

Audited annual report  
**Candriam Money Market**

31 December 2022

01.01.2022 – 31.12.2022  
SICAV under Luxembourg Law  
R.C.S. Luxembourg B-26803



# Candriam Money Market

SICAV under Luxembourg Law

Audited annual report for the year  
from January 1, 2022 to December 31, 2022



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## Administration of the SICAV

### Board of Directors

#### *Chairman*

Jean-Yves MALDAGUE  
Managing Director  
Candriam (previously Candriam Luxembourg)

#### *Directors*

Annemarie ARENS  
Independent Director

Thierry BLONDEAU  
Independent Director

Tanguy DE VILLENFAGNE  
Member of the Group Strategic Committee  
Candriam - Belgian Branch (previously Candriam Belgium)

Damien ROL  
Deputy Global Head of Legal  
Candriam Succursale française (previously Candriam France)

Myriam VANNESTE  
Global Head of Product Management  
Candriam - Belgian Branch (previously Candriam Belgium)

Implementation of the **Portfolio Management** activities performed by Candriam (previously Candriam Luxembourg) and/or by one or more of its branches:

Candriam - Belgian Branch  
(was previously delegated to Candriam Belgium until 30.06.2022)  
58, Avenue des Arts  
B-1000 Brussels

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

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

#### **“Réviseur d’entreprises agréé”**

PricewaterhouseCoopers, Société coopérative  
2, Rue Gerhard Mercator  
L-2182 Luxembourg

### Registered Office

5, Allée Scheffer  
L-2520 Luxembourg

### Depositary

CACEIS Bank, Luxembourg Branch  
5, Allée Scheffer  
L-2520 Luxembourg

### Management Company

Candriam (previously Candriam Luxembourg)  
SERENITY - Bloc B  
19-21, Route d'Arlon  
L-8009 Strassen

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

CACEIS Bank, Luxembourg Branch  
5, Allée Scheffer  
L-2520 Luxembourg



### Details about the SICAV

Candriam Money Market is an investment company with variable capital (SICAV) incorporated under the laws of the Grand Duchy of Luxembourg relating to Undertakings for Collective Investment and has been authorised as a Monetary Fund by the CSSF in accordance with the MMF Regulation.

The SICAV is subject to the provisions of part I of the modified law of December 17, 2010 relating to Undertakings for Collective Investment ("UCIs"), as amended and of the law of August 10, 1915 governing commercial companies, as amended.

The capital of the SICAV is at all times equal to the aggregate net assets of the SICAV.

The SICAV is entered in the Companies' Register of and in of Luxembourg under Number B-26803.

The SICAV offers investors several portfolios each consisting of a distinct collection of assets represented by distinct share classes (hereafter designated "sub-funds").

The SICAV thereby constitutes a multiple sub-funds investment company.

The annual reports to shareholders for each sub-fund and the consolidated results are available upon request and free of charge at the registered office of the SICAV and can be sent to the holders of registered shares at the address shown in the register of shareholders, on request and free of charge.

Furthermore, unaudited semi-annual reports are also available upon request and free of charge at the registered office of the SICAV and can be sent to the holders of registered shares upon request and free of charge.

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

The shares are only available in registered form.

The Annual General Meeting of Shareholders of the SICAV is held each year at the registered office of the SICAV, or at any other place in Luxembourg which will be specified on the convocation.

It is held within six months of the end of the financial year.

Notices of all general meetings are sent to all holders of registered shares at their address shown in the register of shareholders at least eight days before the general meeting. These notices indicate the time and place of the general meeting as well as the conditions of admission, the agenda and the requirements of Luxembourg law regarding the necessary quorum and majority.

Notices will also be published in the "Mémorial, Recueil des Sociétés et Associations du Grand-Duché de Luxembourg", and in a Luxembourg newspaper the "Luxemburger Wort" if the legislation requires it, as well as in the press of the countries where the SICAV is marketed if the legislation of those countries so requires.

The net asset value per share of each sub-fund, the subscription and repurchase prices of the shares of each sub-fund and the changes in portfolio may be obtained from the registered office of the SICAV.

The prospectus, Key Investor Information Documents, the SICAV's Articles of Incorporation and financial reports are kept for public inspection, free of charge, at the SICAV's registered office.



## Report of the Board of Directors

### Economic and financial environment

In the United States, although GDP was down slightly in the first quarter (-0.4% quarter-on-quarter) due to a drop in public spending and a negative contribution from the external balance, private demand remained strong. Over the first quarter, more than 1.6 million jobs were created. In March, the unemployment rate stood at 3.6%, while inflation rose to 8.5% and core inflation to 6.4%. ISM activity indicators remained well above 50. In this environment, given the weak economic links between Russia and the United States and fears that tensions in Europe could lead to additional pressure on prices, the Federal Reserve on 16 March raised its key rate by 25 basis points to 0.5%. The sharp rise in commodity prices and the prospect of monetary tightening to bring inflation back to its 2% target pushed the stock market down (-4.9% in the first quarter), while the 10-year rate rose 83 basis points to 2.33%. In the second quarter, supply chain bottlenecks were exacerbated by the very large-scale zero-Covid policy in China. Despite the collateral effects of the conflict in Ukraine on commodity and oil prices (around \$110 per barrel on average in the second quarter), activity indicators remained strong and tension on the labour market persisted. These developments pushed the 10-year rate to nearly 3.5% in mid-June. In response to the increase in prices, the Federal Reserve raised its key rate twice: the first time in early May by 50 basis points and then in mid-June by 75 basis points. In this new environment, with credit becoming more expensive and household purchasing power under pressure, consumer confidence saw a sharp decline. Finally, growth was once again very slightly negative (-0.1%). The 10-year rate rose 65 basis points to 2.97% over the quarter. The stock market lost 16.4%. In July, the 10-year rate fluctuated around 3% in line with the data. Indeed, the ISM manufacturing survey and monthly job creations were slightly lower than in previous months, while in mid-July, inflation exceeded 9%. At the end of July, however, the Federal Reserve's 75-basis point increase to 2.5% and the tension created by Nancy Pelosi's visit to Taiwan weighed on rates. Despite the first decline in inflation month-on-month since May 2020, the Chairman of the Federal Reserve did not fail to reiterate at the end of August, at the Jackson Hole conference, that the return to price stability - inflation was still 8.3% year-on-year - would require a restrictive monetary policy for a certain period of time. Indeed, despite a slowdown in the manufacturing sector partly due to the significant appreciation of the dollar, the economy continued to create more than one million jobs every three months and the unemployment rate was close to 3.5% and wage growth remained strong. In this environment, on 21 September, FOMC members (Federal Reserve) raised the key rate by 75 basis points to 3.25%, and sharply revised their forecasts for the federal funds rate upwards for the coming years. For 2023, FOMC members expect the latter to be around 4.65% versus an estimate of only 3.85% in June. The 10-year rate ended the third quarter at 3.8 %, up 83 basis points from the end of June. The latest developments and the impact of much higher mortgage rates on the real estate sector weighed negatively on the stock market, which fell 5.3% over the quarter. In the fourth quarter, following the decline in the global manufacturing sector, the ISM manufacturing survey fell to below 50 in response to the rise in the dollar and the global economic slowdown. Although the pace of monthly job creations slowed a little - they remained above 250,000 - core inflation still stood at 6% and the services sector remained strong. Therefore, in order to ensure that inflation would return to 2% in the medium term, the Federal Reserve raised its key rate twice: the first time at the beginning of November by 75 basis points and then by 50 basis point (to 4.5%) in mid-December. All in all, 2022 was the year of the unexpected with a conflict at Europe's door, much higher than expected inflation, the largest monetary tightening since 1980 and, despite everything, growth that rebounded 0.8% quarter-on-quarter in the third quarter. However, developments in 2022 and weak growth prospects for 2023 weighed on the S&P500 index, which ended the year down 19.4% to 3840 despite a rebound of more than 7% over the last quarter. The 10-year rate changed little over the last quarter. Indeed, headline inflation seems to have passed its peak and, whenever inflation falls, the markets revise their projections for the Federal Reserve's terminal rate, pushing the 10-year rate downwards. It ended the year at 3.83%, an increase of 233 basis points over the year.

In the eurozone, activity resumed until the end of February 2022 at the pace of the easing of preventive measures. Despite rising gas and electricity prices, consumer confidence remained high. Tension on the labour market persisted. In February, the unemployment rate stood at 6.8% but inflation reached 5.9%. In the wake of the global rate hike movement, the German 10-year rate turned positive again for the first time since early 2019, also pushed upwards by the European Central Bank (ECB), which, at its February meeting, did not close the door to rate hikes in 2022. On the other hand, as core inflation stood at only 2.7%, the normalisation of monetary policy would be less pronounced than in the United States. However, after the invasion of Ukraine, tensions on commodity and agricultural prices pushed rates up sharply. The German 10-year rate ended the first quarter at 0.51%, up 69 basis points from end-December 2021. While consumer and business confidence held up until February, it fell sharply in March. These developments naturally weighed on the European stock market, which fell by 9.4%. The second quarter was marked by high energy, industrial metals and agricultural commodities prices, the cut in gas supply from Russia for countries refusing to pay in rubles and a reduction in the flow of gas to Germany. All in all, from May onwards, inflation stood at more than eight percent. In this environment, the markets priced in several rate hikes by the ECB, pushing all European rates upwards. The German 10-year rate surpassed 1.7%, while the Italian 10-year rate exceeded 4%. The extent of the widening of interest rates led the ECB to meet urgently on 15 June and to announce a new "anti-fragmentation" instrument for the eurozone. From mid-June, however, the possibility of recession became a slightly more likely scenario for the markets, pushing the German 10-year rate downwards. The German 10-year rate fell 86 basis points to 1.37% over the quarter. The stock market lost 12%. Despite the above-mentioned developments, GDP was up 0.8% quarter-on-quarter in the second quarter and the unemployment rate was historically low (6.7%), with household and business confidence falling slightly more in July. Indeed, despite the drop in prices of many commodities, the extremely high level of gas prices as well as supply shortage risks weighed on confidence. In this environment, despite an expected slowdown in growth, but with inflation continuing to rise, on 21 July, for the first time in eleven years, the ECB raised its key rate by 50 basis points to 0.5% and put the deposit facility rate at 0%. This temporarily stopped the depreciation of the euro against the dollar, which was at parity. However, the outlook for growth and inflation only deteriorated over the summer. PMI activity indicators all fell below the fifty mark (zone of contraction in activity) and, at the same time, inflation reached nearly ten percent in September. In addition to this, the euro continued to depreciate against the dollar (below parity), which also weighed on inflation via imported inflation, leading the ECB to increase its key rate by 75 basis points to 1.25% on 8 September. At the end of September, the 10-year German rate closed the third quarter at 2.11%, an increase of 74 basis points compared to June. The stock market lost 4.7% over the same period. However, despite these developments, growth remained positive until the third quarter, thanks in particular to the labour market, which remained buoyant. At the beginning of the fourth quarter, in order to counter the expected decline in oil prices in response to the slowdown in global growth - the IMF forecasts global growth of 2.7% in 2023 after 3.2% in 2022 - OPEC+ decided to cut production by 2 million barrels a day from November. Therefore, in order to ensure that inflation expectations remain anchored, especially as European governments announce more or less substantial economic support programmes, the ECB raised its key rate twice: for the first time, by 75 basis points at the end of October, and again in mid-December by 50 basis points (to 2.5%). At the end of October, Germany announced a €200 billion plan. Developments in 2022 and weak growth prospects for 2023 weighed on the stock market. However, thanks to the strong performance of the stock market in the fourth quarter (+12.5%), the decline was limited to 14.5% over the year. As for the German 10-year rate, after the ECB's announcements in mid-December (continued monetary tightening and reduction of the Asset Purchase Programme), it ended December on an upturn while closing the year at 2.56%, an increase of 274 basis points over the year.



## Report of the Board of Directors

### Candriam Money Market Euro - Candriam Money Market Euro AAA - Candriam Money Market USD Sustainable

#### Market Context

##### 1st Quarter

The first quarter of 2022 was a challenging one for financial markets as investors reconciled to a more hawkish stance of major central banks, while geopolitical tensions rose, and the West was quick to impose unprecedented economic sanctions on Russia over the latter's invasion of Ukraine.

Early in the quarter the Euro-area was still struggling with supply bottlenecks weighing on manufacturing, coronavirus curbs impacting services and personnel shortages causing wider disruptions. As the war in Ukraine rages on, the economic fallout is worsening across Europe. Meanwhile China's covid-zero strategy and rising case numbers in Asia are adding to the pressure on global supply chains. Raw materials and energy reached exorbitant prices, turning more and more into an inflation of everything and leading to inflation prints not seen since the eighties. With companies already holding back on investments and recruitment, economic activity in the Euro Area is likely to contract. The key issue for the European economy remains whether the supply of natural gas will continue without disruptions, as any shock would swiftly ripple through the economy and send countries that strongly depend on Russian gas (notably Germany) into a recession.

The US economy is less reliant on Russian oil and gas and consequently more insulated from the economic impact of the war in Ukraine. Economic activity remained strong, but global supply chain disruptions are weighing on sentiment and increasing input costs. The labor market remains very tight, with the unemployment rate firmly at 3.6% and wages rising albeit at a slower pace than inflation.

Central banks across both sides of the Atlantic found themselves in a delicate balancing act to prevent inflation becoming entrenched through price-wage spirals. The ECB initially was able to stall for time but as soon as Christine Lagarde hinted during February that a rate hike in 2022 was a possibility if economic data supported it, markets went as far as pricing a cumulative rate increase of 50 bps before the end of 2022. Over March the ECB went further and decoupled potential rate hike decisions from its asset purchases, which are targeted to be unwound over Q2 2022.

The FED committed to act as needed to cool inflation and by the end of January the market consensus had already ramped up bets to see 5 hikes before the end of the year, a sharp contrast with the end of 2021. Somewhat surprising market participants, the FED maintained its course despite the war in Ukraine and by the end of March the door is wide open for inter-meeting hikes and/or hikes of 50 basis points. In addition, the FED is likely to start shrinking its balance sheet as early as Q2 2022. Attesting to the nervousness of markets, any policy vagueness is now being interpreted as hawkish.

Corporate results (Q4 2021) were well-received overall, especially in the US where the strong run of corporate profitability continued and of most companies have met or exceeded expectations. The primary market was exceptionally active as companies started frontloading to lock in low rates, and after a brief intermezzo due to the geopolitical crisis, it continued that trend over the second half of March. The increase in supply has been well-absorbed by the market, with shorter tenors of multi-tranche issuances being the most oversubscribed and new issues being so competitively bid that they hardly leave any new issue premiums.

##### 2nd Quarter

During the second quarter, financial markets were notably volatile, fueled by record inflation prints, China's covid-zero strategy, deterioration in the global economic outlook, geopolitical events, and global supply chain disruptions. Late in the quarter, inflationary fears were overshadowed by recessionary fears with a focus now towards how long and how severe the recession would be instead of whether it would occur.

China's commitment to its covid-zero strategy weighted on domestic growth, global supply chains and the global economic activity. With more and more European countries being cut off from Russian gas and an embargo on Russian oil in the works, those inflationary pressures are unlikely to subside. On the contrary inflationary pressures are broadening as the high energy costs combined with a variety of disruptions in the global food supply chain (such as fertilizer cost, logistical problems, erratic global weather, and protectionism to name a few) are translating into higher food prices across the globe.

