

# Everything you wanted to know about Candriam Bonds Euro Diversified.

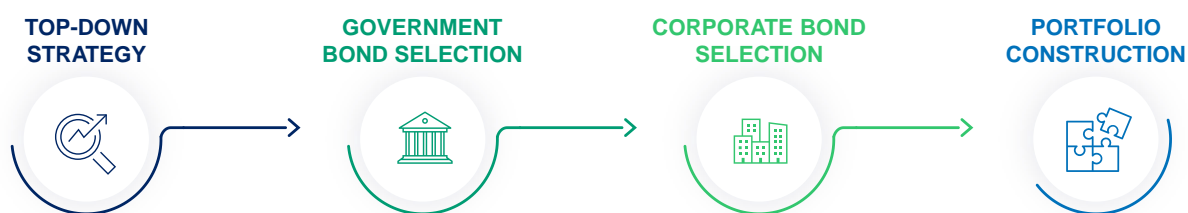


*The Fund invests primarily in euro-denominated debt of investment grade sovereign and corporate issuers, with the flexibility to invest up to 30% of the Fund's assets in other fixed income asset classes. This broad and highly-liquid investment universe provides the Fund Managers with the flexibility to actively position the portfolio according to their analysis of the economic cycle, and to implement their convictions regarding the issuers and issues that should create the most attractive risk/return profile..*

## Investment Objective and Overview

The Fund invests primarily in euro-denominated debt of investment grade sovereign and corporate issuers, with the flexibility to invest up to 30% of the Fund's assets in other fixed income asset classes. This broad and highly-liquid investment universe provides the Fund Managers with the flexibility to actively position the portfolio according to their analysis of the economic cycle, and to implement their convictions regarding the issuers and issues that should create the most attractive risk/return profile. Over a full market cycle, we aim to outperform the Bloomberg Euro-Aggregate 1-10 Year (Total Return) benchmark. Our methodology makes use of:

- In-depth top-down analysis of the markets in which we invest, for a fuller understanding of interest rates, credit markets and currencies
- Rigorous bottom-up analysis, integrating ESG factors, to understand issuer-specific risks and opportunities
- Disciplined portfolio construction and risk budgeting to achieve optimal diversification of sources of risk and return, including a strict sell discipline



The investment universe now (first quarter 2025) offers higher yields and greater dispersion than in recent years. Our euro aggregate solution is designed to take advantage of changing conditions, through the following:

- **Active management** enables managers to potentially benefit both from today's environment of higher yields and from the increased dispersion.
- **An expanded investment universe** which is moderately broader than the euro aggregates benchmark allows the investment team to move flexibly among different segments. These segments can react in substantially different ways in different types of markets depending on rates, credit risk, inflation, and specific events.
- **Active management of dynamic correlations** and return dynamics that characterise the euro aggregate investment universe
- **A large-capacity strategy** that can leverage across Candriam's range of fixed income capabilities
- **A track record of positive excess returns throughout the cycle for the I share class** (below), from an experienced investment team

## A Core-Plus Investment Approach

It is our Conviction that disciplined active management can add risk-adjusted return. This holds true not only for individual securities, but also between different segments of the fixed income universe.



We intend to capture opportunities in the full set of fixed income assets across cycles. In addition to its core investment universe of developed market sovereign, SSA (sub-sovereign, supranational and agency), and corporate bonds issued in euros, the Fund has the flexibility to also make investments in high yield, inflation-linked, non-euro currencies, emerging markets and convertible bonds. We believe

that by investing in these markets at the right time, when they are attractively valued, we can substantially enhance the Fund's risk-return profile. Our investment process is grounded on a solid combination of quantitative toolsets and qualitative analysis, which we use to formulate our investment views. We do not systematically allocate to these asset classes in an attempt to enhance returns purely by enhancing the risk.

## **An Intermediate-Duration Solution**

An intermediate-duration portfolio can be ideal for investors who seek to both earn interest income, and incorporate bonds for their portfolio diversification benefits, with lower short-term drawdown risk than that of an all-maturity solution. Historically, short- to intermediate-duration bonds offer a balanced risk-return profile. This segment historically generates returns only slightly below those of longer-dated bonds, but with substantially reduced volatility. Conversely, a short-duration portfolio would not be able to capture opportunities to enhance yield with a steepening curve.

## **A Well-Resourced and Experienced Investment Team**

The Fund management builds on more than 25 years of aggregate bond investment experience. Sylvain De Bus, Lead Fund Manager, has been involved in the management of the Fund since its repositioning to the current strategy in 2018. He and the co-managers are supported by the Global Bonds Team as well as the wider fixed income department with dedicated specialists in all fixed income asset classes in which the Fund invests: developed market sovereigns, investment grade and high yield credit, emerging market debt and convertible bonds.

