

**CANDRIAM GLOBAL ALPHA**

**ANNUAL REPORT**

*As at 30 December 2019*

2019 financial year  
Fonds Commun de Placement (FCP) – under French law  
Management company: CANDRIAM France - 40, rue Washington - 75008 PARIS  
Depositary: RBC Investor Services Bank France - 105, rue Réaumur - 75002 PARIS

## APPROPRIATION OF INCOME

Unit	ISIN code	Allocation of distributable income	Currency	Minimum amount of subscription		Original net asset value	Type of subscriber	Foreign exchange risk hedging
				initial (*)	subscriptions			
Classique	FR0010931618	Capitalisation	EUR	None	None	EUR 1,000.00	All subscribers	see risk profile
I	FR0010931717	Capitalisation	EUR	EUR 250,000.00	None	EUR 1,000.00	All subscribers	see risk profile
N	FR0010931626	Capitalisation	EUR	None	None	EUR 1,000.00	Distributors and intermediaries	see risk profile
U	FR0013250404	Capitalisation	EUR	None	None	150.00 EUR	Life assurance products marketed in Italy	see risk profile
R	FR0013305174	Capitalisation	EUR	None	None	150.00 EUR	Financial intermediaries (including distributors and platforms) which: (i) have different arrangements with their clients for the provision of investment services in connection with the fund, and (ii) as a result of their applicable laws and regulations, are not entitled to receive duties, fees and other monetary benefits from the Management Company in connection with the provision of the above-mentioned investment services.	see risk profile
Z	FR0013250396	Capitalisation	EUR	None	None	1,500.00 EUR	UCIs approved by the Management Company and managed by a Candriam Group entity.	see risk profile
I in USD	FR0013446374	Capitalisation	USD	EUR 250,000.00 or equivalent in USD	None	1,500.00 USD	All subscribers	Full and systematic against the euro

(\*) The minimum initial subscription amount will not apply to the management company, to Candriam Group entities or funds managed by Group entities.

### **FUND OF FUNDS**

Less than 10% of the net assets.

### **MANAGEMENT OBJECTIVE**

Within the limits of its discretionary management based on quantitative signals ("quantamental" management), the fund's objective is to outperform the capitalised EONIA for EUR denominated units and the capitalised FED FUND for USD denominated units over the recommended investment period.

### **BENCHMARK**

The EONIA (Euro Overnight Index Average) is the average of the day-to-day rates in the eurozone as calculated by the European Central Bank and represents the eurozone's risk-free rate.

It is available from <https://www.emmi-benchmarks.eu>.

It is provided by European Money Markets Institute (EMMI), an entity which is covered by transitional provisions of Article 51(1) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on

indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, stating that it has until 1 January 2020 to apply for authorisation or registration in accordance with Article 34 of the Regulation.

The "Effective Federal Funds Rate" – EFFR or FED FUND - provided by the New York Fed - is the weighted median of overnight federal funds transactions as listed in the FR 2420 Report of Selected Money Market Rates.

The federal funds market consists of domestic unsecured borrowings in U.S. dollars by banks from other banks and certain other companies, primarily U.S. government-sponsored enterprises.

It is available from: <https://apps.newyorkfed.org/markets/autorates/fed%20funds>

In accordance with the regulatory arrangements, the management company has a monitoring procedure for the benchmarks used, detailing the steps to take if substantial changes are made to a benchmark or if the benchmark is no longer available.

## **INVESTMENT STRATEGY**

In order to achieve the management objective, the fund invests in various markets: equities, interest rate, credit and currency markets, mostly in North America, Europe and Asia, and in commodities through index futures that comply with the legislation.

The fund aims to achieve the management objective with an average volatility of around 6% over the management horizon.

- **Strategies used:**

The management strategies implemented aim to generate an outperformance regardless of the market context, notably by means of arbitrage positions and long or short positions.

The portfolio therefore has a dynamic management style which consists of identifying and exposing the fund at certain times to potential sources of yield in various classes of assets and geographical regions. These yields correspond to the average performance in excess of the risk-free interest rate that an investor may achieve from an investment in a given strategy.

The sources of yield are of two types:

- Long exposure strategies, principally indices or market reference instruments,
- Arbitrage strategies in a single asset class aiming to benefit from macro-economic and financial imbalances and term premiums.

Description of exposure strategies:

### **1 Long exposure strategy**

These are principally in indices or market reference instruments, and aim to benefit from the potential yield of these markets (for example, dividends and stock market yields on the equities markets, yield to maturity of bonds, risk premium (credit spread) in credit indices etc.) or market biases linked to investor behaviour for example. These exposures are managed dynamically by the asset manager.

### **2 Arbitrage strategy**

Arbitrage strategies as well as alternate buy-sell strategies in a single class of asset aiming to benefit from macro-economic and financial imbalances and term premiums.

For example, the fund may be exposed to the following strategies:

- Carry trade strategy on the long-term interest rate curve (term premium): for example positive sensitivity to long-term rates and negative sensitivity to short-term rates,
- Carry trade strategy on worldwide currencies (premium linked to the disequilibrium in trade balances and/or growth cycles between various geographical areas): for example borrowing currencies with a low yield and investing in currencies with a high yield,
- Premium on call and/or put options (connected with structural demand for protection of certain economic actors and the symmetry of option risk): for example, sales of options on equity, interest rate or foreign currency indices,
- Return to average strategy (behavioural bias): the behaviour of the actors sometimes leads to market excesses which can be offset by reversion to the mean strategies: for example, a long position when the market is considered to be undervalued or a short position on a market considered to be overvalued.

This list is not exhaustive and there may be other methods that offer investment opportunities: bias on excessive anticipation of monetary policy movements, bias on the curve by term or seasonal effect on some commodities, etc.

The decision to invest in a given strategy is made opportunistically and on a discretionary basis by the asset manager who is supported by the various quantitative market indicators. These indicators are particularly the average yield

expected from the exposure, the market dynamic observed and the anticipated market risk. These indicators allow the attractiveness of each strategy to be assessed.

Using this assessment and after analysing the market environment, the asset manager decides whether or not to expose the fund to the particular strategy.

Based on the management decisions, the fund may or may not therefore be exposed at some times to certain classes of assets or certain investment strategies.

The fund allocates each position a risk budget in order to diversify the portfolio's global risk. This risk budget is calculated against the intrinsic risk of each strategy: the higher it is, the lower the fund's exposure to this strategy and vice versa.

Each portfolio position is managed independently of the others. An unused risk budget is not reallocated to other sources of yield.

Each investment strategy is analysed by the management team using notably back tests and stress tests to examine the behaviour of the strategy in terms of average yield, market risk and the risk of potential losses under various market conditions.

The international markets to which the fund may be exposed include:

- Equities indices of developed and emerging countries,
- Government bonds of developed and emerging countries,
- Private sector bonds of OECD countries,
- Commodities index futures that comply with the legislation in force.

The fund will invest in financial futures and options listed on regulated or OTC markets.

In so doing, the management team may take positions in order to hedge and/or expose the portfolio to different asset classes (equities, exchange rates, commodities, securities and equivalent instruments or indices), sectors of activity and regions in order to achieve the investment objective.

The portion of the portfolio which is not used for dynamic management purposes may be invested in monetary securities.

- **Instruments used:**

- 1. Equities: between 0 and 100%**

The fund may be invested in capital securities and securities equivalent to capital securities 100% eligible, mainly in the form of a representative basket of market indices.

These equities will be mainly listed on any regulated market in a eurozone Member State and other international countries.

- 2. Debt securities and money market instruments: between 0 and 100%**

The portfolio may also invest in bonds or negotiable debt securities issued by governments, the public or private sector and financial institutions. The coupon may be fixed, variable or indexed to inflation in the eurozone and international markets.

The minimum quality for these securities is a rating of at least B- by one of the ratings agencies or considered to be of equivalent quality by the management company.

Debt instruments are selected on the basis of an internal analysis of the credit risk. The sale or purchase of a line is therefore not solely based on the rating by the ratings agencies, but in the best conditions compatible with the interests of the holders.

- 3. Shares or units in UCIs: between 0 and 10%**

In accordance with the applicable laws, the fund may invest up to 10% of its assets in:

- units or shares in European UCITS which do not hold more than 10% of UCI units,
- units or shares of European AIFs or foreign investment funds which do not hold more than 10% of UCI units or of foreign investment funds and which meet the three other criteria of the Code monétaire et financier.

Within this limit, the fund may also invest in ETFs (Exchange Traded Funds) traded on regulated markets.

The UCIs will be managed by Candriam or by an external management company.

Investment will be for the purpose of diversifying the portfolio and optimising performance.

- 4. Other assets**

The fund may invest up to 10% of its assets in eligible financial securities or money market instruments not traded on a regulated market.

- 5. Derivative financial instruments: limited by the VaR of the fund**

#### *Type of derivative instruments*

For the purpose of efficiently managing the portfolio, the fund may make use of derivative products such as swaps, forwards, futures, options, CDX, CDS, NDF etc. arising notably from foreign exchange, equity, interest rate, credit spread and volatility risk.

The fund may also make use of total return swaps or other derivative financial instruments which have the same characteristics, for example contracts for difference, for the purpose of (long or short) exposure, hedging or arbitrage.

The underlying instruments to these operations may be either individual securities, financial indices (equities, interest rates, currencies, volatility, etc.) in which the fund may invest in accordance with its investment objectives. These derivatives may be traded on regulated or over-the-counter markets.

In accordance with the regulatory provisions, the 20% limit referred to above is raised to 35% if this proves to be justified by exceptional conditions on the markets, notably on regulated markets where certain transferable securities or certain money market instruments are highly dominant. Investing up to this limit is only authorised for a single issuer.

#### *Authorised counterparties*

In over-the-counter operations, counterparties to these transactions are approved by the management company's risk management department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised rating agency or considered to be of equivalent quality by the management company (in particular if there is no rating). The counterparties are located in an OECD member country.

Additional information on the one or more counterparties to the transactions is contained in the fund's annual report.

#### *Financial collateral:*

Cf. section 10. Management of financial collateral for OTC derivative products and efficient portfolio management techniques.

#### **6. Instruments with embedded derivatives: max 100%**

The fund may also use ETNs (Exchange Traded Notes) in commodities index futures and ETCs (Exchange Traded Commodities), which are debt securities traded on a regulated market.

It may hold callable and/or puttable bonds, and more generally any financial instrument containing a financial contract.

#### **7. Deposits: between 0 and 100%**

In order to optimise the performance of the fund and to manage its cash flow, the asset manager reserves the right to make cash deposits up to a limit of 100% of the assets.

#### **8. Cash borrowing: between 0 and 10%**

The fund may temporarily register a debit balance as a result of transactions related to cash flow (investments and divestments in progress, subscription/redemption and purchase/sale transactions, etc.), within a limit of 10% of the assets.

#### **9. Efficient portfolio management technique:**

In order to increase its yield and/or reduce its risks, the fund is authorised to make use of the following efficient portfolio management techniques covering transferable securities and money market instruments:

##### - Reverse repurchase agreements (reverse repo)

The fund may enter into reverse repurchase transactions for which on maturity the seller (counterparty) is required to take back the asset contained in the repurchase agreement and the fund is required to return the asset contained in the reverse repurchase agreement.

Such transactions may relate to 100% of the net assets.

For the term of the reverse repurchase agreement, the fund may not sell or use the securities which are contained in this agreement as a pledge/collateral unless the fund has other means of coverage.

##### - Repurchase agreements (repo)

The fund may enter into repurchase transactions for which on maturity the fund is required to reacquire the asset contained in the repurchase agreement and the seller (counterparty) is required to return the asset contained in the reverse repurchase agreement.

To meet temporary liquidity needs, such transactions may relate to 10% of the net assets.

The fund must, on expiration of the term of the repurchase agreement, have the necessary assets to pay the agreed

return price to the fund.

The use of these transactions must not result in a change in its investment objectives or result in additional risks being taken which exceed its risk profile as defined in the Prospectus.

**- Associated risks and mitigation measures**

The risks associated with efficient portfolio management techniques (including collateral management) are identified, managed and restricted by the risk management process. The principal risks are counterparty risk, delivery risk, operational risk, legal risk, custody risk and conflict of interest risk (as defined in the article entitled Risk factors), and such risks are mitigated by the organisation and the procedures defined by the management company as follows:

*i. Selection of counterparties and legal framework*

Counterparties to these transactions are approved by the Management Company's risk management department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised rating agency or are considered to be of equivalent quality by the Management Company. These counterparties are entities which are subject to prudential supervision. The counterparties are located in an OECD member country. Each counterparty is bound by a contract the clauses of which have been validated by the legal department/risk management department.

*ii. Financial collateral*

See point 10 entitled *Management of financial collateral for OTC derivative products and efficient portfolio management techniques* below

*iii. Restrictions on reinvestment of financial collateral received*

See point 10 entitled *Management of financial collateral for OTC derivative products and efficient portfolio management techniques* below

*iv. Measures taken to reduce the risk of conflicts of interest*

To mitigate the risk of a conflict of interest, the Management Company has established a process for selecting and monitoring counterparties through committees organised by the risk management department. In addition, the remuneration of these transactions is in line with market practices in order to avoid any conflict of interest.

*v. Remuneration policy for reverse repurchase agreements (reverse repo)*

Income from reverse repurchase agreements (reverse repo) is paid in full to the fund.

*vi. Remuneration policy for repurchase agreements*

This activity does not generate income.

**- Periodic investor information**

Further information on the conditions of application of these efficient portfolio management techniques is contained in the annual and semi-annual reports.

**10. Management of financial collateral for OTC derivative products and efficient portfolio management techniques.**

Some over-the-counter transactions in financial instruments are covered by a collateralisation policy that has been validated by the risk management department.

**a. General criteria**

All collateral to reduce exposure to counterparty risk satisfies the following criteria:

- Liquidity: any collateral received in a form other than cash must have a strong level of liquidity and be traded on a regulated market or within the framework of a multilateral trading system making use of transparent price setting methods such that it can be quickly sold at a price close to the valuation prior to the sale.
- Valuation: the collateral received must be valued on a daily basis and assets with highly volatile prices will only be accepted as collateral if sufficiently prudent safety margins are in place.
- Credit quality of issuers: see point b below.
- Correlation: the financial collateral received must be issued by an entity which is independent of the counterparty and does not have a strong correlation with the counterparty's performance.
- Diversification: the financial collateral must be sufficiently diversified in terms of the countries, markets and issuers (for the net assets). As regards issuer diversity, the maximum exposure to an issuer through the collateral received must not exceed 20% of the net assets of the respective fund. However, this limit is raised to 100% for securities issued or guaranteed by a member state of the European Economic Area (EEA), by its local authorities or by public international bodies to which one or more member states of the EEA belong. These issuers must be highly rated (in other words rated at least BBB-/Baa3 by a recognised rating agency or regarded as such by the Management Company). If the fund exercises this latter option, it must hold securities belonging to at least six different issues, with securities belonging to the same issue not exceeding 30% of the total amount of the net assets.

The management risks connected with collateral, such as operational and legal risks, must be identified, managed and restricted by the risk management process.

The collateral received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

#### b. Types of authorised collateral

The permitted types of financial collateral are as follows:

- cash denominated in the reference currency of the fund/affected fund,
- highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by public sector issuers from an OECD country (governments, supranational bodies, etc.) and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 25 years,
- highly rated debt securities (rated at least BBB-/Baa3 or equivalent by one of the ratings agencies) issued by private sector issuers from an OECD country and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 10 years,
- shares listed or traded on a regulated market of a Member State of the European Union or on a stock exchange of a state which is a member of the OECD provided the shares are included in a significant index,
- shares or units in undertakings for collective investment offering adequate liquidity and investing in money market instruments, highly rated bonds or shares that meet the conditions stated above.

The risk management department of the Management Company may impose stricter criteria in terms of the collateral received and thereby exclude certain types of instruments, certain countries, certain issuers or certain securities.

