

Candriam Absolute Return Equity

Market Neutral

Market Overview

The MSCI World ended the month up 3.5%. This is not a decisive factor for our fund, as we focus mainly on alpha-creating strategies that are uncorrelated with market movements.

January is traditionally a quiet month, with no major periodic readjustments. In the S&P 600, for example, Acadia Pharmaceuticals entered the market, while Guidewire Software joined the S&P 400.

As usual, we took positions as soon as the risk/return profile seemed attractive.

Portfolio Highlights & Strategy Review

At the end of the month, the investment rate of our index rebalancing and relative value pockets was down. Candriam Absolute Return Equity Market Neutral posted a positive performance for the month.

Our index rebalancing pocket posted a positive performance for the month. Several positions contributed positively to performance. These included our short position on Workday Inc, initiated following its entry into the S&P 500 in December.

In our relative value pocket, performance was positive for the month. Among the most significant movements in our portfolio, Option Care Health Inc, a healthcare equipment and services company, had a very good month. Conversely, On Semiconductor, a semiconductor company, was penalized this month.

Fund Outlook

In February, we'll be looking at the quarterly readjustments to the MSCI indices effective February 28.

The start of the year was marked by the arrival of a new administration in the United States and fears of escalating tariffs between the latter and its trading partners. At the same time, the theme of artificial intelligence has taken a new turn, with the release of Deep Seek, a less expensive but no less powerful AI, dealing a blow to some of the market's top valuations. Against this backdrop, we remain active in our two pockets.

Given our expertise in our field, we remain confident in the ability of our various pockets to generate alpha in the new year.

This marketing communication is provided for information purposes only, it does not constitute an offer to buy or sell financial instruments, nor does it represent an investment recommendation or confirm any kind of transaction, except where expressly agreed. Although Candriam selects carefully the data and sources within this document, errors or omissions cannot be excluded a priori. Candriam cannot be held liable for any direct or indirect losses as a result of the use of this document. The intellectual property rights of Candriam must be respected at all times, contents of this document may not be reproduced without prior written approval.

Warning: Past performance of a given financial instrument or index or an investment service or strategy, or simulations of past performance, or forecasts of future performance does not predict future returns. Gross performances may be impacted by commissions, fees and other expenses. Performances expressed in a currency other than that of the investor's country of residence are subject to exchange rate fluctuations, with a negative or positive impact on gains. If the present document refers to a specific tax treatment, such information depends on the individual situation of each investor and may change.

In respect to money market funds, please be aware that an investment in a fund is different from an investment in deposits and that the investment's principal is capable of fluctuation. The fund does not rely on external support for guaranteeing its liquidity or stabilizing its NAV per unit or share. The risk of loss of the principal is borne by the investor.

Candriam consistently recommends investors to consult via our website www.candriam.com the key information document, prospectus, and all other relevant information prior to investing in one of our funds, including the net asset value ("NAV") of the funds. Investor rights and complaints procedure, are accessible on Candriam's dedicated regulatory webpages <https://www.candriam.com/en/professional/legal-and-disclaimer-candriam/regulatory-information/>. This information is available either in English or in local languages for each country where the fund's marketing is approved. According to the applicable laws and regulations, Candriam may decide to terminate the arrangements made for the marketing of a relevant fund at any time.

Information on sustainability-related aspects: the information on sustainability-related aspects contained in this communication are available on Candriam webpage <https://www.candriam.com/en/professional/market-insights/sfdr/>. The decision to invest in the promoted product should take into account all the characteristics or objectives of the promoted product as described in its prospectus, or in the information documents which are to be disclosed to investors in accordance with the applicable law.

Notice to investors in Switzerland: The information provided herein does not constitute an offer of financial instruments in Switzerland pursuant to the Swiss Financial Services Act ("FinSA") and its implementing ordinance. This is solely an advertisement pursuant to FinSA and its implementing ordinance for financial instruments.

Swiss representative: CACEIS (Switzerland) SA, Route de Signy 35, CH-1260 Nyon. The legal documents as well as the latest annual and semi-annual financial reports, if any, of the investment funds may be obtained free of charge from the Swiss representative.

Swiss paying agent: CACEIS Bank, Paris, succursale de Nyon/Suisse, Route de Signy, 35, CH-1260 Nyon. Place of performance: Route de Signy 35, CH-1260 Nyon. Place of jurisdiction: Route de Signy 35, CH-1260 Nyon.

Specific information for investors in France: the appointed representative and paying agent in France is CACEIS Bank, Luxembourg Branch, sis 1-3, place Valhubert, 75013 Paris, France. The prospectus, the key investor information, the articles of association or as applicable the management rules as well as the annual and semi-annual reports, each in paper form, are made available free of charge at the representative and paying agent in France.

Specific information for investors in Spain: Candriam Sucursal en España has its registered office at C/ Pedro Teixeira, 8, Edif. Iberia Mart I, planta 4, 28020 Madrid and is registered with the Comisión Nacional del Mercado de Valores (CNMV) as an European Economic Area management company with a branch. CNMV: 657