CANDRIAM FRANCE
Simplified joint-stock company
Acting on behalf of the Fonds Commun de Placement (FCP)
Candriam Equities F Europe Conviction*
40, rue Washington
75008 PARIS

CANDRIAM EQUITIES L
Société d'Investissement à Capital Variable (SICAV)
14, Porte de France
L- 4360 Esch-sur-Alzette
Luxembourg Trade and Companies Register (RCS) B-47.449

Dear sir or madam

We thank you for the confidence that you have shown in us and are pleased to number you among the unitholders of the FCP Candriam Equities F Europe Conviction*/shareholders of the Europe Innovation sub-fund of the SICAV Candriam Equities L.

I- Characteristics of the merger

1. Merger of Candriam Equities F Europe Conviction* with the Europe Innovation sub-fund of the SICAV Candriam Equities L

The management company Candriam France acting on behalf of the FCP Candriam Equities F Europe Conviction* – FCP according to articles 214-8 et seq. of the Code Monétaire et Financier – and the board of directors of the SICAV Candriam Equities L – SICAV according to part I of the law of 17 December 2010 on undertakings for collective investment (hereinafter referred to as the "Law of 2010") – have decided, in accordance with the provisions of the law of France and Luxembourg, to carry out the merger by absorption (hereinafter the "Merger") of the FCP Candriam Equities F Europe Conviction* (hereinafter the "Absorbed FCP") and the Europe Innovation sub-fund of the SICAV Candriam Equities L (hereinafter referred to as the "Absorbing Sub-fund"), within the meaning of Article 1 (20) a) of the Law of 2010 and on the terms and in accordance with the procedure set forth hereinafter.

2. Background and reasons for the Merger

As Candriam's range of products is updated and as part of the ongoing effort to optimise costs, the management company of the Absorbed FCP and the board of directors of the Absorbing Sub-fund have decided to carry out the merger by absorption of the FCP Candriam Equities F Europe Conviction* with the Europe Innovation sub-fund of the SICAV Candriam Equities L.
The aim of the Merger is to increase the assets under management in order to benefit from economies of scale, focusing on international distribution in line with investor requirements.

3. Effects of the Merger on the unitholders/shareholders of the Absorbed FCP and Absorbing Sub-fund

The Merger is a "cross-border" merger involving two UCITS governed by different legal systems. The Absorbed FCP is regulated under French law and the Absorbing Sub-fund is regulated under Luxembourg law.
This Merger was approved by the *Autorité des marchés financiers* (AMF) on 24 July 2018 further to the analysis of the file by the *Commission de Surveillance du Secteur Financier* (CSSF).

In this Merger by absorption, the old unitholders of the Absorbed FCP will become shareholders of the Absorbing Sub-fund and will be subject to the

** This FCP is not authorised for public marketing in the United Kingdom.*

law of Luxembourg. As a result, note that from 19 October 2018, all issues and all litigation concerning your rights and obligations as a shareholder of the Absorbing Sub-fund will be subject to the regulation and the competence of the courts of Luxembourg.

It is also important to emphasise that the operation of the Luxembourg registers may prevent the shareholders of the Absorbing Sub-fund from exercising their investor rights with the authorities and courts of Luxembourg, thereby denying them any possibility of complaint or recourse. Indeed, an investor is unable to exercise his or her investor rights directly against the SICAV unless the investor appears in the register of shareholders under his or her own name, implying a direct subscription in the SICAV without the involvement of an intermediary.

On the Effective Date, as defined below, the Absorbed FCP will, at the time of its dissolution without liquidation, transfer all of its assets and liabilities to the Absorbing Sub-fund, allocating shares of the Absorbing Sub-fund to the unitholders of the Absorbed FCP as follows:

ABSORBED FCP						ABSORBING SUB-FUND			
Class	Unit	Currency	ISIN			Class	Unit	Currency	ISIN
I**	Cap	EUR	FR0010930628	=>		I	Cap	EUR	LU2110466628

*** This class of units is not authorised for public marketing in the United Kingdom.*

By becoming shareholders of the Absorbing Sub-fund, unitholders of the Absorbed FCP will benefit from the same rights attached to the shares of the SICAV.

