors:

- Mr Christophe Demain, Chief Investment Officer at Belfius Insurance
- Mr Christoph Finck, Independent Director, member of the ILA
- Mrs Anne Heldenbergh, Independent Director, Professor of the Warocqué School of Business and Economics, University of Mons
- Mr Georges Hübner, Professor of Finance, University of Liège
- Mr Olivier Goerens, Head of Marketing & Sales Private & Wealth at Belfius Banque
- Mr Matthias Baillieul, Chief Financial Officer at Belfius Insurance
- Mrs Carol Wandels, Head of Financial Markets at Belfius Banque

#### Executive Committee

The Management Committee consists of the following directors:

- Mr François-Valéry Lecomte, Member and Chief Executive Officer
- Mrs Kristel Cools, Member and Chief Business Development
- Mr Cédric September, Member and Chief Risk Officer
- Mrs Maud Reinalter, Member and Chief Investment Officer
- Mr Olivier Banneux, Member and Head of Private Portfolio Management

### Remuneration policy

Belfius AM has adopted a remuneration policy that complies with the Belgian and European law applicable to management companies. As an affiliate of the Belfius Group, Belfius AM also respects the principles applicable to Belfius Banque and its affiliates.

Belfius AM's remuneration policy aims to promote sound and effective risk management while discouraging any risk-taking that is excessive or inconsistent with the risk profiles of the managed funds. It is designed to put the interests of the managed funds first at all times and to avoid

conflicts of interest.

Its main thrust is as follows:

- **Application:** Great care has been taken to identify, with qualitative and quantitative criteria, the functions to which this remuneration policy applies. Generally speaking, the policy concerns all functions with a significant influence on the risks incurred by a managed fund or by the Management Company itself, as well as the functions monitoring such risks.
- **Principles:** The remuneration policy balances fixed and variable components. Where variable remuneration is paid, it is conditional upon achieving targets defined over the long term and linked to the performance and risk control of the managed fund. The remuneration policy also states that variable remuneration is provided partly in the form of units in the managed fund and that the issue and any repayment of the units are staggered over several years, thereby guaranteeing to the investor that the interests of the managed funds and their asset manager are permanently aligned.
- **Governance and monitoring:** In accordance with the ESMA guidelines concerning remuneration policies applicable to UCITS/AIF asset managers, Belfius AM falls under the remit of the remuneration committee of the parent company, which is responsible for the preparation of decisions regarding remuneration.

More detailed information about the remuneration policy of Belfius AM, including a description of the remuneration calculation method and the payment rules, and the identity of the individuals responsible for the granting and paying of remuneration, may be consulted on the Belfius AM website (<https://www.belfius.be/belfiusam-fr-politique>) and a printed version is available free of charge on request.

Information about how the sustainability risk is taken into account and about its impacts may also be consulted and is regularly updated.

#### **Auditors**

The firm of auditors of the Management Company is KPMG Réviseurs d'Entreprise, with its registered office at B-1930 Zaventem, Luchthavenlaan, 1K, Gateway Building, represented by Mr MACQ Olivier.

#### **Delegation of day-to-day management of the investment portfolio and order management:**

Candriam (hereinafter also referred to as the "Investment Manager"), SERENITY - Bloc B, 19-21 route d'Arlon, L-8009 Strassen (Luxembourg) is a management company of (alternative) investment funds, formed in Luxembourg on 10 July 1991 for an unlimited term.

The delegation agreement may be terminated by either party subject to advance written notice, or by the Management Company with immediate effect when this is in the interests of the investors.

#### **Individuals responsible for effective management:**

- Mrs Maud REINALTER, Chief Investment Officer and Member of the Management Committee of Belfius AM S.A., director in various UCIs.
- Mrs Kristel Cools, Chief Business Development and Member of the Executive Committee of Belfius AM S.A., director in various UCIs.

#### **Administration duties delegated to:**

Caceis Investor Services Belgium S.A., Boulevard du Roi Albert II 37, 1030 Brussels, is therefore responsible for keeping the accounts, calculating and publishing the net asset value of the shares of each sub-fund, in accordance with the law and the SICAV's articles of incorporation.

Belfius Banque S.A., place Rogier 11, 1210 Brussels is responsible for keeping the register of shareholders, and the issue, redemption and conversion of shares.

The administrative duties linked to the structuring activity are carried out by Candriam.

#### **Financial service(s):**

Belfius Banque S.A., place Rogier 11, 1210 Brussels.

#### **Distributor(s):**

Belfius Banque S.A., place Rogier 11, 1210 Brussels.

#### **Depositary:**

The fund has appointed Belfius Banque S.A., whose registered office is at 1210 Brussels, place Rogier 11, company number 0403.201.185, as depositary bank and principal paying agent (the "Depositary") with responsibility for:

- safekeeping of the assets,
- oversight activities,
- monitoring of liquidity flows, and
- principal paying agent functions

in accordance with the applicable law, the regulations in force and the depositary bank agreement concluded for an unlimited term. Belfius Banque S.A. is a credit institution subject to the Law of 25 April 2014 on the legal status and supervision of credit institutions.

#### **Description of activities**

Under its oversight duties, the Depositary will:

- ensure that the sale, issue, repurchase, redemption and cancellation of fund units are carried out in accordance with the applicable law, the articles of incorporation and the fund prospectus,
- ensure that the value of fund units is calculated in accordance with the applicable law, the articles of incorporation and the fund prospectus,
- execute the instructions of the management company unless they contravene the applicable law, the articles of incorporation and the fund prospectus,
- ensure that, in transactions concerning the assets of the fund, the consideration is remitted to it within the usual time limits,
- ensure that the income of the fund is applied in accordance with the applicable law, the articles of incorporation and the fund prospectus.

The Depositary will perform its activities and meet its obligations in accordance with the law and the agreement between the fund and Belfius Banque S.A., and will act honestly, fairly, professionally and independently, and solely in the interests of the fund and its shareholders.

#### **Delegation:**

The Depositary is permitted to delegate its safekeeping duties under the applicable law to delegates and to sub-custodians, and to open accounts with these sub-custodians.

The Depositary keeps its securities with Bank of New York Mellon SA, Euroclear Bank, Clearstream Services, Banque Internationale à Luxembourg SA and the National Bank of Belgium and their sub-custodians, depending on the characteristics of the underlying assets of the funds in question.

An up-to-date list of delegates (depositaries) and sub-custodians is available from the Depositary on request.

The Depositary also uses these depositaries and sub-custodians to keep securities for third parties, but meets its legal obligations regarding segregation of assets.

#### **Depositary's conflicts of interest**

On an ongoing basis, the Depositary analyses, based on applicable laws and regulations, any potential conflicts of interest that may arise while carrying out its functions. Once identified, any conflict of interest is handled in accordance with the Depositary's conflicts of interest policy.

In addition, potential conflicts of interest may arise from the provision

by the Depositary and/or its affiliates of other services to the fund, to Belfius AM and/or to other parties. For example, the Depositary and/or its affiliates may act as the depositary bank, distributor, management company, etc. for the fund and for other funds.

The Depositary has implemented and maintains a conflicts of interest policy designed to:

- identify and analyse potential conflicts of interest,
- record, manage and monitor conflicts of interest.

Up-to-date information about the above conflicts of interest policy may be obtained on request from the Depositary.

#### **Auditor:**

Deloitte Reviseurs d'Entreprises / Bedrijfsrevisoren S.C. s.f.d. S.C.R.L., with its registered office at Gateway Building, Luchthaven Nationaal 1 J, 1930 Zaventem, Belgium, whose permanent representative is Mr Tom Renders.

#### **Promoter(s):**

Belfius Banque S.A., place Rogier 11, 1210 Brussels

Belfius AM S.A., place Rogier 11, 1210 Brussels."

**Person(s) bearing the costs in the situations described in articles 115, § 3, paragraph 3, 149, 152, 156, 157, § 1, 3, 165, 179 and 180, paragraph 3 of the Royal Decree of 12 November 2012 on certain public undertakings for collective investment meeting the conditions of Directive 2009/65/EC:**

In general: Belfius Banque and/or the Management Company.

In the situations described in Articles 156 and 165 of the Royal Decree of November 12th, 2012: The persons meeting the criteria set down in the above articles, in accordance with the methods defined therein.

#### **Capital:**

The share capital is always equal to the net asset value. It cannot fall below EUR 1,200,000.

#### **Asset valuation rules:**

See article 12 of the articles of incorporation.

#### **Balance sheet date:**

31 March.

#### **Rules relating to the allocation of net income:**

The annual general meeting of shareholders will decide each year, at the proposal of the Board of Directors, upon the allocation of the annual net profit determined on the basis of the accounts closed in accordance with the legislation in force.

Where appropriate, the annual general meeting of shareholders may decide to distribute to distribution shareholders their share in the income arising from investments and from realised or unrealised capital gains, after deducting any realised or unrealised capital losses, and to capitalise the corresponding amounts pertaining to capitalisation shareholders.

In principle, and unless decided otherwise by the Board of Directors, dividends are distributed in the six weeks following the annual general meeting. The institutions providing the financial service are responsible for paying dividends.

#### **Tax regime applicable to the investor:**

##### **Dividend tax regime:**

Withholding tax of 30% for individuals.

##### **Capital gains tax regime, only applicable to investors who are liable for income tax:**

Taxation of the capital gains received upon disposal for a consideration, upon redemption of units by the fund or upon full or partial distribution of the assets of the fund during the period of one year starting on the first day of the fifth month following the financial year end.

During the reference financial reporting period, the Low, Medium and High sub-funds directly or indirectly invested more than 10% of its/their assets in the debt instruments referred to in article 19bis of the Income Tax Code (CIR). Investors will in this case be subject to a withholding tax of 30% on the portion of capital gains considered as interest for tax purposes in application of article 19bis of the Income Tax Code. If the investor is unable to prove the date on which he acquired his units or if he acquired them before 1 July 2005, he will be deemed to have held them since 1 July 2005 for the purpose of determining the taxable amount.

If the calculation cannot be made due to a lack of information on the net asset value on the acquisition date or on 1 July 2005, the investor must expect to be taxed on the basis of the total amount received at the time of the sale, redemption or distribution.

It is recommended that investors check whether, on the date of disposal for a consideration, of redemption of units or of distribution of the assets of the fund, the status of the sub-fund has changed.

#### **Taxation of the capital gains realised by non-profit organisations and other entities subject to corporate tax pursuant to article 220 of the Income Tax Code:**

Currently, capital gains received in the event of the sale for due consideration, the redemption of units by the fund or in the event of full or partial distribution of the registered capital of the fund are not subject to the withholding tax.

The tax regime described above is subject to change.

The taxation of revenue and capital gains collected by investors depends on the laws applicable to their specific status in the country of collection.

In the event of any doubt as to the applicable tax regime, it falls to investors to clarify their situation with the relevant professionals or advisors.

#### **Tax regime applicable to the fund:**

- The fund is liable for corporate taxation in Belgium but the taxable base is limited to the total amount of unusual or gratuitous advantages received, and expenses and charges that are non-deductible as business expenses, other than reductions in value and capital losses on shares or units (Article 185 (b) of CIR92).
- The fund is entitled to offset Belgian withholding tax except for Belgian dividends. Regarding foreign revenues collected by the fund, the amounts withheld at source may be reduced in certain circumstances in accordance with double taxation prevention agreements.

#### **Information sources:**

- Units may be redeemed or repaid from the offices of the institutions providing the financial service. Information regarding the fund is published in the specialist financial press or by other means.
- On request, the prospectus, the key information document, the articles of incorporation, the annual and semi-annual reports and full information on other sub-funds can be obtained, free of charge, before or after the subscription to the units, from the institutions providing the financial service.
- In order to meet regulatory and/or tax requirements, the management company may, over and above the legal publications, communicate to investors requesting it the fund's portfolio composition and all information relating to it.
- The turnover rate of the portfolio is shown in the last annual report. The portfolio turnover rate shows (as a percentage) the annual average number of transactions on the fund's portfolio, based on subscriptions and redemptions for the period concerned. The formula used is that published in the Royal Decree of 12 November 2012 on public undertakings for collective investment meeting the conditions of Directive 2009/65/EC and its schedule B, section II. The portfolio turnover rate calculated in this manner

can be considered as an additional indicator of the scale of any transaction costs.