Crippling inflation prints continue to be a concern for central banks on both sides of the Atlantic, with levels never reached in decades. Meanwhile, the Fed started its balance sheet reduction in June and delivered the highest rate increase since 1994 (+75bps). It remains strongly hawkish and admitted that it may hike well into a recession if that is what it takes to subdue inflationary pressures. On the other side, inflation kept adding pressure on the ECB, intensifying the debate over how aggressively the central bank should tighten monetary policy, with now expectations of July rate hike between 25 and 50 bps.

The dramatic increase of spreads mid-June on Europe's periphery forced the ECB to hold an ad-hoc meeting and reveal its intention to design a new anti-fragmentation instrument. This would provide the ECB with flexibility in its reinvestments of PEPP redemptions, intending to preserve the functioning of the monetary policy transmission mechanism. Its flexibility will be through time, jurisdictions, and maturity, with no limit on the volume and independent from other ECB portfolios.

##### 3rd Quarter

Markets challenged central banks at multiple occasions over Q3 2022, but central banks strongly pushed back against those dovish expectations. While the ECB is still under pressure from unprecedented double-digit inflation prints, the FED is still under pressure from above-target inflation and a stubbornly tight labor market from where higher wages risk to perpetuate inflationary pressures. Central banks across the globe have accelerated their hike pace to jumbo hikes to frontload their hikes and get to their targeted neutral rates as soon as possible. The FED admitted that there will be below-trend growth for a while and that rates will rise by a further 1.25% by the end of the year and remain high for some time. The ECB's job is further complicated as Europe is facing an increasingly worrying energy crisis and -even though reserves have been filling ahead of schedule- the area is bracing for a tough winter.

Rates markets hence remained highly volatile and short-term rates increased steadily with the Euribor 3 months and 12 months ending the period at 1.17% (+136 bps) and 2.56% (+152 bps) respectively. Corporate results were scrutinized with investors fearing eroded margins and lower earnings. Despite mostly positive guidance and earning releases that beat expectations, markets remained cautious on the outlook for the next quarter and how companies will manage ongoing rises in costs and continued supply chain disruptions.



## Report of the Board of Directors

### Candriam Money Market Euro - Candriam Money Market Euro AAA - Candriam Money Market USD Sustainable (Continued)

#### Market Context (Continued)

##### 4th Quarter

Terminal rate expectations rose significantly in the US and EU as markets succumbed to the hawkish messages of central banks. The economy in the US continued to hold up well and labor market tightness remains a thorn in the eye of the FED. In the EU the economy is holding up better than many feared, and the soft winter weather provided some relief for energy prices. Inflation data showed tentative signs of slowing but central bankers from both sides of the Atlantic remain worried about the stickiness of inflation and prefer to err on the side of caution. The continued hawkishness makes financial markets nervous about economic growth, as evidenced by the inverted German and US treasury curves.

Rates markets hence remained highly volatile and short-term rates increased steadily with the Euribor 3 months and 12 months ending the period at 2.13% (+96 bps) and 3.29% (+73 bps) respectively. Corporate results in general were better-than-feared, although there are large differences between firms depending on whether they could pass on their rising input costs to consumers. The focus has now shifted towards deteriorating volumes on higher pricing, raising questions on the sustainability of plans for further price hikes. Central bankers and data prints suggest that economic growth will slow over 2023.

#### Fund Strategy

The overall structure of the fund remains the same, with a neutral stance on credit and a defensive stance on rates. We continue to prefer shorter maturities, while favouring quality and liquidity.

#### Market Outlook

We are closely monitoring the economic impact of the war in Ukraine, developments in terms of sanctions on Russia, inflationary pressures (especially the evolution of energy prices) and changes to major central banks' monetary policies. These will probably remain key drivers for financial markets over the first half of 2023 and the uncertainty surrounding them will likely support volatility as sharp, two-way market reactions are driven by incremental news-flow. We are therefore paying close attention to downside risk and favouring high-quality, liquid assets, while remaining selective in our investments. We rely on our rigorous in-house, bottom-up analysis and maintain a preference for companies with strong ratings and low leverage.

The Board of Directors

Luxembourg, March 30, 2023.



## **Audit report**

To the Shareholders of  
**Candriam Money Market**

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### **Our opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Candriam Money Market (the “Fund”) and of each of its sub-funds as at 31 December 2022, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2022;
- the investment portfolio as at 31 December 2022;
- the statement of changes in net assets for the year then ended; and
- the notes to the financial statements - Schedule of derivative instruments and the other notes to the financial statements, which include a summary of significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

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

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

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### **Other information**

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

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

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*

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

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

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

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

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**Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;



- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 5 April 2023

Sébastien Sadzot



## Statement of net assets as at December 31, 2022

		Candriam Money Market Euro	Candriam Money Market Euro AAA	Candriam Money Market USD Sustainable
		EUR	EUR	USD
<b>Assets</b>				
Investment portfolio at market value	2a	1,603,403,544	320,208,790	94,901,692
Cash at bank and broker		140,152,307	70,255,125	10,497,251
Receivable on subscriptions		4,624,582	0	0
Interest and dividends receivable, net		3,542,271	363,434	442,400
<b>Total assets</b>		<b>1,751,722,704</b>	<b>390,827,349</b>	<b>105,841,343</b>
<b>Liabilities</b>				
Payable on investments purchased		12,977,830	0	0
Payable on redemptions		1,926,688	0	133,966
Net unrealised depreciation on forward foreign exchange contracts	2d	4,860,007	0	2,079,633
Management fees payable	3	279,388	43,399	31,120
Operating and Administrative Expenses payable	4	93,220	17,744	6,565
Subscription tax payable	5	253,245	0	10,984
<b>Total liabilities</b>		<b>20,390,378</b>	<b>61,143</b>	<b>2,262,268</b>
<b>Total net assets</b>		<b>1,731,332,326</b>	<b>390,766,206</b>	<b>103,579,075</b>



## Statement of net assets as at December 31, 2022

		Combined
		EUR
<b>Assets</b>		
Investment portfolio at market value	2a	2,012,534,041
Cash at bank and broker		220,243,226
Receivable on subscriptions		4,624,582
Interest and dividends receivable, net		4,320,228
<b>Total assets</b>		<b>2,241,722,077</b>
<b>Liabilities</b>		
Payable on investments purchased		12,977,830
Payable on redemptions		2,052,212
Net unrealised depreciation on forward foreign exchange contracts	2d	6,808,597
Management fees payable	3	351,946
Operating and Administrative Expenses payable	4	117,115
Subscription tax payable	5	263,537
<b>Total liabilities</b>		<b>22,571,237</b>
<b>Total net assets</b>		<b>2,219,150,840</b>



## Statement of changes in net assets for the year ended December 31, 2022

		Candriam Money Market Euro	Candriam Money Market Euro AAA	Candriam Money Market USD Sustainable
		EUR	EUR	USD
<b>Net assets at the beginning of the year</b>		<b>1,333,059,823</b>	<b>326,824,499</b>	<b>121,258,156</b>
<b>Income</b>				
Interest on bonds and money market instruments, net	2f	9,085,373	1,793,684	1,600,450
Bank interest		557,907	353,272	195,612
Other income		3,962	2,273	53
<b>Total income</b>		<b>9,647,242</b>	<b>2,149,229</b>	<b>1,796,115</b>
<b>Expenses</b>				
Management fees	3	2,399,187	119,690	242,738
Operating and Administrative Expenses	4	915,404	188,708	74,314
Depositary fees	4	70,869	15,201	5,202
Subscription tax	5	383,553	0	18,644
Bank interest		401,702	210,532	9,603
Other expenses		1,534	307	164
<b>Total expenses</b>		<b>4,172,249</b>	<b>534,438</b>	<b>350,665</b>
<b>Net income / (loss) from investments</b>		<b>5,474,993</b>	<b>1,614,791</b>	<b>1,445,450</b>
Net realised gain / (loss) on sales of investments	2b	(10,118,739)	(1,635,170)	(479,473)
Net realised gain / (loss) on forward foreign exchange contracts	2d	415,834	566,757	3,216,994
Net realised gain / (loss) on foreign exchange		(172,332)	(674,202)	(2,243,103)
<b>Net realised gain / (loss)</b>		<b>(4,400,244)</b>	<b>(127,824)</b>	<b>1,939,868</b>
Change in net unrealised appreciation / depreciation on investments	2a	8,660,496	249,677	2,236,372
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2d	(4,860,007)	0	(2,237,880)
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>(599,755)</b>	<b>121,853</b>	<b>1,938,360</b>
<b>Evolution of the capital</b>				
Subscriptions of shares		2,578,561,390	2,333,234,473	309,801,784
Redemptions of shares		(2,179,689,132)	(2,269,414,619)	(329,419,225)
Currency translation		0	0	0
<b>Net assets at the end of the year</b>		<b>1,731,332,326</b>	<b>390,766,206</b>	<b>103,579,075</b>



## Statement of changes in net assets for the year ended December 31, 2022

		Combined
		EUR
<b>Net assets at the beginning of the year</b>		<b>1,766,513,022</b>
<b>Income</b>		
Interest on bonds and money market instruments, net	2f	12,378,659
Bank interest		1,094,465
Other income		6,285
<b>Total income</b>		<b>13,479,409</b>
<b>Expenses</b>		
Management fees	3	2,746,319
Operating and Administrative Expenses	4	1,173,743
Depositary fees	4	90,944
Subscription tax	5	401,022
Bank interest		621,232
Other expenses		1,995
<b>Total expenses</b>		<b>5,035,255</b>
<b>Net income / (loss) from investments</b>		<b>8,444,154</b>
Net realised gain / (loss) on sales of investments	2b	(12,203,169)
Net realised gain / (loss) on forward foreign exchange contracts	2d	3,996,874
Net realised gain / (loss) on foreign exchange		(2,948,293)
<b>Net realised gain / (loss)</b>		<b>(2,710,434)</b>
Change in net unrealised appreciation / depreciation on investments	2a	11,005,626
Change in net unrealised appreciation / depreciation on forward foreign exchange contracts	2d	(6,956,873)
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>1,338,319</b>
<b>Evolution of the capital</b>		
Subscriptions of shares		5,202,076,288
Redemptions of shares		(4,757,765,475)
Currency translation		6,988,686
<b>Net assets at the end of the year</b>		<b>2,219,150,840</b>



## Statistics

### Candriam Money Market Euro

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021	Net asset value per share as at 31.12.2020
<b>Total net assets</b>			<b>EUR</b>		<b>1,731,332,326</b>	<b>1,333,059,823</b>	<b>1,401,398,342</b>
C	LU0093583077	Capitalisation	EUR	850,904.58	508.21	510.67	515.88
C	LU0093583234	Distribution	EUR	78,973.05	353.18	355.12	359.02
I	LU0206982331	Capitalisation	EUR	791,406.67	543.99	544.23	547.38
R	LU0936337848	Capitalisation	EUR	1,411.19	98.13	98.20	98.78
R2	LU1389877876	Distribution	EUR	153,251.85	147.14	147.28	148.22
V	LU0323048693	Capitalisation	EUR	512,737.86	1,007.46	1,007.36	1,012.69
Z	LU0391999124	Capitalisation	EUR	297,492.18	1,012.59	1,012.04	1,016.97

### Candriam Money Market Euro AAA

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021	Net asset value per share as at 31.12.2020
<b>Total net assets</b>			<b>EUR</b>		<b>390,766,206</b>	<b>326,824,499</b>	<b>252,223,573</b>
C	LU0354091653	Capitalisation	EUR	1,063,953.01	102.07	102.22	102.92
C	LU0354091737	Distribution	EUR	3,373.59	100.19	99.97	-
I	LU0354091901	Capitalisation	EUR	59,943.63	1,044.77	1,045.55	1,052.32
I	LU0354127358	Distribution	EUR	5.84	1,024.78	1,025.56	1,032.20
R	LU0936338655	Capitalisation	EUR	7,531.75	149.63	149.77	-
V	LU0354092115	Capitalisation	EUR	31,075.08	1,047.48	1,048.09	1,054.77
V	LU0354092206	Distribution	EUR	1.00	1,033.03	1,032.72	1,038.39
Z	LU0391999470	Capitalisation	EUR	176,130.35	1,053.29	1,053.57	1,059.97

### Candriam Money Market USD Sustainable

Name	ISIN	Share type	Currency	Number of shares outstanding	Net asset value per share as at 31.12.2022	Net asset value per share as at 31.12.2021	Net asset value per share as at 31.12.2020
<b>Total net assets</b>			<b>USD</b>		<b>103,579,075</b>	<b>121,258,156</b>	<b>175,112,698</b>
C	LU0049341216	Capitalisation	USD	81,275.51	557.70	549.25	550.27
C	LU0094032728	Distribution	USD	17,451.79	371.35	365.99	367.01
I	LU0206982414	Capitalisation	USD	78,457.51	581.64	571.71	571.77
I	LU0355214700	Distribution	USD	11.00	552.04	542.66	542.52
V	LU0323048347	Capitalisation	USD	1.00	1,126.31	1,105.34	1,104.57
Z	LU0391999553	Capitalisation	USD	5,412.11	1,132.56	1,111.68	1,110.18