Unitholders of the Absorbed FCP who do not exercise the right to redeem their units as specified below will become shareholders of the Absorbing Sub-fund and will receive in exchange for their units a number of shares of the corresponding class in the Absorbing Sub-fund in accordance with the terms described above and on the basis of the Exchange Ratio, as defined below.

No subscription fee will be charged by the Absorbing Sub-fund to the unitholders of the Absorbed FCP as a result of the Merger.

To simplify the Merger, the financial manager of the Absorbed FCP may, with effect from the publication date of this notice to the unitholders of the Absorbed FCP/shareholders of the Absorbing Sub-fund informing them of the Merger, adjust the portfolio of the Absorbed FCP to bring it into line with the investment objective and policy of the Absorbing Sub-fund.

The characteristics of the Absorbing Sub-fund, including the risk profile, investment objectives and policies, will not be amended as a result of the Merger.

Again with a view to simplifying the operational aspects of the Merger, subscription and redemption requests will be suspended for the Absorbed FCP with effect from midday on 13 October 2018.

This notice is issued to unitholders/shareholders affected by the Merger so as to allow them to make a fully informed decision on the effect of this Merger on their investment.

The tax status of unitholders of the Absorbed FCP may change as a result of the Merger, depending on their country of residence or domicile, or their nationality. Unitholders of the Absorbed FCP are strongly advised to consult their professional advisers, in particular as regards the possible consequences that the Merger may have on their tax regime.

4. Effective Date of the Merger and method of calculation of the Exchange Ratio

On the Effective Date as defined hereinafter, the Absorbed FCP will transfer all its assets and liabilities to the corresponding Absorbing Sub-fund and will cease to exist. The shares of the Absorbed FCP will be cancelled.

The exchange ratio will be calculated by dividing the net asset value of the units of the Absorbed FCP by the net asset value of the shares of the Absorbing Sub-fund (the "Exchange Ratio").

The Exchange Ratio will be calculated on 19 October 2018 (the "Calculation Date") based on the net asset values as at 18 October 2018.

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The Merger will be effective on 19 October 2018 (the "Effective Date"), and the first net asset value of the Absorbing Sub-fund will be calculated on 22 October 2018 based on the merged assets.

The Exchange Ratios will be notified to the unitholders of the Absorbed FCP as soon as possible after the Effective Date.

PricewaterhouseCoopers-Audit France, 63 rue de Villiers 92208 Neuilly Sur Seine Cedex, has been appointed as the auditors (the "Auditors") in order to validate the Merger.

5. Costs of the Merger

The legal costs and the costs of consulting and administrative services incurred by the UCITS as a result of the Merger will be paid by the respective management companies.

II- Changes resulting from the Merger

- Risk profile

Altered yield/risk profile: NO
Increased yield/risk profile: NO

- Increased fees: YES

Investment objective and investor profile:

Candriam Equities F Europe Conviction* belongs to the classification "international equities". Up to 100% of its portfolio may be invested in equities which are essentially equities issued by companies whose registered office and/or whose primary economic activity is in Europe and/or companies listed on the European stock markets.
Investment will mainly be in large cap securities.

The fund is eligible for the Equities Savings Scheme (PEA). Consequently, a minimum 75% of its assets are invested in securities of issuers with a registered office in a Member State of the European Community. At least 75% of the Europe Innovation sub-fund of the SICAV Candriam Equities L is invested in equity-type or similar transferable securities of companies having their registered office in a Member State of the European Economic Area that has entered into a tax treaty with France containing a clause regarding the provision of administrative assistance with a view to combating tax evasion and fraud and showing evidence of strong and successful innovative capabilities.

The absorbed fund and the absorbing fund have the same risk profile (SRRI).

For more details on the investment policies and the risks, please refer to Appendix 3 of this letter.

Fee structure:

Management fee (financial management, administrative and operational management) is higher in the Absorbing Sub-fund (1.05% max. compared to 0.80% max. for the I units/shares).

Note, however, that the ongoing charges calculated at 31 December 2016 were slightly lower for the Absorbing Sub-fund than for the Absorbed FCP (0.97% compared to 0.99% for the I units/shares).

