

Luxembourg, 12 February 2024

NOTICE TO SHAREHOLDERS

Dear Shareholders,

The Board of Directors wishes to inform you of the following:

1/ Update to pre-contractual documents (PCD) published

In consultation with the management company, the Board of Directors of the SICAV has decided to provide more details of the following sections of the PCDs:

- Which environmental and/or social characteristics are promoted by this financial product?
- What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by the financial product?
- How do the sustainable investments that the financial product intends to pursue not cause significant harm to any environmental or social sustainable investment objective?
- Does this financial product take account of the principal adverse impacts on sustainability factors?
- What asset allocation is planned for this financial product?
- What investments come under the “#2 Not sustainable” category, what is their purpose and are there any minimum environmental or social safeguards?

2/ Rating of the issuers

The Candriam Bonds **Euro**, Candriam Bonds **International** and Candriam Bonds **Floating Rate Notes** sub-funds invest in securities issued by private sector issuers, issued or guaranteed by governments, international and supranational organisations, public sector entities and semi-public issuers. These issuers are highly rated (at least BBB-/Baa3 by one of the rating agencies at the time of acquisition).

In the same way, the Candriam Bonds **Euro Corporate** sub-fund invests in securities issued by highly rated private sector issuers (rated at least BBB-/Baa3 by one of the rating agencies at the time of purchase).

For these sub-funds, the Board of Directors wishes to remove this notion of *"at the time of acquisition"* and *specify* that these issuers can be considered to be of comparable quality by the Management Company (except for the Candriam Bonds **Floating Rate Notes** sub-fund which already mentions this second element).

3/ Candriam Bonds Global Inflation Short Duration – Securities lending transactions

The sub-fund currently has recourse to securities lending transactions in a proportion which varies between **0% and 25%** of the net assets of the portfolio, and which can reach a **maximum of 75%** of the net assets of the portfolio, under certain market conditions.

In light of market opportunities, the Board of Directors has decided to modify these proportions as follows: the expected proportion will be able to vary between **25% and 50%** of the portfolio's net assets and may reach a **maximum of 100%** of the net assets of the portfolio, under certain market conditions.

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4/ Tracking error range

Based on the level of *tracking errors* calculated, the Board of Directors has decided, in agreement with the Management Company, to adapt the range expected for the Candriam Bonds **Emerging Debt Local Currencies** sub-fund: the *tracking error* of the sub-fund is significant, i.e. greater than 2.5% (previously the range was between 0.75% and 3%).

5/ Distressed debts

The (i) Candriam Bonds **Emerging Markets** and (ii) Candriam Bonds **Emerging Debt Local Currencies** sub-funds are authorised to invest in *distressed debts* up to a maximum of 10% of the sub-fund's net assets.

The Board of Directors has decided, for the sake of greater transparency for investors, to specifically mention this limit in the Prospectus.

6/ Candriam Bonds Emerging Debt Local Currencies

Due to an active recourse to forward foreign exchange transactions in the investment strategy, implying that the sub-fund holds both long and short positions on the same currency at the same time (with negligible exposure after netting), the Board of Directors has decided to adapt the leverage levels of the sub-fund. As an indication, leverage should vary between 50% and **200%** of net assets (150% previously).

7/ Candriam Bonds Euro Diversified

Since the manager of the Candriam Bonds **Euro Diversified** sub-fund wishes to put a foreign exchange strategy in place, the Board of Directors has decided to delete the following sentence from the Prospectus: *"Exposures to currencies other than the EUR may be hedged against the foreign exchange risk, but this will not be done systematically."*

Investors are furthermore invited to familiarise themselves with the list of risk factors set out in the technical fact sheet of the sub-fund. The arbitrage risk in particular has been added.

8/ Candriam Bonds Total Return

Since the Candriam Bonds **Total Return** sub-fund is managed in a more defensive manner, the Board of Directors has decided to adjust the sub-fund's benchmark index. Thus, the current index €STER Capitalized +2% will be replaced by €STER capitalized.

The indices used to calculate performance fees will also be modified as follows:

Class	Currency	ISIN	Provisioning rate	Former minimum applicable return rate	New minimum applicable return rate
I	EUR	LU0252132039	20%	Capitalised €str +2% (floored at 0)	Capitalised €str (floored at 0)

These changes will take effect on **15 March 2024**.

Shareholders who do not agree with the above changes may apply for the redemption of their shares, free of charge, for a period of one month from **14 February 2024**.

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The Prospectus dated **15 March 2024**, and the investor information documents are available free of charge from the registered office of the SICAV or may be obtained free of charge on the following website:
<https://www.candriam.lu/en/private/funds-search#>

The Board of Directors