## Candriam Money Market Euro

Investment portfolio as at December 31, 2022

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Belgium</b>				
AEDIFICA NV/SA ZCP 100123	5,000,000	EUR	4,984,219	0.29
AEDIFICA NV/SA ZCP 240223	14,000,000	EUR	13,924,289	0.80
BRUSSELS MUNICIPALIT ZCP 160123	10,000,000	EUR	9,984,911	0.58
COFINIMMO SA ZCP 050123	35,000,000	EUR	34,952,717	2.02
COFINIMMO SA ZCP 130123	13,000,000	EUR	12,980,708	0.75
EURO UNIO BILL ZCP 06-01-23	5,000,000	EUR	4,997,938	0.29
LVMH FIN BELGIQUE SA ZCP 050123	4,000,000	EUR	3,986,800	0.23
REGION WALLONNE ZCP 010223	13,000,000	EUR	12,978,603	0.75
REGION WALLONNE ZCP 02-01-23	13,000,000	EUR	12,982,184	0.75
			<b>111,772,369</b>	<b>6.46</b>
<b>Denmark</b>				
JYSK B OISEST+0.32% 20-11-23	20,000,000	EUR	20,000,106	1.16
NYKREDIT REALKREDIT 0.2500 19-23 20/01A	5,000,000	EUR	4,995,275	0.29
			<b>24,995,381</b>	<b>1.44</b>
<b>France</b>				
AEGIDE ZCP 090123	22,000,000	EUR	21,936,120	1.27
ALLIANZ BANQUE SA 0.21 111223	2,000,000	EUR	1,999,837	0.12
ALLIANZ BANQUE SA 0.22 161123	3,000,000	EUR	2,999,542	0.17
APRR SA 0.00 20-23 20/01A	5,100,000	EUR	5,095,640	0.29
BFCM B OISEST+0.26% 20-11-23	20,000,000	EUR	20,001,162	1.16
BOUYGUES 3.625 12-23 16/01A	7,800,000	EUR	7,807,722	0.45
BPCE 1.125 17-23 18/01A	10,000,000	EUR	9,996,950	0.58
BPCE OISEST+0.26% 22-11-23	20,000,000	EUR	19,989,271	1.15
CARREFOUR BANQUE ZCP 060223	8,000,000	EUR	7,969,624	0.46
CARREFOUR BANQUE ZCP 130123	10,000,000	EUR	9,972,292	0.58
CM ARKEA 1.00 15-23 26/01A	22,700,000	EUR	22,685,699	1.31
GECINA ZCP 160123	20,000,000	EUR	19,956,504	1.15
KERING FINANCE ZCP 130123	10,000,000	EUR	9,973,317	0.58
KERING FINANCE ZCP 160123	15,000,000	EUR	14,957,899	0.86
MICHELIN (CGDE) ZCP 160123	2,500,000	EUR	2,492,990	0.14
SODEXO ZCP 160123	7,000,000	EUR	6,990,831	0.40
VEOLIA ENVIRONN ZCP 070223	35,000,000	EUR	34,844,729	2.01
VEOLIA ENVIRONN ZCP 130123	16,000,000	EUR	15,935,541	0.92
			<b>235,605,670</b>	<b>13.61</b>
<b>Germany</b>				
DEUTSCHE TELEKOM AG ZCP 120123	10,000,000	EUR	9,987,857	0.58
VOLKSWAGEN BANK GMBH ZCP 230223	2,000,000	EUR	1,992,938	0.12
VOLKSWAGEN FIN. SVC ZCP 140223	28,000,000	EUR	27,857,524	1.61
VOLKSWAGEN LEASING 1.0000 18-23 16/02A	3,119,000	EUR	3,112,435	0.18
VOLKSWAGEN LEASING ZCP 280223	15,000,000	EUR	14,947,027	0.86
			<b>57,897,781</b>	<b>3.34</b>
<b>Japan</b>				
JAPA TREA DISC BIL ZCP 20-02-23	23,500,000,000	JPY	166,946,271	9.64
MITSUBISHI UFJ FIN 0.68 18-23 26/01A	16,472,000	EUR	16,468,211	0.95
TOYOTA MOTOR 2.375 13-23 01/02A	4,000,000	EUR	4,001,620	0.23
			<b>187,416,102</b>	<b>10.82</b>
<b>Luxembourg</b>				
DH EUROPE FINANCE II ZCP 300123	16,000,000	EUR	15,949,896	0.92
			<b>15,949,896</b>	<b>0.92</b>
<b>Netherlands</b>				
ABB FINANCE BV ZCP 160123	19,000,000	EUR	18,946,264	1.09
ABB FINANCE BV ZCP 160123	7,000,000	EUR	6,980,522	0.40
AKZO NOBEL NV ZCP 160123	12,000,000	EUR	11,963,249	0.69
BMW ZCP 130123	17,500,000	EUR	17,483,078	1.01
COOP R OISEST+0.26% 10-11-23	20,000,000	EUR	20,007,559	1.16

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



## Candriam Money Market Euro

Investment portfolio as at December 31, 2022

Description	Quantity	Currency	Market value (in EUR)	% net assets
ENEL FINANCE INT NV ZCP 130123	6,000,000	EUR	5,981,138	0.35
ENEL FINANCE INT NV ZCP 160123	17,000,000	EUR	16,971,951	0.98
ENEL FINANCE INT NV ZCP 230223	12,000,000	EUR	11,965,510	0.69
ENEL FINANCE INT NV ZCP 240123	17,000,000	EUR	16,947,404	0.98
IBERDROLA INT. BV ZCP 160123	20,000,000	EUR	19,941,511	1.15
IBERDROLA INT. BV ZCP 180123	31,000,000	EUR	30,905,658	1.79
TOYOTA MOTOR FIN ZCP 110123	20,000,000	EUR	19,990,812	1.15
			<b>198,084,656</b>	<b>11.44</b>
<b>Norway</b>				
DNB BA OISEST+0.27% 20-11-23	20,000,000	EUR	19,993,523	1.15
			<b>19,993,523</b>	<b>1.15</b>
<b>Spain</b>				
CAIXABANK SA 1.125 17-23 12/01A	30,000,000	EUR	29,989,650	1.73
FERROVIAL SA ZCP 090223	6,000,000	EUR	5,987,158	0.35
FERROVIAL SA ZCP 160223	15,000,000	EUR	14,931,839	0.86
SANTAN CONS FIN S.A. ZCP 160123	15,000,000	EUR	14,978,226	0.87
SPAI LETR DEL TESO ZCP 13-01-23	27,000,000	EUR	26,980,433	1.56
			<b>92,867,306</b>	<b>5.36</b>
<b>Sweden</b>				
SCANIA CV AB ZCP 090123	24,000,000	EUR	23,928,579	1.38
VOLVO TREASURY AB 0 20-23 11/02A	500,000	EUR	499,010	0.03
			<b>24,427,589</b>	<b>1.41</b>
<b>United Kingdom</b>				
BANK O OISEST+0.39% 14-11-23	20,000,000	EUR	19,995,811	1.15
GSK CONSUMER UK ZCP 090123	42,000,000	EUR	41,930,493	2.42
LLOYDS BANK 0.44 201123	10,000,000	EUR	9,999,431	0.58
LLOYDS BANKING GROUP 0.625 18-24 15/01	14,871,000	EUR	14,872,710	0.86
NATL A OISEST+0.27% 10-11-23	20,000,000	EUR	19,995,879	1.15
NORD B OISEST+0.25% 20-11-23	20,000,000	EUR	20,002,046	1.16
RECKITT BENCKISER TS ZCP 060123	12,000,000	EUR	11,982,074	0.69
ROYA B OISEST+0.33% 05-12-23	20,000,000	EUR	19,990,334	1.15
THE TO OISEST+0.41% 14-11-23	20,000,000	EUR	20,003,105	1.16
			<b>178,771,883</b>	<b>10.33</b>
<b>United States of America</b>				
DANAHER CORP ZCP 040123	2,000,000	EUR	1,994,329	0.12
DANAHER CORP ZCP 060123	15,000,000	EUR	14,957,957	0.86
DANAHER CORP ZCP 230223	16,000,000	EUR	15,943,118	0.92
DANAHER CORP ZCP 300123	3,000,000	EUR	2,990,306	0.17
FIDELITY NATL INFORM ZCP 060123	25,000,000	EUR	24,964,052	1.44
FIDELITY NATL INFORM ZCP 100123	25,500,000	EUR	25,453,323	1.47
FISERV INC ZCP 120123	17,000,000	EUR	16,949,379	0.98
FISERV INC ZCP 190123	5,000,000	EUR	4,984,253	0.29
FISERV INC ZCP 260123	12,500,000	EUR	12,458,888	0.72
IBM CORP 0.375 19-23 31/01A	10,700,000	EUR	10,686,304	0.62
			<b>131,381,909</b>	<b>7.59</b>
<b>Total bonds</b>			<b>1,279,164,065</b>	<b>73.88</b>
<b>Floating rate notes</b>				
<b>Australia</b>				
COMMONW BK AUSTRALIA FL.R 18-23 08/03Q	3,650,000	EUR	3,651,934	0.21
			<b>3,651,934</b>	<b>0.21</b>
<b>France</b>				
BNP PARIBAS FL.R 18-23 19/01Q	10,343,000	EUR	10,342,224	0.60
SOCIETE GENERALE FL.R 18-23 06/03Q	5,100,000	EUR	5,102,754	0.29
			<b>15,444,978</b>	<b>0.89</b>
<b>Japan</b>				
MITSUBISHI UFJ FIN FL.R 18-23 30/05Q	5,000,000	EUR	5,006,250	0.29
			<b>5,006,250</b>	<b>0.29</b>
<b>Netherlands</b>				
ABB FINANCE FL.R 22-24 31/03Q	1,873,000	EUR	1,880,689	0.11

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



## Candriam Money Market Euro

Investment portfolio as at December 31, 2022

Description	Quantity	Currency	Market value (in EUR)	% net assets
BMW FINANCE NV FL.R 20-23 02/10Q	15,000,000	EUR	15,043,350	0.87
DAIMLER TRUCK INTL FL.R 22-23 06/10Q	1,500,000	EUR	1,502,295	0.09
ING GROUP NV FL.R 18-23 20/09Q	15,500,000	EUR	15,574,012	0.90
THERMO FISHER SCIENTIF FL.R 21-23 18/11Q	7,900,000	EUR	7,890,125	0.46
			<b>41,890,471</b>	<b>2.42</b>
<b>Spain</b>				
BANCO BILBAO VIZCAYA FL.R 18-23 03/09Q	13,000,000	EUR	13,009,230	0.75
BANCO NTANDER F.LR 22-24 05/05Q	9,200,000	EUR	9,277,970	0.54
BBVA FL.R 21-23 03/12Q	10,000,000	EUR	10,071,400	0.58
			<b>32,358,600</b>	<b>1.87</b>
<b>United Kingdom</b>				
SANTANDER UK GROUP FL.R 18-24 27/03Q	2,700,000	EUR	2,701,228	0.16
			<b>2,701,228</b>	<b>0.16</b>
<b>United States of America</b>				
AT&T INC FL.R 18-23 05/09Q	22,336,000	EUR	22,438,857	1.30
BANK OF AMERICA CORP FL.R 18-24 25/04Q	13,500,000	EUR	13,502,295	0.78
CITIGROUP INC FL.R 18-23 21/03Q	18,000,000	EUR	18,007,740	1.04
			<b>53,948,892</b>	<b>3.12</b>
<b>Total floating rate notes</b>			<b>155,002,353</b>	<b>8.95</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>1,434,166,418</b>	<b>82.84</b>
<b>Undertakings for Collective Investment</b>				
<b>Shares/Units in investment funds</b>				
<b>France</b>				
CANDRIAM MONÉTAIRE SICAV Z EUR	57,000	EUR	84,368,550	4.87
			<b>84,368,550</b>	<b>4.87</b>
<b>Luxembourg</b>				
CANDRIAM SUSTAINABLE MONEY MARKET EURO Z EUR C	80,600	EUR	84,868,576	4.90
			<b>84,868,576</b>	<b>4.90</b>
<b>Total Shares/Units in investment funds</b>			<b>169,237,126</b>	<b>9.77</b>
<b>Total Undertakings for Collective Investment</b>			<b>169,237,126</b>	<b>9.77</b>
<b>Total investment portfolio</b>			<b>1,603,403,544</b>	<b>92.61</b>
Acquisition cost			1,599,013,886	



## Candriam Money Market Euro

Geographical and economic breakdown of investments as at December 31, 2022

### Geographical breakdown (in % of net assets)

France	19.37
Netherlands	13.86
Japan	11.11
United States of America	10.70
United Kingdom	10.48
Spain	7.23
Belgium	6.46
Luxembourg	5.82
Germany	3.34
Denmark	1.44
Sweden	1.41
Norway	1.15
Australia	0.21
	<b>92.61</b>

### Economic breakdown (in % of net assets)

Banks and other financial institutions	41.27
Investments funds	13.64
Bonds of States, Provinces and municipalities	12.70
Internet and internet services	4.90
Machine and apparatus construction	3.57
Electrical engineering	2.94
Utilities	2.93
Real estate	2.42
Communication	1.87
Transportation	1.50
Road vehicles	1.47
Chemicals	0.69
Non classifiable Institutions	0.69
Office supplies and computing	0.62
Building materials	0.45
Non Classifiable Institutions	0.29
Supranational Organisations	0.29
Various capital goods	0.23
Tires and rubber	0.14
	<b>92.61</b>



## Candriam Money Market Euro AAA

Investment portfolio as at December 31, 2022

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Australia</b>				
WESTPAC BANKING CORP 0.375 17-23 05/03A	7,000,000	EUR	6,978,825	1.79
			<b>6,978,825</b>	<b>1.79</b>
<b>Austria</b>				
AUTRICHE REPUB ZCP 260123	13,700,000	EUR	13,685,308	3.50
			<b>13,685,308</b>	<b>3.50</b>
<b>Belgium</b>				
BRUSSELS MUNICIPALIT ZCP 060123	5,000,000	EUR	4,995,402	1.28
EURO UNIO BILL ZCP 06-01-23	15,000,000	EUR	14,990,800	3.84
KBC BANK NV ZCP 020123	25,000,000	EUR	24,997,445	6.40
LVMH FIN BELGIQUE SA ZCP 050123	5,000,000	EUR	4,983,193	1.28
			<b>49,966,840</b>	<b>12.79</b>
<b>Canada</b>				
BANK OF MONTREAL 0.20 17-23 26/01A	3,500,000	EUR	3,495,888	0.89
			<b>3,495,888</b>	<b>0.89</b>
<b>Denmark</b>				
JYSK B OIEST+0.32% 20-11-23	5,000,000	EUR	5,000,030	1.28
JYSKE BANK DNK ZCP 010223	5,000,000	EUR	4,991,740	1.28
			<b>9,991,770</b>	<b>2.56</b>
<b>Finland</b>				
OP CORPORATE BK ZCP 160123	5,000,000	EUR	4,996,077	1.28
			<b>4,996,077</b>	<b>1.28</b>
<b>France</b>				
ALLIANZ BANQUE SA 0.21 061223	3,000,000	EUR	2,999,816	0.77
ALLIANZ BANQUE SA 0.21 111223	4,000,000	EUR	3,999,675	1.02
ALLIANZ BANQUE SA 0.22 241123	3,000,000	EUR	2,999,627	0.77
BFCM B OIEST+0.26% 20-11-23	5,000,000	EUR	5,000,294	1.28
BPCE OIEST+0.26% 22-11-23	5,000,000	EUR	4,997,313	1.28
FRANCE TREASURY BILL ZCP 040123	3,500,000	EUR	3,499,848	0.90
KERING FINANCE ZCP 170123	9,000,000	EUR	8,974,989	2.30
PARIS (VILLE DE) ZCP 060123	10,000,000	EUR	9,997,385	2.56
REGION HAUTS DE FRA ZCP 250123	14,000,000	EUR	13,980,568	3.58
			<b>56,449,515</b>	<b>14.45</b>
<b>Germany</b>				
GERM TREA BILL ZCP 18-01-23	15,000,000	EUR	14,971,583	3.83
			<b>14,971,583</b>	<b>3.83</b>
<b>Luxembourg</b>				
EURO STAB MECH ZCP 12-01-23	14,000,000	EUR	13,992,861	3.58
MEDTRONIC GLOBAL HOLD 0.375 19-23 07/03A	6,000,000	EUR	5,982,480	1.53
			<b>19,975,341</b>	<b>5.11</b>
<b>Netherlands</b>				
BMW ZCP 130123	12,500,000	EUR	12,487,198	3.20
COOP R OIEST+0.26% 10-11-23	5,000,000	EUR	5,001,899	1.28
LINDE FINANCE BV ZCP 300123	10,000,000	EUR	9,983,954	2.55
ROCHE FINANCE REGS 0.50 16-23 27/02A	1,900,000	EUR	1,897,017	0.49
TOYOTA MOTOR FIN ZCP 110123	14,000,000	EUR	13,992,799	3.58
			<b>43,362,867</b>	<b>11.10</b>
<b>Norway</b>				
DNB BA OIEST+0.27% 20-11-23	5,000,000	EUR	4,998,379	1.28
			<b>4,998,379</b>	<b>1.28</b>
<b>Spain</b>				
SANTAN CONS FIN S.A. ZCP 160123	14,000,000	EUR	13,978,865	3.58
SPAI LETR DEL TESO ZCP 13-01-23	15,000,000	EUR	14,985,946	3.84
			<b>28,964,811</b>	<b>7.41</b>
<b>Sweden</b>				
NORDEA BANK AB 1.00 16-23 22/02A	3,000,000	EUR	2,995,725	0.77
			<b>2,995,725</b>	<b>0.77</b>