In the event of materialisation of the counterparty risk, the fund could end up owning the financial collateral received. If the fund may dispose of such collateral at a value corresponding to the value of the loan/assets transferred, it would not bear negative financial consequences. Otherwise (if the value of assets received as collateral fell below the value of the assets loaned/transferred before they could be sold), it would incur a loss equal to the difference between the value of the assets loaned/transferred and the value of the collateral once it is liquidated.

#### c. Level of financial collateral received

The Management Company has put in place a policy which requires a level of financial collateral based respectively on the type of transactions as follows:

- repurchase agreements: 100% of the value of the assets transferred,
- reverse repurchase agreements: 100% of the value of the assets transferred,
- for OTC derivatives: in transactions in over-the-counter financial instruments, there is a system of margin calls/maintenance in cash in the currency of the fund.

#### d. Discounting policy

The management company has put in place a discounting policy suited to each category of assets (depending on the credit quality in particular) received as financial collateral. This policy can be obtained by investors free of charge from the management company's registered office.

#### e. Restrictions on reinvestment of financial collateral received

Non-cash financial collateral may not be sold or reinvested or pledged.

Financial collateral received in cash can only be deposited with counterparties meeting the above eligibility criteria, invested in highly rated government loans, used for the purpose of reverse repurchase transactions that can be recalled at any time and/or invested in short-term monetary funds, in accordance with the applicable diversification criteria.

Although invested in assets with a low degree of risk, the investments may, nevertheless, contain some limited financial risk.

#### f. Safekeeping of collateral

In the event of transfer of ownership, the collateral received will be held by the depositary bank. In other types of collateral agreement, the collateral may be held by an external depositary subject to prudential supervision which is not connected to the supplier of the financial collateral.

The collateral received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

#### g. Financial collateral in favour of the counterparty.

Certain derivatives may initially require collateral to be lodged in favour of the counterparty (cash and/or securities).

## 11. Valuation

Reverse repurchase and repurchase agreements

Reverse repurchase and repurchase agreements are valued at cost plus interest. For contracts exceeding three months, the credit spread of the counterparty may be revalued.

#### Collateral

Collateral received is valued daily by the management company.

Collateral provided is valued daily by the management company.



### TABLE OF DERIVATIVE INSTRUMENTS

	TYPE OF MARKET		TYPE OF RISK					TYPE OF USE	
	Regulated and/or organised markets	OTC markets	Equity	Interest rates	Foreign exchange	Credit	Other risk(s)	Hedging	Exposure
<b>Futures in</b>									
Equities	x	x	x					x	x
Interest rates	x	x		x				x	x
Foreign exchange		x			x			x	x
Indices	x	x	x	x	x	x	x	x	x
Volatility	x	x	x				x	x	x
Commodities indices	x	x					x	x	x
<b>Options in</b>									
ETFs	x	x	x	x	x	x	x	x	x
Interest rates	x	x		x			x	x	x
Foreign exchange	x	x			x		x	x	x
Indices	x	x	x	x	x	x	x	x	x
Commodities indices	x	x					x	x	x
<b>Swaps</b>									
Equities		x	x					x	x
Interest rates		x		x				x	x
Foreign exchange		x			x			x	x
Indices		x	x	x	x	x	x	x	x
Commodities indices		x					x	x	x
<b>Credit derivatives</b>									
Credit default swaps (CDS)		x				x		x	x
Credit derivative indices	x	x				x		x	x
<b>ETNs</b>									
Commodities indices	x						x		x
<b>ETCs</b>									
Commodities indices	x						x		x

## RISK PROFILE

Your money will be mainly invested in financial instruments selected by the management company. These instruments will be subject to trends and uncertainties in the markets.

As part of its management strategy, the portfolio will invest particularly in the futures and options markets. These are characterised, among other things, by the fact that the initial investment (initial margin) is far lower than the nominal contract amount, thereby offering a leverage effect.

In order to diversify the risk between the various sources of yield, the level of exposure is managed in line with the market risk specific to that exposure. Therefore, the higher the risk of a source of yield is, the lower the fund's exposure to this strategy and vice versa.

Unitholders are advised that the net asset value may fall for the following reasons:

### **Risk of capital loss**

There is no guarantee for investors relating to the capital invested, and investors may not receive back the full amount invested.

### **Risk associated with derivative financial instruments:**

Financial derivatives are instruments whose value depends on (or is derived from) one or more underlying financial assets (equities, interest rates, bonds, currencies, etc.). The use of derivatives therefore involves the risk associated with the underlying instruments. They may be used for purposes of exposure or hedging against the underlying assets. Depending on the strategies employed, the use of derivative financial instruments can also entail leverage risks (amplifying downward market movements). In a hedging strategy, the derivative financial instruments may, under certain market conditions, not be perfectly correlated to the assets to be hedged. With options, an unfavourable fluctuation in the price of the underlying assets could cause the fund to lose all of the premiums paid. OTC financial derivatives also entail a counterparty risk (though this may be attenuated by the assets received as collateral) and may involve a valuation risk or a liquidity risk (difficulty selling or closing open positions).

### **Equity risk:**

The fund may be exposed to equity market risk through direct investment (through transferable securities and/or derivative products). These investments, which generate long or short exposure, may entail a risk of substantial losses. A variation in the equity market in the reverse direction to the positions can lead to the risk of losses and may cause the net asset value of the fund to fall.

### **Interest rate risk:**

A change in interest rates, resulting notably from inflation, may cause a risk of losses and reduce the net asset value of the fund (particularly in the event of a rate increase if the fund has a positive rate sensitivity and in the event of a rate decline if the fund has a negative rate sensitivity). Long term bonds (and related derivatives) are more sensitive to interest rate variations.

A change in inflation, in other words a general rise or fall in the cost of living, is one of the factors potentially affecting interest rates and consequently the NAV.

### **Commodities risk:**

Trends for commodities may differ significantly from those of traditional securities markets (equities, bonds). Climatic and geo-political factors can also affect the supply and demand levels of the respective underlying product, in other words altering the expected scarcity of the product on the market. Commodities such as energy, metals and agricultural products, however, could have trends which are more closely correlated with each other. Unfavourable trends on these markets may cause the net asset value of a fund to fall.

### **Credit risk:**

Risk that an issuer or a counterparty will default. This risk includes the risk of changes in credit spreads and default risk. The fund may be exposed to the credit market and/or specific issuers in particular whose prices will change based on the expectations of the market as regards their ability to repay their debt. The fund may also be exposed to the risk that a selected issuer will default, i.e. will be unable to honour its debt repayment, in the form of coupons and/or principal. Depending on whether the fund is positively or negatively positioned on the credit market and/or some issuers in particular, an upward or downward movement respectively of the credit spreads, or a default, may negatively impact the net asset value.

There is also a high yield credit risk in that the fund may be exposed to high yield bonds through credit index contracts such as the Itraxx and the CDX. High yield securities have a greater risk of default in return for their higher yield.

### **Foreign exchange risk:**

Foreign exchange risk derives from the fund's direct investments and its investments in forward financial instruments, resulting in exposure to a currency other than its valuation currency. Changes in the exchange rate of this currency in relation to that of the fund may negatively affect the value of assets in the portfolio.

**Volatility risk:**

The fund may be exposed (taking directional positions or using arbitrage strategies for example) to market volatility risk and could therefore, based on its exposure, suffer losses in the event of changes in the volatility level of these markets.

**Risk arising from discretionary management and the arbitrage strategy:**

The fund aims to generate performance from exposure to various markets according to the asset manager's convictions based on technical and financial indicators. The interpretation of these indicators and the predictions of the asset manager may be wrong and cause the fund to underperform its investment objective. Arbitrage is a technique which consists in benefiting from the differences in prices recorded (or anticipated) between markets and/or sectors and/or securities and/or currencies and/or instruments. If such arbitrage transactions perform unfavourably (a rise in short transactions and/or fall in long transactions), the fund's net asset value may fall.

**Emerging countries risk:**

Market movements can be stronger and faster on these markets than on the developed markets, which could cause the net asset value to fall in the event of adverse movements in relation to the positions taken. Volatility may be caused by a global market risk or may be triggered by the vicissitudes of a single security. Sectoral concentration risks may also be prevalent on some emerging markets. These risks may also heighten the volatility. Emerging countries may experience serious political, social, legal and fiscal uncertainties or other events that could have a negative impact on the sub-funds investing in them. In addition, local depositary and sub-custodial services remain underdeveloped in non-OECD countries and emerging countries, and transactions carried out in these markets are subject to transaction risk and custody risk. In some cases, the fund may be unable to recover all or part of its assets or may be exposed to delays in delivery when recovering its assets.

**Counterparty risk:**

the fund may use OTC derivative products and/or efficient portfolio management techniques. These transactions may cause a counterparty risk, i.e. losses incurred in connection with commitments contracted with a defaulting counterparty.

**Leverage risk:**

Compared with other types of investment, the fund may operate with a high level of leverage. Use of leverage may entail high volatility and the fund may suffer higher losses depending on the leverage level.

**Liquidity risk:**

liquidity risk is defined as that of a position in the fund's portfolio that cannot be sold, liquidated or closed at a limited cost and within a sufficiently short time, thus jeopardizing the fund's ability to comply at any time with its obligations to redeem the shares of investors at their request. On certain markets (in particular emerging and high-yield bonds, equities with low market capitalisation, etc.), the quotation spreads may widen under less favourable market conditions, which could impact on the net asset value when assets are purchased or sold. Furthermore, in the event of a crisis on these markets, the securities could also become difficult to trade.

**Risk associated with external factors:**

uncertainty about the sustainability of some external environmental factors (such as tax regime or regulatory changes) that may have an impact on operation of the fund. The fund may be subject to a number of legal and regulatory risks, in particular contradictory, incomplete, ambiguous and unpredictable interpretations or applications of laws, restricted public access to the regulations, practices and customs, ignorance or violations of laws by counterparties or other market participants, incomplete or incorrect transaction documents, the absence of amendments established or applied consistently in order to obtain redress, inadequate protection of investors or a failure to apply existing laws. Difficulties in asserting, protecting and enforcing rights may have a significant negative effect on the fund and its transactions. In particular, tax rules may be changed regularly or interpreted differently, increasing the amount of tax payable by the investor or the fund on its assets, income, capital gains, financial transactions or charges paid or received by service providers.

**Delivery risk:**

the fund may want to liquidate assets which at that time are subject to a transaction with a counterparty. In this case, the fund would recall these assets from the counterparty. Delivery risk is the risk that the counterparty, although contractually obliged, may not be able in operational terms to return the assets quickly enough to allow the fund to honour the sale of these instruments on the market.

**Operational risk:**

the operational risk is the risk of direct or indirect losses associated with a number of factors (such as human error, fraud and malice, IT system failures and external events, etc.) which may have an impact upon the fund and/or the investors. The Management Company aims to reduce these risks by putting in place controls and procedures.

**Legal risk:**

the risk of litigation of all kinds with a counterparty or a third party. The Management Company aims to reduce these risks by putting in place controls and procedures.

**Custody risk:**

the risk of loss of assets held by a depositary as a result of insolvency, negligence or fraudulent action by the depositary or a sub-custodian. This risk is mitigated by the regulatory requirements governing depositary services.

**Risk of changes to the benchmark index by the index provider:**

Unitholders should note that the benchmark index provider has full discretion to determine and therefore alter the characteristics of the relevant benchmark index for which it acts as sponsor. Under the terms of the licence contract, an index provider may not be required to give licence holders using the relevant benchmark index sufficient notice of changes to the benchmark index. As a result, the management company may not be able to inform fund unitholders in advance of changes made by the index provider to the characteristics of the relevant benchmark index.

**Risk of conflicts of interest:**

selection of a counterparty based on reasons other than the sole interest of the fund and/or unequal treatment in the management of similar portfolios could be the main sources of conflicts of interest.

**Guarantee or protection**

None

**CHANGES****Changes over the previous six months**

None

**Changes over the six-month period**

**23/09/2019:** new prospectus comes into effect after the following changes:

- Puttable and callable bonds added
- Logo updated
- Paragraph about liquidity risk management added

**25/09/2019:** new prospectus comes into effect because CANDRIAM France create a new unhedged USD unit:

- Unit: I-USD-Unhedged-Cap DEVISE USD
- ISIN code FR0013446374
- Initial unit: USD 1,500.00

**08/11/2019:** New prospectus comes into effect after the following changes:

- I in USD unit: becomes an unhedged unit
- Depositary – custodian: information about the mandate
- Management of liabilities: additional information
- Paragraph about the conflicts of interest policy
- Paragraph about liquidity risk management: removed because of an error

**Future changes**

None

**MANAGEMENT REPORT****Economic and financial environment**

With business activity and the labour market in very good shape in early 2019, concerns about a major slowdown of growth in the **United States**, which had had a strong impact on stock markets and interest rates, faded. A deal was reached to end the shutdown which had started on 21 December 2018. Furthermore, after its meeting on 29-30 January, the Federal Reserve stated that, in the light of economic and financial developments and in the absence of inflationary pressure, it could be patient regarding the pace of future adjustments to its monetary policy. The markets warmly welcomed this shift in tone, as they had been fearing excessive tightening. At the start of March, the signs of a slowdown in the manufacturing sector became more persistent. Only 46,000 jobs were created in the private sector. Large US companies lowered their earnings growth forecasts for 2019. In view of uncertainties linked to the slowdown in international and domestic activity, the Federal Reserve sent an even more dovish message on 20 March. It lowered its growth forecasts for 2019 and 2020 and raised its unemployment rate forecasts. Given the absence of inflation (1.6% on average in the first quarter), the Federal Reserve no longer had any reason to raise its key rate in the short term. These developments led to a sharp fall

in the 10-year rate. Overall, this rate shed 27 basis points during the quarter to close at 2.41%, while the stock market gained 13.1% over the same period. At the start of the second quarter, stock markets continued to rise driven by strong new job creations (216,000 in April), solid growth in the first quarter (3.1% on an annualised sliding quarter basis) and positive economic indicators. In May, following the sabotage of vessels in the Strait of Hormuz, things became heated between the USA and Iran. On another front, President Trump decided to increase excise duties to 25% (up from 10%) on 200 billion dollars of imports from China. In mid-May, Trump restricted technology transfer from US companies to China. At the end of May, Trump announced that, from 10 June, he would increase excise duty on all imports from Mexico by 5% a month up to 25% until a solution to “the migrant problem” was found. An agreement was however reached with the United States when Mexico promised to send 6,000 police officers to the southern border. At the beginning of June, the announcement of a new jobs figure of only 62,000 increased fears of a slowdown in growth. While this put downward pressure on 10-year rates, there was sharp upward movement on the stock market. Paradoxically, the worse the economic figures, the greater the likelihood that the Federal Reserve would lower its key rate in July. The stock market therefore closed out the second quarter up 3.8 % at 2942 and the 10-year rate was down 42 basis points to 2.0 %. Good jobs figures in early July caused markets to adjust to the downside the number of interest rate cuts expected from the Federal Reserve for the end of 2020. Markets and the ten-year rate edged up. In order to protect the American manufacturing sector against the effects of a global slowdown, on 31 July the Federal Reserve dropped its key rate by 25 basis points to 2.25%. But, with the announcement by President Trump on 1 August of a 10% tariff on all remaining Chinese imports (products not yet taxed, i.e. some 300 billion dollars of goods) and the reaction from China, the yuan reached a level of 7 yuans for 1 dollar and following an additional tax on American products, the ten-year rate fell back significantly as did stock markets. The announcement, on 13 August, of an exoneration for some goods until 15 December partially reassured markets about the willingness to pursue negotiations. In early September, whereas the ISM manufacturing PMI index fell under the 50 bar (49.1) for the first time since August 2016, the ISM services PMI index increased strongly beyond 56 (up from 53.7 in July). Labour market figures remained upbeat. Fears of a strong slowdown waned and this pushed rates up: in mid-September the ten-year was at 1.9% compared to 1.5% in August. On 14 September, the biggest Saudi oil processing facility was the victim of a drone attack. Oil prices shot up over 10% in a few days. However, as the damage turned out to be less than feared, prices fell back to 60 dollars a barrel a few days later. In light of national and global economic developments and the absence of inflationary pressure, the Federal Reserve decided on 18 September to drop its key rate by a further 25 basis points down to 2%. Overall, the 10-year rate fell by 33 basis points over the quarter to 1.67 %, and the stock exchange gained 1.2% to 2977. At the start of October, the ISM manufacturing PMI index remained weak (47.8) and the ISM services PMI fell by close to four points to 52.6. But the creation of 193,000 jobs in September (after 219,000 in August) put a stop to falls in the ten-year rate further helped by rumours about a possible agreement over the coming months between China and the United States. In a last move to cover its back on 30 October, the Federal Reserve dropped its target rate 25 basis points to 1.75%. November and December were marked by press releases on negotiations between China and the United States. But as these were increasingly positive and with labour markets being very well oriented – 266,000 new jobs in November – the stock market continued to move up, further helped in mid-December by the agreement on the 2020 budget which avoided yet another *shutdown* and a trade agreement was found between the United States and China just before the 15 December deadline. In this environment, the Federal Reserve acknowledged the solid state of the US economy and now no members expect a fall in rates in 2020. Over the quarter, the stock market and the 10-year rate grew by 8.5% and 25 basis points respectively. In 2019 the stock market rose 28.9% and the 10-year rate fell 77 basis points to 3231 and 1.92% respectively.

