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This ADV brochure, dated March 26, 2015, provides information about the qualifications and business practices of Candriam Belgium ("Candriam"). If you have any questions about the content of this brochure please contact:

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The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. In addition, registration as an investment adviser does not imply a certain level of skill or training. Additional information about Candriam is also available on the SEC's website at www.adviserinfo.sec.gov

Item 2 – Material Changes

Candriam Belgium (“Candriam”) became registered with the SEC on December 2, 2014. It does not have any material changes to its brochure to report as of the date set forth on the brochure’s cover. Candriam will update its brochure with any material changes as required by applicable law.

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Item 4 – Advisory Business

OWNERSHIP STRUCTURE AND HISTORY

Candriam Belgium SA (“Candriam”) was organized in 1998 and became a registered investment adviser with the Securities and Exchange Commission (“SEC”) on December 2, 2014. Candriam is a wholly-owned subsidiary of Candriam Luxembourg S.C.A. (“Candriam Investors Group”). Candriam Investors Group (previously part of Dexia SA and named Dexia Asset Management) was acquired by New York Life Investment Management in February 2014.

Candriam Investors Group is a leading pan-European multi-specialist asset manager with a 20-year track record and a team of 500 experienced professionals. Candriam Investors Group has established investment management centers in Brussels, Paris, Luxembourg and an experienced sales force covering Europe and the Middle East.

Candriam Investors Group is wholly-owned by New York Life Investment Management Holdings LLC (“NYLIM Holdings”), which is a wholly-owned subsidiary of New York Life Insurance Company (“New York Life”). Founded in 1845 and headquartered in New York, New York Life is a mutual life insurance company that is one of the largest life insurers in the world.

While Candriam maintains autonomous investment processes, it may leverage the resources and services of its affiliates, Candriam Investors Group Luxembourg, Candriam Investors Group France, and New York Life Investment Management LLC (“New York Life Investments”) for certain functions. In addition, certain officers of New York Life Investments may also serve as officers of Candriam. New York Life Investments, which is also a wholly-owned subsidiary of NYLIM Holdings, is a related investment adviser registered with the SEC.

CANDRIAM’S ADVISORY SERVICES

Candriam provides asset management services to clients globally.

This brochure has been prepared to provide information to Candriam’s US clients, which currently include at least one registered investment company and accounts of US natural persons. Where relevant to a US client, however, this brochure provides additional information about Candriam’s non-US advisory business. Candriam provides discretionary and non-discretionary investment advisory services to its clients.

As of December 31, 2014, Candriam managed approximately \$84.6 billion on a discretionary basis and approximately \$711 million on a non-discretionary basis.

Candriam offers a variety of investment strategies that clients can select depending on their investment objectives. Clients can impose reasonable restrictions or limitations on how Candriam manages their accounts. These restrictions or limitations generally appear either in the client's investment management agreement or in other investment guidelines, including a prospectus or other offering document. Additional information about this process can be found under Item 16.

General information about investment strategies offered by Candriam can be found under Item 8.

Candriam does not currently participate in wrap fee programs.

Item 5 – Fees and Compensation

Candriam provides advisory services to a limited number of US individuals through a sub-advisory relationship currently in place with Belfius Bank SA ("Belfius"). For these services, Candriam receives a portion of the management fees that Belfius charges to the clients. In addition, Candriam acts as sub-adviser to a US registered fund for which one of its affiliates serves as the principal investment adviser. For these services, Candriam receives a portion of the advisory fees that its affiliate charges the fund. Specific information about Candriam's fee for providing sub-advisory services to a US registered fund may be found in that fund's registration statement on file with the SEC.

Candriam may enter into different fee arrangements with clients for a variety of reasons, including the type of strategy involved, the nature of any restrictions imposed on managing the account, and other factors relevant to management of the account.

Candriam's fees for advisory services are exclusive of brokerage commissions, other transaction fees, sales charges, taxes, custodial fees, and other costs and expenses that a client incurs in connection with Candriam's management of the client's account.

Clients will indirectly bear the fees and expenses charged for investments in shares of investments funds in which their accounts may be invested (e.g., fees and expenses of underlying mutual funds and exchange traded funds).

Item 6 – Performance-Based Fees and Side-By-Side Management

Candriam’s portfolio managers may manage multiple accounts, including separate accounts, unregistered funds and registered funds, according to the same or similar investment strategies. The fee arrangements may vary among these accounts. For instance, Candriam’s fee for providing sub-advisory services to a US-registered fund is typically calculated as a percentage of assets under management. In other cases, Candriam has entered into performance fee arrangements with separately managed accounts and certain non-US funds , including funds that have substantially the same strategy as the strategy that is employed by the US registered fund that Candriam currently sub-advises. These performance fees are generally calculated as a percentage of the outperformance of the account or fund tied to a benchmark.