A performance fee is deducted for the I class shareholders of the Absorbing Sub-fund. For the unitholders of the Absorbed FCP, a performance fee is deducted for the I units. It corresponds to 20% of any performance exceeding the MSCI Europe.

As the Absorbed FCP will not have a 12-month financial year in 2018, no performance fee will be deducted before the merger date.
For information, no performance fee was deducted for the year 2016 in the Absorbed FCP and the Absorbing Sub-fund.

Regarding the subscription and redemption fees - note that these fees may not be deducted by the financial intermediary, there is no subscription fee levied for the I shares in the Absorbing Sub-fund whereas the subscription fee applied for the I units in the Absorbed FCP is max. 2.00%.

No redemption fee is deducted in the Absorbing Sub-fund (1% for the Absorbed FCP).

(See the detailed table of fees in Appendix 2)

III- Information on the Merger

We would like to remind unitholders of the Absorbed FCP of the necessity and importance of familiarising themselves with the prospectus and the key investor

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information document ("KIID") of the Absorbing Sub-fund before becoming shareholders. These documents are available free of charge at the registered office of the SICAV or may be consulted on the web site.

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Société d'Investissement à Capital Variable (SICAV)
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B-47.449
www.candriam.com

The draft Merger agreement, the Auditor's report on the terms of execution of the Merger, and the declaration of compliance of the depositary banks concerning the Merger can also be requested from the registered office of the management company of the Absorbed FCP:

CANDRIAM France
40, rue Washington 75408 PARIS Cedex 08
Tel: 01 53 93 40 00
www.candriam.com
e-mail: investor.support@candriam.com

On completion of the Merger, which requires **no particular formalities from the unitholders of the Absorbed FCP, the latter will become** shareholders of the Europe Innovation sub-fund of the SICAV Candriam Equities L.

You are reminded that the operating procedures of a SICAV may differ from those of an FCP. An FCP is managed according to the principle of co-ownership of the transferable securities – it issues units – and any changes affecting it are decided by the management company, whereas a SICAV is a public limited company which issues shares and is managed by a board of directors. General meetings of shareholders are held at least in the circumstances set out in the law or the articles of incorporation.

Unitholders of the Absorbed FCP and shareholders of the Absorbing Sub-fund have until midday on 7 October 2018, noon, to request the redemption of their units, at no charge (except for the taxes and charges imposed by the authorities of the countries in which the shares are sold).

Unitholders of the Absorbed FCP who do not exercise this right within the stated timeframes may exercise their rights as shareholders of the Absorbing Sub-fund as of midday on 19 October 2018.

Unitholders of the Absorbed FCP and shareholders of the Absorbing Sub-fund have the option of transferring their assets to other existing classes if the investment criteria of one of the other classes are met. For subscribers subject to French taxation, this conversion is equivalent to a sale, which may be subject to capital gains taxation.

Unitholders of the Absorbed FCP can obtain additional information from the management company Candriam France

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40, rue Washington 75408 PARIS Cedex 08
Tel: 01 53 93 40 00
www.candriam.com
e-mail: investor.support@candriam.com

Shareholders of the Absorbing Sub-fund can obtain additional information from the registered office of the SICAV

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Luxembourg Trade and Companies Register (RCS)
B-47.449
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Unitholders of the Absorbed FCP are also reminded that their usual advisor remains available if necessary to provide additional information about taxation in particular.

Yours sincerely

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APPENDIX 1 – Calculation of the Exchange Ratio

The number of units allocated will be based on the following formula, under the supervision of the statutory auditors:

$$\text{Number of units in the Absorbing Sub-fund} = \frac{\text{Value of the unit in the Absorbed FCP}}{\text{Value of the unit in the Absorbing Sub-fund}}$$

Example:
Worked example assuming a merger based on the net asset values of Candriam Equities F Europe Conviction* (Absorbed FCP) and Candriam Equities L Europe Innovation (Absorbing Sub-fund) as at 31/05/2018

	Absorbed FCP	Absorbing Sub-fund
Fund name	Candriam Equities F Europe Conviction*	Candriam Equities L Europe Innovation