Despite the strong services sector performance (PMI around 53), manufacturing indicators in the **euro zone** continued to decline in Q1 2019 (in March, German PMI was at 44.1 and 49.7 in France). This sluggish performance can be put down to the slowdown in Chinese growth but also to the German economy's extreme sensitivity to fluctuations in the global economy in general and the Asian economy in particular. Moreover, Brexit turmoil pushed the German 10-year rate into negative territory (safe-haven effect). As in the USA, this was intensified by the easing of monetary policy: the European Central Bank (ECB) announced that the first rate hike would not come before the end of 2019 and a new TLTRO would be implemented in September. Overall, on account of the global rebound in equity markets at the beginning of the year, the euro zone stock market closed out the first quarter up 11.5%, while the German 10-year rate fell 31 basis points to -0.07%. Whereas the pace of GDP growth had speeded up at the end of 2018 and in Q1 2019 (1.8% on an annualised sliding quarter basis), the pace slowed significantly in the second quarter. Indeed, in Germany, the manufacturing PMI index was down to 44.6 on average in the second quarter and just under 50 in France, Italy and Spain. However, on average the services sector PMI was at 53.1 in the euro zone and 55.6 in Germany. Against this backdrop, growth in employment, even though it slowed down, remained positive. So much so, that there was hope of a re-acceleration of growth, since Germany, France and Italy, to name just the major countries, found more room for budgetary manoeuvre. This must partly offset the impact of political developments such as the Brexit negotiations, the deadline for which was finally pushed back to 31 October 2019. In view of the absence of inflationary pressure and the risks to growth, the ECB announced at the beginning of June that key rates would remain unchanged until at least mid-2020. In mid-June, in a speech in Sintra, the chairman of the ECB indicated that, in the absence of evidence of an improvement in the economic situation and of an acceleration in inflation, additional stimulus might be required (reduction in key rates, resumption in asset purchases...), which led to a sharp drop in 10-year rates and a rise in the stock market. Overall, the German 10-year rate closed out the second quarter down 25 basis points to -0.32 % and the stock market ended up 2.2 %. At the start of the third

quarter, manufacturing indicators continued their decline while service indicators continued to perform well. This was despite developments in Europe during the summer. Indeed, on 24 July in the United Kingdom, Boris Johnson – an ardent Brexit-at-any-cost supporter – was appointed Prime Minister. In this context, on 25 July the message from the ECB meeting was even more dovish, pushing interest rates further down: the German 10-year rate fell 15 basis points to -0.48 %. In the wake of developments in the United States and their potential impact on global growth, the Germany ten-year rate continued to fall reaching -0.71% at the end of August. At the end of August, the hawks in the ECB opposed to further quantitative easing started to make their presence felt. From September on, these voices started to impact rates: the German ten-year increased from -0.71% to -0.45% in barely ten days. Despite that, on 12 September, the ECB decided on an across-the-board easing of its monetary policy: a 10 basis point drop in the deposit facility rate, resumption of asset purchases of 20 billion per month from 1 November, the establishment of a *two-tier system* to remunerate bank's excess reserves deposited with the ECB etc. The goal is to try and counter the effects of sluggish global growth and stimulate inflation (+0.8% in September). A few days after digesting the impact of these different measures, the German ten-year rate closed out the quarter at -0.57%. The stock market over the quarter rose by 2.3%. In Q4, euro zone manufacturing PMI remained weak (on average 46.2 and 43.2 for Germany) whereas services PMI remained slightly over 50 (52.2). Third quarter growth was 0.9% on an annualised sliding quarter basis. Despite this sluggish environment and a pessimistic outlook, European stock market growth was driven by positive geopolitical developments throughout the quarter: i.e., the perspective of an agreement between the United States and China and the finalisation of this agreement in mid-December; President Trump's decision not to raise tariffs on car imports from the euro zone; the avoidance of a no-deal Brexit on 31 October and the Tories' overwhelming victory in the UK general elections on 12 December, enabling an exit from the euro zone at the latest by 31 January 2020 and the start of discussions on a trade agreement between the euro zone and the UK. In this environment, over the quarter, the stock market and 10-year rate grew by 4.9 % and 38 basis points respectively. In 2019 the stock market rose by 22.4% and the 10-year rate fell by 43 basis points to 0.19% respectively.

## Notes on annual report

The Candriam Global Alpha fund recorded a slightly negative performance in 2019. The drivers of relative performance behaved better globally than the directional logic.

As a result, currency strategies were profitable. In the currency segment of the G10, the purchase of the Canadian dollar against the Australian dollar in the second and third quarter, or the purchase of the pound sterling against the US dollar in the fourth quarter were the most striking. Among the emerging currencies, the long ruble position and short South African rand position were particularly relevant. Ultimately, our optional approach benefited from the low volatility in this sector.

The interest rate strategies had varying fortunes. Arbitrages performed well on the whole, e.g. shrinking spreads between American and Canadian rates. In the last quarter, however, our downward directional position on American rates was costly.

The equity segment was disappointing both in directional terms and in terms of relative value. First, our prudence on American equities turned out to be detrimental. Second, sectoral strategies favouring sectors said to be "late" compared to sectors benefiting from global growth also suffered.

The fund did not use credit derivatives.

The units performed as follows:

CGA	I	C	N	Z
Perf	0.16%	0.02%	-0.41%	0.62%

## CREDIT DERIVATIVES

The portfolio did not use credit derivatives over the period.

*Past performance may not be a reliable guide to future performance.*

## EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

The exposures obtained through the temporary acquisition and sale of securities as at 30/12/2019 are summarised below.

These operations were contracted for the purpose of secure investment in cash (payment of cash against receipt of securities). The thresholds for triggering margin calls are between EUR 100,000 and EUR 300,000 depending on the counterparties.

Revenues arising from these operations amounted to EUR -233,579.44. This negative amount is due to the negative interest rates.

Costs arising from these operations amounted to EUR 6,144 including taxes.

The full costs and revenues arising from these operations were attributed to the fund.

### Reverse repos

These operations amounted to a total of EUR 53,962,999.03. They were carried out with:

- BNP PARIBAS SA
- CREDIT DU NORD SA
- NATIXIS

In return for the cash paid out, the fund received as collateral government bonds denominated in EUR with a short-term issuer rating of at least A-1 or equivalent by the three principal ratings agencies and whose fair value at inception and upon each margin call was equal to 100% of the cash paid out.

## Derivative financial instruments

The exposures obtained through derivative financial instruments as at 30/12/2019 are summarised below.

### 1. Forward exchange

FX EXPOSURE	EUR	CAD	JPY	CHF	SEK	TOTAL
CAD/EUR 17/06/2020	-312,000.00	312,398.18				398.18
JPY/EUR 17/06/2020	-747,000.00		745,568.90			-1,431.10
SEK/EUR 17/06/2020	-1,707,000.00				1,705,857.20	-1,142.80
CHF/EUR 17/06/2020	-705,000.00			711,015.49		6,015.49
EUR/CAD 17/06/2020	403,628.08	-406,031.35				-2,403.27
EUR/JPY 17/06/2020	1,634,283.34		-1,636,270.19			-1,986.85
EUR/CHF 17/06/2020	913,659.71			-922,262.41		-8,602.70
EUR/SEK 17/06/2020	3,430,909.28				-3,439,132.61	-8,223.33
<b>TOTAL</b>	<b>2,911,480.41</b>	<b>-93,633.17</b>	<b>-890,701.29</b>	<b>-211,246.92</b>	<b>-1,733,275.41</b>	<b>-17,376.38</b>

The transactions were carried out with the following counterparties:

- Société Générale
- UBS
- Barclays

### 2. Futures

FINANCIAL FUTURES ON INTEREST RATES	Amount in EUR
90 DAYS - EURO \$ FUTURE 10/01/2020	263,408,756.19
BANKERS ACC.CANADIAN 3 MONTHS 14/09/2020	266,070,657.08

CURRENCY FUTURES	Amount in EUR
GBP/USD SPOT CROSS 16/03/2020	1,026,476.10
BRL/USD SPOT CROSS - USD EQ 31/01/2020	1,198,232.70
SEK/USD SPOT CROSS 16/03/2020	1,917,079.48
USD/NOK SPOT CROSS 16/03/2020	2,025,081.45
AUD/USD SPOT CROSS 16/03/2020	2,691,649.93
NZD/USD SPOT CROSS 16/03/2020	2,887,240.59
INR/USD SPOT CROSS 29/01/2020	3,119,560.85
RUB/USD SPOT -CROSS RATES 16/03/2020	5,176,953.63
SOUTH AFRICA RAND SA RAND 16/03/2020	5,316,530.55
MXN/USD SPOT/CROSS 16/03/2020	6,987,548.53
EUR/USD SPOT -CROSS RATES 16/03/2020	10,424,080.64

FUTURES ON STOCK EXCHANGE INDICES	Amount in EUR
FTSE 100 DIVIDEND INDEX 17/12/2020	926,729.12
DJ EURO STOXX 50 DVP 17/12/2021	1,852,500.00
DJ EUROPE STOXX 600 INSUR.IND 20/03/2020	2,416,500.00
DJ STOXX 600 CHEMICALS EUR IND 20/03/2020	2,557,000.00
DJ EURO ST HEALTH P IX 20/03/2020	3,041,500.00
NASDAQ 100 INDEX 100-INDEX 20/03/2020	3,274,133.08
DOW JONES STOXX 600 MEDIA 20/03/2020	3,830,000.00
DJES REAL ESTATE EUR PR 20/03/2020	5,385,600.00
S&P 500 EMINI INDEX 20/03/2020	6,105,234.11
NIKKEI 225 INDICES D 12/03/2020	7,667,397.38

INTEREST FUTURES	Amount in EUR
10Y BTP ITALIAN BOND 06/03/2020	4,986,100.00
EURO SCHATZ 24/01/2020	21,380,800.00
EURO BOBL 24/01/2020	37,285,362.83
10Y TREASURY NOTES USA 20/03/2020	50,769,514.23

### 3. Options

FUTURES OPTIONS	
AUD/USD SPOT CROSS 16/03/2020	43,294.88
AUD/USD SPOT CROSS 16/03/2020	578,521.95
RUSSELL 2000 INDEX 20/03/2020	761,714.29
BPA CCY GBP/USD EUR FX 07/02/2020	1,039,856.95
IBEX MINI 35 MEFF 17/01/2020	1,694,994.75
BPA CCY GBP/USD EUR FX 07/02/2020	3,320,657.52
RUSSELL 2000 INDEX 20/03/2020	3,615,127.27
BPA CCY GBP/USD EUR FX 07/02/2020	3,626,022.43
EUR/USD EUROPEAN-STYLE FX 06/03/2020	3,742,257.51
JPY/USD EUROPEAN ST FX MONTHLY 06/03/2020	4,184,819.13
IBEX MINI 35 MEFF 17/01/2020	4,320,941.63
NASDAQ 100 INDEX 100-INDEX 20/03/2020	4,492,110.59
NASDAQ 100 INDEX 100-INDEX 20/03/2020	4,977,087.66



JPY/USD EUROPEAN ST FX MONTHLY 06/03/2020	5,371,541.64
EUR/USD EUROPEAN-STYLE FX 06/03/2020	5,446,745.41
10Y TREASURY NOTES USA 20/03/2020	6,060,876.29
MXN/USD SPOT/CROSS 16/03/2020	7,027,428.57
RUSSELL 2000 INDEX 20/03/2020	7,430,810.72
2Y TREASURY NOTES USA 24/01/2020	7,629,442.92
NIKKEI 225 INDICES D 12/03/2020	9,332,719.20
EUR/USD SPOT -CROSS RATES 16/03/2020	15,715,472.36
2Y TREASURY NOTES USA 24/01/2020	17,911,515.60
EURO BOBL 24/01/2020	23,701,136.84
3M SHORT STERLING 14/02/2020	25,571,892.00
EURO SCHATZ 24/01/2020	25,857,836.68
2Y TREASURY NOTES USA 24/01/2020	26,472,103.00
10Y TREASURY NOTES USA 20/03/2020	41,592,337.50
EURO BOBL 24/01/2020	45,052,190.72
2Y TREASURY NOTES USA 24/01/2020	57,335,305.93
90 DAYS - EURO \$ FUTURE 10/01/2020	67,501,767.17
3M SHORT STERLING 14/02/2020	68,834,516.00
90 DAYS - EURO \$ FUTURE 10/01/2020	371,933,163.74

STOCK MARKET INDEX OPTIONS	Amount in EUR
DJ EURO ST HEALTH P IX 20/03/2020	106,248.29
DJ EUROPE STOXX 600 INSUR.IND 20/03/2020	700,333.92
SWED OPTI OMX STOCKHOLM 30 IDX 20/03/2020	717,530.39
DOW JONES STOXX 600 AUTO P.PR. 20/03/2020	1,037,788.80
SMI INDEX/OHNE DIVIDENDENKORR. 20/03/2020	1,069,366.78
DJS 600 OIL & GAS STOXX 600 20/03/2020	1,294,237.23
NIKKEI 225 INDICES D 12/03/2020	1,818,323.29
DJ EURO STOXX/BANKS/PRICE IND 19/06/2020	2,402,418.33
UKX FTSE 100 INDEX 20/03/2020	2,435,850.76
SMI INDEX/OHNE DIVIDENDENKORR. 20/03/2020	5,586,622.39
FTSE 100 DIVIDEND INDEX 17/12/2020	6,583,358.32
EURO BOBL 24/01/2020	9,678,277.72

**Information on VaR for 2019:**

maximum %	minimum %	average %
4.82%	8.74%	2.02%

## SFTR REPORTING – Article 13

### Unaudited additional information

REGULATION (EU) 2015/2365 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 November 2015

Transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012

### Reverse repurchases

#### Global data (in EUR)

Name of sub-fund	Nominal value of reverse repurchase agreements	Global valuation	Total net assets	(%) of assets
CANDRIAM GLOBAL ALPHA	50,206,952	53,962,999	97,479,734	55.36
<b>Total</b>	<b>50,206,952</b>	<b>53,962,999</b>		

Counterparty name	Nominal value of reverse repurchase agreements	Global valuation	Securities portfolio at market value	(%) of lendable assets
<b>BNP PB SS</b>				
ITALY 3.75% 01/09/2024	6,004,000	6,993,670		
NETHERLANDS 3.25% 15/07/21	15,796,459	16,984,126		
BELGIUM 0.9% 22/06/2029	5,463,100	5,996,068		
BELGIUM 0.8% 22/06/2028	9,259,393	9,997,972		
<b>NAT PA</b>				
EFSF 0% 29/03/2021	3,975,000	3,995,275		
<b>CDN PA</b>				
FRANCE OAT 2.5% 25/10/2020	9,709,000	9,995,888		
<b>Total</b>	<b>50,206,952</b>	<b>53,962,999</b>	<b>30,596,933</b>	<b>31.39</b>