Managing accounts that have a performance-based fee at the same time as managing accounts that only have an asset-based fee is commonly referred to as “side-by-side management.”

Side-by-side management creates the potential for conflicts of interest by giving Candriam an incentive to favor – in making investment allocations – those accounts for which Candriam receives a performance-based fee, because Candriam will receive a higher fee if those accounts perform favorably in relation to the applicable benchmark.

In order to address the potential for such a conflict of interest, Candriam has designed and implemented procedures that it believes are reasonably designed to ensure that all clients are treated fairly and equally, and to prevent these kinds of conflicts from influencing the allocation of investment opportunities among clients. These procedures consist of:

- An organization that mitigates potential conflicts of interest through:
 - An Investment Committee responsible for the investment strategy and the portfolio construction, and a Portfolio Monitoring Committee that monitors the correct implementation of the investment strategy, all risk parameters and performance attribution reports.
 - A separate Trading Desk that is responsible for fair and equitable allocations of transactions.
- The setup of dedicated procedures such as:
 - The conflicts of interest policy that defines Candriam’s policy governing the identification, prevention and management of conflicts of interest that could possibly arise between Candriam and its clients or counterparties. This policy

obliges Candriam to take all reasonable measures to detect any conflict-of-interest situations that may arise and to take the appropriate measures should such situations occur;

- An order placement procedure designed to ensure that all clients are treated equitably and fairly over time in the allocation of orders, as described in Item 12 under the heading “aggregation and allocation”. This policy requires Candriam to act in the best interests of its clients. It provides that transactions carried out for portfolio management purposes, as well as their frequency of execution, must be exclusively motivated by the interests of Candriam’s clients. Before placing an order for several client accounts, the portfolio manager must define the rules governing the order’s allocation. In the event the total amount of the allocable investment available is less than the originally desired amount, each account will receive a pro-rated distribution based on respective account funding availability, which is subject to adjustments in order to avoid de minimis allocations.

Item 7 – Types of Clients

Candriam provides discretionary and non-discretionary investment advisory services to one US registered fund, a limited number of US natural persons, and to institutions such as pooled investment vehicles, pension plans, insurance companies, banking institutions, corporations, charitable organizations, and non-US state or municipal entities.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The information provided in this Item relates discusses investment strategies that Candriam employs with respect to accounts of a limited number of US individuals to which it provides sub-advisory services through its relationship with Belfius. In many instances, these individuals are invested in shares of investment funds, for which they receive offering documents or other materials that provide additional information concerning the funds’ investment strategies and risks.

This section does not address all methods of analysis and investment strategies that Candriam may apply in managing client accounts across its business. Candriam will update this brochure, or prepare a separate brochure, to address other investment strategies it makes or may make available to other US clients.

INVESTMENT PROCESS

Candriam offers clients the ability to invest in a variety of equity and fixed income strategies, including strategies that may seek to gain investment exposure or to hedge investment risks with futures, options, and other derivatives. Candriam's strategies also provide clients with exposure to the performance of economies in certain geographic regions and countries. Candriam uses a variety of investment styles in making portfolio decisions in these strategies, including quantitative methods and various qualitative screens (e.g., sustainability). Candriam may also pursue index strategies, employ asset allocation strategies, or invest in specific types of companies (e.g., small- and mid-cap companies).

RISK OF LOSS

In managing client accounts, Candriam utilizes various investment strategies and methods of analysis. While Candriam seeks to manage client accounts so that risks are appropriate to the return potential for respective strategies, it is often not possible or desirable to fully mitigate all risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. The following considerations and other risks should be carefully evaluated before making an investment; additional information on risks specific to a particular investment strategy may be available through means other than this brochure (including the offering documents or other materials for an investment fund in which an account invests) and should be consulted for further background on these matters.

- **Common Stock Risk:** Investments in common stocks and other equity securities are particularly subject to the risk of changing economic, stock market, industry and company conditions and the risks inherent in the portfolio managers' ability to anticipate changes that can adversely affect the value of the strategy's holdings.
- **Growth Stock Risk:** If growth companies do not increase their earnings at a rate expected by investors, the market price of the stock may decline significantly, even if earnings show an absolute increase. Growth company stocks also typically lack the dividend yield that may cushion falling stock prices in market downturns.
- **Value Stock Risk:** Value stocks may never reach what the portfolio management team believes is their full value or they may go down in value. In addition, different types of stocks tend to shift in and out of favor depending on market and economic conditions, and therefore the strategy's performance may be lower or higher than the performance of strategies that invest in other types of equity securities.

