

CANDRIAM BONDS

Société d'Investissement à Capital Variable de droit luxembourgeois
(the "SICAV")

14, porte de France
L – 4360 Esch-sur-Alzette
R.C.S. Luxembourg B-30659

NOTICE TO SHAREHOLDERS

The shareholders are advised that the board of directors of the SICAV has decided to make the following changes to the prospectus of the SICAV:

1. **Sub-funds:**

a. Sub-fund Candriam Bonds Euro

The fourth paragraph of the investment policy as set out in the sub-fund's Fact Sheet has been reworded as follows: Exposures to currencies other than the euro may be hedged against the exchange rate risk, but this will not be done systematically.

b. Sub-fund Candriam Bonds Total Return

In the sub-fund's investment policy in the Fact Sheet, it is stated that:

1. The remainder of the assets may be invested in marketable securities (notably in convertible bonds, Contingent Convertible Bonds (CoCos) for a maximum of 5% of the net assets, etc.) or money market instruments other than those described above, or in cash.
2. Exposure to the credit market and to risk assets in general:

Although the main object of the sub-fund is to benefit from the shrinkage of credit spreads (with the risk of losses if they expand), it may enter into opposite positions in order to benefit from an expansion of credit spreads (with the risk of losses if they shrink).

In the former case, the positive exposure will be created either through the purchase of debt securities (bonds and other equivalent securities), or through the sale of protection on the credit default swaps (CDS) market.

However, it is possible to create a negative exposure only through the purchase of protection in the CDS market.

The "positive" exposure can reach a maximum of +60% of the combined sum of the "risk" assets (emerging market bonds, bonds with a rating less than BBB-/Baa3 (high yield), convertible bonds).

The combined "negative" exposure of these "risk" assets must be between 0 and -20%.

The total duration of the portfolio may vary between -5 years and +10 years."

2. **Risk factors**

The definition of risk factors will be updated in the Prospectus.

The risks applicable to each sub-fund will also be updated in each Fact Sheet.

Investors are invited to read this section carefully.

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3. Diversification of financial guarantees for OTC derivative products and efficient portfolio management techniques.

Following clarifications from ESMA (European Securities and Markets Authority), the text concerning diversification of financial guarantees for OTC derivative products and efficient portfolio management techniques has been updated in the Prospectus. Investors are invited to read this section again carefully.

4. Allocation of income

The Allocation of Income section of the Prospectus has been updated. Investors are invited to read this section again carefully.

5. Performance fee

In the Fact Sheet of each of the sub-funds for which a performance fee applies, it is stated " where the value of the benchmark is negative, then the benchmark value used for the calculation will be 0."

These changes will take effect on **23 November 2015**.

Shareholders of the Candriam Bonds Euro and Candriam Bonds Total Return sub-funds who do not agree with these changes may apply for the redemption of their shares free of charge for a period of one month starting from **23 October 2015**.

The prospectus dated **23 November 2015** and the key investor information documents are available from the registered office of the Management Company or may be obtained free of charge from the following address: www.candriam.com.

The Board of Directors