

# KEY INFORMATION DOCUMENT

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## PRODUCT

# Equity Market Neutral, S5-H - Capitalisation, a sub-fund of Candriam Absolute Return, SICAV

S5-H denominated in GBP, hedged against EUR

**Manufacturer:** Candriam, a New York Life Investments group entity.  
**ISIN:** LU2470968418  
**Website:** www.candriam.com  
**Contact:** Call +352 27 97 24 25 for more information  
**Competent Authority:** The Commission de Surveillance du Secteur Financier (CSSF) is in charge of the control of Candriam with regard to this key information document. .  
This product is authorised in Luxembourg.  
Candriam is approved in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

This key information document is valid as at 2024-06-19.

## WHAT IS THIS PRODUCT?

**Type:** This product is a share class (S5-H) of a sub-fund (Equity Market Neutral) of an investment company with variable capital (SICAV) under Luxembourg law (Candriam Absolute Return), Undertakings for Collective Investment in Transferable Securities (UCITS).

**Term:** Open-ended.

### Objectives:

#### Principal assets traded:

1. Within the scope of the implementation of the investment strategy:

- Equities and/or securities equivalent to equities of companies from developed and/or emerging countries, of any capitalisation,
- Forward contracts (futures, options and swaps) on regulated or OTC markets. These products are used for the purposes of exposure, arbitrage or hedging. The underlyings of these derivative financial instruments can be:

- \* Equities and/or securities equivalent to equities,

- \* Equities indices,

- \* Units in undertakings for collective investment,

- \* Currencies, for hedging purposes,

- Securities lending transactions,

- Exchange traded notes on equities indices,

- Units in undertakings for collective investment.

2. Within the context of cash management:

- Money market instruments with a short-term rating of at least A-2 when acquired (or equivalent) from one of the ratings agencies, issued by all types of issuers,

- Repurchases and reverse repurchases,

- Bonds and other debt securities with a short-term rating of at least A-2 when acquired (or equivalent) from one of the ratings agencies,

- Transferable securities or equivalent money market instruments other than those described above, deposits or cash.

#### Investment strategy:

The fund seeks to achieve capital growth by investing in the principal assets traded and to achieve a performance better than that of the benchmark.

In order to achieve its management objective, the fund follows the "Equity Market Neutral" management style, which means that, depending on the investment opportunities it identifies and on the basis of quantitative and qualitative analyses, the asset manager will simultaneously take long positions on equities that he or she believes, all things being equal, have the potential to increase in value, and short positions on other equities.

This management style makes it possible to maintain a limited net exposure to equity markets. For more information on the identification of investment opportunities and quantitative and qualitative analyses, please refer to the prospectus.

The fund does not have sustainable investment as its objective and does not specifically promote environmental and/or social characteristics.

The fund may make use of derivative products for both investment and hedging purposes (to protect against future unfavourable financial events).

This hedged share class aims to reduce the effect of fluctuations in exchange rates between the reference currency of the sub-fund EUR and the GBP (the currency in which the hedged share class is denominated). This reduces the foreign exchange risk but does not eliminate it entirely.

**Benchmark:** €STR (Euro Short Term Rate) Capitalized.

The fund is managed actively and the investment approach implies a reference to a benchmark (the index).

Benchmark definition:

The €STR is the short term rate in euros that reflects unsecured overnight borrowing costs in euros for banks in the euro zone.

Use of the benchmark:

- for performance comparison purposes,

- to calculate the performance fee for some share classes.

**Repayment of shares:** On demand, every day, at Luxembourg.

**Allocation of income:** Distribution.

#### Intended retail investor:

This product is for investors who meet the conditions for accessing the product in question (see prospectus) with the level of investment knowledge required by the distributor who are looking for Capital Growth. This product can be used as a core holding or a component of a diversified portfolio for investments with an investment horizon of 3 years. Investors should understand the product risks and only invest if they can bear potentially substantial losses.

#### General information:

**Depositary bank:** CACEIS Bank, Luxembourg Branch.

#### Other information:

This document provides a description of a share class of a sub-fund of Candriam Absolute Return. The prospectus and periodical reports are established for all the sub-funds. There are other share classes and these are listed in the prospectus.

Investors may apply for the conversion of their shares into shares of another class of the same sub-fund or into shares of a class of another sub-fund of the fund, based on the eligibility criteria and following the procedures available through their financial intermediary.

The sub-fund is only liable for the debts, liabilities and obligations that can be charged to it.

Additional information about the fund can be found in the prospectus and the periodical reports, which may be obtained free of charge on request from Candriam or viewed at any time on the website [www.candriam.com](http://www.candriam.com). These documents are available in one of the languages approved by the local authority of each country where the fund is authorised to market its shares or in a common language in the international finance sphere. All other practical information, in particular the latest share price, is available from the places shown above.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?



The risk indicator assumes you keep the product for 3 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

### Risk Indicator

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as class 5 out of 7, which is a medium-high risk class.

This rates the potential losses from future performance at a medium-high level, and poor market conditions will likely impact the capacity to pay you.

**Be aware of currency risk.** You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

**Other risk(s) materially relevant not included in the summary risk indicator:** Arbitrage. Counterparty. Derivatives. Sustainability.

This product does not include any protection from future market performance so you could lose some or all of your investment.

### Performance scenarios

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product and/or a suitable benchmark over the last 10 years. Markets could develop very differently in the future.

The stress scenario shows what you might get back in extreme market circumstances.

Unfavourable: This type of scenario occurred for an investment between 09/2016 and 08/2019.

Moderate: This type of scenario occurred for an investment between 03/2021 and 02/2024.

Favourable: This type of scenario occurred for an investment between 06/2019 and 05/2022.

