

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

Candriam Index Arbitrage, C - Capitalisation, Mutual fund

ISIN:	FR0010016477
Manufacturer:	Candriam
Website:	www.candriam.com
Contact:	+352 27 97 24 25
Competent Authority:	Candriam is authorized in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF). Candriam Index Arbitrage is authorized in France and regulated by the Autorité des Marchés Financiers (AMF).

This key information document is valid as at 2023-03-01.

WHAT IS THIS PRODUCT?

Type: Mutual fund

Term: 99 years.

Objectives:

Investment objectives:

Over the recommended investment period and within the context of its totally discretionary management, the fund seeks to outperform the Capitalised €STR (Euro Short Term Rate) with an annualised target volatility (an indicator of the upward or downward fluctuations of the fund's value) of less than 5% under normal market conditions.

Benchmark: Capitalised €STR (Euro Short Term Rate).

The fund is managed actively and the investment process includes the reference to a benchmark .

Use of the benchmark:

- to calculate the performance fee for some share classes,
- for performance comparison purposes.

Investment strategy:

Portfolio management is built around a prudent portfolio foundation strategy via bonds and money market instruments, and a dynamic strategy.

The dynamic investment strategy is an arbitrage strategy on shares particularly in the context of index adjustments, of transactions on securities (e.g. companies impacted by a demerger) or discount of the traded assets. The arbitrage strategy consists in taking advantage of the differences in prices recorded (or anticipated) between markets and/or sectors and/or currencies and/or instruments. The fund does not have sustainable investment as its objective and does not specifically promote environmental and/or social characteristics.

The management team may use derivative products such as swaps, futures, options, CDS, etc., arising notably from equity, interest rate and foreign exchange risk. Total return swaps, or other derivative financial instruments which have the same characteristics, may also be used.

Derivatives are used for the purpose of (long or short) exposure, hedging or arbitrage.

Principal assets traded:

Global units/shares of closed-end funds invested directly and/or through derivatives. As part of the strategy of the portfolio fund: bonds and other debt securities, and money market instruments, of all types of issuers with a short-term rating of at least A-2 when acquired (or equivalent) from one of the rating agencies (i.e. issuers with a good rating)

Frequency of redemptions: On demand, every day, in France. Applications will be accepted at CACEIS BANK up to 12 noon and will be settled on business day D+3.

Allocation of income: Capitalisation.

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:

Depository bank: CACEIS BANK.

Other information:

This document provides a description of a category of units of Candriam Index Arbitrage. The prospectus and periodical reports are established for all the categories. There are other unit classes and these are listed in the prospectus.

There is additional information about the fund in the prospectus and the periodical reports which may be obtained free of charge on request from Candriam - Succursale française and viewed at any time on the website 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 units or in a common language in the international finance sphere.

All other practical information, in particular the latest unit price, is available from the places shown above.

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



The SRI 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 ("SRI") 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 3 out of 7, which is a medium-low risk class.

This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the capacity of the fund to pay you.

Be aware of currency risk. In some circumstances, you may receive payments in a different currency, so the final return you will get may 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 SRI: Counterparty. Derivatives.

This product does not include any protection from future market performance. Please refer to the 'Risk' section of the prospectus for more details.

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 advisor 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/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 02/2022 and 01/2023.

Moderate: This type of scenario occurred for an investment between 11/2015 and 10/2018.

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

Investment 10 000 EUR			
Scenarios		1 year	3 years (recommended holding period)
Minimum: There is no minimum guaranteed return. You could lose some or all of your investment.			
Stress scenario	What you might get back after costs	9 380 EUR	9 420 EUR
	Average return each year	- 6.19%	- 1.96%
Unfavourable scenario	What you might get back after costs	9 600 EUR	9 600 EUR
	Average return each year	- 4.02%	- 1.36%
Moderate scenario	What you might get back after costs	9 840 EUR	9 890 EUR
	Average return each year	- 1.63%	- 0.37%
Favourable scenario	What you might get back after costs	10 160 EUR	10 280 EUR
	Average return each year	1.64%	0.93%

WHAT HAPPENS IF CANDRIAM IS UNABLE TO PAY OUT?

The assets under management of Candriam do not form part of the estate in case of insolvency of Candriam. They cannot be claimed by creditors of Candriam. Nevertheless, the investor may face a financial loss due to the default of Candriam.

The financial loss 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.

- EUR 10 000 is invested.

Investment 10 000 EUR	If you exit after 1 year	If you exit after 3 years
Total costs	290 EUR	462 EUR
Annual cost impact *	2.9%	1.5%

* 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 1.2% before costs and -0.4% after costs.

Composition of costs

		If you exit after 1 year
One-off costs upon entry or exit		
Entry costs	1.00% maximum of the amount you pay in when entering this investment.	100 EUR
Exit costs	1.00% maximum of your investment before it is paid out to you.	101 EUR
Ongoing costs		
Management fees and other administrative or operating costs	0.41% of the value of your investment per year. This is an estimate based on actual costs over the last year.	44 EUR
Transaction costs	0.29% 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.	30 EUR
Incidental costs taken under specific conditions		
Performance Fee	0.15% - 20% per annum calculated using the Permanent High Water Mark Methodology based on the outperformance of the NAV relative to the benchmark, namely Capitalised €STR (Euro Short Term Rate), 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.	15 EUR

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MY 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 - Succursale française, 40, rue Washington, 75408 PARIS Cedex 08
Website: <https://www.candriam.fr/contact/>
E-mail: complaints@candriam.com

OTHER RELEVANT INFORMATION

Alongside with this document, please read the prospectus on the website www.candriam.com.

The past performance of this product for 10 years can be accessed via the following link: <https://www.candriam.com/documents/redirect/Candriam/KPP/fr/FR0010016477>. 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/FR0010016477>.

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.

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