

KEY INFORMATION DOCUMENT

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

PRODUCT

Impact Finance, D EUR H - Distribution, a sub-fund of Candriam M, SICAV

D EUR H denominated in EUR, hedged against USD

Manufacturer: Candriam, a New York Life Investments group entity.
ISIN: LU2016896354
Website: www.candriam.com
Contact: Call +352 27 97 24 25 for more information
Competent Authority: The Commission de Surveillance du Secteur Financier (CSSF) is in charge of the control of Candriam with regard to this key information document. .
This product is authorised in Luxembourg.
Candriam is approved in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

This key information document is valid as at 2024-03-01.
You are about to purchase a product that is not simple and may be difficult to understand.

WHAT IS THIS PRODUCT?

Type: This product is a share class (D EUR H) of a sub-fund (Impact Finance) of an investment company with variable capital (SICAV) under Luxembourg law (Candriam M), Alternative Investment Fund (AIF).

Term: Open-ended.

Objectives:

Principal assets traded:

Impact Finance (the "Sub-Fund") pursues investment dual objective by aiming to deliver a positive sustainable impact and an attractive financial return by investing in fixed income instruments primarily Emerging and Frontier Economies.

Investment strategy:

The Sub-Fund aims to invest principally in sustainable positive impact investments as currently illustrated by the United Nations Sustainable Development Goals (SDGs) 2030 adopted by all United Nations Member States in 2015, and aims to promote among other goals, SDG 1 - No Poverty, SDG 2 - Zero Hunger, SDG 5 - Gender Equality, SDG 7 - Affordable and Clean Energy, SDG 8 - Decent Work and Economic Growth, and SDG 11 - Sustainable Cities and Communities.

The Sub-Fund will pursue its investment strategy principally through the purchase of fixed income instruments issued by Finance Institutions which provide financial products or services which pursue sustainable development goals ("FI"), principally in Emerging and Frontier Economies, with specific emphasis on Microfinance Institutions with a view to financing their micro, small and medium enterprises ("MSME") and/or low or middle income household ("LMIH") clientele.

The Sub-Fund will primarily reach the FIs through direct lending but may also invest indirectly via investment vehicles, networks or pool of intermediaries. The Sub-Fund will invest principally directly or indirectly, in term loans, promissory notes, notes, certificates of deposit, commercial papers or similar debt instruments, which will, in principle, be held until maturity.

The Sub-Fund will primarily target short to mid-term maturities (6 to 60 months). On an ancillary basis, the Sub-Fund may also hold directly or indirectly: equity instruments such as listed and unlisted equity shares, common stock and preferred shares including participations in specialized structures to manage the foreign exchange risk of the Sub-Fund or the conversion of a portion of the Sub-Fund's debt into equity instrument in the context of the bankruptcy, default or inter-creditor discussion related to a non performing loan ; cash or cash equivalents; and/or money market funds up to 30% of its Net Assets.

The Sub-Fund may invest up to 10% of its Net Asset Value in loans or debt securities issued by the same Investee, or FI (this ratio is calculated by transparency if the investment involves the use of an investment vehicle) with up to 20% of its Net Asset Value in loans or debt securities issued by FIs within the same group.

The Sub-Fund will not acquire more than 20% of total assets of any single investee or FI. These limits have to be considered at the time of the investment. However, due to external circumstances which may occur after investments are made, these limits could be exceeded. In such event, the Sub-Fund may continue to hold such investments.

The Sub-Fund may invest up to 20% of its Net Asset Value in any single currency, provided that this limit shall not apply to the EUR and USD.

The Sub-Fund may invest up to 15% of its Net Assets in any one country. For the avoidance of doubt, the geographical exposure is defined by the domicile of underlying investee and not the jurisdiction of the investment vehicle or instrument in which the Sub-Fund invests. To ensure maximum security within the legal framework and a stable financial background, the Sub-Fund shall select FIs which have an acceptable legal status (the FIs must have a status which offers the Sub-Fund adequate protection irrespective of the type of indebtedness) and suitable financial background.

The Investment Manager integrates ESG criteria and sustainability risk management into the core investment process of the Sub-Fund through its research, analysis and decision making processes. The Sub-Fund may, for efficient portfolio management or hedging purposes, use listed or over-the-counter (OTC) financial derivative instruments such as credit, foreign exchange and interest rate futures, options or swaps, within the limits set forth in the section "Use of financial derivative instruments" of the Prospectus and any applicable legal provisions.

The Sub-Fund may borrow up to 35% of its assets on a temporary basis, primarily in order to handle the deferred payment procedures related to investor subscriptions and redemptions of the Sub-Fund's shares.

The Reference currency of the Sub-Fund is the USD.

This share class aims to reduce the effect of fluctuations in exchange rates between the reference currency of the sub-fund USD and the EUR (the currency in which the share class is denominated). This reduces the foreign exchange risk but does not eliminate it entirely.

Benchmark: /.

The Sub-Fund is not managed with reference to any index, it is actively managed on a discretionary basis.

Redemption of shares: On request, the last Banking Business Day of each month in Luxembourg, subject to three calendar months' notice, as further specified in the Prospectus.

Allocation of income: Distribution.