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



## Candriam Money Market Euro AAA

Investment portfolio as at December 31, 2022

Description	Quantity	Currency	Market value (in EUR)	% net assets
<b>United Kingdom</b>				
BANK O OISEST+0.39% 14-11-23	5,000,000	EUR	4,998,954	1.28
LLOYDS BANK 0.44 201123	5,000,000	EUR	4,999,719	1.28
MUFG BANK LTD ZCP 090123	6,000,000	EUR	5,997,235	1.53
NATL A OISEST+0.27% 10-11-23	5,000,000	EUR	4,998,970	1.28
NORD B OISEST+0.25% 20-11-23	5,000,000	EUR	5,000,516	1.28
ROYA B OISEST+0.33% 05-12-23	5,000,000	EUR	4,997,580	1.28
THE TO OISEST+0.41% 14-11-23	5,000,000	EUR	5,000,783	1.28
			<b>35,993,757</b>	<b>9.21</b>
<b>United States of America</b>				
COLGATE PALMOLIVE CO ZCP 050323	15,000,000	EUR	14,993,973	3.84
ILLINOIS TOOL WORKS 1.25 15-23 22/05A	3,000,000	EUR	2,987,040	0.76
			<b>17,981,013</b>	<b>4.60</b>
<b>Total bonds</b>			<b>314,807,699</b>	<b>80.56</b>
<b>Floating rate notes</b>				
<b>Netherlands</b>				
TOYOTA MOTOR FIN NL FL.R 21-23 19/01Q	5,400,000	EUR	5,401,080	1.38
			<b>5,401,080</b>	<b>1.38</b>
<b>Total floating rate notes</b>			<b>5,401,080</b>	<b>1.38</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>320,208,779</b>	<b>81.94</b>
<b>Undertakings for Collective Investment</b>				
<b>Shares/Units in investment funds</b>				
<b>Luxembourg</b>				
BNP PARIBAS INSTICASH EUR 1D SHORT TERM VNAV I EUR	0	EUR	11	0.00
			<b>11</b>	<b>0.00</b>
<b>Total Shares/Units in investment funds</b>			<b>11</b>	<b>0.00</b>
<b>Total Undertakings for Collective Investment</b>			<b>11</b>	<b>0.00</b>
<b>Total investment portfolio</b>			<b>320,208,790</b>	<b>81.94</b>
Acquisition cost			320,184,659	



## Candriam Money Market Euro AAA

Geographical and economic breakdown of investments as at December 31, 2022

### Geographical breakdown (in % of net assets)

France	14.45
Belgium	12.79
Netherlands	12.48
United Kingdom	9.21
Spain	7.41
Luxembourg	5.11
United States of America	4.60
Germany	3.83
Austria	3.50
Denmark	2.56
Australia	1.79
Finland	1.28
Norway	1.28
Canada	0.89
Sweden	0.77
	<b>81.94</b>

### Economic breakdown (in % of net assets)

Banks and other financial institutions	48.43
Bonds of States, Provinces and municipalities	18.20
Supranational Organisations	7.42
Miscellaneous consumer goods	3.84
Pharmaceuticals	2.02
Various capital goods	1.28
Machine and apparatus construction	0.76
Investments funds	0.00
	<b>81.94</b>



## Candriam Money Market USD Sustainable

Investment portfolio as at December 31, 2022

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>				
<b>Bonds</b>				
<b>Belgium</b>				
BARRY CALLEBAUT SERV 5.5 13-23 15/06S	4,500,000	USD	4,473,320	4.32
COFINIMMO SA ZCP 030123	4,000,000	EUR	4,255,823	4.11
			<b>8,729,143</b>	<b>8.43</b>
<b>Canada</b>				
CANA TREA BILL ZCP 19-01-23	5,000,000	CAD	3,664,131	3.54
			<b>3,664,131</b>	<b>3.54</b>
<b>France</b>				
DANONE 144A 2.589 16-23 02/11S	4,000,000	USD	3,917,160	3.78
FRANCE TREASURY BILL ZCP 040123	2,500,000	EUR	2,668,049	2.58
			<b>6,585,209</b>	<b>6.36</b>
<b>Japan</b>				
JAPAN TREASURY DISC ZCP 160123	1,000,000,000	JPY	7,581,788	7.32
			<b>7,581,788</b>	<b>7.32</b>
<b>Netherlands</b>				
IBERDROLA INT. BV ZCP 180123	5,000,000	EUR	5,320,055	5.14
TENNET HOLDING BV 4.625 11-23 21/02A	1,000,000	EUR	1,071,444	1.03
			<b>6,391,499</b>	<b>6.17</b>
<b>Sweden</b>				
SCANIA CV AB ZCP 090123	5,500,000	EUR	5,852,423	5.65
			<b>5,852,423</b>	<b>5.65</b>
<b>United Kingdom</b>				
NATIONWIDE BUILDING ZCP 050123	4,000,000	USD	3,976,972	3.84
			<b>3,976,972</b>	<b>3.84</b>
<b>United States of America</b>				
APPLE INC 2.85 16-23 23/02S	1,206,000	USD	1,203,238	1.16
EBAY INC 2.75 17-23 30/01	3,181,000	USD	3,175,017	3.07
FIDELITY NATIONAL 0.375 21-23 01/03S	1,000,000	USD	992,675	0.96
			<b>5,370,930</b>	<b>5.19</b>
<b>Total bonds</b>			<b>48,152,095</b>	<b>46.49</b>
<b>Floating rate notes</b>				
<b>Canada</b>				
BANK OF MONTREAL FL.R 21-23 15/09S	3,157,000	USD	3,145,303	3.04
BANK OF NOVA SC FL.R 21-23 15/09Q	600,000	USD	597,714	0.58
BANK OF NOVA SCOTIA FL.R 20-23 16/09Q	4,500,000	USD	4,491,742	4.34
TORONTO DOMINION BANK FL.R 21-23 02/06Q	1,865,000	USD	1,861,774	1.80
TORONTO DOMINION BANK FL.R 21-23 06/01Q	2,774,000	USD	2,774,014	2.68
			<b>12,870,547</b>	<b>12.43</b>
<b>France</b>				
BPCE FL.R 18-23 12/09Q	4,200,000	USD	4,218,459	4.07
			<b>4,218,459</b>	<b>4.07</b>
<b>United States of America</b>				
AMERICAN EXPRESS CO FL.R 21-23 03/11Q	1,441,000	USD	1,433,881	1.38
AMEX SOFRIND F.LR 22-24 03/05Q	1,100,000	USD	1,097,200	1.06
BFCM FL.R 18-23 20/07Q	2,300,000	USD	2,303,910	2.22
EBAY INC FL.R 17-23 30/01	3,365,000	USD	3,365,525	3.25
ROYAL BANK OF CANADA FL.R 20-23 17/01Q	4,855,000	USD	4,854,757	4.69
THERMO FISHER SCIENTIF FL.R 21-23 18/04Q	6,500,000	USD	6,493,338	6.27
			<b>19,548,611</b>	<b>18.87</b>
<b>Total floating rate notes</b>			<b>36,637,617</b>	<b>35.37</b>
<b>Total transferable securities admitted to an official stock exchange listing or dealt in another regulated market</b>			<b>84,789,712</b>	<b>81.86</b>

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



## Candriam Money Market USD Sustainable

Investment portfolio as at December 31, 2022

Description	Quantity	Currency	Market value (in USD)	% net assets
<b>Undertakings for Collective Investment</b>				
<b>Shares/Units in investment funds</b>				
<b>France</b>				
CANDRIAM MONÉTAIRE SICAV Z EUR	3,200	EUR	5,055,008	4.88
			<b>5,055,008</b>	<b>4.88</b>
<b>Luxembourg</b>				
CANDRIAM SUSTAINABLE MONEY MARKET EURO Z EUR C	4,500	EUR	5,056,972	4.88
			<b>5,056,972</b>	<b>4.88</b>
<b>Total Shares/Units in investment funds</b>			<b>10,111,980</b>	<b>9.76</b>
<b>Total Undertakings for Collective Investment</b>			<b>10,111,980</b>	<b>9.76</b>
<b>Total investment portfolio</b>			<b>94,901,692</b>	<b>91.62</b>
Acquisition cost			93,147,577	



## Candriam Money Market USD Sustainable

Geographical and economic breakdown of investments as at December 31, 2022

### Geographical breakdown (in % of net assets)

United States of America	24.06
Canada	15.96
France	15.31
Belgium	8.43
Japan	7.32
Netherlands	6.17
Sweden	5.65
Luxembourg	4.88
United Kingdom	3.84
	<b>91.62</b>

### Economic breakdown (in % of net assets)

Banks and other financial institutions	26.89
Investments funds	13.87
Bonds of States, Provinces and municipalities	13.43
Foods and non alcoholic drinks	8.10
Retail trade and department stores	6.31
Electronics and semiconductors	6.27
Road vehicles	5.65
Electrical engineering	5.14
Real estate	3.84
Office supplies and computing	1.16
Internet and internet services	0.96
	<b>91.62</b>



## Candriam Money Market

### Notes to the financial statements - Schedule of derivative instruments

#### Forward foreign exchange contracts

As at December 31, 2022, the following forward foreign exchange contracts were outstanding:

#### Candriam Money Market Euro

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in EUR)
EUR	93,412,046	JPY	13,504,600,000	20/02/2023	J.P. Morgan AG	(2,784,913)
EUR	69,181,821	JPY	10,003,400,000	20/02/2023	Société Générale	(2,075,094)
						<b>(4,860,007)</b>

#### Candriam Money Market USD Sustainable

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Counterparty	Unrealised (in USD)
JPY	465,000,000	USD	3,545,903	17/01/2023	Société Générale	(14,996)
USD	3,718,774	CAD	5,000,000	19/01/2023	UBS Europe SE	28,262
USD	11,732,235	EUR	11,130,000	04/01/2023	BNP Paribas Paris	(147,103)
USD	5,051,035	EUR	5,000,000	18/01/2023	UBS Europe SE	(290,879)
USD	5,518,853	EUR	5,500,000	09/01/2023	BNP Paribas Paris	(353,530)
USD	5,050,985	EUR	5,000,000	09/01/2023	UBS Europe SE	(287,545)
USD	1,098,202	EUR	1,045,000	21/02/2023	J.P. Morgan AG	(20,908)
USD	6,084,394	JPY	875,400,000	17/01/2023	Société Générale	(561,706)
USD	4,049,513	JPY	590,200,000	17/01/2023	Nomura Financial Products Europe	(431,228)
						<b>(2,079,633)</b>

Please refer to Note 7 for collateral received/posted in relation with the forward foreign exchange contracts.



## Other notes to the financial statements

### Note 1 - General Information

Candriam Money Market (the "SICAV") was incorporated for an unlimited term on November 16, 1987 under the name "BIL GLOBAL FUND" as an investment company with variable capital (SICAV) in accordance with the laws of the Grand Duchy of Luxembourg. Its minimum capital is EUR 1,250,000. Its Articles of Incorporation were published in the "Mémorial, Recueil des Sociétés et Associations" (the "Mémorial") on December 11, 1987. The SICAV is entered in the Register of Trade and Companies of Luxembourg under Number B-26803.

On May 30, 1990, the SICAV changed its name to "BIL Money Market Fund", its Articles of Incorporation were amended, and the capital denominated in BEF. On February 1, 1999, the SICAV changed its name to "Dexia Money Market". On May 16, 2014 the SICAV changed its name to "Candriam Money Market".

On January 27, 1999, the Articles of Incorporation were amended and the capital denominated in EUR. The amendments were published in the "Mémorial".

A coordinated version of the Articles of Incorporation was filed at the Register of Trade and Companies of and in Luxembourg. They have been modified for the last time on July 6, 2020, the corresponding modifications have been published in the "Recueil Electronique des Sociétés et Associations".

The SICAV is entered in the Company's Register of and in of Luxembourg under Number B-26803.

The SICAV and all its sub-funds classify themselves as Money Market Funds and have been authorised by the CSSF in accordance with the MMF Regulation. They are thus registered as Money Market Funds on the official list of UCIs in accordance with the Law of 2010.

In compliance with the Regulation, the following information is already made available to investors at least on a weekly basis on the website of the Management Company [www.candriam.com](http://www.candriam.com):

- i) the maturity breakdown of the investment portfolio of the sub-funds;
- ii) the credit profile of the sub-funds;
- iii) the weighted average maturity and weighted average life of the sub-funds;
- iv) details of the 10 largest holdings in the sub-funds;
- v) the total value of the assets of the sub-funds;
- vi) the net yield of the sub-funds.

The management company is monitoring the situation very closely in order to manage it in the best interest of the shareholders.

The following sub-funds are currently available to investors:

<u>Sub-funds</u>	<u>Reference currency</u>
Candriam Money Market Euro	EUR
Candriam Money Market USD Sustainable	USD
Candriam Money Market Euro AAA	EUR

The issued share classes are the following:

- The **Classique class (C class)**, which is available to individuals and legal entities.
- The **I class** is reserved solely for institutional investors.
- The **R class**, is reserved for financial intermediaries (including distributors and platforms) which:
  - have different arrangements with their clients for the provision of investment services in connection with the sub-fund, and
  - as a result of their applicable laws and regulations or on the basis of agreements with their customers, are not entitled to accept and keep duties, fees and other monetary benefits from the Management Company in connection with the provision of the above-mentioned investment services.
- The **R2 class** is reserved to:
  - distributors and/or intermediaries approved by the Management Company who will not receive any form of remuneration for investments in this Class from an entity of the Candriam group, if the final investments in the shares are made in the context of a mandate.
  - UCIs approved by the Management Company.
- The **S Class** is available only to institutional investors specially approved by the Management Company, and has a minimum initial subscription of EUR 100,000,000. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on any given valuation date.
- The **V Class** is reserved exclusively for institutional investors whose minimum initial subscription is EUR 30,000,000. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same valuation date.
- The **Z class** is reserved to:
  - institutional/professional investors approved by the Management Company. The portfolio management activity for this Class is directly remunerated through the contract concluded with the investor, so no portfolio management fee is payable for the assets of this Class.
  - UCIs approved by the Management Company and managed by an entity of the Candriam group.



## Other notes to the financial statements

### Note 1 - General Information (Continued)

Furthermore, a currency hedging process may be applied to the Share Classes:

- **Base currency hedged share classes:**

These hedged share classes aim to reduce the effect of exchange rate fluctuations between the base currency of the sub-fund and the currency in which the hedged share class is denominated.

