Candriam Bonds

Société d'Investissement à Capital Variable
Luxembourg

PROSPECTUS

Subscriptions can be accepted only on the basis of this prospectus (hereinafter the "Prospectus"), which is valid only if accompanied by the latest available annual report and the latest semi-annual report if this is published after the latest annual report.
These documents form an integral part of the Prospectus.

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1 December 2020

INTRODUCTION

Candriam Bonds (hereinafter the "SICAV" or the "Fund") is registered on the official list of undertakings for collective investment (hereinafter "UCIs") pursuant to the Law of 17 December 2010 on undertakings for collective investment (hereinafter the "Law").

Such registration may not be interpreted as a positive appraisal by the supervisory authority as to the content of the Prospectus or the quality of the securities offered or held by the SICAV. Any affirmation to the contrary is unauthorised and illegal.

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised.

Shares in this SICAV are not and will not be registered in the United States in accordance with the U.S. Securities Act of 1933, as amended ("1933 Securities Act") and are not and will not be eligible under any law of the United States. These shares must not be offered, sold or transferred to the United States (including its territories and possessions) or directly or indirectly benefit any US Person (as defined in Regulation S of the 1933 Securities Act and equivalents). However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares to a limited number of U.S. Persons to the extent permitted under applicable U.S. law.

In addition, financial institutions which do not comply with the FATCA programme (FATCA stands for the U.S. Foreign Account Tax Compliance Act), as included in the Hiring Incentives to Restore Employment Act (the "HIRE Act"), and its application measures, including the analogous provisions adopted by partner countries which have signed an "Intergovernmental Agreement" with the United States, must expect to be forced to have their shares redeemed when the programme comes into force.

The shares in the SICAV may not be offered, sold or transferred to a U.S. employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or any other U.S. employee benefit plan or U.S. individual retirement account or arrangement ("IRA") and may not be offered, sold or transferred to a fiduciary or any other person or entity acting on behalf of the assets of a U.S. employee benefit plan or IRA (collectively, a "U.S. benefit plan investor"). Subscribers to shares in the SICAV may be required to certify in writing that they are not U.S. benefit plan investors. Shareholders are required to notify the SICAV immediately in the event that they are or become U.S. benefit plan investors and will be required to dispose of their shares to non-U.S. benefit plan investors.
The SICAV reserves the right to redeem any shares which are or become owned, directly or indirectly, by a U.S. benefit plan investor. However, notwithstanding the foregoing, the SICAV reserves the right to make a private placement of its shares with a limited number of U.S. benefit plan investors, to the extent permitted under applicable U.S. law.

The SICAV meets the conditions laid down in part I of the Law and in European Directive 2009/65/EC, as amended (hereinafter "Directive 2009/65/EC").

The Board of Directors of the SICAV is responsible for the accuracy of the information contained in the Prospectus on the date of its publication.
No person has been authorised to provide any information other than that contained in the

Prospectus or the documents referred to herein, which may be consulted by the general public.

This Prospectus will be updated at the appropriate time in order to reflect significant changes. It is therefore recommended that potential subscribers contact the SICAV to enquire whether a later Prospectus has been published.

Any reference made in this Prospectus:

- to the term "Member State" refers to a Member State of the European Union. States that are party to the Agreement on the European Economic Area, other than the Member States of the European Union, are treated as equivalent to Member States of the European Union, within the limits defined by this Agreement and the associated instruments,
- to the term EUR refers to the currency of the countries that are members of the Economic and Monetary Union,
- to the term USD refers to the currency of the United States of America,
- to the term GBP refers to the currency of the United Kingdom of Great Britain and Northern Ireland,
- to the term CHF refers to the currency of the Swiss Confederation,
- to the term MXN refers to the currency of Mexico,
- to the term JPY refers to the currency of Japan,
- to the term TRY refers to the currency of Turkey,
- to the term CZY refers to the currency of the Czech Republic,
- to the term HUF refers to the currency of Hungary,
- to the term PLN refers to the currency of Poland.
- to the term Bank Business Day refers to any full bank business day in Luxembourg. To avoid any confusion, 24 December is not considered to be a Bank Business Day.