- **Interest Rate Risk:** Interest rates may go up, causing the value of fixed income investments to decline. This risk generally will be greater for securities with longer maturities or durations. Interest rates in many countries have been historically low in many cases and are expected to rise in the future.
- **Credit Risk:** If an issuer or guarantor of a security held in a client account defaults on its obligation to pay principal or interest, has its credit rating downgraded or is perceived to be less creditworthy, or the credit quality or value of any underlying assets declines, the value of the account's investment will decline.
- **Prepayment or Call Risk:** Many issuers have a right to prepay their securities. If interest rates fall, an issuer may exercise this right. If this happens, Candriam may have to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on the prepaid security. A client account also may lose any premium it paid on the security.
- **Extension Risk:** During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments. This may lock in a below market interest rate, increase the security's duration and reduce the value of the security.
- **High Yield or "Junk" Bond Risk:** Debt securities that are below investment grade, called "junk bonds," are speculative, have a higher risk of default or are already in default, tend to be less liquid and are more difficult to value than higher grade securities. Junk bonds tend to be volatile and more susceptible to adverse events and negative sentiments. These risks are more pronounced for securities that are already in default.
- **Valuation Risk:** Uncertainties in the conditions of the financial market, unreliable reference data, lack of transparency and inconsistency of valuation models and processes may lead to inaccurate asset pricing. In addition, other market participants may value securities differently. As a result, when a security or other instrument is sold in the market, the amount received for the security may be less than the amount at which it was valued.
- **Liquidity Risk:** Securities purchased by a strategy that are liquid at the time of purchase may subsequently become illiquid due to events relating to the issuer of the securities, market events, economic conditions or investor perceptions. The value of illiquid securities may reflect a discount from the market price of comparable securities for which a liquid market exists, and accordingly may have a negative effect on the value of

the strategy's assets. To meet client requests to withdraw assets, the strategy may be forced to sell securities at an unfavorable time and/or under unfavorable conditions.

- **Exchange Traded Fund (ETF) Risk:** The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile than the underlying portfolio of securities. Disruptions in the markets for the securities underlying ETFs purchased or sold by the strategy could result in losses on the strategy's investment in ETFs. ETFs also have management fees that increase their costs versus owning the underlying securities directly.
- **Foreign Security and Currency Risk:** Investments in foreign securities are subject to risks that differ in certain ways from those of US issuers. These risk factors include: fluctuating currency values; an opaque currency exchange market in some instances, less liquid trading markets; greater price volatility; political and economic instability; less publicly available information about issuers; changes in US or foreign tax or currency laws; and changes in monetary policy. Foreign securities may be more difficult to sell than US securities. Investments in foreign securities may involve difficulties in receiving or interpreting financial and economic information, imposition of taxes, higher brokerage and custodian fees, currency rate fluctuations or exchange controls or other government restrictions, including seizure or nationalization of foreign deposits or assets. Also, it may be difficult to invoke legal protections across borders. The strategy may also incur higher expenses and costs when making foreign investments, which could affect the strategy's total return. The risks of investing in foreign securities in emerging market countries are likely to be greater than in foreign countries with developed securities markets and more advanced regulatory regimes. Among other things, emerging market countries may have economic structures that are less mature and political systems that are less stable. Moreover, emerging market countries may have less developed securities markets, high inflation, and rapidly changing interest and currency exchange rates. Exchange rate movements may be large and may endure for extended periods of time, affecting either favorably or unfavorably the value of the strategy's assets. The value of a client's assets may be affected favorably or unfavorably by the changes in currency rates and exchange control regulations. Some currency exchange costs may be incurred by clients when a strategy changes investments from one country to another. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by: i) the forces of supply and demand in the respective markets and the relative merits of investments in different countries; and ii) actual or perceived changes in interest rates and other complex factors, as seen from

an international perspective. Currency exchange rates can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments. Finally, investments in depositary receipts may entail the special risks of foreign investing, including currency exchange fluctuations, government regulations, and the potential for political and economic instability.