- The costs, calculated in accordance with Annex VI of Commission Regulation (EU) 2017/653 of 8 March 2017, are set out in the key information document.
- Past performance figures are available in the latest annual report. Investors' attention is drawn to the fact that this data is by no means an indicator of the fund's future performance.
- The following documents and information can be consulted on the Management Company's website [www.belfiusam.be](http://www.belfiusam.be): the prospectus, the key information document and the latest annual and semi-annual reports.

**Contact point from which additional information can be obtained if necessary:**

- Belfius Banque on 02/222 12 01, open on bank business days between 8 a.m. and 10 p.m., on Saturdays between 9 a.m. and 5 p.m. and by e-mailing [info@belfius.be](mailto:info@belfius.be).
- Belfius AM at this e-mail address [info@belfiusam.be](mailto:info@belfiusam.be).

**Annual general meeting of unitholders:**

Held on the third Friday in June at 3 p.m. at the registered office or at any other place in Belgium, as specified in the meeting notice. If this day is a public holiday or bank holiday in Belgium, the annual general meeting of shareholders will be held on the next bank business day.

**Competent authority:**

Financial Services and Markets Authority (FSMA), rue du Congrès 12-14, 1000 Brussels.

The prospectus is published after being approved by the FSMA, in accordance with article 60, §1 of the law of 3 August 2012 relating to collective investment undertakings meeting the requirements of 2009/65/EC and undertakings investing in debt securities. Such approval does not include any appraisal of the appropriateness and quality of the offer or of the offeror's situation. The official text of the articles of incorporation has been filed with the clerk's office of the commercial court.

**Persons responsible for the content of the prospectus:**

The Board of Directors. To its knowledge, the information contained in the prospectus is correct and there are no omissions that may alter its scope.

**Persons responsible for the content of the key information document:**

The management company is only liable for the statements contained in the key information document which would be deceitful, inaccurate or inconsistent with the corresponding parts of the prospectus. To its knowledge, the information contained in the key information document is correct and there are no omissions that may alter its scope.

**Unitholders' voting rights:**

Where not otherwise specified by the law or by the articles of incorporation, the decisions taken during a duly convened general meeting of shareholders are taken by a simple majority of the shareholders who are present or represented and who are voting. Decisions regarding the sub-fund will also be taken, where not otherwise specified by the law, by a simple majority of the shareholders in the sub-fund concerned, who are present or represented and voting.

Generally speaking, general meetings of shareholders may be held for each sub-fund, under the same conditions as for other general meetings.

If the units have an equal value, each whole unit will carry the right to one vote. If the units have an unequal value, each whole unit will automatically carry the right to the number of votes proportionate to the part of the capital it represents, counting the unit that represents the lowest amount as one vote. Fractions of votes are not taken into consideration.

**Liquidation of a sub-fund:**

The Board of Directors may decide to wind up and liquidate a sub-fund as a result, among other things, of substantial and unfavourable changes in the economic, political and social situation in the countries in which investments are made or in which the sub-fund's units are distributed, or if the sub-fund's assets become too low and it becomes too onerous and costly to manage the sub-fund. Any such decision will be submitted to the general meeting of shareholders of the sub-fund in question.

The liquidation operations will be carried out by one or more liquidators who may be individuals or legal entities and who will be appointed by the general meeting of shareholders, which will determine their powers and remuneration.

The net liquidation proceeds of the sub-fund will be distributed to the sub-fund's shareholders proportionally to their investment in the sub-fund.

**Suspension of net asset value calculation and the issue, redemption and conversion of the units**

Without prejudice to the legal reasons for suspension, the calculation of the net asset value, and the issue, redemption and conversion of units may be suspended in the following cases:

- if one or more markets on which more than 20% of the assets are traded, or one or more significant foreign exchange markets on which the currencies in which the net asset value is expressed are traded, are closed for a reason other than legal holidays, or if transactions thereon are suspended or restricted.
- The Board of Directors determines the situations in which an official net asset value is calculated on the basis of which no issue, redemption or conversion applications will be received,
- if the situation is so serious that the assets and/or liabilities cannot be correctly valued or are unavailable except without seriously damaging the interests of the shareholders,
- if it is not possible to transfer cash or carry out transactions at a normal price or exchange rate, or if restrictions are imposed on foreign exchange markets or financial markets,
- in the event of IT failure making it impossible to calculate the net asset value,
- upon publication of the notice of the general meeting of shareholders called to deliberate on the liquidation of the company or of a sub-fund of the company, where the sole purpose of this liquidation is not to change the legal form,
- during a merger or other restructuring, at the latest the day before the day when the exchange ratio and, where applicable, the balancing adjustment or the compensation assigned to the transfer or the sale are calculated.

**Anti-dilution mechanism**

**Application**

A protection mechanism intended to avoid possible fund liquidity problems has been put in place on all the sub-funds. The mechanism, called "swing price", also makes it possible to guarantee fairer treatment among shareholders.

**Description of the Anti-Dilution Mechanism and applicable thresholds**

The swing price mechanism is intended to eliminate the negative impact on the net asset value of an undertaking for collective investment or one of its sub-funds, caused by significant entries and exits of unitholders. The mechanism is likely to influence investor behaviour and to discourage significant movements that might impair the liquidity of the sub-fund in question. The mechanism is intended to save existing sub-fund investors from having to bear expenses incurred for transactions on portfolio assets performed in the wake of significant subscriptions to or redemptions from the sub-fund by investors.

Indeed, when there are significant subscriptions to or redemptions from the sub-fund, the asset manager must invest/disinvest the corresponding amounts, thus generating large transactions which may entail variable transaction fees.

These charges are mainly taxes on certain markets and execution fees billed by brokers.

The goal of the protection mechanism is therefore to have these costs borne by the investors at the origin of the subscription/redemption transactions concerned and to protect existing investors or those remaining in the fund.

**Swing factor:** In practice, on valuation dates on which the difference between the amount of subscriptions and the amount of redemptions in a sub-fund (i.e. net transactions) exceeds a threshold established in advance by the Board of Directors, the latter takes action to determine the net asset value by adding to the assets (for net subscriptions) or deducting from the assets (for net redemptions) a fixed percentage of direct or indirect fees and costs ("spreads") corresponding to market practices in buying or selling securities of this type.

#### **Impacts of activating the Anti-Dilution Mechanism and the applicable Factor**

- in case of net subscriptions: increase in the net asset value, i.e. an increase in the purchase price for all investors subscribing to shares on that date,
- in case of net redemptions: reduction in the net asset value, i.e. a reduction in the selling price for all investors redeeming their shares on that date.

This increase or reduction in the net asset value is called the "swing factor".

The scope of this variation depends on the estimate made by the Management Company of the transaction charges applied to the types of assets concerned.

The valuation method adjustment must never exceed 2% of the net asset value.

#### **Process by which it is decided to apply the protection mechanism**

The Board of Directors has entrusted the Management Company with implementation of the mechanism.

The Management Company has drawn up a policy detailing the protection mechanism and has implemented operational processes and procedures in order to oversee application of the swing price mechanism by the Administrative Agent and the Transfer Agent.

The policy detailing the protection mechanism applied by the Management Company has been duly validated by the SICAV's Board of Directors.

#### **Existence of fee-sharing agreements:**

Belfius AM has the option of sharing a portion of its fees with the fund distributors. Accordingly, the distributors receive between 30% and 70% of this charge. More detailed information about such fee sharing is available to shareholders on request. Fee sharing has no impact on the amount of the management fees paid by a sub-fund to Belfius AM. Belfius AM has signed an agreement with the distributors aimed at attracting investors and enabling a broader distribution of shares in the sub-fund through their distribution channels.

If a fee-sharing agreement has been signed, the management company will strive to avoid any conflicts of interest. If conflicts of interest nevertheless arise, the management company will act solely in the interest of the unitholders of the fund under its management.

## **Transactions in OTC derivatives and efficient portfolio management techniques**

### **Over-the-counter derivative financial instruments**

In over-the-counter operations, the counterparties to these operations, when the transactions are initiated, have a minimum rating of BBB-/Baa3 or equivalent from at least one recognised ratings agency or are considered to be of equivalent quality by the risk management department of the Management Company and/or its delegates. The counterparties are located in an OECD member country.

Additional information on the one or more counterparties to the transactions is contained in the annual report.

#### **Efficient portfolio management techniques**

In order to increase its yield and/or reduce its risks, each fund is authorised to make use of efficient portfolio management techniques covering transferable securities (for example equities, bonds and/or equivalent securities) and money market instruments:

#### **Reverse repurchase transactions**

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

Such transactions may relate to 50% of the net assets of the fund. The proportion is normally expected to vary between 0% and 25%.

The type of securities contained in the reverse repurchase agreement and the counterparties must meet the regulatory requirements.

Securities contained in reverse repurchase agreements must comply with the relevant fund's investment policy and must, along with the other securities the fund has in its portfolio, meet the global investment restrictions.

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

#### **Repurchase transactions**

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

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

The type of securities contained in the reverse agreement and the counterparties must meet the regulatory requirements.

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

The use of these transactions must not result in a change in the investment objectives or result in additional risks being taken.

#### **Associated risks and mitigation measures**

The risks associated with efficient portfolio management techniques (including collateral management) are identified, managed and restricted by the risk management process. The principal risks are counterparty risk, delivery risk, operational risk, legal risk, custody risk and conflict of interest risk (as defined in the section containing information about the risk profile, and such risks are mitigated by the organisation and the procedures defined by the Management Company and/or its delegates as follows:

- Selection of counterparties and legal framework

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

department of the Management Company and/or its delegates.

- Financial collateral

See the point entitled Management of financial guarantees for OTC derivative products and efficient portfolio management techniques below.

- Restrictions on reinvestment of financial collateral received

See the point entitled Management of financial guarantees for OTC derivative products and efficient portfolio management techniques below.

- Measures taken to reduce the risk of conflicts of interest

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

- Remuneration policy for reverse repurchase agreements

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

- Remuneration policy for repurchase agreements

This activity does not generate income.

- Periodic investor information

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

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

#### **GENERAL CRITERIA**

All collateral to reduce exposure to counterparty risk must at all times satisfy the following criteria:

- Liquidity: any collateral received in a form other than cash must have a strong level of liquidity and be traded on a regulated market or within the framework of a multilateral trading system making use of transparent price setting methods such that it can be quickly sold at a price close to the valuation prior to the sale.
- Valuation: the collateral received must be valued at least on a daily basis and assets with highly volatile prices will only be accepted as collateral if sufficiently prudent safety margins are in place.
- Credit quality of issuers: the financial collateral received must be of excellent quality.
- Correlation: the financial collateral received must be issued by an entity which is independent of the counterparty and does not have a strong correlation with the counterparty's performance.
- Diversification: the financial collateral must be sufficiently diversified in terms of the countries, markets and issuers. As regards issuer diversity, the maximum exposure to an issuer through the collateral received must not exceed 20% of the net assets of the respective fund.
- The management risks connected with collateral, such as operational and legal risks, must be identified, managed and restricted by the risk management process.
- The collateral received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

#### **TYPES OF AUTHORISED COLLATERAL**

The permitted types of financial collateral are as follows:

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

maturity of 25 years,

- highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by a private sector issuer from an OECD country and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 10 years,
- shares listed or traded on a regulated market of a Member State of the European Union or on a stock exchange of a state which is a member of the OECD provided the shares are included in a significant index,
- shares or units in undertakings for collective investment offering adequate liquidity and investing in money market instruments, highly rated bonds or shares that meet the conditions stated above. These UCIs are UCITS ETFs validated by the risk management department of the Management Company and/or its delegates primarily on the basis of their liquidity, the asset class and the geographical investment area.