Unit	**I (capitalisation)**	**I (capitalisation)**
ISIN	FR0010930628	LU0344046668
Unit value in EUR	1,000.00	1,871.95
Number of units	0	23,058.9630
Exchange parity	0.534202	1
A unitholder holding 1 unit in the Absorbed FCP therefore receives 534 thousandths of shares of the Absorbing Sub-fund		

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APPENDIX 2 - Fees

Operating and management fees

	I (acc)	►
Subscription rights (max.)	Max. 2.00%	►
Redemption rights (max.)	Max. 1.00%	►

Absorbed FCP
Absorbing
Sub-fund

	I (acc)	►	I (acc)
Portfolio management and operational and administrative charges	Max. 0.80%	►	Max. 1.05%

Absorbed FCP
Absorbing
Sub-fund

	I (acc)	►	I (acc)
OCF Year 2016	0.99%	►	0.97%

Absorbed FCP
Absorbing
Sub-fund

	I (acc)	►	I (acc)
Outperformance fee	20% of any performance exceeding the MSCI Europe	►	20% of any performance exceeding the MSCI Europe

Absorbed FCP
Absorbing
Sub-fund

	I (acc)	►	I (acc)
Outperformance fee Year 2016	Nil	►	Nil

Subscription and redemption rights:

Absorbed FCP
Absorbing
Sub-fund

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APPENDIX 3 – Investment policy and strategy

CHARACTERISTICS OF THE UCITS	Candriam Equities F Europe Conviction*	Candriam Equities L Europe Innovation
Management objective	The aim of the FCP is to outperform the MSCI EUROPE index over the recommended investment period (6 years), based on a discretionary and active management policy consisting of the careful selection of a limited number of securities.	The objective of this sub-fund is to allow shareholders to benefit from the growth potential of European equity markets by investing in equities in innovative companies selected by the asset manager on a discretionary basis.
Investment strategy	Over the recommended investment period and by investing in the main assets traded, the fund aims to outperform the MSCI EUROPE index (which contains equities representing the market capitalisations of the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and the Netherlands). A minimum 75% of the portfolio will consist of equities of issuers with a registered office in a Member State of the European Community. Within the limits of the fund's investment objective and policy, the FCP is based on the careful selection of a limited number of equities. The management team makes discretionary investment choices in the portfolio by comparing a sectoral analysis with an analysis of the economic and financial characteristics of the companies. The fund may make use of derivative products for both exposure and hedging purposes (to protect against future adverse financial events). For French residents, the fund is eligible for the Equities Savings Scheme (PEA).	The fund seeks to achieve capital growth by investing in the main assets traded over the recommended investment period. Within the limits of the fund's objective and investment policy, the management team makes discretionary investment choices in the portfolio based on its analyses of the characteristics and growth prospects of the assets traded. The fund may make use of derivative products for both investment and hedging purposes (to protect against future adverse financial events). For French residents, the fund is eligible for the Equities Savings Scheme (PEA).
Risk profile	Risk of capital loss Equity risk Foreign exchange risk Interest rate risk Concentration risk Specific risks related to small capitalisations Delivery risk Risk of conflicts of interest	Risk of capital loss Equity risk Foreign exchange risk Risk associated with derivative financial instruments Liquidity risk Concentration risk Risk related to external factors Counterparty risk

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Paris, 5 September 2018

Dear sir or madam

We thank you for the confidence that you have shown in us and are pleased to number you among the unitholders of the FCP Candriam Equities F Europe Conviction/shareholders of the Europe Innovation sub-fund of the SICAV Candriam Equities L.

I- Characteristics of the merger

1. Merger of Candriam Equities F Europe Conviction with the Europe Innovation sub-fund of the SICAV Candriam Equities L

The management company Candriam France acting on behalf of the FCP Candriam Equities F Europe Conviction – FCP according to articles 214-8 et seq. of the Code Monétaire et Financier – and the board of directors of the SICAV Candriam Equities L – SICAV according to part I of the law of 17 December 2010 on undertakings for collective investment (hereinafter referred to as the "Law of 2010") – have decided, in accordance with the provisions of the law of France and Luxembourg, to carry out the merger by absorption (hereinafter the "Merger") of the FCP Candriam Equities F Europe Conviction (hereinafter the "Absorbed FCP") and the Europe Innovation sub-fund of the SICAV Candriam Equities L (hereinafter referred to as the "Absorbing Sub-fund"), within the meaning of Article 1 (20) a) of the Law of 2010 and on the terms and in accordance with the procedure set forth hereinafter.