- **Emerging Markets Risk:** The risks related to investing in foreign securities are generally greater with respect to securities of companies that conduct their business activities in emerging markets or whose securities are traded principally in emerging markets. The risks of investing in emerging markets include the risks of illiquidity, increased price volatility, smaller market capitalizations, less government regulation, less extensive and less frequent accounting, financial and other reporting requirements, risk of loss resulting from problems in share registration and custody, substantial economic and political disruptions and the nationalization of foreign deposits or assets.
- **Regulatory Risk:** Regulatory authorities in the United States or other countries may prohibit or restrict the ability of the account to fully implement its strategy, either generally or with respect to certain industries or countries, which may impact the account's ability to fully implement its investment strategies. Certain foreign countries, especially emerging countries, may adopt, such rules.
- **Regional Focus Risk:** At times, the account might increase the relative emphasis of its investments in a particular region or country. Stocks of issuers in a particular region or country might be affected by changes in economic conditions or by changes in government regulations, availability of basic resources or supplies, or other events that affect that region or country more than others. If the account has a greater emphasis on investments in a particular region or country, it may be subject to greater risks from adverse events than a fund that is more geographically diversified.
- **Derivatives Risk:** Using swaps, futures and other derivatives can increase the potential for losses and reduce the opportunities for gains when market prices, interest rates or the derivative instruments themselves behave in a way not anticipated by Candriam. Using derivatives may increase the volatility of an account's performance and may not provide the result intended. Derivatives may have a leveraging effect on a client account. Some derivatives have the potential for unlimited loss, regardless of the size of the account's initial investment. Changes in a derivative's value may not correlate well with the referenced asset or metric. Candriam also may have to sell assets at inopportune times to satisfy obligations on a derivative contract held by in a client's

account. Derivatives may be difficult to sell, unwind or value, and there is a risk that, for any over-the-counter or bilateral derivative contract, the counterparty to a client may default on its obligations. New regulations are changing the derivatives markets. The regulations may make using derivatives more costly, may limit their availability, or may otherwise adversely affect their value or performance. For derivatives that are required to be traded through a clearinghouse or exchange, an account also will be exposed to the credit risk of the clearinghouse and the broker that submits trades for the account. It is possible that certain derivatives that are required to be cleared, such as certain swap contracts, will not be accepted for clearing. In addition, regulated trading facilities for swap contracts are relatively new; they may not function as intended, which could impair the ability to enter into swap contracts. The extent and impact of the new regulations are not yet fully known and may not be for some time.

- **Leveraging Risk:** The value of an account may be more volatile, and other risks tend to be compounded, if the account borrows or uses derivatives or other investments that have embedded leverage. Leverage generally magnifies the effect of any increase or decrease in the value of an account's underlying assets, potentially resulting in the loss of all assets. Engaging in such transactions may cause an account to liquidate positions when it may not be advantageous to do so to satisfy its obligations or meet segregation requirements.

This brochure does not constitute an offer to sell, or a solicitation of an offer to buy, securities issued by any company. Rather, it is intended only to provide an overview of this strategy and certain related risks in satisfaction of applicable disclosure requirements under the Investment Advisers Act of 1940.

Item 9 – Disciplinary Information

Candriam is required to disclose all material facts regarding any legal or disciplinary events that would be material to your decision to hire Candriam for advisory services. There are no legal or disciplinary events involving Candriam that are material to its advisory business or to the management of your account to report at this time.

To Candriam's knowledge, as of the date of this brochure, neither Candriam nor any of its management persons has been involved in any legal or disciplinary event that, in Candriam's judgment, would be material to a client's or prospective client's evaluation of the firm's advisory business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

Candriam is part of a group of affiliated companies engaged in various financial businesses. In certain cases, Candriam has business arrangements with its related companies that are material to its advisory business or to its clients.

As noted in Item 4, Candriam Group is wholly-owned by New York Life Investment Management Global Holdings, which is a wholly-owned subsidiary of New York Life.

While Candriam maintains autonomous investment processes, it may leverage the resources and services of its advisory affiliate, New York Life Investments, for certain functions. In addition, certain officers of New York Life Investments may also serve as officers of Candriam.

Under this structure, certain compliance and other support functions within Candriam are supported by the infrastructure within New York Life Investments, including the implementation of certain aspects of Candriam’s compliance program.