The Risk Management department of the Management Company may impose more strict criteria and thereby exclude certain types of instruments, certain countries, certain issuers or even certain securities.

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

#### **LEVEL OF FINANCIAL COLLATERAL**

The Management Company has put in place a policy which requires a level of financial collateral based respectively on the type of transactions as follows:

- repurchase and reverse repurchase: when the transaction is initiated, the collateral is 100% of the assets transferred. After the transaction is initiated, there is a system of margin calls/maintenance in cash in the currency of the fund.
- OTC derivatives: a system of margin calls/maintenance in cash in the currency of the fund.

#### **DISCOUNTING POLICY**

The management company has put in place a discounting policy suitable for each asset class received as financial collateral. This policy can be obtained by investors free of charge from the management company's registered office.

#### **RESTRICTIONS ON REINVESTMENT OF FINANCIAL COLLATERAL RECEIVED**

Financial collateral in cash can only be deposited with entities of good quality, invested in high quality government loans, used for the purpose of reverse repurchase transactions that can be recalled at any time and/or invested in short-term money market funds, in accordance with applicable diversification criteria.

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

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

#### **SAFEKEEPING OF COLLATERAL**

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

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

## FINANCIAL COLLATERAL IN FAVOUR OF THE COUNTERPARTY

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

## PERIODIC INVESTOR INFORMATION

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

### Valuation

## REVERSE REPURCHASE AND REPURCHASE AGREEMENTS

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

## COLLATERAL

Collateral received is valued daily by the management company and/or its delegates and/or the collateral agent. This valuation follows the valuation principles defined in this prospectus, applying the discounts applicable to the instrument type.

Collateral provided is valued daily by the management company and/or its delegates and/or the collateral agent.

## Social, ethical and environmental aspects

### Glossary

#### Sustainable investment:

According to SFDR Article 2 (17), a "sustainable investment means an investment in an economic activity that contributes to an environmental objective or an investment in an economic activity that contributes to a social objective, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance".

Candriam evaluates the capacity of a company to contribute to environmental and/or social objectives by means of the ESG score (on a scale from 1 to 10, with 1 the best score and 10 the worst) based on a proprietary analysis. An issuer's ESG score reflects the company's contribution to sustainable development through 1/ its activities contributing to the most tangible environmental and social sustainability challenges (climate change, resource depletion, health and well-being, digitalisation and demographic change) and 2/ its E/S stakeholder relations management practices. It therefore simultaneously measures the positive and negative contributions of the companies to the main sustainability challenges and the steps they take to avoid doing significant harm to the environment, society, employees, customers, suppliers and investors. The score also takes account of the quality of corporate governance.

Companies are eligible for definition as a sustainable investment if they have an ESG score of 1 to 5 (ESG 6 for the high-yield and emerging management universes) based on Candriam's proprietary ESG analysis, they respect the additional exclusion filters concerning controversial activities based on the thresholds defined for level 3 of Candriam's SRI exclusion policy, and they respect the principles of the United Nations Global Compact (human rights, labour rights, environment, governance/corruption).

All mandatory PAIs relating to issuers, and required by the regulations to ensure that the investments do not harm the E/S objectives, are addressed through the final selection (ESG scores and exclusions) and through voting and dialogue with the companies according to the material weaknesses identified during the evaluation process. If such dialogue does not succeed, Candriam's engagement policy includes an escalation process.

For sovereign issuers, their capacity to contribute to sustainable development is evaluated according to how they manage their natural

capital (climate change, natural resources, waste treatment, biodiversity), human capital (education, health, innovation, employment), social capital (human rights, civil liberties, rule of law, corruption) and economic capital (financing and support for sustainable policies). The evaluation of good democratic governance is an integral part of the evaluation of the social capital. In this way, a proprietary analytical ESG framework is used to evaluate the challenges and opportunities of sustainable development in each country, resulting in an ESG score for each of the capitals. The country's global sustainability rating is an average of the three scores for the human, social and economic capitals, weighted by the natural capital. This approach makes it possible to take account of any potential degradation or damage of the natural environment in the country's sustainability management process.

Alongside this country evaluation, exclusion filters are applied based on level 3 of Candriam's SRI exclusion policy, which seeks to exclude: serious human rights violations (Candriam's list of highly oppressive regimes), states which sponsor terrorism (call-to-action list of the Financial Action Task Force), states considered "not free" (Freedom in the World index from Freedom House).

Countries eligible for definition as a sustainable investment are those which have a global sustainability rating among the 75% most highly rated and which respect the exclusion criteria. This approach considers the mandatory PAIs (PAI 15 - GHG intensity, PAI 16 - Investee countries subject to social violations) specific to sovereign issuers and guarantees that the do no harm principle is respected with regard to the sustainable investment objectives.

For more details: [https://www.candriam.com/fr-be/private/sfdr---belfius/ > SFDR declarations – Candriam > Sustainable Investment Definition](https://www.candriam.com/fr-be/private/sfdr---belfius/>SFDR%20declarations%20-%20Candriam%20>Sustainable%20Investment%20Definition)

## ESG analysis

The analysis of ESG aspects is integrated – where applicable indirectly through the underlying fund(s) – in the analysis and global evaluation of the underlying issuers.

- Private issuers

The issuing companies are evaluated in terms of ESG from two distinct but related perspectives:

- An analysis of each company's activities (products and services) to assess how its activities respond to the serious long-term challenges of sustainable development, and
- An analysis of stakeholder management

These two perspectives influence the financial analysis and the selection of companies during portfolio construction

- Sovereign issuers:

Countries are evaluated according to how they manage the 4 fundamental sustainability dimensions: human capital, natural capital, social capital and economic capital.

On the basis of this ESG analysis, each country is given a score.

The ESG score resulting from this ESG analysis is not a binding element in the investment process.

The ESG analysis covers the entire portfolio apart from deposits, cash, other positions which may be contained in the investment component without environmental and/or social characteristics, and index derivatives. The counterparties of derivatives might not be covered by the ESG analysis.

UCIs that are not managed by Candriam or whose management is delegated to third-party asset managers may have different ESG policies. The management company takes certain criteria into account when it selects such UCIs in order to respect the described ESG aspects at the global level in each sub-fund. The percentages of exposure to these UCIs may therefore be within the percentages of tolerance defined at fund level for components without E/S characteristics or non-sustainable investments.

### Application of good governance practices:

For companies, the application of good governance practices is evaluated, where applicable indirectly through the underlying fund(s), based on an ESG analysis (in some cases resulting in an ESG rating) of the company.

### Carbon emissions:

Carbon dioxide (CO<sub>2</sub>) is the greenhouse gas (GHG) most commonly emitted from human activities, in terms of the quantity discharged as well as its overall impact on global warming. As a result, the term "CO<sub>2</sub>" is sometimes used as shorthand to mean all greenhouse gases.

A company's carbon emissions are measured as the carbon dioxide equivalent in tonnes (tCO<sub>2</sub>-eq), which combines the various greenhouse gas emissions into a single measure. For any quantity and type of greenhouse gas, the CO<sub>2</sub> equivalent signifies the quantity of CO<sub>2</sub> that would have an equivalent impact on global warming.

A company's carbon emissions can be measured by categorising them into three sub-groups ("scopes") as defined by the international Greenhouse Gas Protocol:

- "Scope 1" emissions are direct emissions from sources owned by or under the control of the organisation,
- "Scope 2" emissions are indirect emissions from the production of energy purchased by the organisation,
- "Scope 3" emissions are all indirect emissions (not included in scope 2) generated by the organisation's value chain, including upstream and downstream emissions.

### Carbon measure used in the portfolio:

Several carbon measures can be used at the level of an investment portfolio, for example the total carbon emissions or the carbon footprint, as defined below.

- Total carbon emissions:

Measures the total GHG emissions of a portfolio in the most literal sense of the term, by adding up all the GHG emissions of the underlying securities according to the proportional holdings. This measure depends on the specific size of a portfolio, limiting its usefulness for benchmarking and comparison purposes. The measure can be used to evaluate emissions in the context of a carbon emissions compensation mechanism.

- Carbon footprint (normalised carbon emissions):

Measures the GHG emissions weighted by the assets in a portfolio, normalised by million euros invested (expressed as tCO<sub>2</sub>-eq /million euros invested). This measure can be used for benchmarking and comparison purposes.

The carbon footprint may be calculated using another appropriate currency.

A carbon measure at portfolio level may be considered to be incomplete in the following situations, for example:

- (i) the data providers may only provide incomplete coverage of the issuers,
- (ii) the measures may not take account of scope 3 or all the aspects of scope 3,
- iii) exposure through money market instruments and index derivatives is not generally included in the calculation.

To find out more about the scope used and the carbon footprint methodology, please see the document entitled 'ESG-Impact-Indicators-definitions': [https://www.candriam.com/fr-be/private/sfdr--belfius/> SFDR declarations – Funds > ESG and impact indicators – Definitions and methodology](https://www.candriam.com/fr-be/private/sfdr--belfius/>SFDR%20declarations%20-%20Funds%20>ESG%20and%20impact%20indicators%20-%20Definitions%20and%20methodology).

### Method for calculating the portfolio temperature

The analysis and calculation of the portfolio temperature is based on a methodology which evaluates a portfolio's alignment with a greenhouse gas reduction scenario in line with the "below 2°C by 2050"

scenario.

The methodology is based on a bottom-up analysis, adapted for each sector, which models the sector-specific decarbonisation trajectories based on the scenarios of the IPCC (Intergovernmental Panel on Climate Change) and the sector-specific trajectories of the IEA (International Energy Agency). It is a detailed evaluation of each issuer's specific climate performance, combining past, present and future greenhouse gas emissions performance, and an analysis of the company's capacity to meet its climate objectives, paying particular attention to its governance, strategy and investment plans. This results in a rating for each issuer. Calculation of the portfolio temperature is then based on the weighted total of the climate ratings of the issuers in the portfolio.

### Taking account of environmental, social and governance criteria (ESG)

The Investment Manager has developed a proprietary internal ESG analysis.

This analysis defines a framework which allows the asset managers to identify (in particular when selecting assets) opportunities and ESG aspects around the serious challenges of sustainable development, potentially affecting the portfolio in a substantial way.

The information sheet of each sub-fund will state the category in which it is classified for the purposes of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR Regulation").

Information about sustainability indices, adverse impacts on sustainability factors, the promotion of environmental and social factors, and sustainable investment objectives is contained in the dedicated annex attached to the prospectus for each sub-fund concerned (the "SFDR Annex"). In addition, the annual report contains information about the principal adverse impacts on sustainability factors.

### Sub-fund which promotes, among other characteristics, environmental and/or social characteristics ("Article 8 of the SFDR Regulation").

- Taking account of the sustainability risk

Considering all the elements described below, ESG aspects are integrated in the analysis, selection and global evaluation of companies – where applicable indirectly through the underlying fund(s).

This allows the sustainability risk to be mitigated, for example by reweighting companies that are less favourably positioned in terms of sustainability criteria.

- Integration

The analysis of ESG aspects is integrated in the selection, analysis and global evaluation of companies – where applicable indirectly through the underlying fund(s).

The applied criteria are stated in each sub-fund's information sheet.

- Exclusions

SFDR Article 8 funds apply the level 3 SRI exclusions or the level 2A exclusions or the level 1 exclusions as described in point 3. Exclusions below.

The exclusion level applied by each sub-fund is specified in sub-fund's fact sheet.