**GLOBAL BONDS TEAM WITH COMPLEMENTARY EXPERTISE**

 <b>PHILIPPE DEHOUX</b> Head of Global Bonds <i>Credit specialist</i>	 <b>SYLVAIN DE BUS</b> Deputy Head of Global Bonds <i>Rates specialist</i>	 <b>LAURENT DUFRASNE</b> Senior Fund Manager <i>FX specialist</i>
 <b>JAMIE NIVEN, CFA</b> Senior Fund Manager <i>Rates specialist</i>	 <b>BOB MAES</b> Senior Fund Manager <i>Rates specialist</i>	 <b>YOHANNE LEVY</b> Fund Manager <i>Credit specialist</i>

***Supported by the wider Fixed Income Department with over 40 professionals***

<b>Fundamental Credit Analysis</b>	<b>Convertible Bonds Analysis</b>	<b>Developed Markets Analysis</b>	<b>Emerging Markets Analysis</b>	<b>Quantitative Analysis</b>
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## A Consistent Track Record

Candriam Bonds Euro Diversified has delivered performance both against its reference index as well as vs. the Fund's Morningstar peer group. In particular, alpha generation has been highly consistent: The I-Cap share class has outperformed every calendar year since 2019, following the 2018 re-positioning, as shown in the figure below.

### Annual Return

As of 26 June 2018, the Fund changed investment policy. Currently, the Fund has a euro aggregates universe, and is benchmarked against the Bloomberg® Euro Aggregate 1-10 year Total Return. Prior to the change, the investment universe consisted of euro sovereigns and the process was benchmarked against the J.P. Morgan EMU Government Bond Investment Grade Index.

I-Cap share LU0144744124	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fund performance, net of fees*	1.30%	2.94%	0.34%	-0.77%	4.10%	1.96%	-1.32%	-11.43%	6.89%	3.20%
Benchmark**	1.67%	3.25%	0.15%	0.72%	3.44%	1.94%	-1.40%	-12.06%	6.39%	3.18%
Excess return vs benchmark	-0.37%	-0.30%	0.18%	-1.48%	0.67%	0.02%	0.09%	0.63%	0.51%	0.02%
Morningstar peer group†	0.34%	2.37%	0.50%	-1.65%	4.46%	1.69%	-1.63%	-12.55%	6.36%	2.99%
Excess return vs Morningstar peer group†	0.96%	0.58%	-0.17%	0.88%	-0.36%	0.27%	0.31%	1.12%	0.53%	0.21%

\*Net of fees, except entry and exit charges.

\*\* Up to 28/06/2018: J.P. Morgan EMU Government Bond Investment Grade Index. From then onwards: Bloomberg® Euro Aggregate 1-10 year Total Return Index.

† The [Morningstar peer group](#) for this process consists of over 1000 funds with a similar universe and similar benchmark or reference index.

**Past performance is not a reliable indicator of future performances.** Markets could develop very differently in the future. It can help you assess how the fund has been managed in the past.

## Risks



**The fund presents a risk of capital loss,** the net asset value of the fund may decrease in particular because of its exposure to the risk associated with the use of derivatives instruments

- › The summary risk indicator ("SRI") is an indicator with a rating ranging from 1 to 7 and corresponds to increasing levels of risk and return. The methodology for calculating this regulatory indicator is available in the KID.
- › **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

*Risk Level date of calculation: January 2025*

All investments involve risks, including the risk of loss of capital. The most significant risks associated with the Bonds Euro Diversified Fund are: risk of capital loss, Credit risk; Interest rate risk; Liquidity risk; Currency risk; Counterparty risk; Risk related to financial derivative instruments.

This list risks is not exhaustive. *For further details on risks associated with investing in this fund, a general description and explanation of the various risk factors is available in the section Risk Factors of the Prospectus.*

## Fund Characteristics

CANDRIAM BONDS EURO DIVERSIFIED																		April-25				
Legal Form	UCITS - SICAV									ISIN Code									I - Cap LU0144744124			
Domicile	Luxembourg									Frequency of valuation									Daily			
Launch date	February 1, 1999									Fund currency									EUR			
Management Company	CANDRIAM									Management fees (max.) <sup>1</sup>									0.30%			
Depositary bank	CACEIS Bank, Luxembourg Branch									Subscription fees (max.) <sup>1</sup>									N/A			
Supervision authority	CSSF (Commission de Surveillance du Secteur Financier)									Redemption fees (max.) <sup>1</sup>									N/A			
SFDR classification	Article 8									Performance fees (max.) <sup>1</sup>									20.00%			
Benchmark	Bloomberg Euro-Aggregate 1-10 Year Index (Total Return) ®									Fund AUM									877 million			
SRI										Recommended investment horizon									3 years			
Registered for sale in	All or some of the fund share classes are authorized in the following countries (orange coloured points)																					
	AT	BE	CH	CL	DE	DK	ES	FI	FR	GB	IE	IT	LU	NL	NO	PT	SE	SK	SG	KR		
	●	●			●		●		●		●		●	●			●					
The fund is actively managed, and the investment process implies referring to a benchmark index, the Bloomberg Euro-Aggregate 1-10 Year Index (Total Return) ®																						

The fund is actively managed, and the investment process implies referring to a benchmark index, the Bloomberg Euro-Aggregate 1-10 Year Index (Total Return) ®

This list of fees is not exhaustive, the sub-fund incurs other costs, further information on fees and charges is available in the KID/Prospectus to allow investors to understand the overall impact of costs on the amount of their investment and on the expected returns. The prospectus is available on [Candriam website](#).