Candriam and its affiliates in Candriam Investors Group are engaged in advisory businesses that service a variety of different clients, including pooled investment vehicles in the United States and in other countries. Candriam is also affiliated with other registered investment advisers as a result of its ownership by New York Life. Candriam has developed procedures that are designed to monitor and manage potential conflicts of interest that may arise in the operation of its business as part of Candriam Investors Group. In addition, Candriam has developed procedures that are designed to monitor and manage potential conflicts of interest that may arise as a result of its sub-advisory relationship with New York Life Investments. Candriam will continue to evaluate this relationship – as well as other developments in its business and any future advisory relationships with New York Life and affiliated companies – for potential conflicts of interest that may arise with respect to the management of client accounts.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

The following discussion addresses the Code of Ethics that applies specifically to Candriam’s US client business under the Investment Advisers Act of 1940.

Please note, however, that Candriam is subject to separate requirements under the laws of its home country that are designed to promote ethical business conduct and the furtherance of its client’s best interests. Regardless of the applicable legal regime, therefore, Candriam has implemented mechanisms that are designed to ensure that it fulfills its fiduciary responsibilities

to its clients. In addition, it should be noted that all supervised persons of Candriam who are involved in its US business are subject to the US Code of Ethics discussed below.

As used in this Item:

- the term ‘supervised person’ refers to the partners, officers, directors, employees and other personnel of Candriam Belgium who provide investment advice to any US client; and
- the term “ access person” refers to officers or directors or persons who have access to non-public information regarding any client's purchase or sale of securities, or information regarding the portfolio holdings of any client account advised by Candriam or its affiliates.

CODE OF ETHICS AND PERSONAL TRADING

Under the Advisers Act, Candriam is required to adopt and implement a Code of Ethics with respect to its business as a registered investment adviser. Candriam has a fiduciary responsibility to place the interests of its clients first and foremost.

As such, the US Code of Ethics (“Code”), the Candriam Professional Code of Ethics (“Candriam Code”) and the Personal Account Dealing Policy, each of which apply to Candriam’s US business and its supervised persons, sets forth guidelines that promote ethical conduct generally.

A copy of the US Code is available upon request. Contact information appears on the cover page of this brochure.

The US Code and the Candriam Code reflect the following principles, which apply to its US business and the supervised persons involved therein:

- Candriam requires its supervised persons, in their dealings with or on behalf of advisory clients, to act in accordance with the duty of care and duty of loyalty to which the firm is subject as a fiduciary of its clients;
- Candriam personnel are required to comply with provisions of the US federal securities laws applicable to its US business;
- Candriam personnel may not trade while in possession of material, non-public information;
- Candriam personnel must adhere to restrictions regarding the receipt and giving of gifts and entertainment.

In addition, supervised persons are required to report any violations of the Candriam Code promptly to the Chief Compliance Officer.

The US Code also imposes additional requirements for supervised person that are also access persons:

- access persons are required to report quarterly, and Candriam must review, their personal securities transactions and annually their securities holdings; and
- access persons may not purchase securities in initial public offerings or in connection with private placements except with the express written prior approval of the Chief Compliance Officer (preclearance requirements).

Candriam will provide each supervised person that is also an access person with a copy of the US Code, as amended from time to time, and will provide each other supervised person with a copy of the Candriam Code. Each supervised person must provide a written acknowledgment of their receipt of the US Code or the Candriam Code as applicable, and of any amendments.

While Candriam permits its officers and employees to engage in personal securities transactions, as a company Candriam recognizes that these transactions may raise potential conflicts of interests. This is particularly true when they involve securities owned by, or considered for purchase or sale for, a client account.

With regard to investments and investment opportunities, Candriam addresses potential conflicts of interests both in the US Code and in the Candriam Code by requiring that Candriam's officers and employees' first obligation be to clients. These Codes require that all of Candriam's officers and employees adhere to the highest duty of trust and fair dealing. In addition, all officers and employees must conduct their personal securities transactions in a manner that does not interfere with any client's portfolio transactions, or take inappropriate advantage of an officer's or employee's relationship with a client.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

In the ordinary course of providing its investment advisory services, Candriam may invest client assets in securities or other investments that are also held by Candriam and other New York Life affiliates, other Candriam advisory accounts, or separately managed accounts in which Candriam or its affiliates or their respective officers and employees have an ownership or economic interest.

Candriam may also invest, on behalf of its advisory clients, in the same or different securities or instruments of issuers in which these same entities have an ownership interest as a holder of the debt, equity or other instruments of the issuer.

Candriam has a conflict of interest in connection with these transactions since investments by its advisory clients may benefit Candriam and its affiliates, officers and employees by potentially increasing the value of the investments held in the issuer.

Candriam will seek to ensure that any investment it makes on behalf of an advisory client is consistent with applicable law, Candriam's fiduciary obligations to act in the best interests of the client, and such client's investment objectives.