2. Background and reasons for the Merger

As Candriam's range of products is updated and as part of the ongoing effort to optimise costs, the management company of the Absorbed FCP and the board of directors of the Absorbing Sub-fund have decided to carry out the merger by absorption of the FCP Candriam Equities F Europe Conviction with the Europe Innovation sub-fund of the SICAV Candriam Equities L.
The aim of the Merger is to increase the assets under management in order to benefit from economies of scale, focusing on international distribution in line with investor requirements.

3. Effects of the Merger on the unitholders/shareholders of the Absorbed FCP and Absorbing Sub-fund

The Merger is a "cross-border" merger involving two UCITS governed by different legal systems. The Absorbed FCP is regulated under French law and the Absorbing Sub-fund is regulated under Luxembourg law.
This Merger was approved by the *Autorité des marchés financiers* (AMF) on 24 July 2018 further to the analysis of the file by the *Commission de Surveillance du Secteur Financier* (CSSF).

In this Merger by absorption, the old unitholders of the Absorbed FCP will become shareholders of the Absorbing Sub-fund and will be subject to the law of Luxembourg. As a result, note that from 19 October 2018, all issues and all litigation concerning your rights and obligations as a shareholder of the Absorbing Sub-fund will be subject to the regulation and the competence of the courts of Luxembourg.

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It is also important to emphasise that the operation of the Luxembourg registers may prevent the shareholders of the Absorbing Sub-fund from exercising their investor rights with the authorities and courts of Luxembourg, thereby denying them any possibility of complaint or recourse. Indeed, an investor is unable to exercise his or her investor rights directly against the SICAV unless the investor appears in the register of shareholders under his or her own name, implying a direct subscription in the SICAV without the involvement of an intermediary.

On the Effective Date, as defined below, the Absorbed FCP will, at the time of its dissolution without liquidation, transfer all of its assets and liabilities to the Absorbing Sub-fund, allocating shares of the Absorbing Sub-fund to the unitholders of the Absorbed FCP as follows:

ABSORBED FCP					ABSORBING SUB-FUND			
Class	**Unit**	**Currency**	**ISIN**		**Class**	**Unit**	**Currency**	**ISIN**
Classique	Cap	EUR	FR0000972390	=>	C	Cap	EUR	LU0344046155
Classique	Dis	EUR	FR0010071514	=>	D	Dis	EUR	LU0344046239
I	Cap	EUR	FR0010930628	=>	I	Cap	EUR	LU0344046668

By becoming shareholders of the Absorbing Sub-fund, unitholders of the Absorbed FCP will benefit from the same rights attached to the shares of the SICAV.

Unitholders of the Absorbed FCP who do not exercise the right to redeem their units as specified below will become shareholders of the Absorbing Sub-fund and will receive in exchange for their units a number of shares of the corresponding class in the Absorbing Sub-fund in accordance with the terms described above and on the basis of the Exchange Ratio, as defined below.

No subscription fee will be charged by the Absorbing Sub-fund to the unitholders of the Absorbed FCP as a result of the Merger.

To simplify the Merger, the financial manager of the Absorbed FCP may, with effect from the publication date of this notice to the unitholders of the Absorbed FCP/shareholders of the Absorbing Sub-fund informing them of the Merger, adjust the portfolio of the Absorbed FCP to bring it into line with the investment objective and policy of the Absorbing Sub-fund.

The characteristics of the Absorbing Sub-fund, including the risk profile, investment objectives and policies, will not be amended as a result of the Merger.

Again with a view to simplifying the operational aspects of the Merger, subscription and redemption requests will be suspended for the Absorbed FCP with effect from midday on 13 October 2018.