Management fees are calculated annually. The fees are expressed as an annual percentage of the average net asset value of the Share Class and are payable at the end of each month.





## Disclaimer

This is a marketing communication. Please refer to the prospectus of the funds and to the key information document before making any final investment decisions. This marketing communication does not constitute an offer to buy or sell financial instruments, nor does it represent an investment recommendation or confirm any kind of transaction, except where expressly agreed. Although Candriam selects carefully the data and sources within this document, errors or omissions cannot be excluded a priori. Candriam cannot be held liable for any direct or indirect losses as a result of the use of this document. The intellectual property rights of Candriam must be respected at all times, contents of this document may not be reproduced without prior written approval.

Warning: Past performance of a given financial instrument or index or an investment service or strategy, or simulations of past performance, or forecasts of future performance does not predict future returns. Gross performances may be impacted by commissions, fees and other expenses. Performances expressed in a currency other than that of the investor's country of residence are subject to exchange rate fluctuations, with a negative or positive impact on gains. If the present document refers to a specific tax treatment, such information depends on the individual situation of each investor and may change.

In respect to money market funds, please be aware that an investment in a fund is different from an investment in deposits and that the investment's principal is capable of fluctuation. The fund does not rely on external support for guaranteeing its liquidity or stabilizing its NAV per unit or share. The risk of loss of the principal is borne by the investor.

Candriam consistently recommends investors to consult via our website <https://www.candriam.com> the key information document, prospectus, and all other relevant information prior to investing in one of our funds, including the net asset value ("NAV") of the funds. Investor rights and complaints procedure, are accessible on Candriam's dedicated regulatory webpages <https://www.candriam.com/en/professional/legal-information/regulatory-information/>. This information is available either in English or in local languages for each country where the fund's is authorized for marketing.

According to the applicable laws and regulations, Candriam may decide to terminate the arrangements made for the marketing of a relevant fund at any time.

Information on sustainability-related aspects: the information on sustainability-related aspects contained in this communication are available on Candriam webpage <https://www.candriam.com/en/professional/sfdr/>. The decision to invest in the promoted product should take into account all the characteristics or objectives of the promoted product as described in its prospectus, or in the information documents which are to be disclosed to investors in accordance with the applicable law.

Notice to investors in Switzerland: The information provided herein does not constitute an offer of financial instruments in Switzerland pursuant to the Swiss Financial Services Act ("FinSA") and its implementing ordinance. This is solely an advertisement pursuant to FinSA and its implementing ordinance for financial instruments.

*Swiss representative:* CACEIS (Switzerland) SA, Route de Signy 35, CH-1260 Nyon. The legal documents as well as the latest annual and semi-annual financial reports, if any, of the investment funds may be obtained free of charge from the Swiss representative.

*Swiss paying agent:* CACEIS Bank, Montrouge, succursale de Nyon/Suisse, Route de Signy, 35, CH-1260 Nyon. *Place of performance:* Route de Signy 35, CH-1260 Nyon. *Place of jurisdiction:* Route de Signy 35, CH-1260 Nyon.

Specific information for investors in France: the appointed representative and paying agent in France is CACEIS Bank, Luxembourg Branch, sis 1-3, place Valhubert, 75013 Paris, France. The prospectus, the key information document, the articles of association or as applicable the management rules as well as the annual and semi-annual reports, each in paper form, are made available free of charge at the representative and paying agent in France.

Specific information for investors in Spain: Candriam Sucursal en España has its registered office at C/ Pedro Teixeira, 8, Edif. Iberia Mart I, planta 4, 28020 Madrid and is registered with the Comisión Nacional del Mercado de Valores (CNMV) as an European Economic Area management company with a branch.

Specific information for investors in Austria: The appointed Paying and Information Agent in Austria is Erste Bank der oesterreichischen Sparkassen AG, Am Belvedere 1, 1100 Vienna, Austria. The prospectus, the Key Information Documents (KIDs) relating to the portfolios of the Fund, the Articles, the audited annual accounts, the semi-annual accounts as well as the issuance and redemption prices are available in Austria free of charge (in the German language) at the Austrian Paying and Information Agent.