The aim of this type of hedging is for the performance of the hedged share class to be reasonably comparable (after adjusting for the difference in interest rates between the two currencies) to the performance of a share class denominated in the sub-fund's base currency. This type of hedging is identified with the suffix H added in the denomination of the share class.

- **Asset hedged share classes:**

These hedged share classes aim to reduce the effect of exchange rate fluctuations between the currencies in which a sub-fund's investments are held and the currency of the hedged share class. This type of hedging is identified with the suffix AH added in the denomination of the share class.

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

### Note 2 - Principal accounting policies

The financial statements of the SICAV are prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment. Some small discrepancies might appear in some totals or sub-totals in the financial statements due to rounding rules.

This annual report is prepared on the basis of the last unofficial technical net asset values, calculated for the purpose of the financial statements as at December 31, 2022.

Sub-funds Candriam Money Market Euro and Candriam Money Market USD Sustainable: the net asset value of each sub-fund has been calculated on January 2, 2023 on the basis of the last known prices at the time of the valuation.

Sub-fund Candriam Money Market Euro AAA: the net asset value of the sub-fund has been calculated on December 31, 2022 on the basis of the last known prices at the time of the valuation.

#### a) Valuation of each sub-fund's portfolio

The valuation of any security admitted for trading to an official listing or any other normally operating regulated market which is recognised and open to the public is based on the last price known in Luxembourg on the valuation date or, if this stock is traded on several markets, on the last known price on the principal market on which it is traded. If the last known price is not representative, the valuation shall be based on the probable realisation value as estimated by the Board of Directors with prudence and good faith. Securities which are neither quoted nor traded on a stock market or any other normally operating regulated market which is recognised and open to the public shall be valued on the basis of the probable realisation value as estimated with due prudence and good faith. All other assets shall be valued by the directors on the basis of the probable realisation value which must be estimated in good faith and according to generally accepted principles and procedures.

#### b) Net realised profits or losses on sales of investments

The realised profits or losses realised on sales of investments from each sub-fund are calculated based on the average cost of the investments sold.

#### c) Foreign currency translation

The values expressed in a currency other than the reference currency of each sub-fund are translated into that currency at the exchange rate prevailing at closing date.

Income and expenses in a currency other than the reference currency of each sub-fund are translated into that currency at the exchange rates prevailing at the transaction date.

The acquisition cost of securities in each sub-fund expressed in a currency other than the reference currency of the sub-fund is translated into that currency at the exchange rates prevailing at the day of purchase.

Exchange rates used as at December 31, 2022:

For the sub-funds Candriam Money Market Euro and Candriam Money Market USD Sustainable:

1 EUR =	1.573750	AUD	1 EUR =	0.987450	CHF	1 EUR =	140.818300	JPY	1 EUR =	1.067250	USD
1 EUR =	1.446050	CAD	1 EUR =	7.436450	DKK	1 EUR =	11.120250	SEK			

For the sub-fund Candriam Money Market Euro AAA:

1 EUR =	0.985050	CHF	1 EUR =	7.436250	DKK	1 EUR =	0.884900	GBP	1 EUR =	1.066650	USD
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#### d) Valuation of forward foreign exchange contracts

The forward foreign exchange contracts are valued on the basis of forward exchange rates prevailing at the closing date and applicable to the remaining period until the expiration date. The unrealised appreciation / (depreciation) on forward foreign exchange contracts is disclosed in the statement of net assets under "Net unrealised appreciation / (depreciation) on forward foreign exchange contracts".



## Other notes to the financial statements

### Note 2 - Principal accounting policies (Continued)

Realised gains / (losses) and change in unrealised appreciation / depreciation resulting there from are included in the statement of changes in net assets respectively under "Net realised gain / (loss) on forward foreign exchanges contracts" and "Change in net unrealised appreciation / depreciation on forward foreign exchange contracts".

For the details of outstanding forward foreign exchange contracts, if any, please refer to the section "Notes to the financial statements - Schedule of derivative instruments".

#### e) Transaction costs

For the year ended December 31, 2022, the SICAV incurred transaction costs and broker's charges related to the purchase and sale of transferable securities, money market instruments, other eligible assets and derivatives instruments. Those charges are disclosed in the statement of changes in net assets under the heading "Transaction costs".

#### f) Income

Interest income is accrued pursuant to the terms of the underlying investment. Income is recorded net of respective withholding taxes, if any. Dividends are recognised on ex-date.

#### g) Abbreviations used in investment portfolio:

FL.R: Floating Rate Notes

ZCP: Zero Coupon

Q: Quarterly

A: Annual

S: Semi-Annual

### Note 3 - Management fees

Candriam (hereinafter referred to as the "Management Company"), with its head office at SERENITY - Bloc B, 19-21, Route d'Arlon, L - 8009 Strassen, partnership limited by shares under Luxembourg law was established in Luxembourg on July 10, 1991, has been appointed Management Company of the SICAV on the basis of a contract concluded between the SICAV and Candriam.

Candriam, a partnership limited by shares, is authorized as a Management Company of Chapter 15 of the 2010 Law and is authorised to exercise the activities of collective portfolio management, investment portfolio management and investment consultant. Its Articles of Incorporation were last amended on May 19, 2016 and the corresponding amendments were published in the "Mémorial C (Recueil des Sociétés et Associations)". A version of the updated articles was filed with the Luxembourg Companies Register.

Candriam is a subsidiary of Candriam Group, an entity of the New York Life Insurance Company Group. It is responsible for portfolio management, administration (Administrative Agent, Transfer Agent and Registrar) and marketing (distribution).

Until June 30, 2022, implementation of the Portfolio Management activities of all sub-funds was delegated to: Candriam Belgium, 58, Avenue des Arts, B - 1000 Brussels.

Since July 1, 2022, the portfolio management function is no more delegated and is performed directly by Candriam and/or by one or more of its branches: Candriam-Belgian Branch, Candriam – Succursale française, Candriam – UK Establishment.

As payment for managing the portfolio, the Management Company shall receive management fees expressed as an annual percentage of the average settlement value of each sub-fund in the SICAV, as per the information below. These fees are payable monthly.

If services are provided for part of a month, the Management Company receives fees prorata temporis.



## Other notes to the financial statements

### Note 3 - Management fees (Continued)

The rates applicable as at December 31, 2022 are as follows:

Sub-funds	Share class	Share type	ISIN	Management fee
Candriam Money Market Euro	C	Capitalisation	LU0093583077	0.50%
	C	Distribution	LU0093583234	0.50%
	I	Capitalisation	LU0206982331	0.20%
	R	Capitalisation	LU0936337848	0.20%
	R2	Distribution	LU1389877876	0.13%
	V	Capitalisation	LU0323048693	0.05%
Candriam Money Market Euro AAA	Z	Capitalisation	LU0391999124	0.00%
	C	Capitalisation	LU0354091653	0.45%
	C	Distribution	LU0354091737	0.45%
	I	Capitalisation	LU0354091901	0.14%
	I	Distribution	LU0354127358	0.14%
	R	Capitalisation	LU0936338655	0.14%
Candriam Money Market USD Sustainable	V	Capitalisation	LU0354092115	0.05%
	V	Distribution	LU0354092206	0.05%
	Z	Capitalisation	LU0391999470	0.00%
	C	Capitalisation	LU0049341216	0.50%
	C	Distribution	LU0094032728	0.50%
	I	Capitalisation	LU0206982414	0.20%
	I	Distribution	LU0355214700	0.20%
	V	Capitalisation	LU0323048347	0.06%
	Z	Capitalisation	LU0391999553	0.00%

The table hereafter reflects the maximum Management fee's annual rates applied as at December 31, 2022 to UCITS invested into by Candriam Money Market.

Target fund	Maximum rate
CANDRIAM MONÉTAIRE SICAV Z	0.15%
CANDRIAM SUSTAINABLE MONEY MARKET EURO Z	0.00%
BNP PARIBAS INSTICASH EUR 1D C	0.15%

### Note 4 - Operating and Administrative Expenses

The SICAV bears the current operating and administrative expenses incurred to cover all the overheads and variable expenses, the charges, fees and other expenses, as defined below ("Operating and Administrative Expenses").

The Operating and Administrative Expenses cover, but are not limited to, the following expenses:

a) the expenditures incurred directly by the SICAV, including, inter alia, the depositary fees and charges, the fees and expenses of the approved independent auditors, the cost of share class hedging, including that invoiced by the Management Company, the fees paid to the Directors and the reasonable expenses and outlays incurred by or for the Directors;

b) a "service fee" paid to the Management Company and including the remaining sum of the Operating and Administrative Expenses after deduction of the expenses detailed in section (a) above, that is, inter alia, the fees and expenses of the Domiciliary Agent, the Administrative Agent, the Transfer Agent and Register Holding and the Principal Paying Agent, the costs related to registration and maintenance of the registration in all the jurisdictions (such as the fees charged by the supervisory authorities concerned, the translation expenses and the remuneration of the Representatives abroad and the local paying agents), the cost of publishing the share prices, the postal and telecommunication charges, preparation cost, printing, translating and distributing the prospectuses, key investor information documents, notices to shareholders, financial reports or of any other document intended for the shareholders, the legal fees and expenses, the charges and expenses related to the taking out of any subscription/license or any other use of fee-paying information or data, the expenses incurred by the use of a registered trademark by the SICAV, the expenses and fees payable to the Management Company and/or its delegates and/or to any other agent appointed by the SICAV itself and/or to the independent experts.

The Operating and Administrative Expenses are expressed as an annual percentage of the average net asset value of each share class.

At the end of a given year, if the actual charges and expenses were to be higher than the percentage of Operating and Administrative Expenses set for a share class, then the Management Company would pay for the difference itself. Conversely, if the actual charges and expenses were to turn out to be lower than the percentage of Operating and Administrative Expenses set for a share class, then the Management Company would retain the difference.

The Management Company shall be entitled to instruct the SICAV to proceed to settle all or part of the expenses as listed above directly from its assets.

In such a case, the amount of the Operating and Administrative Expenses would be reduced accordingly.

They are payable monthly.



## Other notes to the financial statements

### Note 4 - Operating and Administrative Expenses (Continued)

The maximum rates applicable as at December 31, 2022 are as follows:

Sub-funds	Share class	Share type	ISIN	Maximum rate
Candriam Money Market Euro	C	Capitalisation	LU0093583077	0.30%
	C	Distribution	LU0093583234	0.30%
	I	Capitalisation	LU0206982331	0.17%
	R	Capitalisation	LU0936337848	0.30%
	R2	Distribution	LU1389877876	0.30%
	V	Capitalisation	LU0323048693	0.17%
	Z	Capitalisation	LU0391999124	0.17%
Candriam Money Market Euro AAA	C	Capitalisation	LU0354091653	0.30%
	C	Distribution	LU0354091737	0.30%
	I	Capitalisation	LU0354091901	0.17%
	I	Distribution	LU0354127358	0.17%
	R	Capitalisation	LU0936338655	0.30%
	V	Capitalisation	LU0354092115	0.17%
	V	Distribution	LU0354092206	0.17%
	Z	Capitalisation	LU0391999470	0.17%
Candriam Money Market USD Sustainable	C	Capitalisation	LU0049341216	0.25%
	C	Distribution	LU0094032728	0.25%
	I	Capitalisation	LU0206982414	0.16%
	I	Distribution	LU0355214700	0.16%
	V	Capitalisation	LU0323048347	0.16%
	Z	Capitalisation	LU0391999553	0.16%

### Note 5 - Subscription tax

The SICAV is governed by the Luxembourg tax laws. By virtue of the legislation and regulations currently in force, the SICAV is subject in Luxembourg to an annual tax of 0.01%, which is payable quarterly and calculated on the net asset value of the SICAV at the end of each quarter. This rate is reduced to 0% for the classes reserved for institutional investors.

In addition, no subscription tax is due on the assets which the SICAV holds in units of other UCITS already subject to the subscription tax in Luxembourg.

The Belgian government enacted a law to tax once a year the net asset value of foreign investment funds registered in Belgium. This annual tax is calculated on the net amounts defined as invested in Belgium by Belgian financial intermediaries. In the absence of a sufficient declaration relating to these figures, the tax authority will be entitled to calculate the tax on the entirety of the assets of these sub-funds. The Belgian law of June 17, 2013 comprising fiscal and financial provisions and provisions relating to sustainable development set the rate of the annual tax for Undertakings for Collective Investment at 0.0925% with effect from January 1, 2014.

As a precautionary measure, the SICAV filed a claim with the Belgian tax authority and the Brussels Court of First Instance for the tax to be refunded. At this stage, it is not possible to prejudge the outcome of the dispute or any reimbursement in favour of the SICAV. In a similar case, the Belgian State appealed to the Court of Cassation against the Court of Appeal's rulings in favour of the plaintiff. The management company was informed that the Court of Cassation ruled against the plaintiff on March 25, 2022. The Court of Cassation (French-speaking chamber) considers that the Brussels Court of Appeal wrongly qualified the Belgian subscription tax as a wealth tax covered by the double taxation convention between Belgium and Luxembourg (which convention attributes the right to tax Luxembourg SICAVs only by Luxembourg and not by Belgium, which justified the claim for reimbursement of the Belgian subscription tax).

The case is referred back to the Court of Appeal of Liège which will be bound by the assessment taken by the Court of Cassation.

Another decision of the Court of Cassation (Dutch-speaking chamber) of April 21, 2022 does not dispute that the Belgian subscription tax is a wealth tax, but considers that the double taxation convention between Belgium and Luxembourg (unlike the one signed with the Netherlands) does not cover in its scope a wealth tax levied in Belgium.

The prospect of a refund is therefore limited and will in any case not be possible in the short term.

### Note 6 - Term deposits

#### Candriam Money Market Euro AAA

Counterparty	Maturity	Amount (in EUR)
NATIXIS (CAPITAL MARKET)	02/01/2023	33,000,000



## Other notes to the financial statements

### Note 7 - Collateral

In relation with the OTC derivative instruments, cash collateral has been received from JP Morgan SE, Société Générale S.A., Nomura Financial Products Europe GMBH - DE – LC, UBS Europe SE, BNP Paribas S.A. to:

Sub-funds	Currency	Cash Collateral Posted	Cash Collateral held
Candriam Money Market Euro	EUR	(4,430,000)	0
Candriam Money Market USD Sustainable	USD	(1,990,000)	0

### Note 8 - Changes in portfolio composition

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

### Note 9 - Significant event during the year

With effect as of July 1, 2022 (the "Effective Date"), Candriam Luxembourg has absorbed its subsidiaries Candriam Belgium and Candriam France via a Luxembourg merger by absorption in accordance with Article 1021-1 (et seq.) of the Luxembourg law on commercial companies of 10 August 1915, as amended. As of the Effective Date, the name of Candriam Luxembourg has been changed to Candriam.

### Note 10 - Subsequent event

There is no subsequent event.



### Additional unaudited information

#### **Global Risk Exposure**

As required by the CSSF Circular 11/512, the Board of Directors of the Company must determine the Company risk management method, using either the commitment approach or the VaR approach.

The Board of Directors of the Company has chosen to adopt the commitment approach as the method for determining overall risk for all the Sub-Funds of the Company.

#### **Engagement & voting policies, use of voting rights**

The Management company does not exercise voting rights for the considered funds.