- More details

For more information about the sources of data on which investment decisions are made, the frequency with which the selected assets are evaluated to determine whether they still meet the criteria, the divestment periods in the event that issuers are ineligible, etc. see "Useful links" in the general part.

- Engagement and voting

The company analysis and selection process may be accompanied – where applicable indirectly through the underlying fund(s) – by dialogue activities (for example, direct active dialogue with the companies,

voting at AGMs and/or involvement in collaborative engagement initiatives) as described in Investment Manager's engagement policy.

The Investment Manager's voting committee may decide not to vote in respect of certain sub-funds because such votes are not relevant, because the portfolio turnover rate is high, or because the cost of voting is too high in relation to the net assets of the sub-fund.

Information about the voting policy and the report on the conditions under which voting rights are exercised are available on the Investment Manager's website (see "Useful links" below).

Voting policy: <https://www.candriam.com/fr-be/private/sfdr---belfius/> > Candriam Proxy Voting Policy

Engagement policy: <https://www.candriam.com/fr-be/private/sfdr---belfius/> > Candriam Engagement Policy

**Sub-fund which does not have sustainable investment as its objective and which does not specifically promote environmental and/or social characteristics.**

- Taking account of the sustainability risk

Apart from the measures below, no other specific measures are systematically applied to mitigate the sustainability risk.

- Exclusions

Funds which do not have sustainable investment as their objective and which do not specifically promote environmental and/or social characteristics apply either level 2A exclusions or level 1 exclusions as described in point 3. Exclusions below.

The exclusion level applied by each sub-fund is specified in sub-fund's fact sheet.

- Engagement and voting

The process may be accompanied – where applicable indirectly through the underlying fund(s) – by dialogue activities (for example, direct active dialogue with the companies, voting at AGMs and/or involvement in collaborative engagement initiatives) as described in Investment Manager's engagement policy.

The Investment Manager's voting committee may decide not to vote in respect of certain sub-funds because such votes are not relevant, because the portfolio turnover rate is high, or because the cost of voting is too high in relation to the net assets of the sub-fund.

Information about the voting policy and the report on the conditions under which voting rights are exercised are available on the Investment Manager's website (see "Useful links" below).

Voting policy: <https://www.candriam.com/fr-be/private/sfdr---belfius/> > Candriam Proxy Voting Policy

Engagement policy: <https://www.candriam.com/fr-be/private/sfdr---belfius/> > Candriam Engagement Policy

**Exclusions**

Candriam applies an exclusion policy based on three different levels as described below.

Candriam's exclusion policy is subject to limitations inherent to availability of ESG data and the calculation methodologies of the underlying data. Investors' attention is also drawn to the fact that depending on the level of the exclusion policy, the policy may not be applicable to investment in certain assets such as ETFs, tracker funds (or other index-linked financial instruments), hedge funds, absolute return funds or UCIs not managed by Candriam, nor cash and derivatives.

There is more information in Candriam's exclusion policy which is available under the links below.

- Level 1 exclusions

This policy excludes activities involving controversial weapons, tobacco or thermal coal. Companies most seriously in breach of the principles of the UNGC are also excluded.

There is a tolerance regarding the percentage of turnover of companies active in the sectors excluded in this exclusion analysis.

In addition, the policy excludes the debt issued by sovereign or quasi-sovereign entities appearing on Candriam's list of oppressive regimes.

More details are available from:

\* <https://www.candriam.com/fr-be/private/sfdr---belfius/> > SFDR declarations – Candriam > Candriam Exclusion Policy

- Level 2A exclusions

Like level 1 exclusions, this policy excludes activities involving controversial weapons, tobacco or thermal coal, but goes further by also excluding conventional weapons and gambling. Next, this policy excludes polluting electricity producers and excludes the most polluting companies in the oil and gas industry.

Companies that are seriously in breach of the principles of the UNGC are also excluded.

There is a tolerance regarding the percentage of turnover of companies active in the sectors excluded in this exclusion analysis.

In addition, the policy excludes the debt issued by sovereign or quasi-sovereign entities appearing on Candriam's list of oppressive regimes.

More details are available from:

\* <https://www.candriam.com/fr-be/private/sfdr---belfius/> > SFDR declarations – Candriam > Candriam Exclusion Policy

- Level 3 SRI exclusions

Like level 1 exclusions, this policy excludes activities involving controversial weapons, tobacco or thermal coal, but goes further by also excluding conventional weapons, gambling, adult content, alcohol, GMOs, nuclear energy and palm oil. Next, this policy also excludes polluting electricity producers and excludes the most polluting companies in the oil and gas industry.

Companies that are seriously in breach of the principles of the UNGC are also excluded.

There is a tolerance regarding the percentage of turnover of companies active in the sectors excluded in this exclusion analysis.

In addition, the policy excludes the debt issued by sovereign or quasi-sovereign entities appearing on Candriam's list of oppressive regimes.

More details are available from:

\* <https://www.candriam.com/fr-be/private/sfdr---belfius/> > SFDR declarations – Candriam > Candriam Exclusion Policy

Level 3 and level 2A SRI exclusions are compliant with governance of the "Transition Acceleration Policy" (TAP) which describes the sector-specific ESG criteria applied to the activities of Belfius and which is available under the link <https://www.belfius.be/belfiusam-fr-esg>.

**Principal adverse impacts (PAIs)**

The principal adverse impacts (PAI) are the most important negative impacts associated with the investments of a UCI concerning environmental, social and personnel issues, respect for human rights and the fight against corruption and acts of corruption.

The PAIs are considered in the ESG analysis of issuers based on the materiality or likely materiality of each indicator for each specific industry/sector to which the issuer belongs.

At product level, the PAIs are considered in one or more of the following ways:

- Monitoring: PAI monitoring of the issuers,
- Exclusions: negative filtering of controversial activities and controversies based on standards,
- Engagement and voting.

Depending on the fund, the following PAIs relating to the issuers are considered:

- "Level 1 PAIs ": For these funds, PAI 10 (Violations of UN GC principles and OECD Guidelines for Multinational Enterprises), PAI 14 (Exposure to controversial weapons) and PAI 16 (Investee countries subject to social violations) are considered through

monitoring, exclusions and engagement and voting activities. PAI 2 (Carbon footprint), PAI 3 (GHG intensity of investee companies) are covered by monitoring and engagement and voting activities. The other PAIs (apart from PAI 8 and PAI 9) are considered through engagement and voting activities.

- "Level 2 PAIs": For these funds, in addition to the elements considered in the level 1 PAI, more explicit account is taken of PAI 1 (GHG emissions), PAI 13 (Board gender diversity) and PAI 15 (GHG intensity of sovereigns), in particular through monitoring. PAI 4 (Exposure to companies active in the fossil fuel sector) is considered through monitoring and exclusions. PAI 8 and PAI 9 are considered through engagement and voting activities. All 16 mandatory PAIs are thus taken into account for these funds.

For more details please see the document entitled "Principal Adverse Impacts at Product Level Policy" of Candriam under the link <https://www.candriam.com/fr-be/private/sfdr---belfius/> >Sustainability related disclosures - Funds >"Principal Adverse Impacts at Product Level Policy", pp. 9 and 10.

The annual reports contain information about the principal adverse impacts on sustainability factors in accordance with SFDR Article 7(1)(b).

#### **For funds which do not have sustainable investment as their objective and which do not specifically promote environmental and/or social characteristics:**

For directly-managed investments and/or the underlying Candriam-managed funds, the sub-fund does not take into account the principal adverse impacts (PIAs) on sustainability for one or more of the following reasons:

- All or some of the issuing companies do not provide sufficient PAI data,
- The PAI element is not considered to be a primary element in the fund's investment process,
- It uses derivative products for which the processing of PAI elements has not yet been defined and standardised"

#### **Alignment with the European Taxonomy**

The European taxonomy of green activities (the "Taxonomy") – Regulation (EU) 2020/852 is part of the EU's global efforts to meet the objectives of the European Green Deal and to allow Europe to achieve climate-neutrality by 2050.

This Regulation sets six environmental objectives:

- Climate change mitigation;
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems.

To be considered environmentally sustainable, the economic activities must meet the following four conditions:

- contribute substantially to one or more of the following environmental objectives (listed below),
- do no significant harm (DNSH) to these environmental objectives,
- respect minimum guarantees,
- comply with the technical screening criteria specified by the Commission

For directly managed investments as well as underlying funds managed by Candriam, five of the six objectives are taken into account: climate change mitigation; climate change adaptation; the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control.

For sub-funds that promote, among other characteristics, environmental and/or social characteristics, this work to assess the contribution of issuers to the achievement of the major environmental objectives, in particular the fight against climate change, requires a

sector-specific assessment, based on a set of heterogeneous data, of complex realities with multiple interdependencies. Candriam's ESG analysts have developed their own analysis framework. This enables them to systematically assess the contribution of a company's activities to the achievement of various environmental objectives set by Candriam and in line with the objective of the Taxonomy.

Following the publication of the technical criteria for the Taxonomy's 2 environmental objectives related to climate change by the group of experts created at the European level, Candriam has undertaken to integrate these technical criteria into its pre-existing analysis framework.

Carrying out such an analysis over the entire scope of the issuers concerned relies heavily on the effective publication of certain data by these key issuers, making it possible to assess their contribution in detail.

**At present, only a small number of companies in the world provide the minimum data required for a rigorous evaluation of their alignment with the Taxonomy.**

**As a result, the sub-funds do not commit to a minimum Taxonomy alignment percentage, meaning that this percentage must be considered to be zero.**

Considering the new and constantly changing nature of sustainable investment at European level, this information will be updated.

For more details please see the sub-fund's transparency code.

#### **Useful links**

- Sustainable Finance Disclosure (Candriam): <https://www.candriam.com/fr-be/private/sfdr---belfius/>
- Details of the ESG analysis methodology (Belfius): <https://www.belfius.be/belfiusam-fr-esg>

## **Risk profile information**

Investors are invited to familiarise themselves with the specific risk factors shown hereafter, as well as in the technical fact sheets for each fund and with the "risk and return profile" section in the key information document.

The list of the risks described does not claim to be exhaustive. Investors are also recommended to consult their specialist financial advisors before subscribing.

#### **List of risks:**

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

**Interest rate risk:** change in interest rates, resulting notably from inflation, may cause a risk of losses and reduce the net asset value of the fund (particularly in the event of a rate increase if the fund has a positive rate sensitivity and in the event of a rate decline if the fund has a negative rate sensitivity). Long term bonds (and related derivatives) are more sensitive to interest rate variations.

**Commodities risk:** trends for commodities may differ significantly from those of traditional transferable securities markets (equities, bonds). Climatic and geo-political factors can also affect the supply and demand levels of the respective underlying product, in other words altering the expected scarcity of the product on the market. Commodities such as energy, metals and agricultural products, however, could have trends which are more closely correlated with each other. Unfavourable trends on these markets may cause the net asset value of a fund to fall.

**Credit risk:** risk that an issuer or a counterparty will default. This risk includes the risk of changes in credit spreads and default risk.

Some funds may be exposed to the credit market and/or specific issuers in particular whose prices will change based on the expectations of the market as regards their ability to repay their debt. These funds may also be exposed to the risk that a selected issuer will default, i.e. will be

unable to honour its debt repayment, in the form of coupons and/or principal. Depending on whether the fund is positively or negatively positioned on the credit market and/or some issuers in particular, an upward or downward movement respectively of the credit spreads, or a default, may negatively impact the net asset value.

Certain funds may use OTC derivative products. Transactions on these may cause a counterparty risk similar to a credit risk, i.e. losses incurred in connection with commitments contracted with a defaulting counterparty.

A fund which invests in poor quality debt instruments is more sensitive to these problems and its value may be more volatile.

**Settlement risk:** the risk that settlement with a payment system does not take place as planned, because the payment or delivery by a counterparty does not occur or is not made in accordance with the initial conditions. This risk exists to the extent that some funds invest in regions where financial markets are not well developed. In regions where the financial markets are well developed, this risk is low.