Portfolio managers for Candriam or its affiliates are often responsible for the day-to-day management of multiple accounts, including separately managed accounts and private investment funds. The potential for conflicts of interest exist whenever a portfolio manager has responsibility for the day-to-day management of multiple advisory accounts.

These conflicts may be greater when Candriam and/or an affiliate has an investment in one or more of such accounts or an interest in the performance of one or more of such accounts through the receipt of a fee.

To help seek to mitigate these potential conflicts of interest, Candriam has adopted order placement procedures that govern allocations across client accounts. These procedures require Candriam to maintain specific allocation procedures that are intended result in fair and equitable allocations so that no account or group of accounts receives consistently favorable or unfavorable treatment. These procedures apply across Candriam and to trades involving accounts of US clients and accounts of non-US clients.

Candriam has set up a US Code and a Personal Account Dealing procedure to manage situations in which a supervised person invests in the same securities as a client account. These procedures require pre-approval of certain transactions and otherwise address the potential for conflicts to arise from personal securities transactions undertaken by Candriam's supervised personnel.

Item 12 – Brokerage Practices

Candriam has adopted a policy for the selection of entities to which Candriam transmits orders for execution.

Candriam regularly monitors the effectiveness of the policy by reviewing the quality of execution by the entities selected under that policy. Where appropriate, Candriam will correct any shortcomings and deficiencies.

When Candriam selects or recommends a broker-dealer for transactions in the clients' accounts, Candriam considers a number of factors regarding the broker-dealer and the reasonableness of its compensation. Candriam will consider several factors in selecting a broker-dealer and determining the reasonableness of its compensation, such as:

- Ability of the broker-dealer to find liquidity.
- Willingness and ability of the broker-dealer to commit capital to a particular transaction.
- Ability of the broker-dealer to act on a confidential basis.
- Ability of the broker-dealer to execute difficult transactions in complex securities or large size orders.
- Ability of the broker-dealer to trade in a timely manner, to confirm and settle trades and to resolve operational issues quickly and efficiently.
- Financial profile of the broker-dealer in order to limit credit risk, i.e., the potential for a failure to meet its commitments.

Candriam has a list of authorized brokers for each asset class. They are reviewed at least once a year during the Broker Review Committee. Different criteria with regard to research, investment ideas and execution quality are evaluated. Risk management teams analyze the credit profile of these brokers and Candriam's middle office conducts reviews of post-execution quality.

The adoption of any new authorized broker is subject to the validation of Candriam's Risk Management, Compliance, Legal, Operations, and Trading departments. These decisions are also subject to other reviews, including by Candriam's Chief Investment Officer.

DIRECTED BROKERAGE

Candriam does not currently have any US clients with directed brokerage arrangements.

SOFT DOLLARS

Candriam receives brokerage and research services from broker-dealers that execute portfolio transactions for clients. The brokerage commissions that are used to acquire research in these

types of arrangements are known as “soft dollars.” Soft dollar arrangements allow the firm to obtain high-quality research from these broker-dealers that, in Candriam’s view, enhances its ability to provide advisory services to clients. Candriam has adopted policies and procedures concerning soft dollars, which address its use of client commissions and requires that soft dollar arrangements provide lawful and appropriate assistance to Candriam in its investment decision-making process, and that Candriam determines that the value of the research or brokerage service obtained be reasonable in relation to the commissions paid.

When Candriam uses client brokerage commissions to obtain research from a broker-dealer, Candriam receives a benefit because it does not have to produce or to pay for this research separately. As a result, Candriam may have an incentive to select or recommend a broker-dealer based on its interest in receiving such benefits. Thus, Candriam has an incentive to disregard its best execution obligation when directing transactions and an incentive to generate more trades to earn soft dollar credits for services.

To manage these potential conflicts of interest, Candriam reviews all soft dollar arrangements and seeks to determine, in good faith, that the amount of commissions paid is reasonable in relation to the value of the brokerage and research services provided. In addition, research products and services provided by brokers through which transactions are effected on behalf of particular client accounts are often used for the benefit of all clients collectively. Candriam also seeks to allocate soft dollar benefits to client accounts in proportion to the soft dollar credits that are generated by the account.

During the last year Candriam received the following types of research services, both as prepared by broker-dealers that execute client transactions (“proprietary research”) and as prepared by third parties but for which the executing broker-dealers are obligated to pay (“third-party research”): information on the economy, industries, groups of securities, individual companies, technical market information, stock quotes, analytical tools, risk measurement analyses, performance analyses and analyses of corporate responsibility issues, index holdings and data, and earnings and revenue estimates. Such research services were received in the form of written reports, telephone contacts and personal meetings with securities analysts. In addition, such research services were provided in the form of access to various types of computer-generated data and meetings arranged with corporate and industry spokespersons.