#### Concentration data (in EUR)

10 largest issuers	Amount of collateral
Netherlands	16,984,126
Belgium	15,994,039
France	9,995,888
Italy	6,993,670
EFSF	3,995,275
<b>Total</b>	<b>53,962,998</b>

Top 10 counterparties	Amount of collateral
BNP PARIBAS SA	39,971,836
CREDIT DU NORDS SA	9,995,888
NATIXIS	3,995,275
<b>Total</b>	<b>53,962,999</b>

Aggregate transaction data for each type of securities financing transaction to be broken down according to the below categories (in EUR):

Type of collateral	Amount of collateral
BONDS	53,962,999
<b>Total</b>	<b>53,962,999</b>

Quality of collateral	Amount of collateral
AAA	20,979,401
AA	25,989,927
BBB-	6,993,670
<b>Total</b>	<b>53,962,998</b>

Maturity tenor of collateral	Amount of collateral
Less than one day	0
One day to one week	0
One week to one month	0
One to three months	0
Three months to one year	9,995,888
More than one year	43,967,111
Open maturity	0
<b>Total</b>	<b>53,962,999</b>

Currency of cash collateral	Amount of collateral
EUR	53,962,999
<b>Total</b>	<b>53,962,999</b>

Maturity tenor of the securities financing transactions	Amount of collateral
Less than one day	
One day to one week	9,995,888
One week to one month	3,995,275
One to three months	39,971,835
Three months to one year	
More than one year	
Open maturity	
<b>Total</b>	<b>53,962,999</b>

Country in which the counterparties are established	Amount of collateral
FRANCE	53,962,999
<b>Total</b>	<b>53,962,999</b>

Settlement and clearing	Amount of collateral
Bilateral	53,962,999
<b>Total</b>	<b>53,962,999</b>

**Data on reuse of collateral (in EUR)**

Reuse of collateral	
Collateral received which is reinvested	None
Returns from reinvestment of the collateral in cash for the benefit of the collective investment undertaking	None

**Safekeeping of collateral received by the collective investment undertaking as part of securities financing transactions (in EUR)**

Depository name	Amount of collateral assets
RBC IS BK France	53,962,999

**Safekeeping of collateral received by the collective investment undertaking as part of securities financing transactions and total return swaps (in EUR)**

Type of accounts
Segregated accounts

**Data on return and cost for each type of securities financing transaction (in EUR):**

Name of sub-fund	Global return
CANDRIAM GLOBAL ALPHA	-233,579.44
<b>Total</b>	<b>-233,579.44</b>

## USE OF VOTING RIGHTS

Voting rights: since units in an FCP do not carry any voting rights, decisions are made by the management company.

## INTERMEDIARY AND COUNTERPARTY SELECTION AND ASSESSMENT PROCEDURE

CANDRIAM FRANCE selects intermediaries to which it sends orders for execution for the major classes of financial instruments (bonds, shares, derivative products). The selection is mainly based on the intermediary's execution policy and subject to the "Selection policy for financial intermediaries to which CANDRIAM FRANCE sends orders for execution on behalf of the UCITS it manages".

The main execution factors considered are: price, cost, speed, probability of execution and settlement, size and type of order. In application of the broker and counterparty selection and evaluation procedure and further to the request of the manager, the CANDRIAM FRANCE Broker Review approves or refuses any new broker application.

Therefore pursuant to this policy, a list by type of instruments (shares, interest rates, money market, derivatives) of the authorised brokers and a list of the authorised counterparties are kept. Furthermore, on a periodic basis and as part of the Broker Review, the list of approved brokers and counterparties is reviewed so as to evaluate them on the basis of various filters and to make any useful and necessary changes.

"Report on intermediary fees"

We refer to the report issued by the management company in accordance with article 314-82 of the general regulations of the Autorité des Marchés Financiers.

This report is available from the management company's web site [www.candriam.com](http://www.candriam.com)

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE QUALITY CRITERIA

The UCITS does not simultaneously take account of environmental, social and governance (ESG) quality criteria.

## INFORMATION RELATING TO THE REMUNERATION POLICY - UCITS:

Candriam France is a portfolio management company and holds an authorisation concerning the management of undertakings for collective investment in transferable securities (UCITS) under Directive 2009/65/CE (UCITS Directive) and an authorisation concerning the management of alternative investment funds (AIFs) under Directive 2011/61/EL (AIFM Directive).

The responsibilities of Candriam France under these two directives are quite similar and Candriam France considers its personnel is paid in the same way for tasks relating to the administration of UCITS or alternative investment funds.

Remuneration paid by Candriam France, acting as financial management delegate, to its personnel for the year end December 2019:

- Gross total amount of fixed remuneration paid (excluding payments or benefits which may be regarded as forming part of a general and non-discretionary policy and having no incentive effect on risk management): EUR 14,524,423
- Gross total amount of variable remuneration paid: EUR 4,672,700
- Number of beneficiaries: 168

Aggregate amount of remuneration, allocated between senior managers and the asset manager's personnel whose activities have a significant impact on the fund's risk profile. The systems in Candriam France do not allow identification of this kind according to managed fund. The figures below also present the aggregate amount of remuneration at global level in Candriam France.

- Aggregate amount of remuneration of senior managers: EUR 1,934,715
- Aggregate amount of remuneration of Candriam France personnel whose activities have a significant impact on the risk profile of the funds of which it is the management company (excluding senior managers): EUR,3,837,345.

The remuneration policy was most recently reviewed by the remuneration committee of Candriam France on 31 December 2019, and was adopted by its strategic committee.

**ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30 December 2019**

**BALANCE SHEET - ASSETS**

	2019 financial year	2018 financial year
<b>NET FIXED ASSETS</b>	-	-
<b>DEPOSITS</b>	-	-
<b>FINANCIAL INSTRUMENTS</b>		
<b>Equities and equivalent securities</b>		
Traded on a regulated or equivalent market	-	-
Not traded on a regulated or equivalent market	-	-
<b>Bonds and equivalent securities</b>		
Traded on a regulated or equivalent market	15,570,718.71	15,917,991.10
Not traded on a regulated or equivalent market	-	
<b>Debt securities</b>		
Traded on a regulated or equivalent market		
<i>Negotiable debt securities</i>	5,396,810.41	5,322,719.59
<i>Other debt securities</i>	-	2,000,000.00
Not traded on a regulated or equivalent market	-	-
<b>Undertakings for collective investment</b>		
General UCITS and AIFs aimed at non-professionals and equivalents in other countries	9,629,404.30	7,098,904.01
Other funds aimed at non-professionals and equivalents in other countries which are Member States of the European Union	-	-
General professional funds and equivalents in other countries which are Member States of the European Union and listed securitisation vehicles	-	-
Other professional investment funds and equivalents in other countries which are Member States of the European Union and unlisted securitisation vehicles	-	-
Other non-European undertakings	-	-
<b>Temporary securities transactions</b>		
Receivables representing reverse repurchase agreements	53,962,999.03	30,580,228.66
Claims representing securities loaned	-	-
Securities borrowed	-	-
Repurchase agreements	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>		
Transactions on a regulated or equivalent market	2,091,857.63	1,782,908.70
Other transactions	-	-
<b>Other financial instruments</b>	-	-
<b>RECEIVABLES</b>		
Foreign currency forward exchange transactions	9,857,320.18	1,990,318.98
Other	17,543,143.11	10,017,051.52
<b>CASH AND BANKS</b>		
Cash	4,515,847.59	7,194,770.07
<b>TOTAL ASSETS</b>	<b>118,568,100.96</b>	<b>81,904,892.63</b>

## BALANCE SHEET LIABILITIES

	2019 financial year	2018 financial year
<b>EQUITY CAPITAL</b>		
Capital	97,625,431.11	73,065,997.78
Earlier undistributed capital gains and losses (a)	-	-
Retained earnings (a)	-	-
Net capital gains and losses during financial year (a, b)	-69,342.05	-1,255,648.35
Profit for the year (a, b)	-76,355.21	-48,015.77
<b>TOTAL EQUITY</b> (= amount representative of net assets)	<b>97,479,733.85</b>	<b>71,762,333.66</b>
<b>FINANCIAL INSTRUMENTS</b>		
Disposals of financial instruments	-	-
Temporary securities transactions		
Debts representing repurchase agreements	-	-
Debts representing securities borrowed	-	-
Other temporary transactions	-	-
<b>Financial contracts</b>		
Transactions on a regulated or equivalent market	11,017,268.43	7,357,038.22
Other transactions	-	-
<b>DEBTS</b>		
Foreign currency forward exchange transactions	9,874,696.56	1,996,165.12
Other	195,073.66	55,948.21
<b>CASH AND BANKS</b>		
Current bank lending	1,328.46	733,407.42
Borrowings	-	-
<b>TOTAL LIABILITIES</b>	<b>118,568,100.96</b>	<b>81,904,892.63</b>

a) Including adjustment accounts

b) Less interim dividends paid over the financial year



	2019 financial year	2018 financial year
<b>HEDGING TRANSACTIONS</b>		
- Commitments on regulated or equivalent markets	-	-
- OTC commitments	-	-
- Other commitments	-	-
<b>OTHER TRANSACTIONS</b>		
- Commitments on regulated or equivalent markets		
10 YEARS CANADIAN BONDS 20/03/2019	-	11,145,031.12
10Y BTP ITALIAN BOND 06/03/2020	4,986,100.00	-
10Y TREASURY NOTES USA 20/03/2019	-	11,381,236.61
10Y TREASURY NOTES USA 20/03/2020	37,285,362.83	-
Call 131 - 10Y TREASURY NOTES USA 20/03/2020	5,603,129.60	-
Put 130.50 - 10Y TREASURY NOTES USA 20/03/2020	45,052,190.72	-
10Y TREASURY NOTES USA 22/02/2019	-	3,594,130.70
10Y TREASURY NOTES USA 25/01/2019	-	3,293,112.95
10Y TREASURY NOTES USA 25/01/2019	-	2,948,484.85
Call 108 - 2Y TREASURY NOTES USA 24/01/2020	7,430,810.72	-
Put 107.50 - 2Y TREASURY NOTES USA 24/01/2020	15,715,472.36	-
2Y TREASURY NOTES USA 24/01/2020	50,769,514.23	-
Call 108 - 2Y TREASURY NOTES USA 24/01/2020	25,857,836.68	-
2Y TREASURY NOTES USA 25/01/2019	-	62,813,763.38
2Y TREASURY NOTES USA 29/03/2019	-	50,099,616.53
Call 99.375 - 3M SHORT STERLING 14/02/2020	96,547,278.00	-
Call 99.50 - 3M SHORT STERLING 14/02/2020	23,701,136.84	-
5Y TREASURY NOTES USA 29/03/2019	-	23,619,091.35
Put 98.25 - 90 DAYS - EURO \$ FUTURE 10/01/2020	371,933,163.74	-
Put 99.125 - 90 DAYS - EURO \$ FUTURE 10/01/2020	57,335,305.93	-
90 DAYS - EURO \$ FUTURE 10/01/2020	263,408,756.19	-
90 DAYS - EURO \$ FUTURE 13/12/2021	-	289,733,700.64
90 DAYS - EURO \$ FUTURE 16/12/2019	-	289,436,354.89
AUD/USD SPOT CROSS 04/01/2019	-	40,786.67
AUD/USD SPOT CROSS 04/01/2019	-	25,928.52
AUD/USD SPOT CROSS 04/01/2019	-	22,217.83
AUD/USD SPOT CROSS 04/01/2019	-	38,186.42
AUD/USD SPOT CROSS 04/01/2019	-	4,773,008.64
AUD/USD SPOT CROSS 08/02/2019	-	900,670.17
AUD/USD SPOT CROSS 16/03/2020	2,691,649.93	-
Put 69 - AUD/USD SPOT CROSS 16/03/2020	43,294.88	-
Call 69 - AUD/USD SPOT CROSS 16/03/2020	7,629,442.92	-
Put 67.50 - AUD/USD SPOT CROSS 16/03/2020	578,521.95	-
AUD/USD SPOT CROSS 18/03/2019	-	1,110,428.96
AUD/USD SPOT CROSS 18/03/2019	-	586,445.30
BANKERS ACC.CANADIAN 3 MONTHS 14/09/2020	266,070,657.08	-
BPA CCY GBP/USD EUR FX 04/01/2019	-	116,716.48
BPA CCY GBP/USD EUR FX 04/01/2019	-	83,660.39
BPA CCY GBP/USD EUR FX 04/01/2019	-	73,702.48

	2019 financial year	2018 financial year
BPA CCY GBP/USD EUR FX 04/01/2019	-	1,305,475.36
Call 128 - BPA CCY GBP/USD EUR FX 07/02/2020	3,626,022.43	-
Call 132 - BPA CCY GBP/USD EUR FX 07/02/2020	3,320,657.52	-
Put 128 - BPA CCY GBP/USD EUR FX 07/02/2020	1,039,856.95	-
BPA CCY GBP/USD EUR FX 08/02/2019	-	1,234,869.23
BPA CCY GBP/USD EUR FX 08/02/2019	-	1,008,822.18
BPA CCY GBP/USD EUR FX 08/02/2019	-	740,523.99
BPA CCY GBP/USD EUR FX 08/02/2019	-	451,787.01
BRL/USD SPOT CROSS - USD EQ 31/01/2020	1,198,232.70	-
BRL/USD SPOT CROSS - USD EQ 31/12/2018	-	790,021.43
CCY CAD/USD EURO STYL FX M OPT 04/01/2019	-	400,302.43
CCY CAD/USD EURO STYL FX M OPT 04/01/2019	-	1,699,637.12
CCY CAD/USD EURO STYL FX M OPT 04/01/2019	-	4,349,086.68
CCY CAD/USD EURO STYL FX M OPT 08/03/2019	-	848,527.60
DJ EURO ST HEALTH P IX 20/03/2020	3,041,500.00	-
Put 780 - DJ EURO ST HEALTH P IX 20/03/2020	106,248.29	-
DJ EURO STOXX 50 DVP 17/12/2021	1,852,500.00	-
DJ EURO STOXX 50 DVP 18/12/2020	-	2,320,000.00
Put 90 - DJ EURO STOXX/BANKS/PRICE IND 19/06/2020	2,402,418.33	-
DJ EUROPE STOXX 600 INSUR.IND 20/03/2020	2,416,500.00	-
Call 325 - DJ EUROPE STOXX 600 INSUR.IND 20/03/2020	700,333.92	-
DJ STOXX 600 BASIC RES.PRICE 15/03/2019	-	1,161,000.00
DJ STOXX 600 CHEMICALS EUR IND 20/03/2020	2,557,000.00	-
DJ STOXX 600 FOOD AND BEVERAGES 15/03/2019	-	2,735,550.00
DJ STOXX 600 TLCM 15/03/2019	-	611,250.00
DJ STOXX 600 UTILITIES 15/03/2019	-	2,498,230.00
DJES REAL ESTATE EUR PR 20/03/2020	5,385,600.00	-
DJS 600 OIL & GAS STOXX 600 15/03/2019	-	1,204,560.00
Put 310 - DJS 600 OIL & GAS STOXX 600 20/03/2020	1,294,237.23	-
Put 500 - DOW JONES STOXX 600 AUTO P.PR. 20/03/2020	1,037,788.80	-
DOW JONES STOXX 600 MEDIA 20/03/2020	3,830,000.00	-
EUR/USD EUROPEAN-STYLE FX 04/01/2019	-	2,094,867.80
EUR/USD EUROPEAN-STYLE FX 04/01/2019	-	5,208,153.39
Call 1.13 - EUR/USD EUROPEAN-STYLE FX 06/03/2020	5,446,745.41	-
Call 1.155 - EUR/USD EUROPEAN-STYLE FX 06/03/2020	3,742,257.51	-
EUR/USD EUROPEAN-STYLE FX 08/02/2019	-	1,169,037.38
EUR/USD EUROPEAN-STYLE FX 08/03/2019	-	2,940,949.13
EUR/USD EUROPEAN-STYLE FX 08/03/2019	-	1,237,800.44
EUR/USD SPOT -CROSS RATES 16/03/2020	10,424,080.64	-
EUR/USD SPOT -CROSS RATES 18/03/2019	-	12,588,547.82
EURO \$ 1YR MID-CRV 11/01/2019	-	1,516,732.17
EURO \$ 1YR MID-CRV 25/01/2019	-	860,617.69
Put 134 - EURO BOBL 24/01/2020	41,592,337.50	-
EURO BOBL 24/01/2020	21,380,800.00	-