Intended retail investor:

This product is for investors who meet the conditions for accessing the product in question (see prospectus) with the level of investment knowledge required by the distributor who are looking for Capital Growth and Income. This product can be used as a core holding or a component of a diversified portfolio for investments with an investment horizon of 5 years. Investors should understand the product risks and only invest if they can bear potentially substantial losses.

General information:

Depository bank: CACEIS Bank, Luxembourg Branch.

Other information:

This document provides a description of a share class of a sub-fund of Candriam M. The prospectus and periodical reports are established for all the sub-funds. There are other share classes and these are listed in the prospectus.

Investors may apply for the conversion of their shares into shares of another class of the same sub-fund or into shares of a class of another sub-fund of the fund, based on the eligibility criteria and following the procedures available through their financial intermediary.

The sub-fund is only liable for the debts, liabilities and obligations that can be charged to it.

Additional information about the fund can be found in the prospectus and the periodical reports, which may be obtained free of charge on request from Candriam or viewed at any time on the website www.candriam.com. These documents are available in one of the languages approved by the local authority of each country where the fund is authorised to market its shares or in a common language in the international finance sphere. All other practical information, in particular the latest share price, is available from the places shown above.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?



The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

Risk Indicator

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as class 3 out of 7, which is a medium-low risk class.

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

Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Other risk(s) materially relevant not included in the summary risk indicator: Operational.

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

Performance scenarios

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product and/or a suitable benchmark over the last 10 years. Markets could develop very differently in the future.

The stress scenario shows what you might get back in extreme market circumstances.

Unfavourable: This type of scenario occurred for an investment between 01/2023 and 12/2023.

Moderate: This type of scenario occurred for an investment between 06/2016 and 05/2021.

Favourable: This type of scenario occurred for an investment between 09/2014 and 08/2019.

Recommended holding period: Example Investment:		5 years 10 000 EUR	
		If you exit after 1 year	If you exit after 5 years
Scenarios			
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress	What you might get back after costs	9 390 EUR	9 350 EUR
	Average return each year	- 6.13%	- 1.33%
Unfavourable	What you might get back after costs	9 940 EUR	10 220 EUR
	Average return each year	- 0.63%	0.43%
Moderate	What you might get back after costs	10 240 EUR	11 280 EUR
	Average return each year	2.36%	2.43%
Favourable	What you might get back after costs	10 460 EUR	11 650 EUR
	Average return each year	4.59%	3.10%

WHAT HAPPENS IF CANDRIAM IS UNABLE TO PAY OUT?

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

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

The potential financial loss associated with the default of Candriam is not covered by an investor compensation or guarantee scheme.

WHAT ARE THE COSTS?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over Time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.

- EUR 10 000 is invested.

	If you exit after 1 year	If you exit after 5 years
Total costs	230 EUR	1 360 EUR
Annual cost impact (*)	2.3%	2.4% each year

* This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 4.8% before costs and 2.4% after costs.

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

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

Composition of Costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	We do not charge any entry fee.	0 EUR
Exit costs	We do not charge an exit fee for this product, but the person selling you the product may do so.	0 EUR
Ongoing costs taken each year		
Management fees and other administrative or operating costs	2.19% of the value of your investment per year. This is an estimate based on actual costs over the last year.	224 EUR
Transaction costs	0.06% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	6 EUR
Incidental costs taken under specific conditions		
Performance fees	There is no performance fee for this product.	N/A

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

Recommended holding period: 5 years

The selection of the recommended holding period depends on the underlying investments type as well as the level of associated risk (from high to low risk). For example, "equity" products (with a high level of risk) generally have a recommended holding period of 6 years (long-term period), "bond or money market" products (with a lower risk profile) have a shorter recommended holding period (generally between 2 and 4 years for bonds products or less than 1 year for money market products - medium-term/short-term period). "Mixed" products generally have a recommended holding period between 3 and 5 years, depending on the weight of the underlying instruments type. The recommended holding period for "Alternative-type" products is generally 3 years.

The investor may request for the redemption of its shares, at any time, under the conditions set out in the section "What are the costs?". A decision to shorten your holding period, compared to the recommended one, may increase the impact of potential fees on the performance profile.

HOW CAN I COMPLAIN?

Complaints about this product or about the conduct of the product manufacturer or the person advising on, or selling, the product:

Postal address: Candriam, SERENITY – Bloc B, 19-21, route d'Arlon – L-8009 Strassen

Website: <https://contact.candriam.com>

E-mail: complaints@candriam.com

OTHER RELEVANT INFORMATION

Alongside with this document, please read the prospectus on the website www.candriam.com.

The past performance of this product for 4 years can be accessed via the following link: <https://www.candriam.com/documents/redirect/Candriam/KPP/en/LU2016896354>. Past performance is not a reliable indicator of future performance. Markets could develop very differently in the future. However, it can help you to assess how the fund has been managed in the past.

Past performance scenario calculations are available via the following link: <https://www.candriam.com/documents/redirect/Candriam/KMS/en/LU2016896354>.

Details of the up-to-date remuneration policy, including the composition of the remuneration committee and an overview of how remuneration and benefits are determined, are available on the website https://www.candriam.com/siteassets/legal-and-disclaimer/external_disclosure_remuneration_policy.pdf.

Upon request, a paper copy of the remuneration policy can be obtained from the Management Company free of charge.