This notice is issued to unitholders/shareholders affected by the Merger so as to allow them to make a fully informed decision on the effect of this Merger on their investment.

The tax status of unitholders of the Absorbed FCP may change as a result of the Merger, depending on their country of residence or domicile, or their nationality. Unitholders of the Absorbed FCP are strongly advised to consult their professional advisers, in particular as regards the possible consequences that the Merger may have on their tax regime.

4. Effective Date of the Merger and method of calculation of the Exchange Ratio

** This FCP is not authorised for public marketing in the United Kingdom.*

On the Effective Date as defined hereinafter, the Absorbed FCP will transfer all its assets and liabilities to the corresponding Absorbing Sub-fund and will cease to exist. The shares of the Absorbed FCP will be cancelled.

The exchange ratio will be calculated by dividing the net asset value of the units of the Absorbed FCP by the net asset value of the shares of the Absorbing Sub-fund (the "Exchange Ratio").

The Exchange Ratio will be calculated on 19 October 2018 (the "Calculation Date") based on the net asset values as at 18 October 2018.

The Merger will be effective on 19 October 2018 (the "Effective Date"), and the first net asset value of the Absorbing Sub-fund will be calculated on 22 October 2018 based on the merged assets.

The Exchange Ratios will be notified to the unitholders of the Absorbed FCP as soon as possible after the Effective Date.

PricewaterhouseCoopers-Audit France, 63 rue de Villiers 92208 Neuilly Sur Seine Cedex, has been appointed as the auditors (the "Auditors") in order to validate the Merger.

5. Costs of the Merger

The legal costs and the costs of consulting and administrative services incurred by the UCITS as a result of the Merger will be paid by the respective management companies.

II- Changes resulting from the Merger

- Risk profile

Altered yield/risk profile: NO
Increased yield/risk profile: NO

- Increased fees: YES

Investment objective and investor profile:

Candriam Equities F Europe Conviction belongs to the classification "international equities". Up to 100% of its portfolio may be invested in equities which are essentially equities issued by companies whose registered office and/or whose primary economic activity is in Europe and/or companies listed on the European stock markets.
Investment will mainly be in large cap securities.

The fund is eligible for the Equities Savings Scheme (PEA). Consequently, a minimum 75% of its assets are invested in securities of issuers with a registered office in a Member State of the European Community.
At least 75% of the Europe Innovation sub-fund of the SICAV Candriam Equities L is invested in equity-type or similar transferable securities of companies having their registered office in a Member State of the European Economic Area that has entered into a tax treaty with France containing a clause regarding the provision of administrative assistance with a view to combating tax evasion and fraud and showing evidence of strong and successful innovative capabilities.

The absorbed fund and the absorbing fund have the same risk profile (SRRI).

For more details on the investment policies and the risks, please refer to Appendix 3 of this letter.

Fee structure:

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Management fees (financial management, administrative and operational management) are higher in the Absorbing Sub-fund (2.00% max. compared to 1.50% max. for the C (capitalisation) and D (distribution) units/shares, and 1.05% max. compared to 0.80% max. for the I units/shares).

Note, however, that the ongoing charges calculated at 31 December 2016 were slightly lower for the Absorbing Sub-fund than for the Absorbed FCP (1.91% compared to 1.94% for the C and D (distribution) units/shares, 0.97% compared to 0.99% for the I units/shares).

A performance fee is deducted for the I class shareholders of the Absorbing Sub-fund. For the unitholders of the Absorbed FCP, a performance fee is deducted for the C and I units. In both cases it corresponds to 20% of any performance exceeding the MSCI Europe.

As the Absorbed FCP will not have a 12-month financial year in 2018, no performance fee will be deducted before the merger date.
For information, no performance fee was deducted for the year 2016 in the Absorbed FCP and the Absorbing Sub-fund.

Regarding the subscription and redemption fees, note that these fees cannot be deducted by the financial intermediary, and the subscription fees are higher in the Absorbing Sub-fund (3.50% max.) than the Absorbed FCP (2.00% max.) for C (capitalisation and distribution) shares but non-existent for the I class.