	2019 financial year	2018 financial year
Call 134.25 - EURO BOBL 24/01/2020	9,332,719.20	-
Put 133.50 - EURO BOBL 24/01/2020	26,472,103.00	-
EURO BOBL 25/01/2019	-	1,441,209.38
EURO BOBL 25/01/2019	-	3,504,623.63
EURO BUND 07/03/2019	-	24,203,920.00
EURO OAT FUTURES 07/03/2019	-	10,556,000.00
EURO SCHATZ 07/03/2019	-	27,985,000.00
Put 111.80 - EURO SCHATZ 24/01/2020	25,571,892.00	-
Put 111.80 - EURO SCHATZ 24/01/2020	17,911,515.60	-
EURO STOXX 50 PR 15/03/2019	-	4,163,600.00
FTSE 100 DIVIDEND INDEX 17/12/2020	6,105,234.11	-
FTSE 100 DIVIDEND INDEX 17/12/2020	926,729.12	-
Call 21,000 - FTSE MIB INDEX 20/03/2020	9,678,277.72	-
FTSEMIB 01/18/19 C20000 18/01/2019	-	81,427.41
FTSEMIB 03/15/19 P20000 15/03/2019	-	1,853,933.74
GBP/USD SPOT CROSS 16/03/2020	1,026,476.10	-
GBP/USD SPOT CROSS 18/03/2019	-	557,086.01
Call 9,500 - IBEX MINI 35 MEFF 17/01/2020	4,320,941.63	-
Put 9,000 - IBEX MINI 35 MEFF 17/01/2020	1,694,994.75	-
INR/USD SPOT CROSS 29/01/2020	3,119,560.85	-
JPY/USD EUROPEAN ST FX MONTHLY 04/01/2019	-	52,765.13
JPY/USD EUROPEAN ST FX MONTHLY 04/01/2019	-	71,842.44
Put 91.50 - JPY/USD EUROPEAN ST FX MONTHLY 06/03/2020	5,371,541.64	-
Call 93 - JPY/USD EUROPEAN ST FX MONTHLY 06/03/2020	4,184,819.13	-
MSEMI - MSCI EMER MKTS INDEX 15/03/2019	-	5,940,006.12
MXN/USD SPOT/CROSS 16/03/2020	6,987,548.53	-
MXN/USD SPOT/CROSS 18/03/2019	-	5,709,563.16
NASDAQ 100 E-MINI INDEX 15/03/2019	-	3,213,908.21
NASDAQ 100 E-MINI INDEX 15/03/2019	-	255,593.62
NASDAQ 100 E-MINI INDEX 15/03/2019	-	4,856,278.87
NASDAQ 100 INDEX 100-INDEX 20/03/2020	3,274,133.08	-
Call 6,900 - NASDAQ 100 INDEX 100-INDEX 20/03/2020	4,492,110.59	-
Call 7,200 - NASDAQ 100 INDEX 100-INDEX 20/03/2020	4,977,087.66	-
NIKKEI 225 INDICES D 12/03/2020	7,667,397.38	-
Call 22,500 - NIKKEI 225 INDICES D 12/03/2020	3,636,646.58	-
NZD/USD SPOT CROSS 04/01/2019	-	1,135,588.37
NZD/USD SPOT CROSS 04/01/2019	-	2,043,060.62
NZD/USD SPOT CROSS 16/03/2020	2,887,240.59	-
NZD/USD SPOT CROSS 18/03/2019	-	2,349,731.08
RUB/USD SPOT -CROSS RATES 16/03/2020	5,176,953.63	-
RUSSELL 2000 INDEX 15/03/2019	-	1,139,375.08
RUSSELL 2000 INDEX 15/03/2019	-	887,952.67
RUSSELL 2000 INDEX 15/03/2019	-	346,819.87
Call 1,500 - RUSSELL 2000 INDEX 20/03/2020	7,027,428.57	-

	2019 financial year	2018 financial year
Put 1,450- RUSSELL 2000 INDEX 20/03/2020	761,714.29	-
Call 1,500 - RUSSELL 2000 INDEX 20/03/2020	3,615,127.27	-
S&P 500 EMINI INDEX 15/03/2019	-	22,176,046.18
S&P 500 EMINI INDEX 15/03/2019	-	490,481.96
S&P 500 EMINI INDEX 15/03/2019	-	310,899.47
S&P 500 EMINI INDEX 15/03/2019	-	13,910,903.32
S&P 500 EMINI INDEX 15/03/2019	-	5,482,701.30
Call 2,950 - S&P 500 EMINI INDEX 20/03/2020	6,060,876.29	-
S&P500 EMINI EOM 31/01/2019	-	707,351.44
S&P500 EMINI EOM 31/01/2019	-	2,043,069.66
S&P500 EMINI EOM 31/12/2018	-	2,188,313.66
S&P500 EMINI EOM 31/12/2018	-	2,088,705.23
S&P500 EMINI EOM 31/12/2018	-	5,370,078.71
SEK/USD SPOT CROSS 16/03/2020	1,917,079.48	-
SEK/USD SPOT CROSS 18/03/2019	-	1,766,233.77
SMI 02/15/19 C8700 15/02/2019	-	1,233,334.22
SMI 02/15/19 P8700 15/02/2019	-	2,293,536.52
SMI INDEX/OHNE DIVIDENDENKORR. 15/03/2019	-	1,107,453.66
Call 9,800 - SMI INDEX/OHNE DIVIDENDENKORR. 20/03/2020	5,586,622.39	-
Put 9,950 - SMI INDEX/OHNE DIVIDENDENKORR. 20/03/2020	1,069,366.78	-
SOUTH AFRICA RAND SA RAND 16/03/2020	5,316,530.55	-
SOUTH AFRICA RAND SA RAND 18/03/2019	-	1,801,784.07
Call 1,540 - SWED OPTI OMX STOCKHOLM 30 IDX 20/03/2020	6,583,358.32	-
Put 1,580 - SWED OPTI OMX STOCKHOLM 30 IDX 20/03/2020	717,530.39	-
SX5E 01/18/19 C3250 18/01/2019	-	116,432.10
SX5E 01/18/19 C3400 18/01/2019	-	3,717.50
SX5E 01/18/19 P3050 18/01/20189	-	3,157,347.10
SX5E 01/18/19 P3150 18/01/2019	-	1,820,325.92
SX5E 01/18/19 P3200 18/01/2019	-	2,813,404.00
SX5E 03/15/19 C3000 15/03/2019	-	885,240.84
SX5E 03/15/19 C3350 15/03/2019	-	337,846.40
SX7E 01/18/19 C100 18/01/2019	-	177,909.76
SX7E 01/18/19 P90 18/01/2019	-	2,410,028.80
SX7E 03/15/19 C105 15/03/2019	-	116,807.68
SXAP 03/15/19 C470 15/03/2019	-	492,617.73
SXAP 03/15/19 C500 15/03/2019	-	209,045.56
SXEP 02/15/19 C325 15/02/2019	-	399,913.92
SXIP 01/18/19 C270 18/01/2019	-	320,386.79
SXIP 01/18/19 P260 18/01/2019	-	659,059.17
UKX 02/15/19 C7000 15/02/2019	-	1,360,951.25
Put 7,100 - UKX FTSE 100 INDEX 20/03/2020	2,435,850.76	-
USD/NOK SPOT CROSS 16/03/2020	2,025,081.45	-
- OTC commitments	-	-
- Other commitments	-	-

**INCOME STATEMENT (in euros)**

	2019 financial year	2018 financial year
<b>INCOME ON FINANCIAL TRANSACTIONS</b>		
Income on deposits and cash and banks	110,011.57	67,242.21
Income on equities and equivalent securities	-	-
Income on bonds and equivalent securities	552,324.79	486,878.82
Income on debt securities	-21,846.39	-26,172.37
Income on temporary purchases and sales of securities	-	-
Income on financial contracts	-	-
Other financial income	-	-
<b>TOTAL I</b>	<b>640,489.97</b>	<b>527,948.66</b>
<b>CHARGES ON FINANCIAL TRANSACTIONS</b>		
Charges on temporary purchases and sales of securities	-233,579.44	-169,599.70
Charges on financial contracts	-	-44.01
Charges on financial debts	-1,082.03	-52,385.31
Other financial charges	-6,817.43	-3,401.05
<b>TOTAL II</b>	<b>-241,478.90</b>	<b>-225,430.07</b>
<b>PROFIT/LOSS ON FINANCIAL TRANSACTIONS (I - II)</b>	<b>399,011.07</b>	<b>302,518.59</b>
Other income (III)	-	-
Management fees and depreciation charges (IV)	-417,149.60	-357,706.83
<b>NET PROFIT/LOSS FOR THE FINANCIAL YEAR (L. 214-17-1) (I - II + III - IV)</b>	<b>-18,138.53</b>	<b>-55,188.24</b>
Revenue adjustment for the financial year (V)	-58,216.68	7,172.47
Advance payments on profit for the financial year (VI)	-	-
<b>PROFIT/LOSS (I - II + III - IV +/- V - VI)</b>	<b>-76,355.21</b>	<b>-48,015.77</b>

## APPENDIX

### 1 ACCOUNTING RULES AND METHODS

The annual accounts are submitted in the form stipulated in Regulation ANC 2014-01, as amended.

#### Valuation method

Equities, warrants and rights

Equities are valued at the closing price on the various stock exchanges on the reference date.

ETFs and UCIs

ETFs and UCIs are valued at the net asset value representative of the markets on the reference date or in the absence thereof the preceding date.

Bonds

Bonds are valued at the closing price on the basis of contributor prices on the reference date.

High-yield bonds are valued on the basis of the price of an index (Merrill Lynch). Where there is no price in the index, the calculated price corresponds to contributors' prices.

Negotiable debt securities and other money market instruments

Negotiable debt securities and other money market instruments are valued on the basis of representative market prices on the reference date.

Negotiable debt securities and other money market instruments with a residual maturity of less than or equal to three months may be valued according to the straight-line method. In the event of the deterioration of the quality of credit of one or more issuers which considerably affects the net asset value, the straight-line method will be abandoned and the negotiable debt security/money market instrument will then be valued to reflect this deterioration.

Futures and options on organised markets

These financial instruments are valued at the closing prices on the various markets on the reference date.

Spot exchange rates

The spot exchange rates are valued from the market data available from specialised data providers.

Forward exchange

Forward exchange is valued on the basis of the market data available from specialised data suppliers (spot price, interest rate curve, etc.).

Credit derivatives

Credit derivatives are calculated based on models validated by the management company, using market data such as the spread curve, interest rate curve, etc., available from specialised data providers. The prices obtained are compared with those of the counterparties.

Swaps

Swaps are calculated based on models validated by the management company, using market data such as the interest rate curve, etc., available from specialised data providers. The prices obtained are compared with those of the counterparties.

Other OTC derivatives

Uncleared OTC products are calculated based on models validated by the management company, using market data such as volatility, the interest rate curve, etc., available from specialised data providers.

The prices obtained from the models are compared with those of the counterparties.

Repurchase and reverse repurchase agreements, lending and borrowing of securities

Repurchase agreements, reverse repurchase agreements and securities borrowing/lending are valued at cost plus interest.

For contracts exceeding three months, the credit spread of the counterparty may be revalued.

Exceptional treatment

Debt securities (bonds, negotiable debt securities, money market instruments, etc.) in which there are not significant amounts of transactions or for which the price is clearly not representative of the market, may be valued on the basis of an estimated method and under the responsibility of the management company. In addition, the actuarial method may be used, the rate applied being that for issues of equivalent securities, where applicable, allocated by a differential representative of the intrinsic characteristics of the issuer of the security.

Options in which there are not significant amounts of transactions and/or for which the price is clearly not representative of the market, may be valued on the basis of a method representative of the close of the market at responsibility of the management company.

#### Main sources

The principal specialised data providers for valuations are Bloomberg, CMA, Factset. The management company may, nevertheless, change these at its own responsibility if it deems appropriate.

#### Off-balance sheet items:

The off-balance sheet commitment on French and foreign futures and options markets is calculated based on the regulations in force:

- Futures: quantity by nominal amount by trading price in the contract currency,
- Options: quantity by delta by unit of trading by price of the underlying in the contract currency.

The off-balance sheet commitment in equity swaps is calculated in accordance with applicable procedures: quantity by price of the underlying in each currency plus or minus interest accrued on the interest rate component.

As an exception, the off-balance sheet commitment concerning currencies is presented as described below in the table showing the breakdown by currency. The commitments resulting from the different open positions are added together for each currency according to the economic rationale of each transaction. The total thus determined for each of the affected currencies is kept in absolute value and assigned to "Other transactions" in the off-balance sheet of annex 3.4.

#### Overall risk calculation method:

The method selected by the management company to measure the UCI's total risk is the absolute VaR method.

#### Accounting method

The accounting currency of CANDRIAM GLOBAL ALPHA is the euro.

The different fixed-income investment products of CANDRIAM GLOBAL ALPHA, a capitalisation fonds commun de placement, are recorded on an accrued interest basis.

Allocation of realised capital gains and losses: capitalisation

Purchases and sales of securities are accounted exclusive of fees.

#### Operating and management fees:

These cover all the costs billed directly to the UCITS apart from the transaction fees. Transaction fees include the intermediary fees (brokerage etc.) and transfer fees, where applicable, which can be collected notably by the depositary and the management company.

In addition to the operating and management charges, there may be:

- outperformance fees. These are paid to the management company if the UCITS outperforms its objectives. They are therefore billed to the UCITS,
- transfer fees billed to the UCITS,

Charges billed to the FCP	Calculation basis	Rate/amount incl. taxes*	
Financial management fees and administration fees external to the management company	Net assets	Classique units	Maximum 1.50%
		I and I in USD units	Maximum 1.00%
		N units	Maximum 2%
		U units	Maximum 1.00%
		R units	Maximum 1.00%
		Z units	Maximum 0.25%
Maximum indirect costs (commissions and management fees)	Net assets	Not significant **	
Turnover fees collected by the depositary	Levied on each transaction	Maximum EUR 80/transaction***	
Outperformance fee	Net assets	20% of performance above EONIA* for units denominated in EUR 20% of performance above FED FUND for units denominated in USD	

\* Since the management company has opted out of VAT, these fees are charged excluding VAT and their amount including taxes is equal to their amount excluding taxes.

\*\* The fund invests a maximum of 10% in UCIs.

\*\*\* maximum amount that varies according to the instruments used

Not included in the categories of fees set out above:

- contributions owed for management of the UCITS pursuant to d), 3°, II of article L. 621-5-3 of the Code monétaire et financier,
- exceptional and non-recurrent taxes, duties and other government fees (relating to the UCITS),
- exceptional and non-recurrent costs in connection with debt collection (e.g. Lehmann) or a procedure to assert a right (e.g. class action).

**Methods of calculating and sharing of fees from temporary acquisitions and sales of securities transactions (efficient portfolio management techniques):**

These transactions, if carried out, must be conducted under market conditions. The proceeds of these transactions will be paid in full to the UCITS.

Outperformance fee:

20% of the fund's outperformance as defined below.

On each fund valuation date, a benchmark asset is established based on a theoretical investment at the EONIA rate (units in EUR) or the FED FUND rate (units in USD) of all the subscriptions received over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period). If this rate is negative, the rate of 0% is used to determine the benchmark asset.