As a result of its soft dollar practices, Candriam may cause clients to pay commissions or mark-ups or mark-downs higher than those charged by other broker-dealers in return for soft dollar benefits. Candriam uses soft dollar benefits to service all of its clients’ accounts, not just those clients whose brokerage commissions or mark-ups or mark-downs paid for those benefits.

Nonetheless, Candriam seek to generally correlate services paid with soft dollar commissions with those services that are applicable to the specific strategies. Soft dollar commissions are monitored by the Trading Desk and by the Broker Review Committee. The Trading Desk monitors soft commission amounts to make sure they do not exceed a certain percentage of the total commissions paid to brokers. Candriam requires its traders to adhere to best execution principles regardless of whether there is a soft dollar arrangement in place.

MIXED-USE SERVICES

Candriam may enter into arrangements that involve payments for brokerage and research services that are eligible for the safe harbor provided by Section 28(e) and products or services that are not so eligible. In those “mixed used” arrangements, Candriam will review the costs of all products and services. As part of this review, Candriam will seek to ensure that soft dollar credits generated from any participating US client accounts are not used to pay for products or services that are ineligible for the safe harbor. Candriam may also exclude US clients from transactions with brokers for which mixed used arrangements have been put in place, to the extent doing so is consistent with Candriam’s policies relating to best execution.

BROKERAGE FOR CLIENT REFERRALS

When selecting a broker-dealer, Candriam does not take referral of clients into consideration. Candriam also does not consider its sale of shares of any private funds that Candriam or any of its affiliates advise. While Candriam may direct brokerage to broker-dealers that have consulting divisions that might refer clients or investors to Candriam, Candriam has no agreements in place that require it to do so. In no case will Candriam makes binding commitments as to the level of the brokerage commissions it will allocate to a broker.

AGGREGATION AND ALLOCATION

If Candriam believes that the purchase or sale of the same security is in the best interest of more than one client, it may aggregate the securities to be sold or purchased in the best interest of clients and consistent with Candriam’s fiduciary duties. Candriam will not aggregate trades unless it believes that doing so is consistent with its duty to seek best execution for its clients.

Candriam provides investment management services to a wide variety of accounts, including institutional clients, individuals, one US registered fund, and other investment funds (including pooled investment vehicles). This presents the potential for conflicts of interest to arise, including the potential to favor affiliated accounts, a direct economic incentive to favor higher

fee paying accounts over lower fee paying accounts; a marketing incentive to favor new investment strategies over existing investment strategies; and a trading incentive to manage one type of an account in a manner that harms or has the potential to harm the interests of other accounts being managed.

It is Candriam's policy to allocate suitable investment opportunities fairly and equitably to clients with the same or similar investment policies over time. A security will be suitable for an account if it is consistent with the investment policy, strategies and risk tolerance of the account and permitted by the investment restrictions and limitations applicable to the account. Where an investment opportunity is suitable for multiple accounts, it is Candriam's policy that all such accounts shall participate in the transaction, subject to Candriam's determination that participating in the transaction is not in the account's best interest for reasons such as: lack of available cash, net exposure to holding, industry or sector is higher than desired, or specific client restrictions, e.g., industry or sector limits.

Candriam has an order allocation policy for the grouping of orders. The portfolio manager defines the pre-allocation of orders before it is sent to the trading desk. Orders are electronically transferred from the Portfolio Management System to the Order Management System ("OMS").

In the OMS, the trading desk groups the orders of the client portfolios involved and transmits them to brokers electronically. Once the execution is done, the trading desk sends the exact allocation to Middle Office teams and Portfolio Managers. If the grouped order is partially filled, a pro-rata allocation is applied, in line with the pre-allocation.

TRADE ERRORS

On occasion, a mistake may occur in the execution of a trade. As a fiduciary, Candriam owes clients duties of loyalty and trust, and as such must address trade errors in a fair and equitable manner. Errors may occur for a number of reasons, including human input error, systems error, communications error or incorrect application or understanding of a guideline or restriction. Examples of errors include, but are not limited to the following: buying securities not authorized for a client's account; buying or selling incorrect securities; buying or selling incorrect amounts of securities; and buying or selling in violation of one of Candriam's policies. In correcting trade errors, Candriam seeks to ensure that the affected client account does not absorb any financial loss due to the trade error; does not use soft dollars or directed trades to fix the error; or does not attempt to fix the error using another client account. To the extent correction of the error results in a loss to the client's account, Candriam reimburses the

account. To the extent correction of the error results in a gain to the client's account, Candriam allows the client to keep the benefit.