Subscribers and potential purchasers of shares of the SICAV are advised to obtain information about the possible tax consequences, the legal requirements and any restriction or exchange control provision under the laws of their countries of origin, residence or domicile that could have an influence on the subscription, purchase, ownership or sale of the shares of the SICAV.

In accordance with the provisions of the Luxembourg law on the protection of persons with regard to the processing of personal data, and all applicable local laws and regulations, in each case, as amended, revised or replaced (including by operation of EU Regulation 2016/679) (the "GDPR"), the Management Company, as data controller, collects, stores and processes, by electronic or other means, the personal data of investors for the purpose of fulfilling the services required by the investors and complying with its legal and regulatory obligations. The personal data processed by the Management Company includes, in particular, the name, contact details (including postal or email address), the tax identification number (TIN), banking details, invested amount and holdings in the fund ("Personal Data"). The investor may at his/her discretion refuse to communicate Personal Data to the Management Company. In this case, however, the Management Company may reject a request for Shares. Investors are entitled: (i) access his/her Personal Data (including, in certain cases, in a commonly used, machine readable format); (ii) have their Personal Data rectified (where they are inaccurate or incomplete); (iii) have their Personal Data erased where the Management Company or the SICAV no longer has any legitimate reasons to process them; (iv) have their Personal Data restricted; (v) object to the processing of their Personal Data by the Management Company in certain circumstances; and (vi) lodge a complaint with the applicable supervisory authority, by writing to the Management Company at its registered office. Personal Data is processed, in particular, for the purposes of processing subscriptions, redemptions and conversions of shares and payments of dividends to

investors, account administration, client relationship management, performing controls on excessive trading and market timing practices, tax identification as may be required under Luxembourg or foreign laws and regulations [including laws and regulations relating to FATCA or CRS ("CRS" stands for "Common Reporting Standard" and means the Standard for Automatic Exchange of Financial Account Information in Tax matters, as developed by the OECD and implemented in particular by Directive 2014/107/EU)] and compliance with applicable anti-money laundering rules. Personal Data supplied by investors is also processed for the purpose of maintaining the register of shareholders of the SICAV. In addition, Personal Data may be processed for prospecting purposes. Each investor has the right to object to the use of his/her Personal Data for prospecting purposes by writing to the SICAV. The Management Company may ask investors for their consent to collect or process their Personal Data on certain occasions, for example, for the purposes of marketing. The investors can withdraw this consent at any time. The Management Company also processes investors' Personal Data where necessary to fulfil its contract with the investor, or when required by law, such as if the SICAV receives a request from law enforcement or other government officials. The Management Company also processes investors' Personal Data when this is in its legitimate interests to do this and when these interests are not overridden by investors' data protection rights. For example, there is a legitimate interest in ensuring the effective operation of the SICAV.
Personal Data may be transferred to affiliates and third-party entities supporting the activities of the SICAV, which include, in particular, the Management Company, Central Administration, Depositary, Transfer Agent and Distributors that are located in the European Union. Personal Data may also be transferred to entities which are located in countries outside the European Union and whose data protection laws do not necessarily guarantee an adequate level of protection. When subscribing for shares, all investors expressly agree to the transfer and processing of their Personal Data to and by such entities, including those located outside the European Union, and in particular in those countries which do not necessarily guarantee an adequate level of protection. The Management Company or the SICAV may also transfer Personal Data to third parties, such as government or regulatory agencies, including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which may in turn, acting as the data controller, disclose it to foreign tax authorities. Investors can request further information about how the SICAV ensures that transfers of Personal Data comply with the GDPR by contacting the SICAV at the registered office of the Management Company.

Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable legal minimum retention periods.