For redemptions, the latest benchmark asset calculated and the previous day's cumulative amount of subscriptions received are reduced beforehand in proportion to the number of units redeemed. Similarly, a proportion of the provision for variable management fees on the total assets at the latest valuation date is permanently allocated to a specific third party account in proportion to the number of units redeemed. This proportion of the variable management charges is paid to the asset manager when the redemption occurs.

When the fund is valued, if the total assets, defined as the net book value of the assets after deducting the variable management charges on redemptions, but excluding the provision for variable management charges corresponding to the units still in issue, are greater than the benchmark asset, an outperformance (or in the opposite case, an underperformance) is recorded. The provision for variable management charges on the total assets is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for variable management fees on the accounting balance is only payable to the asset manager in respect of the amount at the end of the financial period.

The reference period is the financial year.

Subscribers may at any time obtain details from the asset manager regarding the methods for calculating the variable management charges. The total amount of the variable management charges will appear in the FCP's annual report.



## 2 CHANGES IN NET ASSETS (in euros)

		2019 financial year	2018 financial year
<b>Net assets at the start of the financial year</b>		71,762,333.66	91,018,531.99
Subscriptions (including subscription fees paid to the UCITS)	+	35,518,941.69	10,514,385.64
Redemptions (excluding redemption fees paid to the UCITS)	-	9,609,619.97	27,351,596.99
Capital gains realised on deposits and financial instruments	+	-	-
Capital losses realised on deposits and financial instruments	-	395,414.50	342,908.08
Capital gains realised on forward financial instruments	+	42,186,303.07	45,433,163.96
Capital losses realised on forward financial instruments	-	42,076,793.08	46,447,331.83
Transaction fees	-	462,928.90	378,219.77
Exchange differences	+/-	+144,254.09	+191,200.71
Change in valuation difference of deposits and financial instruments:			
Valuation difference financial year N	+/-	-575,965.60	-596,469.93
Valuation difference financial year N-1	+/-	+596,469.93	+297,053.00
Change in valuation difference of financial contracts:			
Valuation difference financial year N	+/-	-143,526.95	-536,645.22
Valuation difference financial year N-1	+/-	+536,645.22	+16,358.42
Distribution in previous year of net capital gains and losses	-	-	-
Distribution in the previous financial year from profit	-	-	-
Net profit/loss for the financial year before adjustment account	+/-	-18,138.53	-55,188.24
Interim payment(s) during the financial year from net capital gains and losses	-	-	-
Interim payment(s) during the financial year from profit	-	-	-
Other components	+/-	+ 17,173.72*	-
<b>NET ASSETS AT THE END OF THE FINANCIAL YEAR</b>		<b>97,479,733.85</b>	<b>71,762,333.66</b>

\*This amount corresponds to the capital losses maintained by mistake with the differences in estimates in the previous years. This modification has no effect on net assets. It allows the difference in the estimate to be restored according to the portfolio as at 30/12/2019.

### 3. ADDITIONAL INFORMATION

#### 3.1 Financial instruments: breakdown by legal or economic instrument type

##### Breakdown of assets

	As at 30/12/2019
<b>Bonds and equivalent securities</b> <i>traded on a regulated or equivalent market</i>	
Foreign bonds	15,570,718.71
<b>Debt securities</b> <i>Short term negotiable securities</i>	
Short term debt securities	5,396,810.41

##### Breakdown of liabilities

None

##### Breakdown of off-balance sheet items

	Interest rates	Equities	Foreign exchange	Other
<b>Other transactions</b> Commitments on regulated or equivalent markets				
FUTURES	643,901,190.33	28,172,130.46	42,770,434.46	8,884,463.24
OPTIONS	770,056,891.89	68,198,960.54	34,983,160.33	

#### 3.2 Breakdown by type of rate of assets, liabilities and off-balance sheet items

	Fixed rate	Variable rate	Revisable rate	Other
<b>ASSETS</b>				
Deposits	-	-	-	-
Bonds and equivalent securities	15,570,718.71	-	-	-
Debt securities	-	5,396,810.41	-	-
Temporary securities transactions	-	53,962,999.03	-	-
Cash and banks	-	-	-	4,515,847.59
<b>LIABILITIES</b>				
Temporary securities transactions	-	-	-	-
Cash and banks	-	-	-	1,328.46
<b>OFF-BALANCE SHEET</b>				
Hedging transactions	-	-	-	-
Other transactions	334,961,784.44	-	1,078,996,297.78	-

### 3.3 Breakdown by residual maturity of assets, liabilities and off-balance sheet items

	0-3 months]	[3 months - 1 year]	[1 year - 3 years]	[3 years - 5 years]	> 5 years
<b>ASSETS</b>					
Deposits	-	-	-	-	-
Bonds and equivalent securities	5,072,046.58	10,498,672.13	-	-	-
Debt securities	-	5,396,810.41	-	-	-
Temporary securities transactions	53,962,999.03	-	-	-	-
Cash and banks	4,515,847.59	-	-	-	-
<b>LIABILITIES</b>					
Temporary securities transactions	-	-	-	-	-
Cash and banks	1,328.46	-	-	-	-
<b>OFF-BALANCE SHEET</b>					
Hedging transactions	-	-	-	-	-
Other transactions	1,078 996,297.78	-	143,257,041.58	98,777,959.70	92,926,783.16

### 3.4 Breakdown by listing or valuation currency of assets, liabilities and off-balance sheet items

ASSETS	AUD	BRL	CAD	CHF	GBP
Equities and equivalent securities	-	-	-	-	-
Bonds and equivalent securities	-	-	-	-	-
UCI securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Receivables	-	-	467,090.38	711,015.49	607,510.59
Cash and banks	146,368.25	-	61,391.46	70,441.18	617,388.62
<b>LIABILITIES</b>					
Disposals of financial instruments	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Debts	-	-	407,466.91	942,737.24	3,771.76
Cash and banks	-	-	-	-	-
<b>OFF-BALANCE SHEET</b>					
Hedging transactions	-	-	-	-	-
Other transactions	4,315,976.16	1,198,232.70	266,070,657.08	6,655,989.17	136,649,527.93

<b>ASSETS</b>	<b>HKD</b>	<b>INR</b>	<b>JPY</b>	<b>MXN</b>	<b>NOK</b>
Equities and equivalent securities	-	-	-	-	-
Bonds and equivalent securities	-	-	-	-	-
UCI securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Receivables	-	-	1,164,958.01	-	-
Cash and banks	62,001.03	-	372,530.99	1,201.46	38.09
<b>LIABILITIES</b>					
Disposals of financial instruments	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Debts	-	-	1,637,166.99	-	-
Cash and banks	-	-	-	-	1.39
<b>OFF-BALANCE SHEET</b>					
Hedging transactions	-	-	-	-	-
Other transactions	-	3,119,560.85	20,860,404.72	6,987,548.53	2,025,081.45

<b>ASSETS</b>	<b>NZD</b>	<b>PLN</b>	<b>RUB</b>	<b>SEK</b>	<b>SGD</b>
Equities and equivalent securities	-	-	-	-	-
Bonds and equivalent securities	-	-	-	-	-
UCI securities	-	-	-	-	-
Debt securities	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Receivables	-	-	-	3,226,051.47	-
Cash and banks	-	-	-	130,804.44	49,195.69
<b>LIABILITIES</b>					
Disposals of financial instruments	-	-	-	-	-
Temporary securities transactions	-	-	-	-	-
Debts	-	-	-	3,439,132.61	-
Cash and banks	40.49	301.07	-	-	-
<b>OFF-BALANCE SHEET</b>					
Hedging transactions	-	-	-	-	-
Other transactions	2,887,240.59	-	5,176,953.63	9,217,968.20	-

ASSETS	ZAR	USD
Equities and equivalent securities	-	-
Bonds and equivalent securities	-	-
UCI securities	-	-
Debt securities	-	-
Temporary securities transactions	-	-
Receivables	-	9,123,735.44
Cash and banks	-	615,492.57
<b>LIABILITIES</b>		
Disposals of financial instruments	-	-
Temporary securities transactions	-	-
Debts	-	60,522.36
Cash and banks	324.07	-
<b>OFF-BALANCE SHEET</b>		
Hedging transactions	-	-
Other transactions	5,316,530.55	927,262,124.16

### 3.5 Receivables and payables: breakdown by type

#### Receivables:

Forward purchase contract CHF 770,937.03 Sale EUR 705,000.00	EUR	711,015.49
Forward purchase contract JPY 91,130,414.00 Sale EUR 747,000.00	EUR	745,568.90
Forward purchase contract EUR 1,634,283.34 Sale JPY 200,000,000.00	EUR	1,634,283.34
Forward purchase contract EUR 913,659.71 Sale CHF 1,000,000.00	EUR	913,659.71
Forward purchase contract SEK 17,856,607.79 Sale EUR 1,707,000.00	EUR	1,705,857.20
Forward purchase contract EUR 3,430,909.28 Sale SEK 36,000,000.00	EUR	3,430,909.28
Forward purchase contract EUR 403,628.08 Sale CAD 600,000.00	EUR	403,628.08
Forward market	EUR	5,524,864.10
Miscellaneous accounts receivable and payable	EUR	118,757.40
Forward purchase contract CAD 461,664.22 Sale EUR 312,000.00	EUR	312,398.18
Forward market	EUR	9,123,735.44
Forward market	EUR	419,389.11
Forward market	EUR	607,510.59
Forward market	EUR	154,692.20
Forward market	EUR	1,520,194.27
Miscellaneous accounts receivable and payable	EUR	74,000.00
<b>- TOTAL RECEIVABLES</b>	<b>EUR</b>	<b>27,400,463.29</b>

**Debts:**

Forward purchase contract EUR 913,659.71 Sale CHF 1,000,000.00	EUR	922,262.41
Forward purchase contract EUR 3,430,909.28 Sale SEK 36,000,000.00	EUR	3,439,132.61
Forward purchase contract CAD 461,664.22 Sale EUR 312,000.00	EUR	312,000.00
Forward purchase contract SEK 17,856,607.79 Sale EUR 1,707,000.00	EUR	1,707,000.00
Forward purchase contract JPY 91,130,414.00 Sale EUR 747,000.00	EUR	747,000.00
Forward purchase contract CHF 770,937.03 Sale EUR 705,000.00	EUR	705,000.00
Forward purchase contract EUR 1,634,283.34 Sale JPY 200,000,000.00	EUR	1,636,270.19
Forward purchase contract EUR 403,628.08 Sale CAD 600,000.00	EUR	406,031.35
Brokerage for trading on Forward market - CAD	EUR	1,435.56
Provs. for management fees	EUR	33,630.77
Brokerage for trading on Forward market - JPY	EUR	896.80
Provs. for var. mgmt. fees purch. ZC	EUR	1,051.80
Provs. for var. mgmt. fees purch. IC	EUR	20.56
Brokerage for trading on forward market	EUR	20,474.83
Brokerage for trading on Forward market - GBP	EUR	3,771.76
Brokerage for trading on Forward market - USD	EUR	60,522.36
Brokerage for trading on forward market	EUR	73,269.22
<b>- TOTAL DEBTS</b>	<b>EUR</b>	<b>10,069,770.22</b>

### 3.6 Equity capital

#### Number and value of shares issued and redeemed

##### N

	Number	Amount in euros
<b>Issues</b>		
- C units	890.191	1,049,995.12
<b>- overall</b>	<b>890.191</b>	<b>1,049,995.12</b>
<b>Redemptions</b>		
- C units	742.069	858,554.83
<b>- overall</b>	<b>742.069</b>	<b>858,554.83</b>

##### Z

	Number	Amount in euros
<b>Issues</b>		
- C units	18,536.358	28,121,256.16
<b>- overall</b>	<b>18,536.358</b>	<b>28,121,256.16</b>
<b>Redemptions</b>		
- C units	1,226.338	1,854,038.38
<b>- overall</b>	<b>1,226.338</b>	<b>1,854,038.38</b>

##### I

	Number	Amount in euros
<b>Issues</b>		
- C units	5,354.771	6,309,985.59
<b>- overall</b>	<b>5,354.771</b>	<b>6,309,985.59</b>
<b>Redemptions</b>		
- C units	5,763.982	6,816,835.19
<b>- overall</b>	<b>5,763.982</b>	<b>6,816,835.19</b>

##### Classique

	Number	Amount in euros
<b>Issues</b>		
- C units	35.379	37,704.82
<b>- overall</b>	<b>35.379</b>	<b>37,704.82</b>
<b>Redemptions</b>		
- C units	75.019	80,191.57
<b>- overall</b>	<b>75.019</b>	<b>80,191.57</b>

**Class: N**

Amount of subscription fees paid to the fund	EUR	0.00
--	-----	------

Amount of redemption fees paid to the fund	EUR	0.00
--	-----	------

**Class: Z**

Amount of subscription fees paid to the fund	EUR	0.00
--	-----	------

Amount of redemption fees paid to the fund	EUR	0.00
--	-----	------

**Class: Classique**

Amount of subscription fees paid to the fund	EUR	0.00
--	-----	------

Amount of redemption fees paid to the fund	EUR	0.00
--	-----	------

**Class: I**

Amount of subscription fees paid to the fund	EUR	0.00
--	-----	------

Amount of redemption fees paid to the fund	EUR	0.00
--	-----	------

**3.7 Management fees****By amount:****Class: Classique**

Fixed management fees	EUR	6,032.09
-----------------------	-----	----------

Management fee-sharing	EUR	-
------------------------	-----	---

Variable management fees	EUR	310.85
--------------------------	-----	--------

**Class: N**

Fixed management fees	EUR	5,567.51
-----------------------	-----	----------

Management fee-sharing	EUR	-
------------------------	-----	---

Variable management fees	EUR	98.27
--------------------------	-----	-------

**Class: Z**

Fixed management fees	EUR	62,363.75
-----------------------	-----	-----------

Management fee-sharing	EUR	-
------------------------	-----	---

Variable management fees	EUR	6,139.93
--------------------------	-----	----------

**Class: I**

Fixed management fees	EUR	297,569.72
-----------------------	-----	------------

Management fee-sharing	EUR	-
------------------------	-----	---

Variable management fees	EUR	39,067.48
--------------------------	-----	-----------



**As a percentage incl. tax of the average net assets:**

***Class: Classique***

Fixed management fees	1.00%
Management fee-sharing	-

***Class: N***

Fixed management fees	1.00%
Management fee-sharing	-

***Class: Z***

Fixed management fees	0.15%
Management fee-sharing	-

***Class: I***

Fixed management fees	0.80%
Management fee-sharing	-

**3.8 Commitments given and received**

None

**3.9 Other information**

**Current value of financial instruments coming under a temporary purchase**

- Sell/buy-backs	EUR	-
- Repurchase agreements:		
- in equities	EUR	-
- in bonds	EUR	53,974,133.63
- in negotiable debt securities	EUR	-

**Actual value of financial instruments constituting collateral**

-Securities received as collateral and not registered in the securities portfolio	EUR	-
-Securities given as collateral and not registered in the securities portfolio	EUR	-

**Units or shares held by the fund in UCIs promoted or managed by an entity of the CANDRIAM France group**

UCIs held	Quantity held	Amount held	% of net assets
CAN BDS EURO HIGH YIELD -I- CAP	1,554.00	2,023,649.88	2.08%
CAN DYN LSD EQ-Z- CAP/EUR	1,620.00	2,460,358.80	2.52%
CAN L M-A PR -Z- CAP	888.00	1,385,519.76	1.42%
CANDRIAM DIV FUTURES - Z-	1,250.00	1,361,012.50	1.40%
CANDRIAM MONET -V-	24.00	2,398,863.36	2.46%
<b>Total</b>		<b>9,629,404.30</b>	<b>9.88%</b>