**Liquidity risk:** liquidity risk is defined as that of a position in the fund's portfolio that cannot be sold, liquidated or closed at a limited cost and within a sufficiently short time, thus jeopardizing the fund's ability to comply at any time with its obligations to redeem the units of investors at their request. On certain markets (in particular emerging and high-yield bonds, equities with low market capitalisation, etc.), the quotation spreads may widen under less favourable market conditions, which could impact on the net asset value when assets are purchased or sold. Furthermore, in the event of a crisis on these markets, the securities could also become difficult to trade.

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

**Custody risk:** the risk of loss of assets held by a depositary as a result of insolvency, negligence or fraudulent action by the Depositary or a sub-custodian. This risk is mitigated by the regulatory requirements governing depositary services.

**Concentration risk:** risk related to a significant concentration of investments in a specific asset class or certain markets. This means that changes in these assets or these markets have a significant impact on the fund's portfolio value. The greater the diversification of the fund's portfolio, the smaller the concentration risk. This risk is also greater for instance on more specific markets (certain regions, sectors or themes) than on broadly diversified markets (worldwide distribution).

**Performance risk:** this risk arises from the level of exposure to other risks, the type of management (more or less active) and the presence or absence of a protection or guarantee mechanism. Volatility is one of the indicators of performance risk.

**Risk relating to capital:** investors are advised that any capital they invest is not guaranteed and that they may therefore not receive back the full amount invested. They may thus suffer a loss.

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

**Flexibility risk:** lack of flexibility due to the fund's investment portfolio

and/or restrictions on the transfer to other offerors, including the risk of premature redemption. This risk may have the effect of preventing the fund at certain times from taking the desired actions. It may be greater for funds or investments subject to restrictive regulations.

**Inflation risk:** inflation risk is mainly due to sudden changes in supply and demand of goods and products in the economy, increases in the cost of raw materials as well as excessive wage increases. This is the risk of being repaid in a depreciated currency, getting a rate of return below the rate of inflation. This risk concerns, for example, long-term and fixed income bonds.

**Risk associated with external factors:** uncertainty about the sustainability of some external environmental factors (such as tax regime or regulatory changes) that may have an impact on operation of the fund. The fund may be subject to a number of legal and regulatory risks, in particular contradictory, incomplete, ambiguous and unpredictable interpretations or applications of laws, restricted public access to the regulations, practices and customs, ignorance or violations of laws by counterparties or other market participants, incomplete or incorrect transaction documents, the absence of amendments established or applied consistently in order to obtain redress, inadequate protection of investors or a failure to apply existing laws. Difficulties in asserting, protecting and enforcing rights may have a significant negative effect on the fund and its transactions. In particular, tax rules may be changed regularly or interpreted differently, increasing the amount of tax payable by the investor or the fund on its assets, income, capital gains, financial transactions or charges paid or received by service providers.

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

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

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

**Arbitrage risk:** arbitrage is a technique which consists in benefiting from the differences in prices recorded (or anticipated) between markets and/or sectors and/or securities and/or currencies and/or instruments. If such arbitrage transactions perform unfavourably (a rise in sell transactions and/or fall in buy transactions), the net asset value may fall.

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

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

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

**Legal risk:** the risk of litigation of all kinds with a counterparty or a third party. The Management Company and/or its delegates aim to reduce these risks by putting in place controls and procedures.

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

**Risk associated with investing in contingent convertible bonds ("CoCos"):**

CoCos – or subordinated contingent capital securities – are instruments issued by banking institutions to increase their equity capital buffers in order to comply with new banking regulations which require them to increase their capital margins.

**Trigger threshold risk:** These debt securities are automatically converted into shares or written down (loss of interest and/or capital) when predefined trigger thresholds are reached, as, for example, in the case of non-compliance with the minimum level of capital required for the issuer.

- **Capital structure inversion risk:** Contrary to the classic capital hierarchy, CoCos investment may be exposed to the risk of loss of capital while equity holders may not.
- **Discretionary coupon cancellation:** Coupon payments are entirely discretionary and may be cancelled by the issuer at any point.
- **Risk associated with the innovative structure of CoCos:** Given the lack of past experience with these instruments, it is uncertain how they will perform under certain market conditions (for example, a general problem with the asset class).
- **Deferred redemption risk:** While CoCos are perpetual instruments, they may, however, be redeemed on a determined date ("date of call") and at a predetermined level with the approval of the competent authority. There is, however, no guarantee that CoCos will be repaid on the scheduled date or that they will ever be repaid. Consequently, the sub-fund may never recover its investment.

Investments are often made in these types of instruments because of their attractive return, owing to the complexity involved, which only a well-informed investor may be in a position to understand.

**Risk of changes to the benchmark index by the index provider:** Investors should note that the benchmark index provider has full discretion to determine and therefore alter the characteristics of the relevant benchmark index for which it acts as sponsor.

Under the terms of the licence contract, an index provider may not be required to give licence holders using the relevant benchmark index

(including the fund) sufficient notice of changes to the benchmark index. As a consequence, the fund will not necessarily be in a position to inform investors in the relevant sub-funds in advance of the changes made by the relevant index provider to the characteristics of the relevant benchmark index.

**Sustainability risk:**

The sustainability risk refers to any environmental, social or governance-related event or situation that might affect the performance and/or reputation of issuers in the portfolio.

Sustainability risks may be subdivided into three categories:

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

The sustainability risk may be specific to the issuer, depending on its activities and practices, but may also be due to external factors.

If an unforeseen event occurs in a specific issuer such as a strike or more generally an environmental disaster, the event could have a negative impact on portfolio performance.

However, issuers which adapt their activities and/or policies may be less exposed to the sustainability risk.

**Synthetic risk indicator:**

The synthetic risk indicator is a way of assessing the risk level of this fund in relation to others. The risk level is presented using a synthetic risk indicator on a scale of between 1 (lowest risk) and 7 (highest risk). It is obtained by combining the market risk measure and the credit risk measure according to the methodology defined in Annex II of Commission Regulation 2017/653 of 8 March 2017 and is available in its most recent version in the key information document.

## Information on the units and trading of units

Sub-fund	Class	Type	Currency of the unit	Currency of the fund	ISIN code	Initial subscription price	Initial subscription period/date	Payment date of the initial subscription price	Minimum initial amount
High	C	Cap.	EUR	EUR	BE0169199313	-	Transfer of assets as of 01/07/2000	-	-
High	C	Dis.	EUR	EUR	BE0945312479				
High	F	Cap.	EUR	EUR	BE6344760879	1,000.00	01/10/2023	06/10/2023	50,000.00
High	F	Dis.	EUR	EUR	BE6344762891	1,000.00	01/10/2023	06/10/2023	50,000.00
Low	C	Cap.	EUR	EUR	BE0159412411	-	Transfer of assets as of 01/07/2000	-	-
Low	C	Dis.	EUR	EUR	BE0945314491				
Low	F	Cap.	EUR	EUR	BE6344763907	1,000.00	01/10/2023	06/10/2023	50,000.00
Low	F	Dis.	EUR	EUR	BE6344764913	1,000.00	01/10/2023	06/10/2023	50,000.00
Medium	C	Cap.	EUR	EUR	BE0159411405	-	Transfer of assets as of 01/07/2000	-	-
Medium	C	Dis.	EUR	EUR	BE0945316512				
Medium	F	Cap.	EUR	EUR	BE6344765928	1,000.00	01/10/2023	06/10/2023	50,000.00
Medium	F	Dis.	EUR	EUR	BE6344766934	1,000.00	01/10/2023	06/10/2023	50,000.00

### Form of the units

The units are registered or paperless.

### Calculation of the net asset value, arrangements for subscription of units, redemption of units and conversion between types of units

For the high, medium and low sub-funds:

D (4 p.m.)	=	Cut-off date for receiving orders, or: each bank business day in Belgium at 4 p.m. provided that D + 1 is also a bank business day in the country/countries listed below (1). Otherwise the first day thereafter which meets the conditions. Date of published net asset value (NAV). The cut-off time for receiving orders specified here only applies to the institution providing the financial service and the distributors listed in the prospectus. For all other distributors, investors are asked to enquire about the cut-off time for receiving orders set by these distributors.
D + 1	=	Acquisition date of the underlying UCIs
D + 2	=	Date of calculation of the net asset value of the underlying UCIs (NAV dated D + 1).
D + 3	=	Date of calculation of the net asset value (NAV date = D) based on the price of the underlying UCIs (NAV dated D + 1, calculated on D + 2)
D + 4	=	Date on which applications are paid or redeemed

Sub-fund	(1) Country
High	Luxembourg
Low	Luxembourg
Medium	Luxembourg

### Publication of net asset value:

The net asset value is published on the BeAMA website ([www.beama.be/vni](http://www.beama.be/vni)) and is also available at the offices of the institution providing the financial service.

## Fees and charges

### Recurring fees and charges payable by the fund (in EUR or as a percentage of the net asset value):

A. Investment portfolio management fee

- B. Performance fee  
 C. Administration fee  
 D. Costs linked to the Lock mechanism  
 E. Marketing fee  
 F. Financial service fee  
 G. Depositary fee  
 H. Annual duty  
 I. Auditors' fee (VAT excluded)  
 J. Fees for the individuals responsible for effective management  
 K. Other charges (estimate) including the remuneration payable to the auditors, directors and individuals responsible for effective management

Sub-fund	Class	A (i)	B	C (i)	D (i)	E (i)	F	G (i)	H (ii)	I (iii)	J	K (iii)
High	C	Max. 1.55%	-	Max. 0.090%	-	-	-	Max. 0.030%	0.092 5%	4,200	-	0.10 %
High	F	Max. 0.85%	-	Max. 0.090%	-	-	-	Max. 0.030%	0.092 5%		-	0.10 %
Low	C	Max. 1.15%	-	Max. 0.090%	-	-	-	Max. 0.030%	0.092 5%	4,200	-	0.10 %
Low	F	Max. 0.65%	-	Max. 0.090%	-	-	-	Max. 0.030%	0.092 5%		-	0.10 %
Medium	C	Max. 1.30%	-	Max. 0.090%	-	-	-	Max. 0.030%	0.092 5%	4,200	-	0.10 %
Medium	F	Max. 0.75%		Max. 0.090%	-	-	-	Max. 0.030%	0.092 5%		-	0.10 %

(i) Per annum of the average net assets, calculated and payable monthly. The maximum level of the management fees of the UCIs in which the sub-funds are invested is 1.60% and is included in the net asset value of the UCIs used.

(ii) Of the net amounts invested in Belgium as at 31 December of the previous year. The amounts that have already been included in the taxable base of the underlying funds (where applicable) are not included in the taxable base of the fund itself.

(iii) Per annum.

The underlying funds bear, where applicable, their own fees and charges.

**Recurring fees and charges payable by the fund (in EUR or as a percentage of the net asset value):**

Directors' fee: Directors are not paid for their services except for these directors who are paid as follows:

- Gunther Wuyts: EUR 1000 per year
- Anne Heldenbergh: EUR 1000 per year
- Christoph Finck: EUR 1000 per year

**Non-recurring fees and charges payable by the investor (in EUR or as a percentage of the net asset value per unit):**

- A. Marketing fee
- A-1: on entry
  - A-2: on exit
  - A-3: on conversion
- B. Administrative charges
- B-1: on entry
  - B-2: on exit
  - B-3: on conversion
- C. Amount to cover the cost of acquiring assets
- D. Amount to cover the cost of realising assets
- E. Amount to discourage exit during the month following entry

Sub-fund	Class	A			B			C	D	E
		A-1	A-2	A-3 (i)	B-1	B-2	B-3 (i)			
High	C, F	Max. 2.50% (iii)	-	Max. 2.50% (ii) & (iii)	-	-	Max. 2.50% (ii)	-	-	-
Low	C, F	Max. 2.50% (iii)	-	Max. 2.50% (ii) & (iii)	-	-	Max. 2.50% (ii)	-	-	-
Medium	C, F	Max. 2.50% (iii)	-	Max. 2.50% (ii) & (iii)	-	-	Max. 2.50% (ii)	-	-	-

(ii) Change of sub-fund/share class/type of units.