No redemption fee is deducted in the Absorbing Sub-fund (1% in all cases for the Absorbed FCP).

(See the detailed table of fees in Appendix 2)

III- Information on the Merger

We would like to remind unitholders of the Absorbed FCP of the necessity and importance of familiarising themselves with the prospectus and the key investor information document ("KIID") of the Absorbing Sub-fund before becoming shareholders. These documents are available free of charge at the registered office of the SICAV or may be consulted on the web site.

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The draft Merger agreement, the Auditor's report on the terms of execution of the Merger, and the declaration of compliance of the depositary banks concerning the Merger can also be requested from the registered office of the management company of the Absorbed FCP:

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40, rue Washington 75408 PARIS Cedex 08
Tel: 01 53 93 40 00
www.candriam.com
e-mail: investor.support@candriam.com

On completion of the Merger, which requires **no particular formalities from the unitholders of the Absorbed FCP, the latter will become** shareholders of the Europe Innovation sub-fund of the SICAV Candriam Equities L.

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You are reminded that the operating procedures of a SICAV may differ from those of an FCP. An FCP is managed according to the principle of co-ownership of the transferable securities – it issues units – and any changes affecting it are decided by the management company, whereas a SICAV is a public limited company which issues shares and is managed by a board of directors. General meetings of shareholders are held at least in the circumstances set out in the law or the articles of incorporation.

Unitholders of the Absorbed FCP and shareholders of the Absorbing Sub-fund have until midday on 7 October 2018, noon, to request the redemption of their units, at no charge (except for the taxes and charges imposed by the authorities of the countries in which the shares are sold).

Unitholders of the Absorbed FCP who do not exercise this right within the stated timeframes may exercise their rights as shareholders of the Absorbing Sub-fund as of midday on 19 October 2018.

Unitholders of the Absorbed FCP and shareholders of the Absorbing Sub-fund have the option of transferring their assets to other existing classes if the investment criteria of one of the other classes are met. For subscribers subject to French taxation, this conversion is equivalent to a sale, which may be subject to capital gains taxation.

Unitholders of the Absorbed FCP can obtain additional information from the management company Candriam France

CANDRIAM France
40, rue Washington 75408 PARIS Cedex 08
Tel: 01 53 93 40 00
www.candriam.com
e-mail: investor.support@candriam.com

Shareholders of the Absorbing Sub-fund can obtain additional information from the registered office of the SICAV

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Unitholders of the Absorbed FCP are also reminded that their usual advisor remains available if necessary to provide additional information about taxation in particular.

Yours sincerely

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APPENDIX 1 – Calculation of the Exchange Ratio

The number of units allocated will be based on the following formula, under the supervision of the statutory auditors:

Number of units in the Absorbing Sub-fund =

$$\frac{\text{Value of the unit in the Absorbed FCP}}{\text{Value of the unit in the Absorbing Sub-fund}}$$

Example:
Worked example assuming a merger based on the net asset values of Candriam Equities F Europe Conviction (Absorbed FCP) and Candriam Equities L Europe Innovation (Absorbing Sub-fund) as at 31/05/2018

	Absorbed FCP	Absorbing Sub-fund
Fund name	Candriam Equities F Europe Conviction	Candriam Equities L Europe Innovation

Unit	**Classique (capitalisation)**	**C (capitalisation)**
ISIN	FR0000972390	LU0344046155
Unit value in EUR	56.26	2,133.60
Number of units	90,757.8630	114,546.4240
Exchange parity	0.026369	1
A unitholder holding 1 unit in the Absorbed FCP therefore receives 26 thousandths of shares of the Absorbing Sub-fund		

Unit	**Classique (distribution)**	**D (distribution)**
ISIN	FR0010071514	LU0344046239
Unit value in EUR	47.21	214.58
Number of units	57,897.2890	386,581.1390
Exchange parity	0.220011	1
A unitholder holding 1 unit in the Absorbed FCP therefore receives 220 thousandths of shares of the Absorbing Sub-fund		