**Securities held by the fund issued by an entity of the CANDRIAM France group**

None

**Derivative financial instruments held by the fund issued by an entity of the CANDRIAM France group**

None

**3.10 Allocation of distributable income****Advance payments on profit for the financial year**

None

**Advance payments on net capital gains and losses for the financial year**

None

**Allocation of distributable income from profit****Z class (EUR)**

<b>Allocation of distributable income from profit</b>	<b>2019 financial year</b>	<b>2018 financial year</b>
<b>Amounts to be allocated</b>		
Retained earnings	-	-
Profit/loss	56,758.33	115,180.30
<b>Total</b>	<b>56,758.33</b>	<b>115,180.30</b>
<b>Allocation</b>		
Distribution	-	-
Retained earnings for the financial year	-	-
Capitalisation	56,758.33	115,180.30
<b>Total</b>	<b>56,758.33</b>	<b>115,180.30</b>
Number of shares or units	-	-
Per-unit distribution	-	-
<b>Tax credit attached to distribution of profit</b>	-	-

#### N class (EUR)

Allocation of distributable income from profit	2019 financial year	2018 financial year
<b>Amounts to be allocated</b>		
Retained earnings	-	-
Profit/loss	-3,298.92	-1,225.04
<b>Total</b>	<b>-3,298.92</b>	<b>-1,225.04</b>
<b>Allocation</b>		
Distribution	-	-
Retained earnings for the financial year	-	-
Capitalisation	-3,298.92	-1,225.04
<b>Total</b>	<b>-3,298.92</b>	<b>-1,225.04</b>
Number of shares or units	-	-
Per-unit distribution	-	-
<b>Tax credit attached to distribution of profit</b>	-	-

#### Classique class (euro)

Allocation of distributable income from profit	2019 financial year	2018 financial year
<b>Amounts to be allocated</b>		
Retained earnings	-	-
Profit/loss	-2,904.46	-4,063.27
<b>Total</b>	<b>-2,904.46</b>	<b>-4,063.27</b>
<b>Allocation</b>		
Distribution	-	-
Retained earnings for the financial year	-	-
Capitalisation	-2,904.46	-4,063.27
<b>Total</b>	<b>-2,904.46</b>	<b>-4,063.27</b>
Number of shares or units	-	-
Per-unit distribution	-	-
<b>Tax credit attached to distribution of profit</b>	-	-

# I class (euro)

Allocation of distributable income from profit	2019 financial year	2018 financial year
<b>Amounts to be allocated</b>		
Retained earnings	-	-
Profit/loss	-126,910.16	-157,907.76
<b>Total</b>	<b>-126,910.16</b>	<b>-157,907.76</b>
<b>Allocation</b>		
Distribution	-	-
Retained earnings for the financial year	-	-
Capitalisation	-126,910.16	-157,907.76
<b>Total</b>	<b>-126,910.16</b>	<b>-157,907.76</b>
Number of shares or units	-	-
Per-unit distribution	-	-
<b>Tax credit attached to distribution of profit</b>	<b>-</b>	<b>-</b>

## Allocation of distributable income from net capital gains and losses

# Z Capitalisation (EUR)

Allocation of distributable income from net capital gains and losses	2019 financial year	2018 financial year
<b>Amounts to be allocated</b>		
Earlier undistributed capital gains and losses	-	-
Net capital gains and losses during financial year	-43,538.90	-616,026.53
Advance payments on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>-43,538.90</b>	<b>-616,026.53</b>
<b>Allocation</b>		
Distribution	-	-
Undistributed net capital gains and losses	-	-
Capitalisation	-43,538.90	-616,026.53
<b>Total</b>	<b>-43,538.90</b>	<b>-616,026.53</b>
<b>Information on shares or units with distribution rights</b>		
Number of shares or units	-	-
Per-unit distribution	-	-

## I Capitalisation (euro)

Allocation of distributable income from net capital gains and losses	2019 financial year	2018 financial year
<b>Amounts to be allocated</b>		
Earlier undistributed capital gains and losses	-	-
Net capital gains and losses during financial year	-25,129.96	-625,191.77
Advance payments on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>-25,129.96</b>	<b>-625,191.77</b>
<b>Allocation</b>		
Distribution	-	-
Undistributed net capital gains and losses	-	-
Capitalisation	-25,129.96	-625,191.77
<b>Total</b>	<b>-25,129.96</b>	<b>-625,191.77</b>
<b>Information on shares or units with distribution rights</b>		
Number of shares or units	-	-
Per-unit distribution	-	-

## N Capitalisation (EUR)

Allocation of distributable income from net capital gains and losses	2019 financial year	2018 financial year
<b>Amounts to be allocated</b>		
Earlier undistributed capital gains and losses	-	-
Net capital gains and losses during financial year	-254.71	-3,269.78
Advance payments on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>-254.71</b>	<b>-3,269.78</b>
<b>Allocation</b>		
Distribution	-	-
Undistributed net capital gains and losses	-	-
Capitalisation	-254.71	-3,269.78
<b>Total</b>	<b>-254.71</b>	<b>-3,269.78</b>
<b>Information on shares or units with distribution rights</b>		
Number of shares or units	-	-
Per-unit distribution	-	-

**Classique Capitalisation (euro)**

<b>Allocation of distributable income from net capital gains and losses</b>	<b>2019 financial year</b>	<b>2018 financial year</b>
<b>Amounts to be allocated</b>		
Earlier undistributed capital gains and losses	-	-
Net capital gains and losses during financial year	-418.47	-11,160.25
Advance payments on net capital gains and losses for the financial year	-	-
<b>Total</b>	<b>-418.47</b>	<b>-11,160.25</b>
<b>Allocation</b>		
Distribution	-	-
Undistributed net capital gains and losses	-	-
Capitalisation	-418.47	-11,160.25
<b>Total</b>	<b>-418.47</b>	<b>-11,160.25</b>
<b>Information on shares or units with distribution rights</b>		
Number of shares or units	-	-
Per-unit distribution	-	-

### 3.11 Table of profit/loss and other characteristic elements of the fund over the last five financial years

	30/12/2019	30/12/2018	28/12/2017	29/12/2016	30/12/2015
<b>Net Assets (in millions of euros)</b>	97.47	71.76	91.02	40.72	53.50
<b>Number of securities</b>					
Classique - C units	557.14	596.78	949.549	27.867	-
I - C units	30,468.12	30,877.34	36,673.849	35,197.22	46,521.238
N - C units	312.22	164.10	161.245	170.243	172.243
Z - C units	41,180.64	23,870.62	30,350.53	-	-
<b>Unit net asset value</b>					
Classique - C units	1,052.61	1,052.38	1,089.77	1,053.68	-
I - C units	1,154.92	1,153.11	1,191.70	1,150.39	1,145.80
N - C units	1,150.33	1,155.06	1,196.10	1,156.48	1,151.85
Z - C units	1,489.67	1,480.46	1,518.46	-	-
<b>Per-unit distribution from net capital gains and losses (including interim payments)</b>	-	-	-	-	-
<b>Per-unit distribution from profit (including interim payments)</b>	-	-	-	-	-
<b>Per-unit tax credit (A)</b>	-	-	-	-	-
<b>Per-unit capitalisation from profit</b>	-	-	-	-	-
Classique - C units	-5.21	-6.80	-14.03	-9.39	-
I - C units	-4.16	-5.11	-13.08	2.40	-6.28
N - C units	-10.56	-7.46	-15.00	3.45	-7.97
Z - C units	1.37	4.82	-5.79	-	-
<b>Per-unit capitalisation from net capital gains and losses</b>					
Classique - C units	-0.75	-18.70	39.67	6.55	-
I - C units	-0.82	-20.24	43.70	7.13	51.10
N - C units	-0.81	-19.92	43.54	7.26	53.38
Z - C units	-1.05	-25.80	25.05	-	-

### 3.12 Net asset value



Actif Net		Situation : 30/12/2019		PAT325		CANDRIAM GLOBAL ALPHA		EUR		31/12/2019		14:17:52	
Part	Dev part	VL (dev)	VL (cib)	Nombre des parts	Actif net J (dev)	Actif net J (cib)							
AC	EUR		1 052,61	557,139		586 452,13							
IC	EUR		1 154,92	30 468,124		35 168 303,70							
NC	EUR		1 150,33	312,224		359 161,23							
ZC	EUR		1 489,67	41 180,641		61 345 816,79							
Total						97 479 733,65							

  

Code Identifiant	Libellé	Dev. col.	Quantité / Nominal	Prix de revient (parfois)	Taux de change	Cours (parfois)	Intérêts (cib)	PMV (cib)	Val. bouclées (cib)	Val. boucl. / Act. net
FIOTECORE029	PORTUGAL 4.8% 10-15.6.20	EUR	10 000 000	107,507	1	102,39	259 672,13	-511 700,00	10 498 672,13	10,77%
ES0000012620	SPAIN 1.4% 14-31.01.20(RB0)	EUR	5 000 000	103,4	1	100,155	54 246,58	-162 200,00	5 072 046,58	5,20%
Obligations (200)										
							323 616,71	-673 000,00	16 670 716,71	15,07%
Calculations (BO)										
FR0125875379	BPCF EO+0.18 19-16.10.20 CO	EUR	1 500 000	100	1	100,035045	-1 091,65	665,86	1 899 574,21	1,55%
FR0125640589	BOE POST EO+0.045 15.5.20 CO	EUR	1 400 000	100	1	99,983475	-2 307,04	-231,35	1 397 461,61	1,43%
FR0125975740	CREDIT AG EO+0.18 19-18.11.20 CO	EUR	2 100 000	100	1	100,021991	-487,22	461,81	2 099 774,59	2,15%
TON CO (Pactcomptel) (245)										
							-4 065,97	660,32	6 306 810,41	6,64%
TCN (BO)										
							-4 065,97	660,32	6 306 810,41	6,64%
FR0013245081	CANDRIAM DIV FUTURES -2-	EUR	1 250	1 105,08	1	1 068,81	0,00	-20 337,50	1 361 012,50	1,40%
FR0013113222	CANDRIAM MONET -1-	EUR	34	100 593,520833	1	99 952,64	0,00	-15 141,14	2 398 863,36	2,46%
OPCM/Finparis à vocation générale (454)										
							0,00	-36 470,64	3 769 076,00	3,06%
LU0144746509	CAN BBS EURO HIGH YIELD + CAP	EUR	1 554	1 178,058919	1	1 302,22	0,00	192 946,32	2 023 649,88	2,08%
LU1496342079	CAN DYN LSO EO-2- CAP/EUR	EUR	1 620	1 545,6	1	1 518,74	0,00	-43 513,20	2 460 388,80	2,52%
LU179472435	CAN L M&A PR-2- CAP	EUR	888	1 579,32	1	1 560,27	0,00	-16 916,40	1 385 519,75	1,42%
OPCM/Eurogérés coordonnées (445)										
							0,00	132 516,72	5 669 538,44	6,02%
OPCM (BO)										
PF00000000477_BE00003455	BELGIUM 0.8% 19-22.06.28 REGS	EUR	10 000 000,27	107 959,443	1	0	-2 028,63	0,00	9 997 971,64	10,25%
47										
PF00000000474_BE00003475	BELGIUM 0.9% 19-22.06.29	EUR	5 999 999,97	109 827,753	1	0	-3 931,96	0,00	5 996 067,99	6,15%
68										
PF00000000457_EU00004100	EPSP 0% 17-29.03.21	EUR	4 000 000,01	100,629931	1	0	-4 724,58	0,00	3 995 275,43	4,10%
DMS										
PF00000000476_FR00105496	FRANCE 2.5% 10-25.10.20 OMT	EUR	10 000 275,34	103,000055	1	0	-4 387,04	0,00	9 996 888,30	10,25%
51										
PF00000000471_IT000500154	ITALY 3.75% 14-01.09.24 BTPT	EUR	7 000 000,02	116,588941	1	0	-6 330,29	0,00	6 993 669,73	7,17%
7										
PF00000000472_NL00057124	NETHERLANDS 3.25% 11-15.07.21	EUR	17 000 000,06	107,619056	1	0	-15 974,12	0,00	16 984 125,94	17,42%
70										
CAIT - Prise en pension (Intérêts)										
							-37 276,64	0,00	63 902 990,01	65,36%
ACHQ-CME-0320-D										
	ACHQ-CME-0320-D	USD	43	69,32	1,120350	70,13	0,00	31 088,50	31 088,50	0,03%
BRHQ-CME-0320-D										
	BRHQ-CME-0320-D	USD	-54	24,611094	1,120350	24,96	0,00	-11 997,09	-11 997,09	-0,01%
ECHO-CME-0320-D										
	ECHO-CME-0320-D	USD	83	1,120867	1,120350	1,12565	0,00	44 291,96	44 291,96	0,05%
BPHQ-CME-0320-D										
	BPHQ-CME-0320-D	USD	-14	132,48	1,120350	131,43	0,00	8 200,56	8 200,56	0,01%
SRHQ-CME-0320-D										
	SRHQ-CME-0320-D	USD	50	135,916	1,120350	139,8	0,00	-2 588,48	-2 588,48	0,00%
FEHQ-CME-0320-D										
	FEHQ-CME-0320-D	USD	-300	5,142167	1,120350	5,219	0,00	-102 869,64	-102 869,64	-0,11%
NVHQ-CME-0320-D										
	NVHQ-CME-0320-D	USD	-48	66,080729	1,120350	67,39	0,00	-56 094,08	-56 094,08	-0,06%
RUHQ-CME-0320-D										
	RUHQ-CME-0320-D	USD	145	1,5625	1,120350	1,6	0,00	121 334,85	121 334,85	0,12%
SEHQ-CME-0320-D										
	SEHQ-CME-0320-D	USD	-10	10,588	1,120350	10,739	0,00	-9 104,30	-9 104,30	-0,01%
RAHQ-CME-0320-D										
	RAHQ-CME-0320-D	USD	-170	6,775265	1,120350	7,0075	0,00	-176 194,94	-176 194,94	-0,18%
USHQ-CME-0320-D										
	USHQ-CME-0320-D	USD	10	11,157	1,120350	11,344	0,00	33 382,43	33 382,43	0,03%