The SICAV reminds investors that investors may fully exercise their investors' rights directly vis-à-vis the SICAV, in particular the right to attend general meetings of shareholders, only if they are registered in their own names in the register of shareholders of the SICAV. In the event that an investor invests in the SICAV through an intermediary investing in the SICAV in its name but on behalf of the investor, some shareholder rights may not necessarily be exercisable by the investor directly vis-à-vis the SICAV. Investors are advised to seek information regarding their rights.

Contents

1. Administration of the SICAV

Board of Directors:

Chairman

Mr Jean-Yves **Maldague**
Managing Director
Candriam Luxembourg
SERENITY – Bloc B
19-21 route d'Arlon
L-8009 Strassen

Directors

- Mrs Annemarie **Arens**
  Independent Director

- Mrs Isabelle **Cabie**
  Head of Sustainable and Responsible Investment
  Candriam Belgium

- Mr Pascal **Dequenne**
  Global Head of Operations
  Candriam Belgium

- Mr Vincent **Hamelink**
  Member of the Group Strategic Committee
  Candriam Belgium

- Mr Koen **Van de Maele**
  Global Head of Investment Solutions
  Candriam Belgium

- Mr Jan **Vergote**
  Head of Investment Strategy
  Belfius Banque S.A.

Registered Office

5, Allée Scheffer, L-2520 Luxembourg

Depositary Bank and Principal Paying Agent

CACEIS Bank Luxembourg Branch
5, Allée Scheffer, L-2520 Luxembourg

Management Company

Candriam Luxembourg
SERENITY – Bloc B
19-21, Route d'Arlon,
L – 8009 Strassen

Board of Directors

Chairwoman:

- **Ms Yie-Hsin Hung**
  Chairman and Chief Executive Officer
  New York Life Investment Management Holdings LLC
  Senior Vice President
  New York Life Insurance Company

Members:

- **Mr Jean-Yves Maldague**
  Managing Director
  Candriam Luxembourg

- **Mr Naïm Abou-Jaoudé**
  Chief Executive Officer
  Candriam

- **Mr John M. Grady**
  Senior Managing Director
  New York Life Investment Management Holdings LLC
  Senior Vice President
  New York Life Insurance Company

- **Mr Anthony Malloy**
  Executive Vice President & Chief Investment Officer,
  New York Life Insurance Company
  Chief Executive Officer, NYL Investors LLC

- **Mr Frank Harte**
  Senior Managing Director & Chief Financial Officer & Treasurer
  New York Life Investment Management Holdings LLC
  Senior Vice President
  New York Life Insurance Company

- **Mr Elias Farhat**
  Chief Strategy Officer
  Candriam

Management Committee

Chairman:

- **Mr Jean-Yves Maldague,**
  Managing Director
  Candriam Luxembourg

Members:

- **Mr Naïm Abou-Jaoudé,** Manager
- **Mr Pascal Dequenne**, Manager
- **Mr Tanguy de Villenfagne**, Manager
- **Mr Renato Guerriero**, Manager
- **Mr Michel Ory,** Manager
- **Mr Alain Peters,** Manager

- *Portfolio management of certain sub-funds is delegated to:*

  Candriam Belgium
  Avenue des Arts 58 – B-1000 Bruxelles

- *Portfolio management of certain other sub-funds is delegated to:*

  Candriam France
  40, rue Washington – F-75408 Paris Cedex 08

- *Securities lending and borrowing operations are delegated to:*

  Candriam France
  40 rue Washington – F-75408 Paris Cedex 08

- *Administrative Agent and Domiciliary Agent functions are delegated to:*

  CACEIS Bank, Luxembourg Branch
  5, Allée Scheffer, L-2520 Luxembourg

- *Transfer Agent functions (including Registrar activities) are delegated to:*

  CACEIS Bank, Luxembourg Branch
  5, Allée Scheffer, L-2520 Luxembourg

Auditors*:*

PricewaterhouseCoopers
2 rue Gerhard Mercator, BP 1443, L – 1014 Luxembourg

2. General Characteristics of the SICAV

Candriam Bonds is a Luxembourg *société d'investissement à capital variable* (open-ended investment company) incorporated in accordance with the legislation of the Grand Duchy of Luxembourg concerning UCIs.

