

CANDRIAM EQUITIES L
Société d'Investissement à Capital Variable under Luxembourg law
14, Porte de France
L-4360 Esch-sur-Alzette
Registered with the Luxembourg Trade & Companies' Registry (RCS) number B-47449

NOTICE TO SHAREHOLDERS

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

1.1 Introduction section of the Prospectus

- The paragraph concerning "U.S. Persons" is amended to clarify that the SICAV reserves the right to make private placement of its shares with a limited number of "U.S. Persons" to the extent permitted under current U.S. law.
- The following sentence is deleted: *"Any offer, sales, resale or transfer of shares in the SICAV to a U.S. benefit plan investor requires the prior consent of the Board of Directors of the SICAV."*

1.2 Counterparties in transactions in OTC derivative instruments

The Prospectus specifies that counterparties in these transactions are validated by the Management Company's Risk Management Department and, when the transactions are initiated, have a minimum rating of BBB-/Baa3 from at least one recognised rating agency or are considered to be of equivalent quality by the Management Company. These counterparties are entities subject to prudential supervision and belonging to the categories authorised by the CSSF (credit institution, investment company, etc.), and which specialise in this type of transaction. The counterparties are located in an OECD member state.

1.3 Level of financial guarantees: for the securities lending activity, the financial guarantees required shall represent 102% of the value of the securities lent.

1.4 Operational and administrative charges: it is specified that operational and administrative charges do not cover credit facility fees.

1.5 Stock exchange listing: It is a matter for the discretion of the Board of Directors whether to list the shares of the SICAV on the Luxembourg Stock Exchange.

1.6 Agreements on soft commissions: The Management Company and Candriam Belgium have decided not to enter into any more soft commission agreements. The relevant text is therefore removed from the Prospectus.

1.7 Hedging policy within the share classes

The Prospectus specifies that each share class may apply a specific hedging policy, as identified in the fact sheets of the sub-funds, namely,

- hedging against fluctuations in the reference currency: such hedging aims to reduce the effect of fluctuations in exchange rates between the reference currency of the sub-fund and the currency in which the share class is denominated. This type of hedging aims to obtain a reasonably comparable performance (adjusted for the difference in interest rates between the two currencies) for the hedged class and the (equivalent) class denominated in the reference currency of the sub-fund. This type of hedging will be identified by the addition of the suffix "H" in the naming of the class.
- Hedging against exchange risk of the assets forming the portfolio: this kind of hedging aims to reduce the effect of fluctuations in exchange rates between the currencies in which the assets of the sub-fund are held and the currency in which the class is denominated. This type of hedging will be identified by the addition of the suffix "AH" in the naming of the class.

These two types of hedging have as their objective the mitigation of exchange risk.

Investors must be aware that the process of hedging exchange risk cannot be total or permanent, and therefore cannot completely neutralise the exchange risk and differences in performance may still arise.

All gains and losses arising from the hedging process accrue to, or are borne by, holders of these classes separately.

These changes will take effect on 24 March 2017.

Shareholders who do not agree with the above amendments may apply for the redemption of their shares, free of charge, for a period of one month from 15 February 2017.

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The Prospectus dated 24 March 2017, and the key investor information documents will be available free of charge from the registered office of the SICAV or may be viewed free of charge on the website: www.candriam.com.

The Board of Directors