For all engagement matters, we refer to the engagement policy and to the associated reports, all available on Candriam website: <https://www.candriam.com/en/professional/investment-solutions/sustainability-documents/#engagement-activities>.



## Additional unaudited information

### Information concerning the remuneration policy

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

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

During its financial year ended on December 31, 2022, Candriam paid the following amounts to its personnel:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 16,496,391.
- Total gross amount of variable remunerations paid: EUR 7,603,281.
- Number of beneficiaries: 147.

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

- Aggregate amount of the remunerations of the senior management: EUR 4,123,181.
- Aggregate amount of the remunerations of the members of the personnel of Candriam whose activities have a significant impact on the risk profile of the funds of which it is the management company (excluding senior management): EUR 2,274,454.

Remunerations paid by Candriam to the personnel of its Belgian branch (i.e. Candriam – Belgian Branch), acting as investment manager, during the financial year ended on December 31, 2022:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 24,652,347.
- Total gross amount of variable remunerations paid: EUR 10,435,950.
- Number of beneficiaries: 256.

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

- Aggregate amount of the remunerations of the senior management: EUR: 5,059,679.
- Aggregate amount of the remunerations of the members of the personnel of the investment manager whose activities have a significant impact on the risk profile of the funds of which it is the investment manager (excluding senior management): EUR 4,582,833.

Remunerations paid by Candriam to the personnel of its French branch (i.e. Candriam – Succursale française), acting as investment manager(s), during the financial year ended on December 31, 2022:

- Total gross amount of fixed remunerations paid (excluding payments or benefits that can be considered to be part of a general and nondiscretionary policy and to have no incentive effect on risk management): EUR 18,384,879.
- Total gross amount of variable remunerations paid: EUR 9,558,325.
- Number of beneficiaries: 202.

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

- Aggregate amount of the remunerations of the senior management: EUR 3,634,215.
- Aggregate amount of the remunerations of the members of the personnel of the investment manager whose activities have a significant impact on the risk profile of the funds of which it is the investment manager (excluding senior management): EUR 3,398,975.

The remuneration policy was last reviewed by the remuneration committee of Candriam on January 29, 2021 and was adopted by the Board of Directors of Candriam.



### Additional unaudited information

#### **Sustainable Finance Disclosure Regulation (SFDR)**

The sub-funds of the SICAV are falling under Art. 8 or 9 of SFDR and the respective information are disclosed at sub-fund level below.

## Environmental and/or social characteristics

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

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

Did this financial product have a sustainable investment objective?	
<p><input checked="" type="radio"/> <input type="checkbox"/> <b>YES</b></p> <p><input type="checkbox"/> It made <b>sustainable investments with an environmental objective: ____%</b></p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It made <b>sustainable investments with a social objective: ____%</b></p>	<p><input checked="" type="radio"/> <input type="checkbox"/> <b>NO</b></p> <p><input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 79% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b></p>



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

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

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium).
- avoiding exposure to countries considered to be oppressive regimes
- achieving a lower carbon footprint than the benchmark
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### How did the sustainability indicators perform?

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

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

For sovereign issuers, these assessments are based on the analysis of the countries' management of their natural, human, social and economic capital. In addition, exclusion filters are used to screen out issuers that do not meet democratic and governance standards.

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

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 20%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section «What was the proportion of sustainability-related investments?»

Sustainability KPI Name	Value	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than absolute threshold (currently 140)	64.12	

### ... And compared to previous periods?

Not applicable because no previous period data is available.

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

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to contribute to the reduction of greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 20%). It allowed the Sub-fund to exceed the objectives initially set.

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

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

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

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

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

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

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

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

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

The consideration of the principal adverse impacts is an essential part of Candriam's approach to sustainable investment. The principal adverse impacts were taken into account throughout the ESG research and analysis process and by means of

several methods.

For the analysis of companies, these methods include:

1. ESG ratings of companies: the ESG research and filtering methodology considers and evaluates the principal adverse impacts on sustainability from two distinct but related perspectives:

- the commercial activities of the issuers of the company and their positive or adverse impact on the main sustainability challenges such as climate change and resource depletion,

the company's interactions with the main stakeholders.

2. Negative filtering of companies, consisting of a normative exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with the companies based on dialogue, helping to avoid or mitigate the adverse impacts. The ESG analysis framework and its results feed into Candriam's engagement policy and vice versa.

For the analysis of sovereign issuers, these methods include:

1. ESG ratings of countries: the ESG research and filtering methodology considers and evaluates the principal adverse impacts on sustainability from the perspective of four capitals of sustainable development:

- natural capital, evaluating how a country conserves and uses its natural resources in a sustainable way,
- human capital, measuring economic and creative productivity by evaluating levels of education and expertise, innovation, health, including sustainability issues,
- social capital, evaluating civil society and state institutions in each country, focusing on transparency and democracy, the effectiveness of government, corruption, inequality and population security,
- economic capital, evaluating a country's economic fundamentals in order to determine each government's capacity to finance and support sustainable development policies in the long term.

2. Negative filtering of countries comprising the following elements in particular:

- Candriam's list of highly oppressive regimes — States guilty of serious human rights violations.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry/sector to which the company belongs or for each country in order to ensure that a country's score adequately reflects the short, medium and long term problems, challenges and/or opportunities that matter for the future development of the country. This materiality depends on a number of elements including the type of information, the quality and scope of the data, applicability, relevance and geographical coverage.

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

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

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

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

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

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

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



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

At Sub-Fund level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means (cfr. Candriam's PAI statement : <https://www.candriam.com/en/private/sfdr/>):

- Engagement : in order to avoid and/or reduce the adverse impact on sustainable objectives, the Sub-Fund also considered the adverse impacts in its interactions with companies, through dialogue. Candriam prioritised its engagement activities according to an evaluation of the most material and relevant ESG challenges, facing industries and issuers, by considering both the financial and societal / stakeholder impacts. Therefore, the level of engagement with each company within the same product may vary and is subject to Candriam's prioritisation methodology.
  - Dialogue:

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

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

Our objective is obviously to encourage companies to publicly report on how they align with a 1.5D trajectory and to support such an alignment. Beyond any Net Zero commitment and Scope1-2-3 absolute emissions disclosure, Candriam thus encourage them to provide insights on how short / mid term targets are aligned with scientifically recognized 1.5D trajectory. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue. As in previous year, we continue to support and actively participate to several collaborative initiatives such Climate Action 100+ . These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>) .

Given the geopolitical context and observed increase of inequalities, several engagements have also been performed in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10, PAI11). We also conducted a dedicated Post-covid direct engagement campaign aiming at investigating how relationships with stakeholders were impacted and the changes now integrated as the “new normal” course of business for Candriam’s investee companies. In the same vein, Human capital management is an aspect we address in most of our exchanges with companies. We continue to support Workforce Disclosure Initiative defending a better access to reliable, relevant and comparable data on companies’ direct and indirect workforces.

- Exclusion: Candriam's negative screening of companies or countries aimed to avoid investments in harmful activities or practices and may led to exclusions linked to comparnies' or issuers' adverse impact.
- Monitoring: calculation and evaluation of the principal adverse impact indicators including the reporting at Sub-Fund level. Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the sub-fund. See below the results of the indicators of this Sub-fund :

PAI indicators	Value
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%
16 - Investee countries subject to social violations	0.00%



## What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31/12/2022

Top investments	Sector	Proportion	Country
JAPA TREA DISC BIL ZCP 20-02-23	Bonds of States. Provinces and municipalities	9.64%	JP
CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	Investments funds	4.90%	LU
CANDRIAM MONÉTAIRE SICAV Z C	Investments funds	4.87%	FR
GSK CONSUMER UK ZCP 090123	Banks and other financial institutions	2.42%	GB
COFINIMMO SA ZCP 050123	Investments funds	2.02%	BE
VEOLIA ENVIRONN ZCP 070223	Utilities	2.01%	FR
IBERDROLA INT. BV ZCP 180123	Electrical engineering	1.79%	NL
CAIXABANK SA 1.125 17-23 12/01A	Banks and other financial institutions	1.73%	ES
VOLKSWAGEN FIN. SVC ZCP 140223	Banks and other financial institutions	1.61%	DE
SPAI LETR DEL TESO ZCP 13-01-23	Bonds of States. Provinces and municipalities	1.56%	ES
FIDELITY NATL INFORM ZCP 100123	Internet and internet services	1.47%	US
FIDELITY NATL INFORM ZCP 060123	Internet and internet services	1.44%	US
SCANIA CV AB ZCP 090123	Road vehicles	1.38%	SE
CM ARKEA 1.00 15-23 26/01A	Banks and other financial institutions	1.31%	FR
AT&T INC FL.R 18-23 05/09Q	Communication	1.30%	US

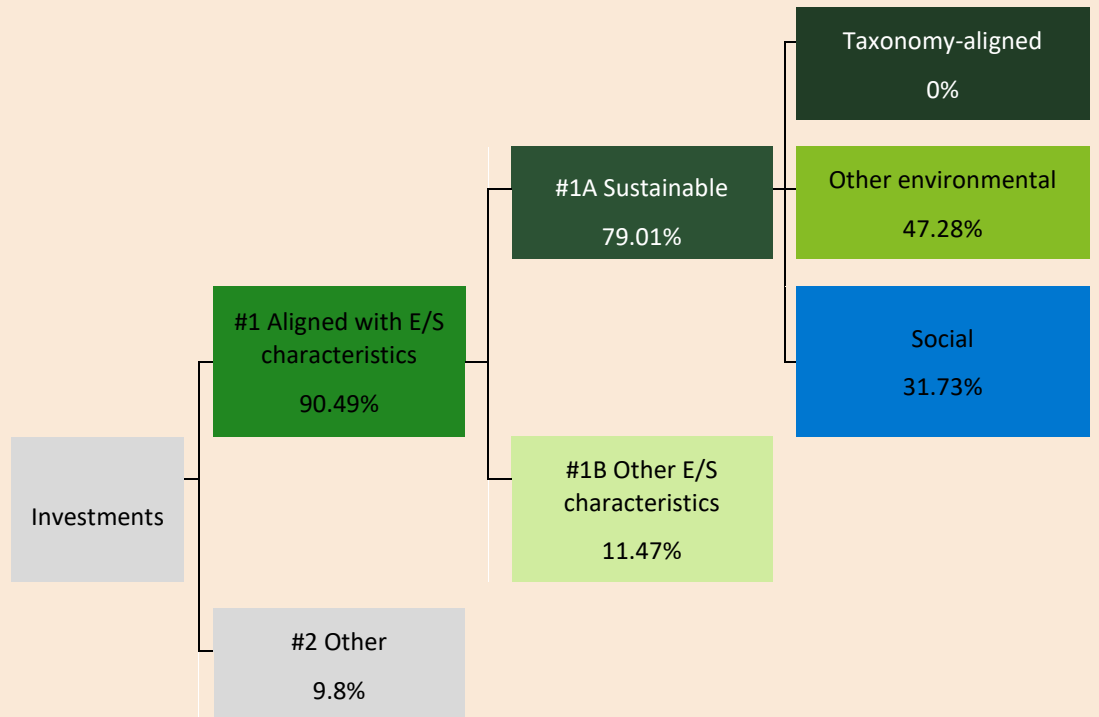
*Minor differences may be present between the data above and the corresponding ones in the section "Investment portfolio" of the annual report due to the number rounding process*



## What was the proportion of sustainability-related investments?

### What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.



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

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

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

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

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

Top sector	Proportion
Banks and other financial institutions	41.28%
Investments funds	13.64%
Bonds of States, Provinces and municipalities	12.70%
Internet and internet services	4.90%
Machine and apparatus construction	3.57%
Electrical engineering	2.94%
Utilities	2.93%
Real estate	2.42%
Communication	1.87%
Transportation	1.50%
Road vehicles	1.47%
Non Classifiable Institutions	0.98%
Chemicals	0.69%
Office supplies and computing	0.62%
Building materials	0.45%

*Minor differences may be present between the data above and the corresponding ones in the section "Investment portfolio" of the annual report due to the number rounding process*



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

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

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

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

Taxonomy-aligned activities are expressed as a share of:

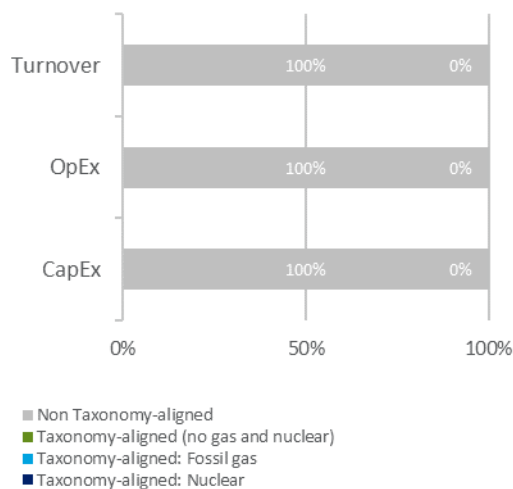
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting the green operational activities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

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

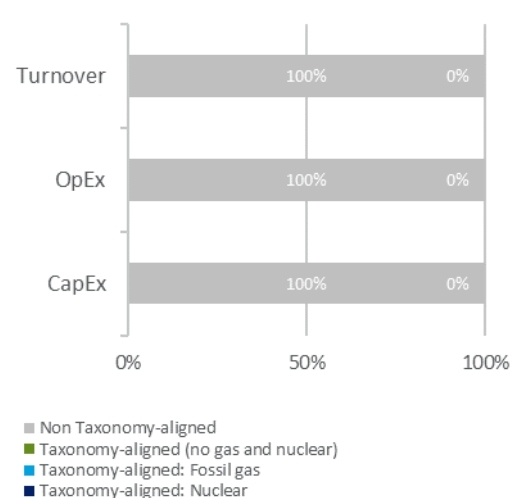
- ☐ Yes
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

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

1. Taxonomy-alignment of investments including sovereign bonds\*



2. Taxonomy-alignment of investments excluding sovereign bonds\*



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

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

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

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


Not applicable because no previous period data is available

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

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

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

Therefore, this percentage is considered as nul.

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

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

The Sub-Fund had a share of 47.28% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2022 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

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

The Sub-fund had a share of investments with a social objective of 31.73%

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

The investments included under «Other» are present in the Sub-fund for 9.8% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments are planned to be sold;
- Other investments (including single name derivatives) purchased for diversification purposes and that might not be subject to an ESG screening or for which ESG data is not available;
- Non single name derivatives used for efficient portfolio management and/or for hedging purposes and/or temporarily following subscriptions/redemptions.



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

In order to respect the environmental and/or social characteristics during the reference period, the sub-fund initiated / reinforced positions in issuers with a positive ESG profile, based on Candriam's independent ESG rating assessment.

Despite our underweight in the utility sector, we held positions in the following names given their focus on the energy transition to a low carbon environment: Iberdrola and Enel. Within the automotive sector we held exposure to the following names: Volkswagen and Mercedes, which are both focusing on the transition from combustion to EV and have launched various models last year to compete with Tesla (current market leader within the EV space). We also held a position in Toyota, although lagging in the EV space, they are still very strong in the hybrid cars, which made that they have a lower emission per car in circulation compared to other automakers. The fund sold the following investments for which the issuers did not have environmental and/or social characteristics : Berkshire Hathaway: the holding was excluded due to a risk linked to its potential exposure to armaments.