Actif Net	Situation : 30/12/2019	PAT325	CANDRIAM GLOBAL ALPHA					EUR	31/12/2019	14-17-52
Code Identifiant	Libellé	Dw. cod.	Quantité / Nominal	Prix de revient (dévalué)	Taux de change	Cours (dévalué)	Indéfini (cbr)	PWV (cbr)	Vil. boursières (cbr)	Vil. bours. / Act. net
ICPS-1-EC17F20-9500	CALL BEEX MINI 35 MEFF 17/01/2020 9500	EUR	700	103	1	160	0,00	39 900,00	112 000,00	0,11%
JADH-12500000-EPOB-H00-9	CALL JPY/USD EUROPEAN ST FX MONTHLY 06/0	USD	-110	1,539546	1,120350	0,55	0,00	124 078,37	-67 501,23	-0,07%
NOHG-20-AC20H20-6900	CALL NASDAQ 100 INDEX 100-INDEX 20/03/20	USD	-30	1 142,75	1,120350	1 849,75	0,00	-370 102,11	-990 627,93	-1,02%
NOHG-20-AC20H20-7200	CALL NASDAQ 100 INDEX 100-INDEX 20/03/20	USD	-34	1 443,5	1,120350	1 580,75	0,00	-46 062,38	-947 302,18	-0,97%
RTYM-50-AC19AC20-1500	CALL RUSSELL 2000 INDEX 19/05/2020 1500	USD	-60	175	1,120350	197,9	0,00	-56 481,53	-529 923,68	-0,54%
RTYM-50-AC20H20-1500	CALL RUSSELL 2000 INDEX 20/03/2020 1500	USD	-110	126,9	1,120350	180,5	0,00	-256 387,17	-886 107,02	-0,91%
EBHG-50-AC20H20-2950	CALL S&P 500 EMINI INDEX 20/03/2020 2950	USD	-60	188,2	1,120350	298	0,00	-586 312,45	-664 970,76	-0,88%
TYHO-100000-AP21020-130	PUT 10Y TREASURY NOTES USA 21/02/2020 13	USD	-500	1,703125	1,120350	2,171875	0,00	-200 795,30	-969 284,15	-0,99%
TLHG-200000-AP24F20-107	PUT 2Y TREASURY NOTES USA 24/01/2020 107	USD	300	0,048875	1,120350	0,015625	0,00	-16 884,61	8 367,92	0,01%
EDHG-1000000-AP10F20-98	PUT 90 DAYS - EURO \$ FUTURE 10/01/2020 9	USD	1 000	0,02	1,120350	0,01	0,00	-22 514,52	22 314,46	0,02%
EDHG-1000000-AP14G20-98	PUT 90 DAYS - EURO \$ FUTURE 14/02/2020 9	USD	1 000	0,005	1,120350	0,0025	0,00	-5 628,63	5 578,61	0,01%
AUNHG-100000-EP03F20-69	PUT AUD/USD SPOT CROISS 03/01/2020 69	USD	-18	0,82	1,120350	0,01	0,00	14 795,31	-160,66	0,00%
AUNHG-100000-EP08H20-67	PUT AUD/USD SPOT CROISS 06/03/2020 67,5	USD	-80	0,59	1,120350	0,13	0,00	33 180,42	-9 282,81	-0,01%
BOAH-42500-EP05M20-128	PUT BPA CNY GIB/USD EUR FX 05/05/2020 12	USD	-50	1,94	1,120350	1,28	0,00	18 975,56	-35 703,13	-0,04%
CEHG-100000-AP21020-133	PUT EURO BOBL 21/02/2020 133,5	EUR	-500	0,12	1	0,275	0,00	-77 500,00	-137 500,00	-0,14%
CEHG-100000-AP24F20-134	PUT EURO BOBL 24/01/2020 134	EUR	500	0,19	1	0,465	0,00	137 500,00	232 500,00	0,24%
DUHG-100000-AP21020-111	PUT EURO SCHATZ 21/02/2020 111,8	EUR	500	0,02	1	0,04	0,00	10 000,00	20 000,00	0,02%
DUHG-100000-AP24F20-111	PUT EURO SCHATZ 24/01/2020 111,8	EUR	1 000	0,0185	1	0,015	0,00	-3 500,00	15 000,00	0,02%
IDHG-1-EP20H20-9000	PUT BEEX MINI 35 MEFF 20/03/2020 9000	EUR	-1 000	257	1	70	0,00	187 000,00	-70 000,00	-0,07%
JADH-12500000-EPOB-H00-9	CALL JPY/USD EUROPEAN ST FX MONTHLY 06/03	USD	90	0,61	1,120350	0,47	0,00	-14 671,06	47 195,07	0,05%
RTYM-50-AP20H20-1450	PUT RUSSELL 2000 INDEX 20/03/2020 1450	USD	-110	50	1,120350	8,4	0,00	207 947,38	-41 237,11	-0,04%
<b>Options (OP)</b>										
	Contrat d'achat à terme ~ Achat CAD 461 664,22		0	1,479593	1,462940	1,477807	0,00	-408 604,24	-6 329 224,36	-6,49%
	Vente EUR 312 000,00 ~ Maturity: 17-JUN-2020		0	1,093528	1,085787	1,084276	0,00	398,18	-3 740 507,14	-0,05%
	Contrat d'achat à terme ~ Achat CHF 770 937,03		0	1,093528	1,085787	1,084276	0,00	6 015,49	6 015,49	0,01%
	Vente EUR 705 000,00 ~ Maturity: 17-JUN-2020		0	122,3778	1	122,229368	0,00	-1 986,85	-1 986,85	0,00%
	Contrat d'achat à terme ~ Achat EUR 1 634 283,34		0	10,452846	1	10,467821	0,00	-8 223,33	-8 223,33	-0,01%
	Vente JPY 200 000 000,00 ~ Maturity: 17-JUN-2020		0	1,486517	1	1,477807	0,00	-2 403,27	-2 403,27	0,00%
	Contrat d'achat à terme ~ Achat EUR 3 430 509,28		0	1,094499	1	1,084276	0,00	-8 602,70	-8 602,70	-0,01%
	Vente SEK 36 000 000,00 ~ Maturity: 17-JUN-2020		0	121,995199	122,101406	122,229365	0,00	-1 431,10	-1 431,10	0,00%
	Contrat d'achat à terme ~ Achat EUR 403 628,08		0	10,460813	10,440508	10,467821	0,00	-1 142,80	-1 142,80	0,00%
	Vente CAD 500 000,00 ~ Maturity: 17-JUN-2020		0	1,094499	1	1,084276	0,00	-8 602,70	-8 602,70	-0,01%
	Contrat d'achat à terme ~ Achat EUR 913 659,71		0	121,995199	122,101406	122,229365	0,00	-1 431,10	-1 431,10	0,00%
	Vente CHF 1 000 000,00 ~ Maturity: 17-JUN-2020		0	10,460813	10,440508	10,467821	0,00	-1 142,80	-1 142,80	0,00%
	Contrat d'achat à terme ~ Achat JPY 81 130 414,00		0	10,460813	10,440508	10,467821	0,00	-1 142,80	-1 142,80	0,00%
	Vente EUR 141 000,00 ~ Maturity: 17-JUN-2020		0	10,460813	10,440508	10,467821	0,00	-1 142,80	-1 142,80	0,00%
	Contrat d'achat à terme ~ Achat SEK 17 896 607,79		0	10,460813	10,440508	10,467821	0,00	-1 142,80	-1 142,80	0,00%
	Vente EUR 1 707 000,00 ~ Maturity: 17-JUN-2020		0	10,460813	10,440508	10,467821	0,00	-1 142,80	-1 142,80	0,00%
	Changes à Terme (FX)						0,00	-17 376,36	-17 376,36	-0,05%
	Grand total						0,00	-17 376,36	-17 376,36	-0,05%
							282,596,16	-736,868,93	75,862,491,45	77,82%

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Actif Net				situation : 30/12/2019		PAT325		CANDRIAM GLOBAL ALPHA		EUR		31/12/2019
Type de liquidité	Nom, Compte	Suffixe	Devise	Libellé	Devise	Taux de change	Montant (Million)	Montant (ch)	Montant (ch)			
Comptes Techniques	351000	0	CAD	Appt de mar. sinistr. fin à l'RBG IS BK France		1,462940	25,00	17,09				
			DOLLAR CANADIEN				25,00	17,09				
	351000	0	EUR	Appt de mar. sinistr. fin à l'RBG IS BK France			1	-501 540,00	-501 540,00			
			DOLLAR CANADIEN					-501 540,00	-501 540,00			
	351000	0	GBP	Appt de mar. sinistr. fin à l'RBG IS BK France		0,854349	-340 475,00	-281 471,66				
			LIVRE STERLING				-340 475,00	-281 471,66				
	351000	0	JPY	Appt de mar. sinistr. fin à l'RBG IS BK France		122,101406	4 475 000,00	36 649,86				
			YEN JAPONAIS				4 475 000,00	36 649,86				
	351000	0	USD	Appt de mar. sinistr. fin à l'RBG IS BK France		1,120350	561 293,70	500 998,53				
			DOLLAR US				561 293,70	500 998,53				
								-245 346,18				
	416200	0	CAD	Marché à terme ferme		1,462940	226 290,00	154 692,20				
			DOLLAR CANADIEN				-2 100,00	-1 435,56				
	463311	0	CHF	Court. Nlgo. Marché à Terme		1,085787	224 190,00	193 296,64				
L.Q. à Terme			FRANC SUISSE				-22 231,31	-20 474,83				
	416200	0	EUR	Marché à terme ferme			1	5 524 864,10	5 524 864,10			
			EUR	Debiteurs et Creditteurs divers			1	74 000,00	74 000,00			
	463311	0	EUR	Debiteurs et Creditteurs divers			1	118 757,40	118 757,40			
			EUR	Court. Nlgo. Marché à Terme			1	-73 269,22	-73 269,22			
	463311	0	EUR	Dot. sur frais de gestion			1	-33 631,14	-33 631,14			
	488149	0	EUR	Dot. frais gest. var. acq. IIC			1	-20,56	-20,56			
	488354	0	EUR	Dot. frais gest. var. acq. IIC			1	-20,56	-20,56			
	488371	0	EUR	Dot. frais gest. var. acq. IIC			1	-1 051,80	-1 051,80			
			EUR	Marché à terme ferme			1	5 609 648,78	5 609 648,78			
	416200	0	GBP	Marché à terme ferme		0,854349	519 036,00	607 510,59				
			GBP	Court. Nlgo. Marché à Terme		0,854349	-3 222,40	-3 771,76				
	463311	0	LIVRE STERLING				516 803,60	603 738,83				
	416200	0	JPY	Marché à terme ferme		122,101406	51 206 000,00	419 389,11				
	463311	0	JPY	Court. Nlgo. Marché à Terme		122,101406	-109 500,00	-896,80				
L.Q. à Terme			YEN JAPONAIS				51 098 500,00	418 492,31				
	416200	0	SEK	Marché à terme ferme		10,440508	15 871 600,00	1 520 194,27				
			COURONNE SUEDOISE				15 871 600,00	1 520 194,27				
	416200	0	USD	Marché à terme ferme		1,120350	10 221 777,00	9 123 735,44				
	463311	0	USD	Court. Nlgo. Marché à Terme		1,120350	-67 806,23	-60 522,36				
			DOLLAR US				10 153 970,77	9 063 213,08				
	511000	0	AUD	Comptes à vue RBG IS BK France		1,601301	163 922,06	114 857,92				
	517000	10	AUD	Banque Produits dérivés FIMAT INTERNATIONALE		1,601301	50 457,51	31 510,33				
			BANQUE NON-BIL									
	511000	0	DOLLAR AUSTRALIEN				234 379,57	146 368,25				
			CAD	Comptes à vue RBG IS BK France		1,462940	2 933,46	2 005,32				
	517000	10	CAD	Banque Produits dérivés FIMAT INTERNATIONALE		1,462940	86 872,45	59 386,14				
			BANQUE NON-BIL									
	511000	0	DOLLAR CANADIEN				89 805,51	61 391,46				
			CHF	Comptes à vue RBG IS BK France		1,085787	6 484,14	5 971,83				
	517000	10	CHF	Banque Produits dérivés FIMAT INTERNATIONALE		1,085787	70 000,00	64 469,35				
			BANQUE NON-BIL									
	511000	0	FRANC SUISSE				76 484,14	70 441,18				
			EUR	Comptes à vue RBG IS BK France			1	367 119,95	367 119,95			

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**CANDRIAM GLOBAL ALPHA**

**AUDITORS' REPORT  
ON THE ANNUAL FINANCIAL STATEMENTS  
Financial year ended 30 December 2019**

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Registered firm of accountants on the "Tableau de l'Ordre" in Paris - Ile de France. Firm of statutory auditors, a member of the "Compagnie régionale" of Versailles. Simplified joint-stock company with a capital of EUR 2,510,460. Registered office: 63, rue de Villiers - 92200 Neuilly-sur-Seine. RCS Nanterre 672 006 483. VAT number FR 76 672 006 483. Siret 672 006 483 00362 APE code 6920 Z Offices: Bordeaux, Grenoble, Lille, Lyon, Marseilles, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.

**AUDITORS' REPORT  
ON THE ANNUAL FINANCIAL STATEMENTS  
Financial year ended 30 December 2019**

**CANDRIAM GLOBAL ALPHA**  
UCITS IN THE FORM OF A FONDS COMMUN DE PLACEMENT  
Regulated by the Code Monétaire et Financier

Management company  
CANDRIAM INVESTORS GROUP  
WASHINGTON PLAZA - 40, rue Washington  
75008 PARIS CEDEX 08

**Opinion**

In carrying out the mandate entrusted to us by the management company, we carried out our audit of the annual accounts of the UCITS in the form of a *fonds commun de placement* (FCP) CANDRIAM GLOBAL ALPHA for the financial year ended 30 December 2019, as appended to this report.

We certify that the annual financial statements are, in conformity with French accounting rules and principles, accurate and consistent, and give a true and fair view of the financial performance of the previous financial year as well as the financial situation and assets of the UCITS, in the form of a *fonds commun de placement*, at the end of this financial year.

**Basis of the opinion**

***Audit criteria***

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The responsibilities imposed upon us by these standards are set out in the section entitled "*Responsibilities of the auditors in the auditing of the annual accounts*" in this report.

***Independence***

We conducted our audit mandate in accordance with the applicable rules of independence, for the period 01/01/2019 to the date of issue of our report, and in particular we did not provide any services forbidden by the Code of Ethics for Statutory Auditors.



### Justification of our appraisals

In application of the provisions of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our appraisals, we hereby inform you that in our professional opinion, the most significant appraisals we conducted covered the appropriateness of the accounting principles applied, the reasonableness of the significant estimates made, and the overall presentation of the accounts.

These appraisals formed part of our audit of the annual accounts as a whole, and contributed to our opinion expressed above. We do not express an opinion on items in the annual accounts taken in isolation.

### Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by statutory and regulatory texts.

We have no observations to make on the fairness and consistency with the annual accounts of the information given in the management report prepared by the management company.

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**Responsibilities of management and individuals charged with governance relating to the annual accounts**

It is the responsibility of the management company to prepare annual accounts giving a true and fair view in accordance with French accounting rules and principles, and to implement the internal controls it considers necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

When preparing the annual accounts, it is the management company's responsibility to assess the UCI's ability to continue as a going concern, to present in these accounts, where applicable, the necessary information relating to its viability as a going concern, and to apply the going concern accounting policy unless it intends to wind up the UCI or to cease trading.

The annual accounts have been prepared by the management company.

**Responsibilities of the auditors in the auditing of the annual accounts*****Audit objective and approach***

It is our responsibility to draft a report on the annual accounts. Our aim is to obtain reasonable assurance that the annual accounts taken as a whole do not contain any material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any material misstatement. Misstatements may arise from fraud or error and are considered material where it can reasonably be expected that, taken individually or together, they may influence the economic decisions made by account users based thereon.

As specified by Article L.823-10-1 of the French Commercial Code, our mandate is to certify the accounts, not to guarantee the viability or the quality of the management of the UCI.

Where an audit is conducted in accordance with the professional standards applicable in France, the statutory auditor exercises its professional judgement throughout this audit. In addition:

- it identifies and assesses the risks that the annual accounts may contain material misstatement (whether due to fraud or error), sets out and implements the audit procedures intended to counter these risks, and collates the items that it deems sufficient and appropriate to justify its opinion. The risk of non-detection of a material misstatement due to fraud is higher than that of a material misstatement due to an error, since fraud may involve collusion, forgery, voluntary omissions, misrepresentation or the circumvention of internal control processes;

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Registered firm of accountants on the "Tableau de l'Ordre" in Paris - Ile de France. Firm of statutory auditors, a member of the "Compagnie régionale" of Versailles.  
Simplified joint-stock company with a capital of EUR 2,510,460. Registered office: 63, rue de Villiers - 92200 Neuilly-sur-Seine. RCS Nanterre 672 006 483. VAT number FR 76 672 006 483. Siret 672 006 483 00362 APE code 6920 Z Offices: Bordeaux, Grenoble, Lille, Lyon, Marseilles, Metz, Nantes, Nice, Paris, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.

- it becomes familiar with the internal control processes relevant to the audit so as to set out audit procedures that are appropriate to the circumstances, and not to express an opinion on the effectiveness of the internal control processes;
- it assesses the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the information provided in their regard in the annual accounts;
- it assesses the appropriateness of the application by the management company of the going concern accounting policy and based on the evidence gathered, whether significant uncertainty exists relating to events or circumstances that may affect the UCI's ability to continue as a going concern. This assessment is based on the items collated until the date of its report, on the understanding that subsequent events or circumstances may affect its viability as a going concern. If significant uncertainty is shown to exist, it draws the attention of the readers of its report to the information provided in the annual accounts in respect of said uncertainty or, if this information is not provided or is not relevant, it issues a certification with reserve or a refusal to certify;
- it appraises the overall presentation of the annual accounts, and assesses whether said statements reflect the transactions and underlying events, and thus provide a true and fair view thereof.

Due to the delay in receiving certain information needed to finalise our work, this report is issued on the date of the electronic signature.

Neuilly sur Seine, 21 April 2020

<p><i>Document authenticated by electronic signature</i>  The Auditors  PricewaterhouseCoopers Audit  Amaury Couplez</p>
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