Recommended holding period: Example Investment:		3 years 10 000 GBP	
		If you exit after 1 year	If you exit after 3 years
<b>Scenarios</b>			
<b>Minimum</b>	<b>There is no minimum guaranteed return. You could lose some or all of your investment.</b>		
<b>Stress</b>	<b>What you might get back after costs</b>	<b>6 910 GBP</b>	<b>7 030 GBP</b>
	Average return each year	- 30.94%	- 11.07%
<b>Unfavourable</b>	<b>What you might get back after costs</b>	<b>8 630 GBP</b>	<b>9 310 GBP</b>
	Average return each year	- 13.69%	- 2.34%
<b>Moderate</b>	<b>What you might get back after costs</b>	<b>9 840 GBP</b>	<b>10 790 GBP</b>
	Average return each year	- 1.61%	2.57%
<b>Favourable</b>	<b>What you might get back after costs</b>	<b>11 630 GBP</b>	<b>13 580 GBP</b>
	Average return each year	16.30%	10.75%

## WHAT HAPPENS IF CANDRIAM IS UNABLE TO PAY OUT?

As the Funds' assets are held with the depositary, they are not part of the assets of Candriam in case of bankruptcy and cannot be seized by the creditors of Candriam. Nevertheless, investors run the risk to suffer a financial loss in case of the default of Candriam.

In case of default of the depositary, the risk of a financial loss is mitigated to some extent as the Fund's assets are legally segregated from the assets of the depositary.

The potential financial loss associated with the default of Candriam is not covered by an investor compensation or guarantee scheme.

## WHAT ARE THE COSTS?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

### Costs over Time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.

- GBP 10 000 is invested.

	If you exit after 1 year	If you exit after 3 years
<b>Total costs</b>	<b>766 GBP</b>	<b>1 361 GBP</b>
Annual cost impact (*)	7.7%	4.1% each year

\* This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 6.7% before costs and 2.6% after costs.

We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.

If the fund is part of another product, such as an insurance product, the costs shown here do not include any additional costs you may incur.

### Composition of Costs

One-off costs upon entry or exit		If you exit after 1 year
<b>Entry costs</b>	5.00% maximum of the amount you pay in when entering this investment.	Maximum 500 GBP
<b>Exit costs</b>	We do not charge an exit fee for this product, but the person selling you the product may do so.	0 GBP
<b>Ongoing costs taken each year</b>		
<b>Management fees and other administrative or operating costs</b>	0.74% of the value of your investment per year. This is an estimate based on actual costs over the last year.	113 GBP
<b>Transaction costs</b>	0.98% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	100 GBP
<b>Incidental costs taken under specific conditions</b>		
<b>Performance fees</b>	0.52% - 20% per annum calculated using the Permanent High Water Mark Methodology based on the outperformance of the NAV relative to the benchmark, namely SONIA (floored at 0), and the conditions of which are set out in prospectus. The actual amount varies according to the performance of your investment. The above estimation of total costs is the average over the past five years.	53 GBP

**Switch fee:** 0%. For more information about how to exercise that right, see section "General information" and/or refer to the prospectus.

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

**Recommended holding period: 3 years**

The choice of recommended holding period depends on the types of the underlying investments and on the associated degree of risk, which may be higher or lower. For example "equity" type products (higher risk) generally have a recommended holding period of six years (long term), and "bonds or money market" type products (lower risk) have a shorter recommended holding period (generally between two and four years for bond products or less than one year for money market products - medium term/short term). "Mixed" type products generally have a recommended holding period of between three and five years depending on the weighting of the types of underlyings. "Alternative" type products generally have a recommended holding period of three years.

Investors may request redemption of their units at any time under the conditions set out in "What will this investment cost me?". The shorter the holding period in relation to the recommended period, the greater the potential impact of any charges on the performance profile.

## HOW CAN I COMPLAIN?

Complaints about this product or about the conduct of the product manufacturer or the person advising on, or selling, the product:

Postal address: Candriam, SERENITY – Bloc B, 19-21, route d'Arlon – L-8009 Strassen

Website: <https://contact.candriam.com>

E-mail: [complaints@candriam.com](mailto:complaints@candriam.com)

## OTHER RELEVANT INFORMATION

Alongside with this document, please read the prospectus on the website [www.candriam.com](http://www.candriam.com).

The past performance of this product for 1 years can be accessed via the following link: <https://www.candriam.com/documents/redirect/Candriam/KPP/fr/LU2470968418>. Past performance is not a reliable indicator of future performance. Markets could develop very differently in the future. However, it can help you to assess how the fund has been managed in the past.

Past performance scenario calculations are available via the following link: <https://www.candriam.com/documents/redirect/Candriam/KMS/fr/LU2470968418>.

Details of the up-to-date remuneration policy, including the composition of the remuneration committee and an overview of how remuneration and benefits are determined, are available on the website [https://www.candriam.com/siteassets/legal-and-disclaimer/external\\_disclosure\\_remuneration\\_policy.pdf](https://www.candriam.com/siteassets/legal-and-disclaimer/external_disclosure_remuneration_policy.pdf).

Upon request, a paper copy of the remuneration policy can be obtained from the Management Company free of charge.

The prospectus for Switzerland, the basic information sheets, the articles of association/the management rules, the interim and annual reports in French and other information may be obtained free of charge from the representative and the fund's paying agent in Switzerland: Representative: CACEIS (Switzerland) SA, Route de Signy 35, CH-1260 Nyon / Paying Agent: CACEIS Bank, Montrouge, succursale de Nyon/Suisse, Route de Signy, 35, CH-1260 Nyon. The latest prices of the shares/units are available on [www.fundinfo.com](http://www.fundinfo.com).