The Sub-fund achieved a carbon footprint of 64.12 as at end of December 2022, better than its objective of maximum 140 tons of CO2 equivalent per million euro invested.



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

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

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

## Environmental and/or social characteristics

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

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

### Did this financial product have a sustainable investment objective?



☐ **YES**

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



☒ **NO**

- ☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 85% of sustainable investments
- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☒ with a social objective
- ☐ It promoted E/S characteristics, but **did not make any sustainable investments**



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

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

- avoiding exposure to companies that present structural risks that are both material and severe and are most seriously in breach of normative principles taking into account practices in environmental and social issues as well as compliance with standards such as the United Nations Global Compact and the 'OECD Guidelines for Business standards.
- avoiding exposure to companies that are significantly exposed to controversial activities such extraction, transportation or distribution of thermal coal, the manufacturing or retailing of Tobacco and production or sale of controversial weapons (anti-personnel mines, cluster bombs, chemical, biological, phosphorus weapons white and depleted uranium).
- avoiding exposure to countries considered to be oppressive regimes
- achieving a lower carbon footprint than the benchmark
- integrating Candriam's ESG research methodology into the investment process and investing a proportion of its assets in Sustainable Investments.

### How did the sustainability indicators perform?

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

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

For sovereign issuers, these assessments are based on the analysis of the countries' management of their natural, human, social and economic capital. In addition, exclusion filters are used to screen out issuers that do not meet democratic and governance standards.

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

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 20%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section «What was the proportion of sustainability-related investments?»

Sustainability KPI Name	Value	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than absolute threshold (currently 140)	14.41	

### ... And compared to previous periods?

Not applicable because no previous period data is available.

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

The sustainable investments which the Sub-fund intended to achieve for a portion of the portfolio were to contribute to the reduction of greenhouse gas emissions by means of exclusions and the use of climate indicators in the analysis of companies, and to have a positive impact on environment and social domains in the long-term.

The proportion of sustainable investments was higher than the minimum defined in the prospectus (minimum 20%). It allowed the Sub-fund to exceed the objectives initially set.

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

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

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

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

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

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

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

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

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

The consideration of the principal adverse impacts is an essential part of Candriam's approach to sustainable investment. The principal adverse impacts were taken into account throughout the ESG research and analysis process and by means of

several methods.

For the analysis of companies, these methods include:

1. ESG ratings of companies: the ESG research and filtering methodology considers and evaluates the principal adverse impacts on sustainability from two distinct but related perspectives:

- the commercial activities of the issuers of the company and their positive or adverse impact on the main sustainability challenges such as climate change and resource depletion,

the company's interactions with the main stakeholders.

2. Negative filtering of companies, consisting of a normative exclusion and an exclusion of companies involved in controversial activities.

3. Engagement activities with the companies based on dialogue, helping to avoid or mitigate the adverse impacts. The ESG analysis framework and its results feed into Candriam's engagement policy and vice versa.

For the analysis of sovereign issuers, these methods include:

1. ESG ratings of countries: the ESG research and filtering methodology considers and evaluates the principal adverse impacts on sustainability from the perspective of four capitals of sustainable development:

- natural capital, evaluating how a country conserves and uses its natural resources in a sustainable way,
- human capital, measuring economic and creative productivity by evaluating levels of education and expertise, innovation, health, including sustainability issues,
- social capital, evaluating civil society and state institutions in each country, focusing on transparency and democracy, the effectiveness of government, corruption, inequality and population security,
- economic capital, evaluating a country's economic fundamentals in order to determine each government's capacity to finance and support sustainable development policies in the long term.

2. Negative filtering of countries comprising the following elements in particular:

- Candriam's list of highly oppressive regimes — States guilty of serious human rights violations.

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry/sector to which the company belongs or for each country in order to ensure that a country's score adequately reflects the short, medium and long term problems, challenges and/or opportunities that matter for the future development of the country. This materiality depends on a number of elements including the type of information, the quality and scope of the data, applicability, relevance and geographical coverage.

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

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

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

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

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

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

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



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

At Sub-Fund level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means (cfr. Candriam's PAI statement : <https://www.candriam.com/en/private/sfdr/>):

- Engagement : in order to avoid and/or reduce the adverse impact on sustainable objectives, the Sub-Fund also considered the adverse impacts in its interactions with companies, through dialogue. Candriam prioritised its engagement activities according to an evaluation of the most material and relevant ESG challenges, facing industries and issuers, by considering both the financial and societal / stakeholder impacts. Therefore, the level of engagement with each company within the same product may vary and is subject to Candriam's prioritisation methodology.
  - Dialogue:

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

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

Our objective is obviously to encourage companies to publicly report on how they align with a 1.5D trajectory and to support such an alignment. Beyond any Net Zero commitment and Scope1-2-3 absolute emissions disclosure, Candriam thus encourage them to provide insights on how short / mid term targets are aligned with scientifically recognized 1.5D trajectory. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue. As in previous year, we continue to support and actively participate to several collaborative initiatives such Climate Action 100+ . These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual engagement & voting report, available on our public website (<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>) .

Given the geopolitical context and observed increase of inequalities, several engagements have also been performed in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10, PAI11). We also conducted a dedicated Post-covid direct engagement campaign aiming at investigating how relationships with stakeholders were impacted and the changes now integrated as the “new normal” course of business for Candriam’s investee companies. In the same vein, Human capital management is an aspect we address in most of our exchanges with companies. We continue to support Workforce Disclosure Initiative defending a better access to reliable, relevant and comparable data on companies’ direct and indirect workforces.

- Exclusion: Candriam's negative screening of companies or countries aimed to avoid investments in harmful activities or practices and may led to exclusions linked to comparnies' or issuers' adverse impact.
- Monitoring: calculation and evaluation of the principal adverse impact indicators including the reporting at Sub-Fund level. Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the sub-fund. See below the results of the indicators of this Sub-fund :

PAI indicators	Value
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%
16 - Investee countries subject to social violations	0.00%



## What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31/12/2022

Top investments	Sector	Proportion	Country
KBC BANK NV ZCP 020123	Banks and other financial institutions	6.40%	BE
COLGATE PALMOLIVE CO ZCP 050323	Miscellaneous consumer goods	3.84%	US
EURO UNIO BILL ZCP 06-01-23	Supranational Organisations	3.84%	BE
SPAI LETR DEL TESO ZCP 13-01-23	Bonds of States. Provinces and municipalities	3.84%	ES
GERM TREA BILL ZCP 18-01-23	Bonds of States. Provinces and municipalities	3.83%	DE
EURO STAB MECH ZCP 12-01-23	Supranational Organisations	3.58%	LU
TOYOTA MOTOR FIN ZCP 110123	Banks and other financial institutions	3.58%	NL
REGION HAUTS DE FRA ZCP 250123	Bonds of States. Provinces and municipalities	3.58%	FR
SANTAN CONS FIN S.A. ZCP 160123	Banks and other financial institutions	3.58%	ES
AUTRICHE REPUB ZCP 260123	Bonds of States. Provinces and municipalities	3.50%	AT
BMW ZCP 130123	Banks and other financial institutions	3.20%	NL
PARIS (VILLE DE) ZCP 060123	Bonds of States. Provinces and municipalities	2.56%	FR
LINDE FINANCE BV ZCP 300123	Banks and other financial institutions	2.55%	NL
KERING FINANCE ZCP 170123	Banks and other financial institutions	2.30%	FR
WESTPAC BANKING CORP 0.375 17-23 05/03A	Banks and other financial institutions	1.79%	AU

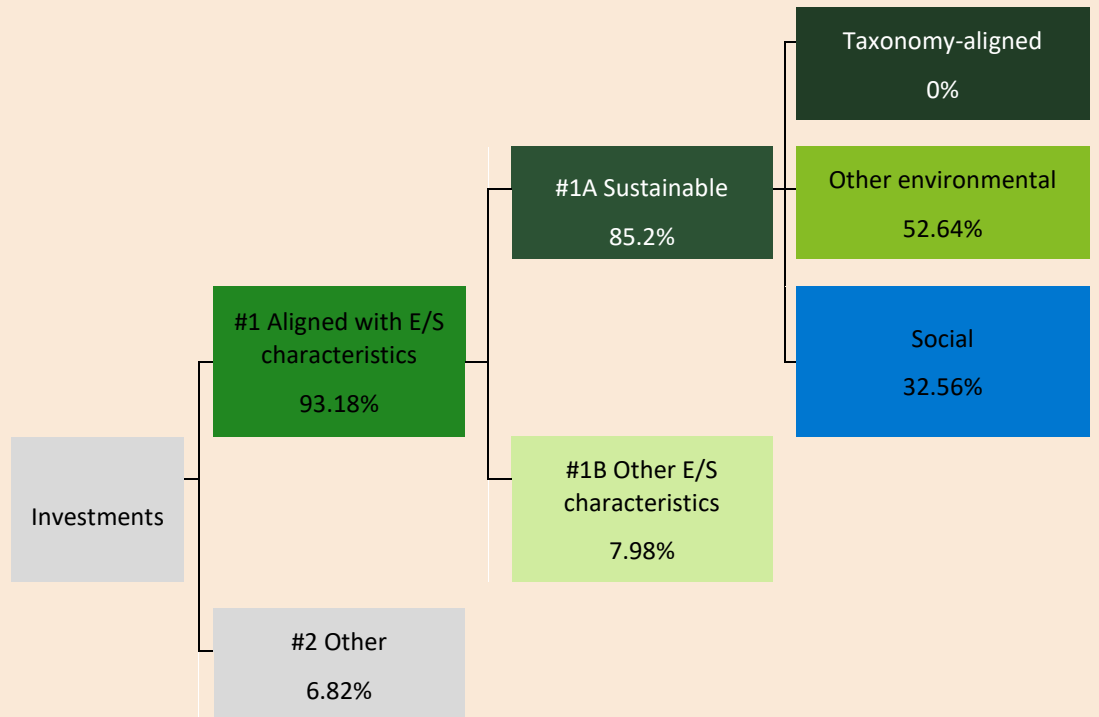
*Minor differences may be present between the data above and the corresponding ones in the section "Investment portfolio" of the annual report due to the number rounding process*



## What was the proportion of sustainability-related investments?

### What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.



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

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

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

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

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

Top sector	Proportion
Banks and other financial institutions	48.43%
Bonds of States, Provinces and municipalities	18.20%
Supranational Organisations	7.42%
Miscellaneous consumer goods	3.84%
Pharmaceuticals	2.02%
Various capital goods	1.28%
Machine and apparatus construction	0.76%
Investments funds	0.28%

*Minor differences may be present between the data above and the corresponding ones in the section "Investment portfolio" of the annual report due to the number rounding process*



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

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

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

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

Taxonomy-aligned activities are expressed as a share of:

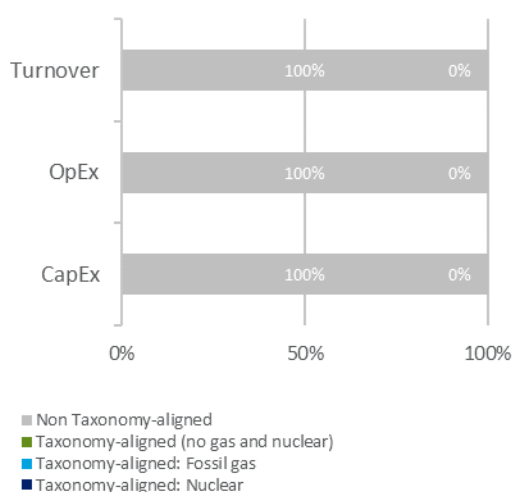
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting the green operational activities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

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

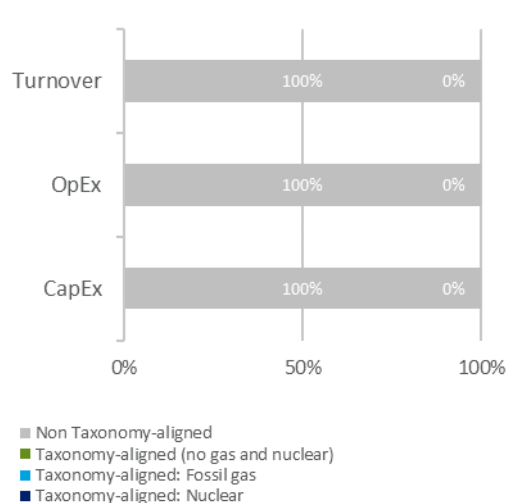
- ☐ Yes
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

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

1. Taxonomy-alignment of investments including sovereign bonds\*



2. Taxonomy-alignment of investments excluding sovereign bonds\*



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

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

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

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


Not applicable because no previous period data is available

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

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

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

Therefore, this percentage is considered as nul.

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

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

The Sub-Fund had a share of 52.64% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2022 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.

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

The Sub-fund had a share of investments with a social objective of 32.56%

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

The investments included under «Other» are present in the Sub-fund for 6.82% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions or being the result of the decision of market exposure of the Sub-Fund;
- Investments with issuers with E/S characteristics at the moment of the investment and are not fully aligned anymore with the Candriam investment with E/S criteria. These investments are planned to be sold;
- Other investments (including single name derivatives) purchased for diversification purposes and that might not be subject to an ESG screening or for which ESG data is not available;
- Non single name derivatives used for efficient portfolio management and/or for hedging purposes and/or temporarily following subscriptions/redemptions.



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

In order to respect the environmental and/or social characteristics during the reference period, the sub-fund initiated / reinforced positions in issuers with a positive ESG profile, based on Candriam's independent ESG rating assessment.

Despite our underweight in the utility sector, we held positions in the following names given their focus on the energy transition to a low carbon environment: Iberdrola and Enel. Within the automotive sector we held exposure to the following names: Volkswagen and Mercedes, which are both focusing on the transition from combustion to EV and have launched various models last year to compete with Tesla (current market leader within the EV space). We also held a position in Toyota, although lagging in the EV space, they are still very strong in the hybrid cars, which made that they have a lower emission per car in circulation compared to other automakers. The fund sold the following investments for which the issuers did not have environmental and/or social characteristics : Berkshire Hathaway: the holding was excluded due to a risk linked to its potential exposure to armaments.

The Sub-fund achieved a carbon footprint of 14.41 as at end of December 2022, better than its objective of maximum 140 tons of CO2 equivalent per million euro invested.



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

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

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

## Sustainable investment objective

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

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

### Did this financial product have a sustainable investment objective?

<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : 46.32%	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investment
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : 44.14%	<input type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent was the sustainable investment objective of this financial product met?

The attainment of the sustainable investment objectives was measured through the following sustainability indicators:

- Carbon footprint : the Sub-fund aimed to have a carbon footprint below a determined absolute threshold.
- ESG score : the Sub-fund aimed to have a weighted average ESG score , including corporate and sovereign issuers, which results from Candriam's proprietary ESG analysis , that is higher than 50 (on a scale from 0 to 100).

Moreover, the following indicators were monitored:

- to assure that there are no investments in issuers that are in violation with the OECD Guidelines for Multinational Enterprises or the UN Global Compact.
  - to assure that there are no investments in issuers that are on the Candriam's SRI exclusion list as a result of the application of the Candriam's Exclusion Policy.
  - to assure that there are no sovereign investments in countries that are on Candriam's Oppressive regime list
  - to assure that there are no sovereign investments in countries considered "Not free" by Freedom House.

