



Candriam Belgium

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This ADV brochure, dated March 30th, 2020 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 (the "SEC") 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 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, société anonyme (“Candriam”) was created 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, société en commandite par actions (“Candriam Luxembourg”).

The group Candriam (“CANDRIAM”) is a leading pan-European multi-specialist asset manager with a 20-year track record and a team of approximately 560 experienced professionals. CANDRIAM has established investment management centers in Brussels, Paris, Luxembourg and London and has experienced sales forces covering Europe, the Middle East and the US.

CANDRIAM is owned by Candriam Group (formerly “New York Life Investment Management Global Holdings S.à r.l.”), 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 Luxembourg, Candriam 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 two registered investment companies and accounts of US natural persons. Candriam also serves as an Index Consultant to IndexIQ LLC (“IndexIQ”) with respect to certain indices that IndexIQ ETFs seek to track. Candriam develop appropriate standards and methodology for the indices, and for their implementation Candriam also provide periodic updates and review of the methodology of the indices.

Under investment subadvisory agreements, Candriam serves as subadvisor and, subject to applicable law, may enter into agreements with adviser to provide portfolio design and related advisory services.

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.

Candriam has \$104.17 billion of assets under supervision.¹

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.

¹ As of December 31, 2019. AUM is converted from Euro at the spot rate as of this date (1EUR = 1.1225 USD). Assets under supervision includes approximately \$104.17 billion which fall within the U.S. Securities and Exchange Commission's definition of 'regulatory AUM' in Form ADV Part 1A. The remainder consists of other non-discretionary advisory or related services.

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. Additional information about Candriam's brokerage practices can be found under Item 12.

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

Candriam serves as an Index Consultant to IndexIQ. The Index Consultant services include index development, data provision and ongoing service for certain IndexIQ indices. For these services, IndexIQ pays a consultant fee with a range of 0.2% - 0.5% of the average daily net asset under management of investment 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 strategies as the strategies that are employed by the US registered funds 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 or specific hurdle rate.

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 or specific hurdle rate.

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.

- Candriam mitigates potential conflicts of interest by monitoring investment strategy and portfolio construction as well as the correct implementation of the investment strategy, risk parameters and performance attribution reports.
- A separate Trading Desk is responsible for fair and equitable allocations of transactions.

Candriam has also implemented dedicated procedures to identify potential conflicts of interest, such as:

- A conflicts of interest policy that defines the identification, prevention and management of conflicts of interest that could arise between Candriam and its clients or counterparties. This policy requires 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 was designed to ensure that all clients are treated equitably and fairly over time with respect to 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 and 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 two US registered funds, 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 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.

INVESTMENT PROCESS

Candriam offers investment strategies in five main areas: Fixed Income; Equities; Alternatives; Sustainable Investments; and Asset Allocation. In general, strategies within each of these areas are managed using different investment processes. 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 through the use of 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.
- **Debt or Fixed-Income Securities Risk:** The risks of investing in debt or fixed-income securities include (without limitation): (i) credit risk, i.e., the issuer may not repay the loan created by the issuance of that debt security; (ii) maturity risk, i.e., a debt security with a longer maturity may fluctuate in value more than one with a shorter maturity; (iii) market risk, i.e., low demand for debt securities may negatively impact their price; (iv) interest rate risk, i.e., when interest rates go up, the value of a debt security goes down, and when interest rates go down, the value of a debt security goes up; (v) selection risk, i.e., the securities selected by Candriam may underperform the market or other securities selected by other funds; and (vi) call risk, i.e., during a period of falling interest rates, the issuer may redeem a security by repaying it early, which may reduce the account's income if the proceeds are reinvested at lower interest rates.
- **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. 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. Also, ETF performance may not exactly match the

performance of the index or market benchmark that the ETF is designed to track because certain securities comprising the benchmark may become unavailable, or supply and demand in the market for either the ETF or its underlying securities may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the 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:** Derivatives may be defined as financial instruments whose performance is derived, at least in part, from the performance of another asset (such as a security, currency or an index of securities). 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.

- **Leverage 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.
- **Technology and Cyber Security:** Candriam is dependent on information technology, telecommunication and other operational systems, including both proprietary or internal systems and systems used or provided by third-party service providers (such as custodians, financial intermediaries, transfer agents and other parties to which we or they outsource the provision of services or business operations). These systems may become disabled or fail to operate properly as a result of events or circumstances wholly or partly beyond our or their control. Further, despite implementation of a variety of risk management and security measures, our information technology and other systems, and those of service providers, could be subject to unauthorized access or other security breaches, resulting in a failure to maintain the security, availability, integrity and confidentiality of data assets. Technology failures or cyber security breaches, whether deliberate or unintentional, including those arising from use of third-party service providers, could have a material adverse effect on our business and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business
- **Other Business Interruptions:** Our investment advisory activities or operations could be interrupted or adversely affected by extraordinary events, emergency situations or circumstances beyond our control, including, without limitation, outbreaks of infectious diseases, pandemics or any other serious public health concerns, war, terrorism, failure

of technology, accidents, disasters, government macroeconomic policies or social instability. In order to mitigate the effects of these types of events, we may activate our business continuity and disaster recovery plans. These plans may, for example, require our employees to work and access our information technology, communications or other systems from their homes or other remote locations. However, our business continuity and disaster recovery plans may not be successful, or we could be delayed in implementing or recovering our investment advisory activities or operations. For example, we may have issues or delays in accessing our information technology, communications or other systems, which could have a material adverse effect on our business.