(ii) In the event of conversion from one sub-fund to another sub-fund of the same fund, conversion fees (such as a marketing fee) may be charged. Furthermore, as part of the conversion process, the institutions providing the financial service will be entitled to deduct an amount for each transaction to cover these administrative expenses. The institutions providing the financial service will provide unitholders with their schedule of fees.

(iii) This rate corresponds to the highest rate applied by all Belgian and European distributors. The institutions providing the financial service will provide shareholders with their schedule of fees.

When marketing units in Italy, Italian paying agents may charge investors fees for the services they offer in Italy.

**Tax on Stock-Exchange Transactions payable by the investor (TST):**

1.32% (max. EUR 4,000) upon sale or conversion of capitalisation shares (Cap. => Cap./Dis.).

## Belfius Sustainable High

This fact sheet must be read in conjunction with the detailed information on the ESG characteristics of this sub-fund as described in the SFDR Annex.

**Date of creation:** 20/03/2000

**Term:** Unlimited term

### Objectives of the sub-fund:

The objective of the sub-fund is to enable shareholders to benefit from trends on the financial markets and to outperform the benchmark through a portfolio principally made up of Undertakings for Collective Investment (UCIs) selected by the Management Company on the basis of their expected return and socially responsible or sustainability criteria, which aim to offer a broad diversification (notably via equities and bonds of different countries and sectors). The sub-fund will focus on investments in equity UCIs.

### Investment policy of the sub-fund:

#### • Authorised asset classes:

The assets of this sub-fund will be invested principally in units in UCIs of the open-ended type.

The sub-fund's assets may also be invested secondarily in the other asset classes mentioned in the articles of incorporation appended to this document. Thus, for example, on an ancillary basis, the assets may be invested in equities, bonds, money market instruments, deposits and/or cash.

#### • Specific strategy:

The sub-fund will invest principally in units of Belgian or foreign UCIs managed by Candriam which themselves are invested essentially in:

- bonds and/or equivalent securities, such as investment grade bonds, inflation indexed bonds, etc.,
- equities and/or securities equivalent to equities,
- and/or cash and money market instruments.

The sub-fund focuses on investments in equity UCIs. However, they could be a minority proportion or be very low (potentially representing very much a minority share of the assets) according to the asset manager's expectations of the trend of the financial markets and in order to reduce the risk for the investor.

In addition, the sub-fund may invest part of its net assets in UCIs which follow specific strategies (such as, for instance, commodities or other opportunities). Nevertheless, these investments will always be a minority.

Both the UCIs held and their constituent financial instruments may be denominated in any currency and may or may not be hedged against foreign exchange risk, depending on the asset manager's expectations in terms of market trends. The financial instruments of these UCIs may be issued by issuers in different regions of the world, including the emerging countries.

#### • Social, ethical and environmental aspects:

##### SFDR category:

This sub-fund meets the transparency requirements of Article 8 of the SFDR Regulation, which means that it promotes, among other characteristics, environmental and/or social characteristics. It does not, however, have sustainable investment as its objective.

##### Binding elements:

#### 1. Indicators and targets:

The sustainability indicator used in order to measure the achievement of environmental or social characteristics, and the sustainability objectives of the sustainable investments, are as follows:

- Carbon footprint: the sub-fund seeks to achieve a carbon footprint for private issuers that is at least 25% below the sub-fund's benchmark.

#### 2. Exclusion policy:

Level 3 SRI exclusions for the entire portfolio apart from cash, derivatives, ETFs, tracker funds (or other index-linked financial instruments), hedge funds, absolute return funds and UCIs not managed by Candriam, up to a maximum of 15% of the portfolio (measured on a look-through basis).

For more information follow this link: <https://www.candriam.com/fr-be/private/sfdr---belfius/> > SFDR declarations – Candriam > Candriam Exclusion Policy.

#### 3. Good governance:

The selected companies apply good governance practices.

#### 4. Minimum percentage of assets invested in sustainable investments: 75%

For the portion of the portfolio concerning sustainable investment – invested through direct lines or via the underlying UCIs – level 3 of the exclusion policy is applicable, and only companies with an ESG score of 1 to 5 (or an ESG score of 1 to 6 for the high-yield and emerging management universes) on a scale from 1 to 10 (with 1 the best score and 10 the worst) based on Candriam's proprietary ESG analysis, and countries which have a global sustainability rating among the 75% most highly rated, are eligible for definition as a sustainable investment.

For more information please see the sub-fund's transparency code. <https://www.candriam.com/fr-be/private/sfdr---belfius/> > Transparency codes – Funds.

### Alignment with the Taxonomy

This minimum alignment percentage must therefore be considered to be 0%.

In the context of alignment with the Taxonomy, 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.

### Principal adverse impacts (PAIs)

The principal adverse impacts (PAI) are the most important negative impacts associated with the investments of a UCI concerning environmental, social and personnel issues, respect for human rights and the fight against corruption and acts of corruption.

The PAIs are considered in the ESG analysis of issuers based on the materiality or likely materiality of each indicator for each specific industry/sector to which the issuer belongs. All the mandatory PAIs defined by Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 are thus considered in the proprietary ESG analysis forming the basis of the definition of a sustainable investment and of the eligibility of an issuer as a sustainable investment for the sub-fund's sustainable investment component.

At product level, the PAIs are considered in one or more of the following ways:

- Monitoring: PAI monitoring of the issuers,
- Exclusions: negative filtering of controversial activities and controversies based on standards,
- Engagement and voting.

Consideration of the PAIs by the sub-fund: Level 2 PAIs.

More information is available at the following link: <https://www.candriam.com/fr-be/private/sfdr---belfius/> > Sustainability related disclosures - Funds > "Principal Adverse Impacts at Product Level Policy", pp. 9 et 10.

The annual reports contain information about the principal adverse impacts on sustainability factors in accordance with SFDR Article 7(1)(b).

#### ESG analysis for the investments of underlying UCIs managed by Candriam and/or for direct investment lines held

An analysis of ESG aspects is integrated in the selection and allocation of the underlyings. This ESG analysis is nevertheless not a binding element in the investment process.–

#### ESG eligibility - exceptional circumstances:

Investors' attention is drawn to the fact that under certain circumstances, a very limited proportion of investments which at the time of acquisition met the ESG selection criteria applied by the asset manager may become no longer eligible.

The circumstances potentially causing an investment to be no longer eligible may include but are not limited to the following:

- A change within the company such as a change of strategy or entry into a sector which is ineligible under the asset manager's ESG selection criteria,
- A corporate event (i.e. merger, acquisition, change of governance, etc.) in the investee company,
- Financial market disruption and/or delivery interruptions and updates to external data with a direct impact on the investment decisions,
- Unintentional and erroneous use of incorrect data at the time of purchase,
- A planned update of the selection criteria according to which the assets should be sold, but for which it is decided not to sell immediately in the customer's interest because of transaction costs and/or price volatility for example.

In principle, if an investment no longer meets the selection criteria, it will no longer be taken into account in the threshold of investments with environmental and social characteristics and or sustainable investments

#### • Authorised transactions involving financial derivatives:

The sub-fund may also, provided the legal rules in force are observed, use derivative products such as options, futures, interest rate swaps (fixed and variable rates, inflation etc.), credit and currency swaps and forward exchange transactions **for both investment and hedging purposes. Investors should be aware that these types of derivative products are more volatile than the underlying products.**

• Although the composition of the portfolio must observe the general rules and restrictions imposed by the law or the articles of incorporation, the fact remains that a concentration of risks may occur in geographical areas that are more restricted.

#### • Characteristics of bonds and debt securities:

The fixed or variable income securities held directly and/or through UCIs in position will be issued principally by reputedly good quality issuers (investment grade: minimum BBB- and/or Baa3 at purchase) principally those of governments, supranational institutions, the public sector and/or the private sector. However, on an ancillary basis, the sub-fund may hold speculative bonds (rated below BBB- and/or Baa3 on purchase) directly or via the UCIs.

The manager may change the overall duration of the sub-fund within a range of 0 to 10 years according to the manager's expectations regarding interest rate trends.

#### • Description of the general strategy to hedge foreign exchange risk:

The sub-fund does not intend to systematically hedge against foreign exchange risk exposure.

• The investment policy seeks to ensure the diversification of the portfolio risks. Net asset value trends are however uncertain since the net asset value is subject to the different types of risk listed below. There may therefore be volatility in its price.

#### Benchmark index:

The sub-fund is actively managed and its investment approach implies a reference to a benchmark.

The benchmark used does not explicitly take sustainability criteria into account and as such may not be suitable for all the environmental and/or social characteristics promoted by the sub-fund.

<b>Benchmark name</b>	25% Bloomberg Euro-Aggregate 1-10 Year Index (Total Return – interest payments included) + 30% MSCI Europe (Net Return – net dividends reinvested) + 30% MSCI USA (Net Return – net dividends reinvested) + 11,25% MSCI Emerging Markets (Net Return – net dividends reinvested) + 3,75% MSCI Japan (Net Return – net dividends reinvested)
<b>Benchmark definition</b>	Bloomberg Euro-Aggregate 1-10 Year Index: measures the performance of investment grade bonds (at least BBB- and/or Baa3) denominated in EUR, with maturities between 1 and 10 years.  30% MSCI Europe: measures the performance of the large and mid cap equity segment across developed markets in Europe.  MSCI USA: measures the performance of the large and mid cap equity segment of the United States market.  MSCI Emerging Markets: measures the performance of the large and mid cap equity segment across emerging markets countries.  MSCI Japan: measures the performance of the large and mid cap equity segment of the Japanese market.
<b>Use of the benchmark</b>	<ul style="list-style-type: none"> <li>• in determining risk levels / parameters,</li> <li>• to compare performance.</li> </ul>
<b>Divergence of portfolio composition from the benchmark</b>	<p>As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index.</p> <p>In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.5% and 3%.</p> <p>This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.</p>
<b>Benchmark provider</b>	<p>Bloomberg, MSCI Limited</p> <p>Each provider is, since Brexit, is an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</p>

	The Management Company and/or its delegates has/have adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company and/or its delegates.
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#### Calculation of overall risk

The method used by the management company to calculate overall risk is the commitment risk calculation method defined by the regulations.

This method consists in converting the derivative products into equivalent positions in the underlying assets (where applicable, based on their respective sensitivity). This conversion may, if necessary, be replaced by the notional value.

A derivative product will not be included in the calculation of the overall risk in the following situations:

- if the simultaneous holding of this derivative product linked to a financial asset and liquidity invested in risk-free assets is equivalent to the direct holding of the financial asset in question,
- if this derivative product exchanges the performance of the financial assets held in the portfolio for the performance of other benchmark financial assets (at no additional risk relative to the direct holding of the benchmark financial assets).

The fund may offset long and short positions in derivative products concerning identical underlying assets, regardless of the maturity of the contracts. Furthermore, offsetting is also permitted between derivative products and directly held assets, provided the two positions concern the same asset or assets whose historic yields are closely correlated. Offsetting may be in terms of market value or in terms of risk indicator.

The overall risk assumed by the fund may not exceed 210% of the net asset value.

