

CANDRIAM BONDS

Société d'investissement à capital variable under Luxembourg law
("SICAV")
14, porte de France
L-4360 Esch-sur-Alzette
Luxembourg Trade and Companies Register (RCS) B-30659

REGISTERED MAIL

Name and address
Shareholder

Luxembourg, 14 September 2016

NOTICE TO SHAREHOLDERS

Shareholders of **CANDRIAM BONDS**,

You are advised that the Board of Directors of the SICAV has decided to make the following changes to the Prospectus of the SICAV:

1. Introduction

The following paragraph has been inserted in the Introduction section of the Prospectus:

"The shares in this SICAV may not be offered, sold or transferred to a U.S. employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or any other U.S. employee benefit plan or U.S. individual retirement account or arrangement ("IRA") and may not be offered, sold or transferred to a fiduciary or any other person or entity acting on behalf of the assets of a U.S. employee benefit plan or IRA (collectively, a "U.S. benefit plan investor"). Subscribers for shares in the SICAV may be required to certify in writing that they are not a U.S. benefit plan investor. Shareholders are required to notify the SICAV immediately in the event that they are or become a U.S. benefit plan investor and will be required to dispose of their shares to non-U.S. benefit plan investors. The SICAV reserves the right to repurchase any shares which are or become owned, directly or indirectly, by a U.S. benefit plan investor. However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares to a limited number of U.S. benefit plan investors, to the extent permitted under applicable U.S. law. Any offers, sales, resales or transfers of shares in the SICAV to a U.S. benefit plan investor requires the prior consent of the Board of Directors of the SICAV. "

2. Amendment of the registered office address of Candriam Luxembourg

From 1 July 2016, the new registered office address of Candriam Luxembourg is:

Candriam Luxembourg
SERENITY - Bloc B
19-21, route d'Arlon
L-8009 Strassen

3. Delegation of implementation of portfolio management:

It is stated in the Prospectus that Candriam Belgium and/or Candriam France, to which the management company has delegated the implementation of portfolio management for certain sub-funds, are in turn authorised to sub-delegate to another entity of the Candriam group all or part of the activity and/or tasks relating to the implementation of portfolio management for these sub-funds.

4. Addition of a new article 24.5 Additional information in the Shareholder information section of the Prospectus

In order to meet regulatory and/or tax requirements, the Management Company may, over and above the legal publications, communicate to investors requesting it the SICAV's portfolio composition and all information relating to it.

5. Performance fee

5.1 The following phrase, which was added in error to the Fact Sheet of the following sub-funds, for which a performance fee is applicable, has been removed from the Prospectus: *"if the reference index value is negative, the reference index value used for the calculation would be 0."*:

- Candriam Bonds Emerging Debt Local Currencies
- Candriam Bonds Emerging Markets
- Candriam Bonds Euro
- Candriam Bonds Euro Corporate
- Candriam Bonds Euro Government
- Candriam Bonds Euro Government Investment Grade
- Candriam Bonds Euro High Yield
- Candriam Bonds Euro Long Term
- Candriam Bonds Euro Short Term
- Candriam Bonds Global High Yield
- Candriam Bonds Global Sovereign Quality
- Candriam Bonds International
- Candriam Bonds USD

5.2 The benchmark used to determine the performance fee of the Classique class, denominated in USD, hedged against the EUR [LU1375972251] and the I class, denominated in USD, hedged against the EUR [LU1375972335] of the **Candriam Bonds Credit Opportunities** sub-fund has been changed from Eonia Capitalised to **FED FUNDS EFFECTIVE RATE US**.

6. Extension of the definition of the Z class

The new definition of the Z class is as follows:

"A Z class reserved for:

- Institutional/professional investors approved by the Management Company. The portfolio management activity for this class is directly remunerated through the contract concluded with the investor, so no portfolio management fee is payable for the assets of this class.
- UCIs approved by the Management Company and managed by an entity of the Candriam group. "

7. Conditions for accessing the classes

Shareholders are advised that if it appears that an investor no longer meets the conditions for accessing the class in question, the Board of Directors may take all the necessary measures and, if necessary, convert the shares into another appropriate class.

8. Candriam Bonds International sub-fund

The benchmark of the **Candriam Bonds International** sub-fund has been changed for the I classes [LU0144746335], [LU1258428876] to Barclays Global Aggregate EUR Hedged, and for the I class [LU0391256681] to Barclays Global Aggregate USD Unhedged.

9. Candriam Bonds World Government Plus sub-fund

Emerging countries risk has been added to the list of risk factors specific to the sub-fund.

10. Dividends

The text concerning the dividend policy has been reformulated in section 18. *Appropriation of income* of the Prospectus. Shareholders are therefore advised to read this section again carefully.

Shareholders who do not agree with these changes can apply for the redemption of their shares, free of charge, during a period of one month from **19 September 2016**.

These changes will take effect on **19 October 2016**.

The Prospectus dated **19 October 2016** and the key investor information documents are available from the registered office of the Management Company or may be viewed free of charge on the web site: www.candriam.com.

The Board of Directors