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 is owned by Candriam Group, which is a wholly-owned subsidiary of New York Life Insurance Company.

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 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. 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 and from relationships with other advisers affiliated 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 _

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.

The Candriam Code of Conduct (the “Code of Conduct”) sets forth guidelines that promote ethical conduct generally and the Candriam Code of Ethics (the “Code of Ethics” and together with the Code of Conduct, the “Codes”) governs Candriam employees’ obligations relating to personal securities transactions.

Copies of the Codes are available upon request. Contact information appears on the cover page of this brochure.

The Codes reflect the following principles:

- Candriam requires its employees, 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; and
- Candriam personnel must adhere to restrictions regarding the receipt and giving of gifts and entertainment.

In addition, employees are required to report any violations of the Codes promptly to the Chief Compliance Officer.

The Code of Ethics also imposes additional requirements on “access persons”²:

- access persons are required to report quarterly, and Candriam must review, their personal securities transactions and annually their securities holdings;
- portfolio managers are prohibited from investing in any financial instrument issued by an issuer in which the fund or the discretionary portfolio mandate he/she manages is currently invested and strongly discouraged from investing in an instrument in which he/she could invest in accordance with the investment guidelines of such fund or mandate; 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 requirement).

Candriam has provided copies of its Codes to its employees. Candriam will provide employees with updated copies of the Code as necessary. Employees must provide written acknowledgment of receipt of the Code of Ethics and of any amendments, as applicable.

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

² “Access persons” are defined as employees who either (i) have access to non-public information regarding any client’s purchase or sale of securities, or non-public information regarding the portfolio holdings of any “reportable fund,” or (ii) who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

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 in both Codes by requiring that Candriam's officers and employees' first obligation be to Candriam's 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 a financial 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. In addition, if the value of such assets increases, the asset based fees charged by Candriam will also increase.

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 to 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. More information about Candriam's allocation procedures can be found in Item 6.

Candriam has set up a Code of Ethics (discussed further above) 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 employees.

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 by the Broker Review Committee. 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

Soft dollar arrangements are not used for US client accounts and other separately managed client accounts. Candriam pays for any research used for these accounts out of its own assets.

With respect to European fund clients, Candriam has entered into arrangements under which those clients pay for research out of their assets. Those arrangements are designed to comply with requirements applicable under the Markets in Financial Instruments Directive ("MiFID II").

MIXED-USE SERVICES

Candriam does not currently have "mixed used" arrangements

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. In no case will Candriam make binding commitments as to the level of the brokerage commissions it will allocate to a broker. Candriam has trading relationships with broker-dealers that have consulting divisions, which might decide to refer clients or investors to Candriam on their own accord. Candriam does not consider these referrals when selecting a broker-dealer for executing trades for its client accounts. Candriam has policies and procedures in place that are designed to ensure that referrals are not taken into consideration in making brokerage decisions. Candriam's Broker Review Committee reviews Candriam's brokerage practices at least once a year.

AGGREGATION AND ALLOCATION

Candriam provides investment management services to a wide variety of accounts, including institutional clients, individuals, two US registered funds, and other investment funds (including pooled investment vehicles). This presents the potential for conflicts of interest to arise, including the potential to favor the following accounts: affiliated accounts over non-affiliated accounts due to economic incentives, higher fee paying accounts over lower fee paying accounts due to economic incentives, and new investment strategies over existing investment strategies due to marketing incentives. This may result in an 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 considered 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 investment restrictions, e.g., industry or sector limits. There can be no assurance that the application of the foregoing allocation policies will result in the allocation of a specific investment opportunity to a Client or that a Client will participate in all investment opportunities falling within its investment objective.

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. Equity orders are electronically transferred from the Portfolio Management System to the Order Management System ("OMS"). In the OMS, the trading desk groups the equity orders of the client portfolios involved that have identical investment strategies and transmits them to brokers by using the electronic FIX protocol. Once the execution is done, the trading desk sends the exact allocation to Middle Office teams and Portfolio Managers. If the grouped equity order is partially filled, a pro-rata allocation is applied, in line with the pre-allocation, with the exception of ID markets. Equity brokers work orders separately in the emerging markets under separate IDs and cannot give same average prices for those markets.

Where Candriam is solely providing a model portfolio for its advisory-only client relationships, Candriam does not have control of the implementation of investment decisions and no trading

authority for the underlying accounts. The sponsor of the program has the discretion to execute the trades recommended in the model. Therefore, clients in the same strategy are likely to receive different execution prices and different rates of return for trades done on the same day.

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.

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 Management 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 Portfolio Risk-Compliance Committee (meeting every quarter, which reviews transaction activity, breaches, best execution, OTC monitoring and new instrument requests and other matters.
- Via the Market and Liquidity Risk Committee (generally meeting every two months), which 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 quarter), which is responsible for:
 - Review of any operating incidents observed and verification of the proper implementation of the subsequent action plan;
 - Monitoring of valuation prices;
 - 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. 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 following a proxy provider’s recommendations.

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; and
- 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's 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.