#### Specific risks:

The risk levels specific to the fund shown in the table below may be higher or lower, i.e.: Low (1), Medium (2), High (3)

<i>List of risks:</i>	<i>Level</i>
Risk relating to capital	3
Equity risk	3
Interest rate risk	3
Credit risk	3
Foreign exchange risk	3
Risk arising from derivative products	3
Emerging countries risk	3
Performance risk	3
Inflation risk	2
Counterparty risk	2
Sustainability risk	2
Commodities risk	1
Liquidity risk	1
Volatility risk	1
Risk related to external factors	1
Settlement risk	1

#### Risk of changes to the benchmark index

1

Investors are reminded that the capital is neither guaranteed nor protected, that the value of their investment may go down as well as up and that they may not therefore receive back the full amount invested.

#### Risk profile of the typical investor:

This sub-fund is aimed at any natural or legal person that is sufficiently aware of the inherent risk in equity and bond markets, who understands the type of risk entailed in the sub-fund and who accepts this on the basis of their investor profile.

#### Investment holding period:

The fund may not be suitable for investors intending to withdraw their investment within five years.

## Belfius Sustainable Low

This fact sheet must be read in conjunction with the detailed information on the ESG characteristics of this sub-fund as described in the SFDR Annex.

**Date of creation:** 20/03/2000

**Term:** Unlimited term

### Objectives of the sub-fund:

The objective of the sub-fund is to enable shareholders to benefit from trends on the financial markets and to outperform the benchmark through a portfolio principally made up of Undertakings for Collective Investment (UCIs) selected by the Management Company on the basis of their expected return and socially responsible or sustainability criteria, which aim to offer a broad diversification (notably via equities and bonds of different countries and sectors). The sub-fund will focus on investments in bond UCIs.

### Investment policy of the sub-fund:

#### • Authorised asset classes:

The assets of this sub-fund will be invested principally in units in UCIs of the open-ended type.

The sub-fund's assets may also be invested secondarily in the other asset classes mentioned in the articles of incorporation appended to this document. Thus, for example, on an ancillary basis, the assets may be invested in equities, bonds, money market instruments, deposits and/or cash.

#### • Specific strategy:

The sub-fund will invest principally in units of Belgian or foreign UCIs managed by Candriam which themselves are invested essentially in:

- bonds and/or equivalent securities, such as investment grade bonds, inflation indexed bonds, etc.,
- equities and/or securities equivalent to equities,
- and/or cash and money market instruments.

The quota of assets invested in equity UCIs is always a minority and it could be very low, according to the asset manager's expectations of the trend of the financial markets and in order to reduce the risk for the investor.

In addition, the sub-fund may invest part of its net assets in UCIs which follow specific strategies (such as, for instance, commodities or other opportunities). Nevertheless, these investments will always be a minority.

Both the UCIs held and their constituent financial instruments may be denominated in any currency and may or may not be hedged against foreign exchange risk, depending on the asset manager's expectations in terms of market trends. The financial instruments of these UCIs may be issued by issuers in different regions of the world, including the emerging countries.

#### • Social, ethical and environmental aspects:

#### SFDR category:

This sub-fund meets the transparency requirements of Article 8 of the SFDR Regulation, which means that it promotes, among other characteristics, environmental and/or social characteristics. It does not, however, have sustainable investment as its objective.

Binding elements:

#### 1. Indicators and targets:

The sustainability indicator used in order to measure the achievement of environmental or social characteristics, and the sustainability objectives of the sustainable investments, are as follows:

Carbon footprint: the sub-fund seeks to achieve a carbon footprint for private issuers that is at least 25% below the sub-fund's benchmark.

2. Exclusion policy: Level 3 SRI exclusions for the entire portfolio apart from cash, derivatives, ETFs, tracker funds (or other index-linked financial instruments), hedge funds, absolute return funds and UCIs not managed by Candriam, up to a maximum of 15% of the portfolio (measured on a look-through basis).

For more information follow this link: <https://www.candriam.com/fr-be/private/sfdr---belfius/> > SFDR declarations – Candriam > Candriam Exclusion Policy.

3. Good governance: The selected companies apply good governance practices.

4. Minimum percentage of assets invested in sustainable investments: 75%

For the portion of the portfolio concerning sustainable investment – invested through direct lines or via the underlying UCIs – level 3 of the exclusion policy is applicable, and only companies with an ESG score of 1 to 5 (or an ESG score of 1 to 6 for the high-yield and emerging management universes) on a scale from 1 to 10 (with 1 the best score and 10 the worst) based on Candriam's proprietary ESG analysis, and countries which have a global sustainability rating among the 75% most highly rated, are eligible for definition as a sustainable investment.

For more information please see the sub-fund's transparency code. <https://www.candriam.com/fr-be/private/sfdr---belfius/> > Transparency codes – Funds.

### Alignment with the Taxonomy

This minimum alignment percentage must therefore be considered to be 0%.

In the context of alignment with the Taxonomy, 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.

### Principal adverse impacts (PAIs)

The principal adverse impacts (PAI) are the most important negative impacts associated with the investments of a UCI concerning environmental, social and personnel issues, respect for human rights and the fight against corruption and acts of corruption.

The PAIs are considered in the ESG analysis of issuers based on the materiality or likely materiality of each indicator for each specific industry/sector to which the issuer belongs. All the mandatory PAIs defined by Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 are thus considered in the proprietary ESG analysis forming the basis of the definition of a sustainable investment and of the eligibility of an issuer as a sustainable investment for the sub-fund's sustainable investment component.

- At product level, the PAIs are considered in one or more of the following ways:
- Monitoring: PAI monitoring of the issuers,
- Exclusions: negative filtering of controversial activities and controversies based on standards,
- Engagement and voting.

Consideration of the PAIs by the sub-fund: Level 2 PAIs.

More information is available at the following link: <https://www.candriam.com/fr-be/private/sfdr---belfius/> > Sustainability related disclosures - Funds > "Principal Adverse Impacts at Product Level Policy", pp. 9 et 10.

The annual reports contain information about the principal adverse impacts on sustainability factors in accordance with SFDR Article 7(1)(b).

ESG analysis for the investments of underlying UCIs managed by

### Candriam and/or for direct investment lines held

An analysis of ESG aspects is integrated in the selection and allocation of the underlyings. This ESG analysis is nevertheless not a binding element in the investment process.

### ESG eligibility - exceptional circumstances:

Investors' attention is drawn to the fact that under certain circumstances, a very limited proportion of investments which at the time of acquisition met the ESG selection criteria applied by the asset manager may become no longer eligible.

The circumstances potentially causing an investment to be no longer eligible may include but are not limited to the following:

- A change within the company such as a change of strategy or entry into a sector which is ineligible under the asset manager's ESG selection criteria,
- A corporate event (i.e. merger, acquisition, change of governance, etc.) in the investee company,
- Financial market disruption and/or delivery interruptions and updates to external data with a direct impact on the investment decisions,
- Unintentional and erroneous use of incorrect data at the time of purchase,
- A planned update of the selection criteria according to which the assets should be sold, but for which it is decided not to sell immediately in the customer's interest because of transaction costs and/or price volatility for example.

In principle, if an investment no longer meets the selection criteria, it will no longer be taken into account in the threshold of investments with environmental and social characteristics and or sustainable investments

### • Authorised transactions involving financial derivatives:

The sub-fund may also, provided the legal rules in force are observed, use derivative products such as options, futures, interest rate swaps (fixed and variable rates, inflation etc.), credit and currency swaps and forward exchange transactions for both investment and hedging purposes. Investors should be aware that these types of derivative products are more volatile than the underlying products.

Although the composition of the portfolio must observe the general rules and restrictions imposed by the law or the articles of incorporation, the fact remains that a concentration of risks may occur in geographical areas that are more restricted.

### • Characteristics of bonds and debt securities:

The fixed or variable income securities held directly or through UCIs in position will be issued principally by reputedly good quality issuers (investment grade: minimum BBB- and/or Baa3 at purchase) principally those of governments, supranational institutions, the public sector and/or the private sector. However, on an ancillary basis, the sub-fund may hold speculative bonds (rated below BBB- and/or Baa3 on purchase) directly or via the UCIs.

The manager may change the overall duration of the sub-fund within a range of 0 to 10 years according to the manager's expectations regarding interest rate trends.

### • Description of the general strategy to hedge foreign exchange risk:

The sub-fund does not intend to systematically hedge against foreign exchange risk exposure.

- The investment policy seeks to ensure the diversification of the portfolio risks. Net asset value trends are however uncertain since the net asset value is subject to the different types of risk listed below. There may therefore be volatility in its price.

### Benchmark index:

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

The benchmark used does not explicitly take sustainability criteria into account and as such may not be suitable for all the environmental and/or social characteristics promoted by the sub-fund.

<b>Benchmark name</b>	70% Bloomberg Euro-Aggregate 1-10 Year Index (Total Return – interest payments included) + 12% MSCI Europe (Net Return – net dividends reinvested) + 12% MSCI USA (Net Return – net dividends reinvested) + 4,5% MSCI Emerging Markets (Net Return – net dividends reinvested) + 1,5% MSCI Japan (Net Return – net dividends reinvested)
<b>Benchmark definition</b>	<p>Bloomberg Euro-Aggregate 1-10 Year Index: measures the performance of investment grade bonds (at least BBB- and/or Baa3) denominated in EUR, with maturities between 1 and 10 years.</p> <p>30% MSCI Europe: measures the performance of the large and mid cap equity segment across developed markets in Europe.</p> <p>MSCI USA: measures the performance of the large and mid cap equity segment of the United States market.</p> <p>MSCI Emerging Markets: measures the performance of the large and mid cap equity segment across emerging markets countries.</p> <p>MSCI Japan: measures the performance of the large and mid cap equity segment of the Japanese market.</p>
<b>Use of the benchmark</b>	<ul style="list-style-type: none"> <li>• in determining risk levels / parameters,</li> <li>• to compare performance.</li> </ul>
<b>Divergence of portfolio composition from the benchmark</b>	<p>As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index.</p> <p>In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.5% and 3%.</p> <p>This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.</p>
<b>Benchmark provider</b>	<p>Bloomberg, MSCI Limited</p> <p>Each provider is, since Brexit, an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</p>

	<p>The Management Company and/or its delegates has/have adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company and/or its delegates.</p>
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### Calculation of overall risk

The method used by the management company to calculate overall risk is the commitment risk calculation method defined by the regulations.

This method consists in converting the derivative products into equivalent positions in the underlying assets (where applicable, based on their respective sensitivity). This conversion may, if necessary, be replaced by the notional value.

A derivative product will not be included in the calculation of the overall risk in the following situations:

if the simultaneous holding of this derivative product linked to a financial asset and cash invested in risk-free assets is equivalent to the direct holding of the financial asset in question,

if this derivative product exchanges the performance of the financial assets held in the portfolio for the performance of other benchmark financial assets (at no additional risk relative to the direct holding of the benchmark financial assets).

The fund may offset long and short positions in derivative products concerning identical underlying assets, regardless of the maturity of the contracts. Furthermore, offsetting is also permitted between derivative products and directly held assets, provided the two positions concern the same asset or assets whose historic yields are closely correlated. Offsetting may be in terms of market value or in terms of risk indicator.

The overall risk assumed by the fund may not exceed 210% of the net asset value.

### Specific risks:

The risk levels specific to the fund shown in the table below may be higher or lower, i.e.: Low (1), Medium (2), High (3)

List of risks:	Level
Risk relating to capital	3
Equity risk	3
Interest rate risk	3
Credit risk	3
Foreign exchange risk	3
Risk arising from derivative products	3
Emerging countries risk	3
Performance risk	3
Inflation risk	2
Counterparty risk	2
Sustainability risk	2
Commodities risk	1
Liquidity risk	1
Volatility risk	1
Risk related to external factors	1

Settlement risk	1
Risk of changes to the benchmark index	1

Investors are reminded that the capital is neither guaranteed nor protected, that the value of their investment may go down as well as up and that they may not therefore receive back the full amount invested.

### Risk profile of the typical investor:

This sub-fund is aimed at any natural or legal person that is sufficiently aware of the inherent risk in equity and bond markets, who understands the type of risk entailed in the sub-fund and who accepts this on the basis of their investor profile.