The SICAV was formed on 1 June 1989 under the name of BIL EURO RENT FUND in accordance with the legislation of the Grand Duchy of Luxembourg for an unlimited term.

The capital of the SICAV is at all times equal to the net asset value and is represented by fully paid-up shares of no par value. Changes in capital occur automatically and do not need to be announced or recorded in the Luxembourg Trade and Companies Registry in the same way as required for a capital increase or decrease of a société anonyme. Its minimum capital is EUR 1,250,000.

Its articles of incorporation were filed with the Luxembourg Trade and Companies Registry and published in the *Mémorial* on 24 August 1989. They were last amended on 6 July 2020. The corresponding amendments will be published in the Recueil Electronique des Sociétés et Associations. The coordinated articles of incorporation have been filed with the Luxembourg Trade and Companies Registry.

The SICAV is entered in the Luxembourg Trade and Companies Registry under number B-30 659.

The SICAV is an umbrella UCITS, which means that it is made up of several sub-funds, each representing a specific pool of assets and liabilities and each adhering to a specific investment policy.

The umbrella structure offers investors the benefit of being able to choose between different sub-funds and to move from one sub-fund to another. Within each sub-fund, the SICAV may issue different share classes which differ in particular in terms of the fees and commissions payable or in terms of their distribution policy.

The following sub-funds are currently available to investors:

- Candriam Bonds Capital Securities, denominated in EUR
- Candriam Bonds Convertible Defensive, denominated in EUR
- Candriam Bonds Convertible Opportunities, denominated in EUR
- Candriam Bonds Credit Alpha, denominated in EUR
- Candriam Bonds Credit Opportunities, denominated in EUR
- Candriam Bonds Emerging Debt Local Currencies, denominated in USD
- Candriam Bonds Emerging Markets, denominated in USD
- Candriam Bonds Emerging Markets Corporate, denominated in USD
- Candriam Bonds Emerging Markets Total Return, denominated in USD
- Candriam Bonds Euro, denominated in EUR
- Candriam Bonds Euro Corporate, denominated in EUR
- Candriam Bonds Euro Corporate ex-Financials, denominated in EUR
- Candriam Bonds Euro Diversified, denominated in EUR
- Candriam Bonds Euro Government, denominated in EUR
- Candriam Bonds Euro High Yield, denominated in EUR

- Candriam Bonds Euro Long Term, denominated in EUR
- Candriam Bonds Euro Short Term, denominated in EUR
- Candriam Bonds Floating Rate Notes, denominated in EUR
- Candriam Bonds Global Government, denominated in EUR
- Candriam Bonds Global High Yield, denominated in EUR
- Candriam Bonds Global Inflation Short Duration, denominated in EUR
- Candriam Bonds International, denominated in EUR
- Candriam Bonds Total Return, denominated in EUR
- Candriam Bonds Total Return Defensive, denominated in EUR

Each of the SICAV's sub-funds may, at the discretion of the Board of Directors, consist of one single share class or be divided into several share classes, the assets of which must be commonly invested as per the investment policy specific to the sub-fund in question. Each class of the sub-fund must have a specific subscription and redemption fee structure, a specific charge structure, a specific distribution policy, a particular hedging policy, a different reference currency and other specific features. Each category of share thus defined constitutes a "class".

In addition, each share class may apply a specific hedging policy as found in the sub-fund fact sheets, that is:

- **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 achieve a reasonably comparable performance (adjusted in particular for the difference in interest rate between the two currencies) between the hedged class and the equivalent denominated in the reference currency of the sub-fund. This type of hedging is identified by the suffix **H** in the name of the class.