OVERSIGHT OF TRADING PRACTICES

The review of trading practices, as well as reviews of the soft dollar program, are done:

- On an ongoing basis, by the Compliance department;
- On a periodic basis, by Candriam's Broker Review Committee.

Item 13 – Review of Accounts

MONITORING

Candriam monitors and reviews client accounts:

- Continuously, through a compliance server system that incorporates pre-trade and post-trade compliance testing against account restrictions. Rules parameterized include regulatory, contractual and prudential constraints. Candriam's Risk Personnel review and investigate any alerts or breaches identified by the system and take necessary actions with the portfolio managers to solve the potential breaches.
- Via the monthly Portfolio Monitoring Committee that provides a control at the portfolio management level. The portfolio managers analyze and monitor the correct implementation of the investment strategy, all risk parameters and performance attribution reports (e.g. tracking error, volatility, asset allocation deviations and stock exposure against benchmark, etc.).
- Via the Market Risk Committee (meeting every two months) that is responsible for:
 - Validation and periodic review of the internal rules governing the various investment processes, and implementation of new rules where necessary;
 - Review of breaches of internal rules and definition of corrective action plans;
 - Review of the main market risks identified and decision on how to reduce/supervise these risks (initiation of specific analysis, implementation of new internal rules, reduced exposure, etc.);
 - Monitoring of market risk indicators and fund performance; and

- Monitoring of liquidity risk.
- Via the Operational Risk Committee (meeting every two months) that is responsible for:
 - Review of any open breaches of local, prospectus or contractual rules: statistics and corrective measures;
 - Review of any operating incidents observed and verification of the proper implementation of the subsequent action plan;
 - OTC monitoring and new instrument requests review;
 - Monitoring of valuation prices;
 - Monitoring of regulatory changes; and
 - Review and monitoring of risk and control self-assessments and key risk indicators.

CLIENT REPORTING

Candriam generally provides comprehensive reports to its clients, and may supplement these reports with more frequent reports or conference calls. Such reports generally contain information with respect to portfolio holdings, transactions and performance.

Item 14 – Client Referrals and Other Compensation

Candriam does not have any referral arrangements in place at this time.

Item 15 – Custody

Candriam does not have physical custody of client funds or securities. All client accounts are maintained at qualified custodians – such as banks or broker-dealers – that are chosen by the client. Clients receive account statements directly from their custodians.

Item 16 – Investment Discretion

For certain client accounts, Candriam may have investment discretion to manage securities on behalf of a client. Clients may impose restrictions on this discretion by, among other things, prohibiting the purchase of specific securities or other investments, or prohibiting investments within a specific industry. Clients may also restrict the use of certain broker-dealers to execute trades, or may restrict the amount of securities that can be bought or sold within the account.

Client-imposed restrictions are detailed in the client's investment advisory agreement or other relevant documentation. Prior to commencing management of a new client account, Candriam seeks to obtain all necessary information to ensure that the account, including any relevant restrictions, is properly established.

Item 17 – Voting Client Securities

Candriam has adopted a Proxy Voting Policy. This Policy is designed to ensure that all proxies are voted in the best interest of its clients without regard to Candriam's own interests or the interests of its affiliates. To avoid all possible conflicts of interest, Candriam takes care to prevent and manage any conflicts of interest arising from the exercise of the voting rights.

Should a conflict of interest arise, Candriam could abstain from casting a vote or strictly follow a proxy provider's recommendation. Candriam defines a conflict of interest as a situation whereby the management company or one of its staff has an interest of a material, professional, commercial or financial nature that clashes with the interest of one or more clients. When a conflict arises, the Proxy Voting Committee determines the appropriate action.

Candriam's proxy voting policy is defined by the Proxy Voting Committee. The voting rights are monitored by the Proxy Voting Committee. Candriam's proxy voting policy is based on four principles:

- The rights of shareholders
- The equal treatment of shareholders
- The accountability of the issuer's board of directors
- The transparency and integrity of the issuer's financial statements

A copy of the Proxy Voting Policy and information as to how proxies, if any, were voted is available upon request. Candriam contact information appears on the cover page of this brochure.

Item 18 – Financial Information

Candriam has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

At this time, Candriam is not required to file a balance sheet for its most recent fiscal year because it does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance.