

# 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

# EMU Innovation, C - Capitalisation, a sub-fund of Candriam Equities L, SICAV

<b>ISIN:</b>	LU0317020898
<b>Manufacturer:</b>	Candriam
<b>Website:</b>	www.candriam.com
<b>Contact:</b>	+352 27 97 24 25
<b>Competent Authority:</b>	Candriam is authorized in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF). Candriam Equities L is authorized in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

This key information document is valid as at 2023-09-11.

## WHAT IS THIS PRODUCT?

**Type:** SICAV

**Term:** Open-ended.

### Objectives:

#### Principal assets traded:

Shares of companies demonstrating a strong capacity to successfully innovate (in terms of products, organisation, marketing, etc.) and most of whose registered offices and/or principal activities are in a member country of a eurozone country.

The portfolio will be at least 75% invested in equities.

#### Investment strategy:

The fund seeks to achieve capital growth by investing in the principal assets traded and to outperform the benchmark.

The management team makes discretionary investment choices based on economic/financial analyses.

Bearing in mind that the engines of innovation differ from one sector to another, financial analysts tailor their analysis to the sector and select companies with a competitive advantage likely to create value.

The selection of companies is based on a combination of two criteria: the ability to innovate and the financial quality. The analysis of the ability to innovate identifies the most innovative companies in their sector. This includes, but is not limited to, product innovation, organisational innovation, marketing innovation, etc.

according to five criteria: quality of management, growth potential, competitive advantage, value creation and indebtedness.

The fund promotes, among other characteristics, environmental and/or social characteristics but does not have sustainable investment as its objective. Environmental, social and governance (ESG) criteria contribute to the asset manager's decision-making but are not a decisive factor in this decision-making. For more information, please see the management company's website and/or the prospectus.

The fund may make use of derivative products for both investment and hedging purposes (to protect against future unfavourable financial events). For French residents, the fund is eligible for the Equities Savings Scheme (PEA).

#### Benchmark: MSCI EMU (Net Return).

The fund is managed actively and the investment approach implies a reference to a benchmark (the index).

#### Benchmark definition:

The index measures the performance of the large and mid capitalisation equity segment across developed markets in the European Economic and Monetary Union (EMU).

#### Use of the benchmark:

- as an investment universe. In general, the financial instruments of the sub-fund are mostly contained in the index. However, investments outside this index are authorised;

- in determining risk levels/parameters;

- for performance comparison purposes;

- to calculate the performance fee for some share classes.

As the fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the fund will be large, i.e. above 4%. This measure is an estimation of the divergence of the fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

**Repayment of shares:** On demand, every day, at Luxembourg.

**Allocation of income:** Reinvestment.

#### Intended retail investor:

This product is for investors who meet the conditions for accessing the product in question (see prospectus) with any level of knowledge and experience who are looking for Capital Growth. This product can be used as a core holding or a component of a diversified portfolio for investments with an investment horizon of 6 years. Investors should understand the product risks and only invest if they can bear potentially substantial losses.

#### General information:

**Depositary bank:** CACEIS Bank, Luxembourg Branch.

#### Other information:

This document provides a description of a share class of a sub-fund of Candriam Equities L. 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](http://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 SRI assumes you keep the product for 6 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 ("SRI") 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 4 out of 7, which is a medium risk class.

This rates the potential losses from future performance at a medium level, and poor market conditions could impact the capacity of the fund to pay you.

**Be aware of currency risk.** In some circumstances, you may receive payments in a different currency, so the final return you will get may 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 SRI:** Counterparty. Derivatives. Sustainability.

This product does not include any protection from future market performance. Please refer to the 'Risk' section of the prospectus for more details.

### 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 advisor 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/a suitable benchmark over the last 11 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 01/2022 and 01/2023.

Moderate: This type of scenario occurred for an investment between 12/2014 and 11/2020.

Favourable: This type of scenario occurred for an investment between 06/2012 and 05/2018.

Investment 10 000 EUR			
Scenarios		If you exit after 1 year	If you exit after 6 years (recommended holding period)
<b>Minimum: There is no minimum guaranteed return. You could lose some or all of your investment.</b>			
<b>Stress scenario</b>	<b>What you might get back after costs</b>	<b>1 900 EUR</b>	<b>1 660 EUR</b>
	Average return each year	- 81.00%	- 25.87%
<b>Unfavourable scenario</b>	<b>What you might get back after costs</b>	<b>7 380 EUR</b>	<b>7 950 EUR</b>
	Average return each year	- 26.19%	- 3.74%
<b>Moderate scenario</b>	<b>What you might get back after costs</b>	<b>10 370 EUR</b>	<b>13 460 EUR</b>
	Average return each year	3.65%	5.08%
<b>Favourable scenario</b>	<b>What you might get back after costs</b>	<b>13 940 EUR</b>	<b>18 200 EUR</b>
	Average return each year	39.45%	10.50%

## WHAT HAPPENS IF CANDRIAM IS UNABLE TO PAY OUT?

The assets under management of Candriam do not form part of the estate in case of insolvency of Candriam. They cannot be claimed by creditors of Candriam. Nevertheless, the investor may face a financial loss due to the default of Candriam.

The financial loss 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.

Investment 10 000 EUR	If you exit after 1 year	If you exit after 6 years
<b>Total costs</b>	<b>588 EUR</b>	<b>2 407 EUR</b>
Annual cost impact *	5.9%	2.9%

\* 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 8.0% before costs and 5.1% after costs.

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

		If you exit after 1 year
<b>One-off costs upon entry or exit</b>		
<b>Entry costs</b>	3.50% maximum of the amount you pay in when entering this investment.	350 EUR
<b>Exit costs</b>	We do not charge an exit fee for this product.	0 EUR
<b>Ongoing costs</b>		
<b>Management fees and other administrative or operating costs</b>	1.85% of the value of your investment per year. This is an estimate based on actual costs over the last year.	209 EUR
<b>Transaction costs</b>	0.28% 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.	29 EUR
<b>Incidental costs taken under specific conditions</b>		
<b>Performance Fee</b>	There is no performance fee for this product.	N/A

**Switch fee:** 2.5%. For more information about how to exercise that right, see section "General information" and/or refer to the prospectus.

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

**Recommended holding period:** **6 years**

The choice of recommended holding period depends on the types of the underlying investments and on the associated degree of risk, which may be higher or lower. For example "equity" type products (higher risk) generally have a recommended holding period of six years (long term), and "bonds or money market" type products (lower risk) have a shorter recommended holding period (generally between two and four years for bond products or less than one year for money market products - medium term/short term). "Mixed" type products generally have a recommended holding period of between three and five years depending on the weighting of the types of underlyings. "Alternative" type products generally have a recommended holding period of three years.

Investors may request redemption of their units at any time under the conditions set out in "What will this investment cost me? ". The shorter the holding period in relation to the recommended period, the greater the potential impact of any charges 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](mailto:complaints@candriam.com)

### OTHER RELEVANT INFORMATION

Alongside with this document, please read the prospectus on the website [www.candriam.com](http://www.candriam.com).

The past performance of this product for 10 years can be accessed via the following link: <https://www.candriam.com/documents/redirect/Candriam/KPP/fr/LU0317020898>. 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/fr/LU0317020898>.

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](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.