- **Hedging against the foreign exchange exposure of the assets forming the portfolio**: such hedging aims to reduce the effect of fluctuations in exchange rates between the currencies in which the sub-fund's assets are held and the currency in which the share class is denominated. This type of hedging is identified by the suffix **AH** in the name of the class.

The purpose of these two types of hedging is to reduce foreign exchange risk.
Investors must be aware that the hedging of foreign exchange cannot be a total and permanent process and may not therefore fully neutralise the foreign exchange risk and so there may be differences in performance.

Any gains or losses that may arise from the hedging process are borne separately by the holders of these classes.

The following classes may be issued:

- The **BF** class is reserved for Belgian-law feeder UCIs approved by the Management Company and managed by an entity of the Candriam group.

- The **Classique** class is available to individuals and legal entities.

- The **CS** class is available to individuals and legal entities without issue charges via distributors and/or intermediaries approved by the Management Company.

- The **N** class is reserved for distributors specially approved by the Management Company.

- The **I** class is class is reserved exclusively for institutional investors.

- The **I2** class is not subject to a performance fee and is reserved exclusively for institutional investors.

- The **PI** class is reserved for institutional investors which subscribe before the sub-fund has reached a critical size in terms of the assets under management. The minimum initial subscription is EUR 1,000,000 or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date. This class will remain open for subscription until one of the following events occurs: (i) the period fixed by the Board of Directors ends, (ii) the sub-fund reaches a critical size in terms of the assets under management, as defined by the Board of Directors, (iii) the Board of Directors decides to close this class to subscription on justifiable grounds. The Board of Directors may re-open this class of shares at its discretion and without the need to inform investors in advance.

- The **S** class is offered to institutional investors specially approved by the Management Company whose minimum initial subscription is EUR 25,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The **S2** class is offered to institutional investors specially approved by the Management Company whose minimum initial subscription is EUR 100,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The **S3** class is offered to institutional investors specially approved by the Management Company whose minimum initial subscription is EUR 175,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The S4 class is not subject to a performance fee and is reserved exclusively for institutional/professional investors, distributors and/or intermediaries who are approved by the Management Company, who invest through *Spezialfonds* and whose minimum initial subscription is EUR 75,000,000 or its equivalent in foreign currencies for those classes denominated in foreign currencies (this minimum amount may be changed at the discretion of the Board of Directors provided that equal treatment of shareholders is ensured for a given valuation date).

- The **SF** class is reserved for feeder UCIs approved by the Management Company.

- The **Z** class is restricted to:

  - Institutional/professional investors approved by the Management Company. The portfolio management activity for this class is directly remunerated through the contract concluded with the investor, so no portfolio management fee is payable for the assets of this class.

  - UCIs approved by the Management Company and managed by an entity of the Candriam group.

- The **V** class is reserved exclusively for institutional investors whose minimum initial subscription is EUR 20,000,000 (or the equivalent in any other currency as decided by the Board of Directors) or the equivalent in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The **V2** class is not subject to a performance fee and is reserved exclusively for institutional/professional investors, distributors and/or intermediaries which are approved by the Management Company and whose minimum initial subscription is EUR 20,000,000, or its equivalent in foreign currencies in the case of classes denominated in foreign currencies. This amount may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- The **LOCK** class (which may also be called "L class") is a share class which is associated with a mechanism that aims to limit the capital risk incurred. This mechanism is only offered by Belfius Banque S.A. (hereinafter "Belfius"), the sole authorised distributor of these shares. By investing in this class, investors accept that the shares are sold automatically when the net asset value reaches a set amount (activation price). Accordingly, whenever Belfius determines that the net asset value is equal to or less than the activation price, a redemption order is automatically generated and executed as soon as possible.

  The sales order will be consolidated at the first cut-off (deadline for the reception of orders) following the calculation date of the net asset value that gave rise to the automatic activation of the redemption order.