### Investment horizon:

The fund may not be suitable for investors intending to withdraw their investment within three years.

## Belfius Sustainable Medium

This fact sheet must be read in conjunction with the detailed information on the ESG characteristics of this sub-fund as described in the SFDR Annex.

**Date of creation:** 20/03/2000

**Term:** Unlimited term

### Objectives of the sub-fund:

The objective of the sub-fund is to enable shareholders to benefit from trends on the financial markets and to outperform the benchmark through a portfolio principally made up of Undertakings for Collective Investment (UCIs) selected by the Management Company on the basis of their expected return and socially responsible or sustainability criteria, which aim to offer a broad diversification (notably via equities and bonds of different countries and sectors). The sub-fund will focus on a balance between investments in bond UCIs and investments in equity UCIs.

### Investment policy of the sub-fund:

#### • Authorised asset classes:

The assets of this sub-fund will be invested principally in units in UCIs of the open-ended type.

The sub-fund's assets may also be invested secondarily in the other asset classes mentioned in the articles of incorporation appended to this document. Thus, for example, on an ancillary basis, the assets may be invested in equities, bonds, money market instruments, deposits and/or cash.

#### • Specific strategy:

The sub-fund will invest principally in units of Belgian or foreign UCIs managed by Candriam which themselves are invested essentially in:

bonds and/or equivalent securities, such as investment grade bonds, inflation indexed bonds, etc.,

equities and/or securities equivalent to equities,

and/or cash and money market instruments.

The share of assets invested in equity UCIs may be the majority, or the minority and it may be greatly reduced based on the manager's expectations with respect to the outlook for financial markets and in order to reduce the risk for the investor.

In addition, the sub-fund may invest part of its net assets in UCIs which follow specific strategies (such as, for instance, commodities or other opportunities). Nevertheless, these investments will always be a minority.

Both the UCIs held and their constituent financial instruments may be denominated in any currency and may or may not be hedged against foreign exchange risk, depending on the asset manager's expectations in terms of market trends. The financial instruments of these UCIs may be issued by issuers in different regions of the world, including the emerging countries.

#### • Social, ethical and environmental aspects:

#### SFDR category:

This sub-fund meets the transparency requirements of Article 8 of the SFDR Regulation, which means that it promotes, among other characteristics, environmental and/or social characteristics. It does not, however, have sustainable investment as its objective.

#### Binding elements:

##### 1. Indicators and targets:

The sustainability indicator used in order to measure the achievement of environmental or social characteristics, and the sustainability objectives of the sustainable investments, are as follows:

- Carbon footprint: the sub-fund seeks to achieve a carbon footprint for private issuers that is at least 25% below the sub-fund's benchmark.

##### 2. Exclusion policy:

Level 3 SRI exclusions for the entire portfolio apart from cash, derivatives, ETFs, tracker funds (or other index-linked financial instruments), hedge funds, absolute return funds and UCIs not managed by Candriam, up to a maximum of 15% of the portfolio (measured on a look-through basis).

For more information follow this link: <https://www.candriam.com/fr-be/private/sfdr---belfius/> > SFDR declarations – Candriam > Candriam Exclusion Policy.

- 3. Good governance: The selected companies apply good governance practices.

- 4. Minimum percentage of assets invested in sustainable investments: 75%

For the portion of the portfolio concerning sustainable investment – invested through direct lines or via the underlying UCIs – level 3 of the exclusion policy is applicable, and only companies with an ESG score of 1 to 5 (or an ESG score of 1 to 6 for the high-yield and emerging management universes) on a scale from 1 to 10 (with 1 the best score and 10 the worst) based on Candriam's proprietary ESG analysis, and countries which have a global sustainability rating among the 75% most highly rated, are eligible for definition as a sustainable investment.

For more information please see the sub-fund's transparency code. <https://www.candriam.com/fr-be/private/sfdr---belfius/> > Transparency codes – Funds.

#### Alignment with the Taxonomy

This minimum alignment percentage must therefore be considered to be 0%.

In the context of alignment with the Taxonomy, 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.

#### Principal adverse impacts (PAIs)

The principal adverse impacts (PAI) are the most important negative impacts associated with the investments of a UCI concerning environmental, social and personnel issues, respect for human rights and the fight against corruption and acts of corruption.

The PAIs are considered in the ESG analysis of issuers based on the materiality or likely materiality of each indicator for each specific industry/sector to which the issuer belongs. All the mandatory PAIs defined by Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 are thus considered in the proprietary ESG analysis forming the basis of the definition of a sustainable investment and of the eligibility of an issuer as a sustainable investment for the sub-fund's sustainable investment component.

At product level, the PAIs are considered in one or more of the following ways:

- Monitoring: PAI monitoring of the issuers,
- Exclusions: negative filtering of controversial activities and controversies based on standards,
- Engagement and voting.

Consideration of the PAIs by the sub-fund: Level 2 PAIs.

More information is available at the following link: <https://www.candriam.com/fr-be/private/sfdr---belfius/> > Sustainability related disclosures - Funds > "Principal Adverse Impacts at Product Level Policy", pp. 9 et 10.

The annual reports contain information about the principal adverse impacts on sustainability factors in accordance with SFDR Article 7(1)(b).

**ESG analysis for the investments of underlying UCIs managed by Candriam and/or for direct investment lines held**

An analysis of ESG aspects is integrated in the selection and allocation of the underlyings. This ESG analysis is nevertheless not a binding element in the investment process.

#### ESG eligibility - exceptional circumstances:

Investors' attention is drawn to the fact that under certain circumstances, a very limited proportion of investments which at the time of acquisition met the ESG selection criteria applied by the asset manager may become no longer eligible.

The circumstances potentially causing an investment to be no longer eligible may include but are not limited to the following:

- A change within the company such as a change of strategy or entry into a sector which is ineligible under the asset manager's ESG selection criteria,
- A corporate event (i.e. merger, acquisition, change of governance, etc.) in the investee company,
- Financial market disruption and/or delivery interruptions and updates to external data with a direct impact on the investment decisions,
- Unintentional and erroneous use of incorrect data at the time of purchase,
- A planned update of the selection criteria according to which the assets should be sold, but for which it is decided not to sell immediately in the customer's interest because of transaction costs and/or price volatility for example.

In principle, if an investment no longer meets the selection criteria, it will no longer be taken into account in the threshold of investments with environmental and social characteristics and or sustainable investments

#### • Authorised transactions involving financial derivatives:

The sub-fund may also, provided the legal rules in force are observed, use derivative products such as options, futures, interest rate swaps (fixed and variable rates, inflation etc.), credit and currency swaps and forward exchange transactions for both investment and hedging purposes. Investors should be aware that these types of derivative products are more volatile than the underlying products.

Although the composition of the portfolio must observe the general rules and restrictions imposed by the law or the articles of incorporation, the fact remains that a concentration of risks may occur in geographical areas that are more restricted.

#### • Characteristics of bonds and debt securities:

The fixed or variable income securities held directly or through UCIs in position will be issued principally by reputedly good quality issuers (investment grade: minimum BBB- and/or Baa3 at purchase) principally those of governments, supranational institutions, the public sector and/or the private sector. However, on an ancillary basis, the sub-fund may hold speculative bonds (rated below BBB- and/or Baa3 on purchase) directly or via the UCIs.

The manager may change the overall duration of the sub-fund within a range of 0 to 10 years according to the manager's expectations regarding interest rate trends.

#### • Description of the general strategy to hedge foreign exchange risk:

The sub-fund does not intend to systematically hedge against foreign exchange risk exposure.

- The investment policy seeks to ensure the diversification of the portfolio risks. Net asset value trends are however uncertain since the net asset value is subject to the different types of risk listed below. There may therefore be volatility in its price.

#### Benchmark index:

The sub-fund is actively managed and its investment approach implies a reference to a benchmark.

The benchmark used does not explicitly take sustainability criteria into account and as such may not be suitable for all the environmental and/or social characteristics promoted by the sub-fund.

<b>Benchmark name</b>	50% Bloomberg Euro-Aggregate 1-10 Year Index (Total Return – interest payments included) + 20% MSCI Europe (Net Return – net dividends reinvested) + 20% MSCI USA (Net Return – net dividends reinvested) + 7,5% MSCI Emerging Markets (Net Return – net dividends reinvested) + 2,5% MSCI Japan (Net Return – net dividends reinvested)
<b>Benchmark definition</b>	<p>Bloomberg Euro-Aggregate 1-10 Year Index: measures the performance of investment grade bonds (at least BBB- and/or Baa3) denominated in EUR, with maturities between 1 and 10 years.</p> <p>30% MSCI Europe: measures the performance of the large and mid cap equity segment across developed markets in Europe.</p> <p>MSCI USA: measures the performance of the large and mid cap equity segment of the United States market.</p> <p>MSCI Emerging Markets: measures the performance of the large and mid cap equity segment across emerging markets countries.</p> <p>MSCI Japan: measures the performance of the large and mid cap equity segment of the Japanese market.</p>
<b>Use of the benchmark</b>	<ul style="list-style-type: none"> <li>• in determining risk levels / parameters,</li> <li>• to compare performance.</li> </ul>
<b>Divergence of portfolio composition from the benchmark</b>	<p>As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index.</p> <p>In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.5% and 3%.</p> <p>This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.</p>
<b>Benchmark provider</b>	<p>Bloomberg, MSCI Limited</p> <p>Each provider is, since Brexit, is an entity which is covered by the transitional provision in Article 51(5) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</p> <p>The Management Company and/or it delegates has/have adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request,</p>

	at the registered office of the Management Company and/or its delegates.
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#### Calculation of overall risk

The method used by the management company to calculate overall risk is the commitment risk calculation method defined by the regulations.

This method consists in converting the derivative products into equivalent positions in the underlying assets (where applicable, based on their respective sensitivity). This conversion may, if necessary, be replaced by the notional value.

A derivative product will not be included in the calculation of the overall risk in the following situations:

- if the simultaneous holding of this derivative product linked to a financial asset and liquidity invested in risk-free assets is equivalent to the direct holding of the financial asset in question,
- if this derivative product exchanges the performance of the financial assets held in the portfolio for the performance of other benchmark financial assets (at no additional risk relative to the direct holding of the benchmark financial assets).

The fund may offset long and short positions in derivative products concerning identical underlying assets, regardless of the maturity of the contracts. Furthermore, offsetting is also permitted between derivative products and directly held assets, provided the two positions concern the same asset or assets whose historic yields are closely correlated. Offsetting may be in terms of market value or in terms of risk indicator.

The overall risk assumed by the fund may not exceed 210% of the net asset value.

#### Specific risks:

The risk levels specific to the fund shown in the table below may be higher or lower, i.e.: Low (1), Medium (2), High (3)

<i>List of risks:</i>	<i>Level</i>
Risk relating to capital	3
Equity risk	3
Interest rate risk	3
Credit risk	3
Foreign exchange risk	3
Risk arising from derivative products	3
Emerging countries risk	3
Performance risk	3
Inflation risk	2
Counterparty risk	2
Sustainability risk	2
Commodities risk	1
Liquidity risk	1
Volatility risk	1
Risk related to external factors	1
Settlement risk	1
Risk of changes to the benchmark index	1

Investors are reminded that the capital is neither guaranteed nor protected, that the value of their investment may go down as well as up and that they may not therefore receive back the full amount invested.

#### Risk profile of the typical investor:

This sub-fund is aimed at any natural or legal person that is sufficiently aware of the inherent risk in equity and bond markets, who understands the type of risk entailed in the sub-fund and who accepts this on the basis of their investor profile.

#### Investment holding period:

The fund may not be suitable for investors intending to withdraw their investment within four years.



## SFDR Annexes

- Belfius Sustainable High
- Belfius Sustainable Low
- Belfius Sustainable Medium