

# Candriam Absolute Return Equity

## Market Neutral

### Market Overview

The MSCI World ended the month down 3%. This is not a decisive factor for our fund, as we focus mainly on alpha-creating strategies that are uncorrelated with market movements.

December is traditionally the month of the quarterly readjustment of the world's main indices. There were many entries and exits in the indices, with Palantir Technologies Inc. in particular entering the Nasdaq 100, as well as Apollo Global Management Inc. and Workday Inc. in the S&P500.

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

### Portfolio Highlights & Strategy Review

The investment rate of our index rebalancing pocket rose, while that of relative value fell over the month. The performance of Candriam Absolute Return Equity Market Neutral was negative over the month.

On our index rebalancing pocket, performance was positive over the month. Several positions contributed positively to performance. These included our short position on Shift4 Payments Inc, initiated following its entry into the S&P 400 in November.

On our relative value pocket, performance this month was negative. Among the most significant movements in our portfolio, we note the good month achieved by Maximus Inc, a service company. Conversely, Toll Brothers, a luxury home builder, was penalized this month.

### Fund Outlook

In 2025, on the strength of our expertise and our approach, we will seek to stay the course in economic and geopolitical circumstances that remain highly uncertain.

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.

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