  Given the specific nature of this class, potential investors are advised to seek advice from their financial adviser at Belfius before subscribing in order to obtain information about the technical and operational imperatives associated with this mechanism.

- The **R** class is reserved for financial intermediaries (including distributors and platforms) which:

  i. have different arrangements with their clients for the provision of investment services in connection with the sub-fund, and

  ii. as a result of their applicable laws and regulations or on the basis of agreements with their customers, are not entitled to accept and keep duties, fees and other monetary benefits from the Management Company in connection with the provision of the above-mentioned investment services.

- The **R2** class is restricted to:

  - Distributors and/or intermediaries approved by the Management Company who will not receive any form of remuneration for investments in this class from an entity of the Candriam group, if the final investments in the shares are made in the context of a mandate.

  - UCIs approved by the Management Company.

If it appears that an investor no longer meets the conditions for accessing the class in question, the Board of Directors may take all the necessary measures and, if necessary, convert the shares into another appropriate class.

The assets of the various classes are pooled within a single account.

Before subscribing, investors should check the fact sheets accompanying this Prospectus (hereinafter the "Fact Sheets") to find out in which class and in what form shares are available for each sub-fund, as well as the applicable fees and other charges.

The Board of Directors may launch other sub-funds and other classes, for which the investment policy and conditions of offer will be notified accordingly through the issue of an update to this Prospectus and through investor information in the press as deemed appropriate by the Board of Directors.

The Board of Directors of the SICAV defines the investment policy for each of the sub-funds.

The Board of Directors of the SICAV may appoint a management company.

3. Management & administration

3.1. The Board of Directors

The Board of Directors of the SICAV is responsible for managing the assets of each of the sub-funds of the SICAV.

It may perform any management or administration duties on behalf of the SICAV, notably the purchase, sale, subscription or exchange of any transferable securities, and exercise any rights directly or indirectly attached to the assets of the SICAV.

A list of members of the Board of Directors is found in this Prospectus and in the interim reports.

3.2. Domiciliation

The SICAV and CACEIS Bank, Luxembourg Branch have concluded a domiciliation agreement for an unlimited term.

Under this agreement, CACEIS Bank, Luxembourg Branch provides the registered office and address to the SICAV in addition to other services relating to domiciliation.

The SICAV may terminate the domiciliary agent functions of CACEIS Bank, Luxembourg Branch with three months' written notice, and the latter may terminate its own functions with the same notice.

3.3. Management Company

Candriam Luxembourg (hereinafter the "Management Company"), a partnership limited by shares, with its registered office at L–8009 Strassen, 19-21 route d'Arlon, SERENITY- Bloc B, is appointed as the Management Company to the SICAV in accordance with a contract entered into for an unlimited term between the SICAV and the Management Company. This agreement may be terminated by either party subject to advance written notice of 90 days.

Candriam Luxembourg was established in Luxembourg on 10 July 1991. It commenced its management activities on 1 February 1999 and is a subsidiary of Candriam Group (formerly New York Life Investment Management Global Holdings Europe s.à.r.l.), a New York Life Insurance Company Group entity.

Candriam Luxembourg received approval as a Management Company within the meaning of chapter 15 of the Law, and is authorised to provide collective portfolio management, investment portfolio management and investment advisory services. Its articles of incorporation were amended for the last time on 19 May 2016 and the corresponding amendments were published in the Mémorial C (Recueil des Sociétés et Associations). The coordinated articles of incorporation have been filed with the Luxembourg Trade and Companies Registry.

The list of entities managed by the Management Company is available upon request from the Management Company.

Candriam Luxembourg is entered in the Luxembourg Trade and Companies Registry under number B 37.647. The capital of the Management Company is EUR 62,115,420. It is established for an unlimited period. Its financial year ends on 31 December each year.