Unit	**I (capitalisation)**	**I (capitalisation)**
ISIN	FR0010930628	LU0344046668
Unit value in EUR	1,000.00	1,871.95
Number of units	0	23,058.9630
Exchange parity	0.534202	1
A unitholder holding 1 unit in the Absorbed FCP therefore receives 534 thousandths of shares of the Absorbing Sub-fund		

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APPENDIX 2 - Fees

Operating and management fees

	Absorbed FCP				Absorbing Sub-fund		
	Classique (cap)	**Classique (dis)**	**I (acc)**	►	**C (cap)**	**D (dis)**	**I (acc)**
Portfolio management and operational and administrative charges	Max. 1.50%	Max. 1.50%	Max. 0.80%	►	Max. 1.90%	Max. 1.90%	Max. 1.05%

	Absorbed FCP				Absorbing Sub-fund		
	Classique (cap)	**Classique (dis)**	**I (acc)**	►	**C (cap)**	**D (dis)**	**I (acc)**
OCF Year 2016	1.94%	1.94%	0.99%	►	1.91%	1.91%	0.97%

	Absorbed FCP				Absorbing Sub-fund		
	Classique (cap)	**Classique (dis)**	**I (acc)**	►	**C (cap)**	**D (dis)**	**I (acc)**
Outperformance fee	20% of any performance exceeding the MSCI Europe	20% of any performance exceeding the MSCI Europe	20% of any performance exceeding the MSCI Europe	►	Nil	Nil	20% of any performance exceeding the MSCI Europe

	Absorbed FCP				Absorbing Sub-fund		
	Classique (cap)	**Classique (dis)**	**I (acc)**	►	**C (cap)**	**D (dis)**	**I (acc)**
Outperformance fee Year 2016	Nil	Nil	Nil	►	N/A	N/A	Nil

Subscription and redemption rights:

	Absorbed FCP				Absorbing Sub-fund		
	Classique (cap)	**Classique (dis)**	**I (acc)**	►	**C (cap)**	**D (dis)**	**I (acc)**
Subscription rights (max.)	Max. 2.00%	Max. 2.00%	Max. 2.00%	►	Max. **3.50%**	Max. **3.50%**	**0.00%**
Redemption rights (max.)	Max. 1.00%	Max. 1.00%	Max. 1.00%	►	0.00%	0.00%	0.00%

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APPENDIX 3 – Investment policy and strategy

CHARACTERISTICS OF THE UCITS	Candriam Equities F Europe Conviction	Candriam Equities L Europe Innovation
Management objective	The aim of the FCP is to outperform the MSCI EUROPE index over the recommended investment period (6 years), based on a discretionary and active management policy consisting of the careful selection of a limited number of securities.	The objective of this sub-fund is to allow shareholders to benefit from the growth potential of European equity markets by investing in equities in innovative companies selected by the asset manager on a discretionary basis.
Investment strategy	Over the recommended investment period and by investing in the main assets traded, the fund aims to outperform the MSCI EUROPE index (which contains equities representing the market capitalisations of the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and the Netherlands). A minimum 75% of the portfolio will consist of equities of issuers with a registered office in a Member State of the European Community. Within the limits of the fund's investment objective and policy, the FCP is based on the careful selection of a limited number of equities. The management team makes discretionary investment choices in the portfolio by comparing a sectoral analysis with an analysis of the economic and financial characteristics of the companies. The fund may make use of derivative products for both exposure and hedging purposes (to protect against future adverse financial events). For French residents, the fund is eligible for the Equities Savings Scheme (PEA).	The fund seeks to achieve capital growth by investing in the main assets traded over the recommended investment period. Within the limits of the fund's objective and investment policy, the management team makes discretionary investment choices in the portfolio based on its analyses of the characteristics and growth prospects of the assets traded. The fund may make use of derivative products for both investment and hedging purposes (to protect against future adverse financial events). For French residents, the fund is eligible for the Equities Savings Scheme (PEA).
Risk profile	Risk of capital loss Equity risk Foreign exchange risk Interest rate risk Concentration risk Specific risks related to small capitalisations Delivery risk Risk of conflicts of interest	Risk of capital loss Equity risk Foreign exchange risk Risk associated with derivative financial instruments Liquidity risk Concentration risk Risk related to external factors Counterparty risk

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