The Sub-Fund's reference benchmark has not been designated for the purpose of attaining the sustainable investment objective of the Sub-Fund.

'The Sub-Fund's reference benchmark does not qualify as an EU Climate Transition Benchmark or an EU Paris-Aligned Benchmark under Title III, Chapter 3a, of Regulation (EU) 2016/1011.

However, the Sub-Fund aimed to have a carbon footprint below a determined absolute threshold.

Moreover, Candriam being part of the Net Zero Asset Management initiative, the Sub-Fund aimed to reduce greenhouse gas emissions in line with the objectives of the Paris Agreement

### ● **How did the sustainability indicators perform?**

The Sub-Fund has been managed in accordance with its sustainability indicators as defined below.

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

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

For sovereign issuers, these assessments are based on the analysis of the countries' management of their natural, human, social and economic capital. In addition, exclusion filters are used to screen out issuers that do not meet democratic and governance standards.

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

This integration of Candriam's ESG research methodology has enabled the Fund to meet the minimum proportion of sustainable investments defined in the prospectus (minimum 75%). The proportion of sustainable investments in the Fund was therefore above this minimum threshold, as detailed in the section "What was the proportion of sustainability-related investments?"

Sustainability KPI Name	Value	Benchmark
Carbon Footprint - Corporate - Scope 1&2 - Lower than absolute threshold (currently 100)	15.81	
ESG Score - Country and Corporate - Higher than 50	56.18	

### ● **... And Compared to Previous Periods?**

Not applicable because no previous period data is available.

### ● **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

Candriam ensured that its sustainable investments do not cause significant harm to any environmental and/or social sustainable investment objective by means of its ESG research and analysis of corporate and sovereign issuers. Based on its proprietary ESG Ratings and Scorings, Candriam's ESG methodology sets clear requirements and minimum thresholds to identify those issuers - companies and sovereigns - that qualify as 'sustainable investment' and, in particular, do not cause significant harm to any environmental and/or social sustainable investment objective.

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

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

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

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

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

For the analysis of corporate issuers, these methods include:

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

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

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

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

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

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

For the analysis of sovereign issuers, these methods include:

1. Country ESG Scores: the ESG research and screening methodology considers and assesses key negative sustainability impacts around four sustainability dimensions: Natural capital, Human capital, Social capital, and Economic capital.

2. Negative Country Screening, which includes the following:

- Candriam's list of highly oppressive regimes -States with serious human rights violations;
- Freedom House's World Freedom Index - states considered "not free".

The integration of the principal adverse impacts on sustainability factors has been based on the materiality or likely materiality of each indicator for each specific industry / sector/ to which the company belongs and for each country to ensure that a country's score adequately reflects the short, medium and long-term problems, challenges and/or opportunities that matter for that country's future development. This materiality depends on several elements, such as the type of information, quality and extent of data, applicability, relevance and geographical coverage.

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

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

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



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

At Sub-Fund level, the principal adverse impacts (PAI) on sustainability factors were considered through one or several means (cfr. Candriam's PAI statement : <https://www.candriam.com/en/private/sfdr/>):

- Engagement : in order to avoid and/or reduce the adverse impact on sustainable objectives, the Sub-Fund also considered the adverse impacts in its interactions with companies, through dialogue . Candriam prioritised its engagement activities according to an evaluation of the most material and relevant ESG challenges, facing industries and issuers, by considering both the financial and societal / stakeholder impacts. Therefore, the level of engagement with each company within the same product may vary and is subject to Candriam's prioritisation methodology.
  - Dialogue:

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

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

Our objective is obviously to encourage companies to publicly report on how they align with a 1.5D trajectory and to support such an alignment. Beyond any Net Zero commitment and Scope1-2-3 absolute emissions disclosure, Candriam thus encourage them to provide insights on how short / mid term targets are aligned with scientifically recognized 1.5D trajectory. We expect issuers in particular to explain how their strategy and capital expenditures plan serve their decarbonisation commitment. We usually combine individual and collaborative dialogue. As in previous year, we continue to support and actively participate to several collaborative initiatives such Climate Action 100+ . These initiatives contribute not only to increase the level of transparency on Greenhouse gas emissions and related strategy, but also to gain fundamental leverage for supporting strategic changes. Outcomes of these engagements are detailed in our annual

engagement & voting report, available on our public website (<https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications>).

Given the geopolitical context and observed increase of inequalities, several engagements have also been performed in relation to the protection of fundamental human rights at direct or indirect workforce level (supply chain due diligence) (PAI10, PAI11). We also conducted a dedicated Post-covid direct engagement campaign aiming at investigating how relationships with stakeholders were impacted and the changes now integrated as the “new normal” course of business for Candriam’s investee companies. In the same vein, Human capital management is an aspect we address in most of our exchanges with companies. We continue to support Workforce Disclosure Initiative defending a better access to reliable, relevant and comparable data on companies’ direct and indirect workforces.

- Exclusion: Candriam's negative screening of companies or countries aimed to avoid investments in harmful activities or practices and may led to exclusions linked to companies' or issuers' adverse impact.
- Monitoring: calculation and evaluation of the principal adverse impact indicators including the reporting at Sub-Fund level. Some of these indicators may have explicit targets and can be used to measure the attainment of the sustainable investment objective of the sub-fund. See below the results of the indicators of this Sub-fund :

PAI indicators	Value
1- GHG Emissions - Scope 1 GHG Emissions	642.59
1- GHG Emissions - Scope 2 GHG Emissions	379.02
1- GHG Emissions - Total GHG Emissions	1021.61
2 - Carbon Footprint	15.81
3 - GHG intensity of investee companies	51.92
4 - Exposure to companies active in fossil fuel sector	5.13%*
10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	0.00%
13 - Board gender diversity	35.76%
14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0.00%
15 - GHG intensity	290.73
16 - Investee countries subject to social violations	0.00%

*\*This PAI does not reflect the % of income invested in the portfolio but the % of issuers who have part, even if marginal, of their income exposed to Fossil fuel. In order to accommodate the integration of renewable energy and handle their intermittency, even the greenest Electrical Utilities need to maintain some gas-based capacity as storage based solutions are still in their infancy. As example, Iberdrola, In 2021, total installed capacity was made of 75% renewables, gas represented 15% and the remaining is Nuclear. In its 2030 generation mix, the company plans to have 85% of Renewable energy, meeting the IEA's expectation of 60% share of renewables by 2030.*



## What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31/12/2022

Top investments	Sector	Proportion	Country
JAPAN TREASURY DISC ZCP 160123	Bonds of States. Provinces and municipalities	7.32%	JP
THERMO FISHER SCIENTIF FL.R 21-23 18/04Q	Electronics and semiconductors	6.27%	US
SCANIA CV AB ZCP 090123	Road vehicles	5.65%	SE
IBERDROLA INT. BV ZCP 180123	Electrical engineering	5.14%	NL
CANDRIAM SUSTAINABLE MONEY MARKET EURO Z C	Investments funds	4.88%	LU
CANDRIAM MONÉTAIRE SICAV Z C	Investments funds	4.88%	FR
ROYAL BANK OF CANADA FL.R 20-23 17/01Q	Banks and other financial institutions	4.69%	US
BANK OF NOVA SCOTIA FL.R 20-23 16/09Q	Banks and other financial institutions	4.34%	CA
BARRY CALLEBAUT SERV 5.5 13-23 15/06S	Foods and non alcoholic drinks	4.32%	BE
COFINIMMO SA ZCP 030123	Investments funds	4.11%	BE
BPCE FL.R 18-23 12/09Q	Banks and other financial institutions	4.07%	FR
NATIONWIDE BUILDING ZCP 050123	Real estate	3.84%	GB
DANONE 144A 2.589 16-23 02/11S	Foods and non alcoholic drinks	3.78%	FR
CANA TREA BILL ZCP 19-01-23	Bonds of States. Provinces and municipalities	3.54%	CA
EBAY INC FL.R 17-23 30/01	Retail trade and department stores	3.25%	US

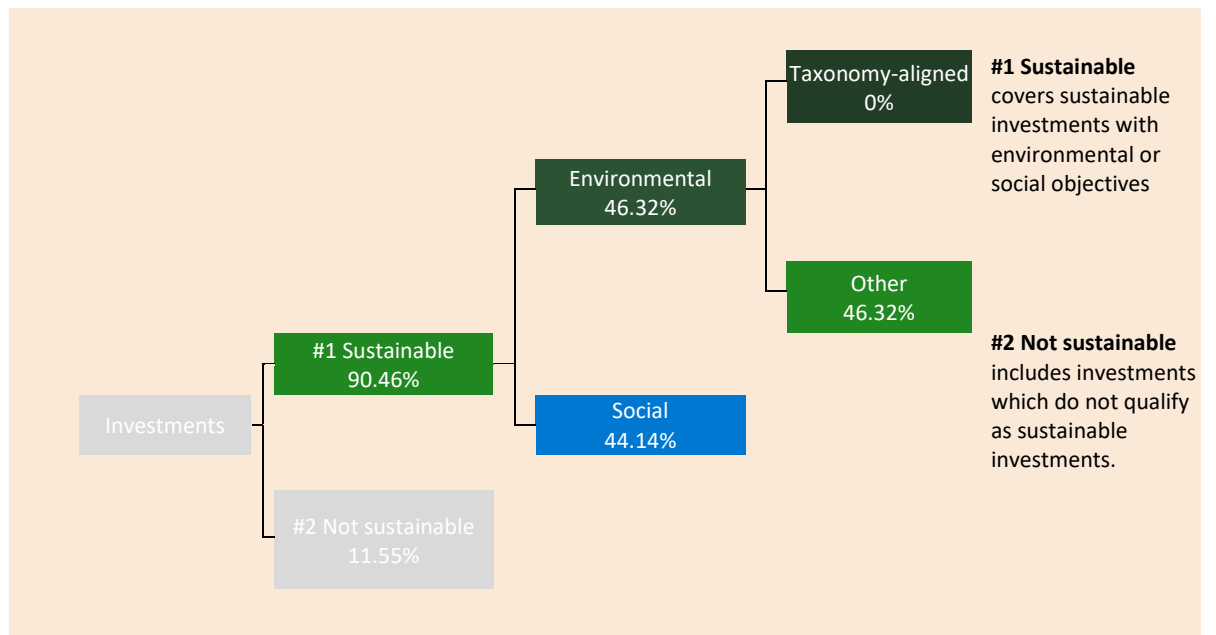
*Minor differences may be present between the data above and the corresponding ones in the section "Investment portfolio" of the annual report due to the number rounding process*



**Asset allocation**  
describes the  
share of  
investments in  
specific assets.

## What was the proportion of sustainability-related investments?

### ● *What was the asset allocation?*



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

Top sector	Proportion
Banks and other financial institutions	26.89%
Investments funds	13.87%
Bonds of States, Provinces and municipalities	13.43%
Foods and non alcoholic drinks	8.10%
Retail trade and department stores	6.31%
Electronics and semiconductors	6.27%
Road vehicles	5.65%
Electrical engineering	5.14%
Real estate	3.84%
Office supplies and computing	1.16%
Internet and internet services	0.96%

*Minor differences may be present between the data above and the corresponding ones in the section "Investment portfolio" of the annual report due to the number rounding process*



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

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

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

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

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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

☐

Yes

☐ In fossil gas

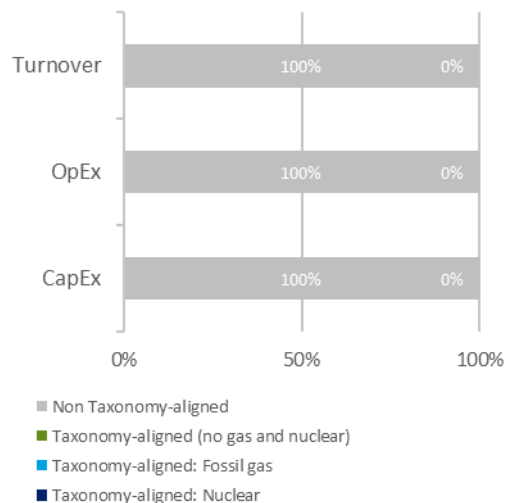
☐ In nuclear energy

☒

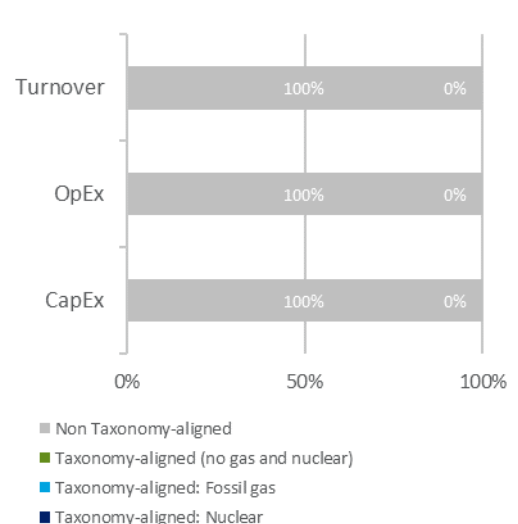
No

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

1. Taxonomy-alignment of investments **including** sovereign bonds\*




2. Taxonomy-alignment of investments **excluding** sovereign bonds\*



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

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

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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

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

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

Not applicable because no previous period data is available.

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

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

Therefore, this percentage is considered as nul.



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

The Sub-Fund had a share of 46.32% in sustainable investments on the environmental plan not aligned with the EU taxonomy.

Indeed to date, only two of the six objectives have entered into force in 2022 and very few companies at global level provide the data necessary for a rigorous assessment of their alignment with the Taxonomy.



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

The Sub-Fund had a share of investments with a social objective of 44.14%



**What investments were included under “#2 Not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The investments included under "Not sustainable" are present in the Sub-fund for 11.55% of the total net assets.

These investments include one or more of the following assets:

- Cash: Cash at sight, cash deposit, reverse repo needed to manage the liquidity of the Sub-fund following subscriptions/redemptions and/or being the result of the market exposure decision of the Sub-fund.
- Investments with issuers considered as sustainable investments at the moment of the investment and that are not fully aligned anymore with the Candriam sustainable investment criteria. These investments are planned to be sold.
- Non single name derivatives used for efficient portfolio management and/or for hedging purposes and/or temporarily following subscriptions/redemptions



**What actions have been taken to attain the sustainable investment objective during the reference period?**

The Sub-fund achieved a carbon footprint of 15.81 as at end of December 2022, better than its objective of maximum 100 tons of CO2 equivalent per million euro invested. These numbers are based on Scope 1 & 2 emissions.

In order to respect the sustainable investment objective during the reference period, we sold the following investments : Berkshire Hathaway, the holding was excluded due to a risk linked to its potential exposure to armaments.

In order to respect the sustainable investment objective during the reference period, we purchased the following investments for which the issuers had contribute to the achievement of its sustainable investment objective: Schneider, Royal Bank of Canada, Iberdrola, Toronto dominion and Thermo Fischer.



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

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

No specific index is designated as a reference sustainable benchmark to meet the sustainable investment objectives.