3.3.1 Functions and responsibilities

The Management Company has the broadest possible powers to carry out UCI management and administration activities in pursuance of its objects.
It is responsible for the portfolio management, administration (administrative agent, transfer agent and registrar) and marketing (distribution) activities of the SICAV.

In accordance with the Law, the Management Company is authorised to delegate its duties, powers and obligations in full or in part to any person or company that it deems fit, provided that the Prospectus is updated beforehand. The Management Company, however, retains full responsibility for the actions of the delegate(s).

The various duties carried out by the Management Company or one of its delegates create entitlement to **fees**, as described in the Fact Sheets in the Prospectus.

Investors are invited to read the SICAV's annual reports to obtain detailed information on the fees paid to the Management Company or its delegates in remuneration of their services.

3.3.1.1 Portfolio management function

The Board of Directors of the SICAV is responsible for the investment policy of the SICAV's various sub-funds and has appointed the Management Company to be responsible for implementing the investment policy of its various sub-funds.

The Management Company may, inter alia, exercise on behalf of the SICAV any voting rights attached to the transferable securities that make up the assets of the SICAV.

The Management Company has delegated, under its supervision and responsibility and at its own expense, the portfolio management of certain sub-funds of the SICAV to its Belgian subsidiary **Candriam Belgium**, whose registered office is at 58 Avenue des Arts, B-1000 Brussels via a delegation agreement entered into for an unlimited term. This agreement may be terminated by either party subject to advance written notice of 90 days.

Candriam Belgium is a management company of undertakings for collective investment formed in Belgium in 1998 for an unlimited term.

The sub-funds in question are as follows: **Candriam Bonds Euro, Candriam Bonds Euro Diversified, Candriam Bonds Euro Government, Candriam Bonds Euro Long Term, Candriam Bonds Euro Short Term, Candriam Bonds Floating Rate Notes, Candriam Bonds Global Government, Candriam Bonds Global Inflation Short Duration, Candriam Bonds International, Candriam Bonds Total Return Defensive.**

The Management Company has delegated part of the portfolio management of the sub-funds **Candriam Bonds Emerging Markets, Candriam Bonds Emerging Markets Corporate, Candriam Bonds Emerging Debt Local Currencies, Candriam Bonds Emerging Markets Total Return** and **Candriam Bonds Total Return** à Candriam Belgium, l'autre partie étant confié à sa succursale anglaise, UK establishment, 200 Aldersgate, Aldersgate Street, London EC1A4HD, United Kingdom.

Candriam Belgium and/or Candriam France are in turn authorised to sub-delegate to another entity of the Candriam group all or part of the activity and/or tasks relating to the implementation of portfolio management for certain SICAV sub-funds.
The Management Company has delegated, under its supervision and responsibility and at its own expense, the portfolio management of certain sub-funds of the SICAV to its French subsidiary **Candriam France**, whose registered office is at 40, rue Washington, F-75408 Paris Cedex 08 via a delegation agreement entered into for an unlimited term. This agreement may be terminated by either party subject to advance written notice of 90 days.
Candriam France is a portfolio management company formed in France in 1988 for a limited term.
The sub-funds in question are as follows: **Candriam Bonds Capital Securities, Candriam Bonds Convertible Defensive, Candriam Bonds Credit Alpha, Candriam Bonds Credit Opportunities, Candriam Bonds Convertible Opportunities, Candriam Bonds Euro Corporate, Candriam Bonds Euro Corporate ex-Financials, Candriam Bonds Euro High Yield, Candriam Bonds Global High Yield**.

The Management Company has delegated, under its supervision and responsibility, securities lending and borrowing operations to Candriam France via an agreement entered into for an unlimited term. This agreement may be terminated by either party subject to advance written notice of 90 days. Candriam France is authorised in turn to sub-delegate to another entity all or part of the activity and/or mandates relating to the implementation of lending and borrowing operations of certain sub-funds of the SICAV.

3.3.1.2 Administrative agent, registrar, transfer agent and listing agent functions

Under the terms of a central administration agreement entered into by the Management Company and CACEIS Bank, Luxembourg Branch (the "Central Administration Agreement"), the Management Company has delegated the administrative agent ("Administrative Agent") and registrar and transfer agent ("Transfer Agent") functions of the SICAV to CACEIS Bank, Luxembourg Branch.

The Central Administration Agreement is concluded for an unlimited term and may be terminated by either party with three months' notice.
CACEIS Bank, Luxembourg Branch operates as the Luxembourg branch of CACEIS Bank, a société anonyme under French law whose registered office is at sis 1-3, place Valhubert, 75013 Paris, France, Trade Register number RCS Paris 692 024 722. It is a credit institution approved and supervised by the European Central Bank (ECB) and the French Prudential Supervision and Resolution Authority (ACPR). The institution is also authorised to perform banking activities and central administration activities in Luxembourg through its Luxembourg branch.

In particular, the Administrative Agent functions comprise the calculation of the NAV per share of each sub-fund and/or each share class as applicable, the management of accounts, the preparation of annual and semi-annual reports, and the performance of tasks in its capacity as the Administrative Agent.

In particular, the Transfer Agent functions comprise the processing of subscription, redemption and conversion orders and the keeping of the register of shareholders.

In this capacity, the Transfer Agent is also responsible for supervising measures to combat money laundering in accordance with the applicable regulations in Luxembourg on money laundering and financing of terrorism and preventing the financial sector from being used for the purposes of money laundering and financing of terrorism. CACEIS Bank, Luxembourg Branch is authorised to request the documents necessary in order to identify the investors.

3.3.1.3 Marketing function

The marketing function consists in coordinating the marketing of the SICAV's shares through distributors and/or intermediaries designated by the Management Company (hereinafter "Distributors"). A list of Distributors can be obtained by investors free of charge from the Management Company's registered office.

Distributor or investment agreements may be entered into by the Management Company and the various Distributors.

Under these agreements, the Distributor, in its capacity as nominee, will be entered in the register of shareholders instead of the customers who have invested in the SICAV.
These agreements stipulate that a customer who has invested in the SICAV through the Distributor may at any time request the transfer of the shares purchased via the Distributor into his or her own name in the register upon receipt of the transfer instructions from the Distributor.

Shareholders may subscribe to the SICAV directly without needing to subscribe through a Distributor.

Any Distributor appointed must apply the procedures to combat money laundering as defined in the Prospectus.
The appointed Distributor must have the legal and regulatory status required to market the SICAV and must be situated in a country subject to obligations to combat money laundering and the financing of terrorism equivalent to those of Luxembourg law or Directive (EU) 2015/849.

3.3.2 Remuneration policy

The Management Company has established a general framework concerning remuneration of its staff, in particular a remuneration policy (the "Remuneration Policy") in compliance with the applicable regulations and the following principles in particular:

- The Remuneration Policy is compatible with sound and effective risk management and discourages any risk-taking that is inconsistent with the risk profile and the articles of incorporation of the SICAV,

- The Remuneration Policy is compatible with the financial strategy, objectives, values and interests of the Management Company, the SICAV and the investors, and includes measures to avoid conflicts of interest,

- The evaluation of performance is set in a multi-year framework appropriate to the holding period recommended to shareholders of the SICAV, in order to ensure that the performance evaluation process is based on the long term performance of the SICAV and that the effective payment of the performance-based remuneration elements is spread over the same period,

- The Remuneration Policy ensures that the fixed and variable components of total remuneration are appropriately balanced; that the fixed component of total remuneration is high enough; that the policy concerning variable remuneration elements is sufficiently flexible including the possibility to pay no variable remuneration component.

The details of the updated Remuneration Policy, including the composition of the remuneration committee and a description of how remuneration and benefits are calculated, are available from the Management Company's web site via this link.
https://www.candriam.com/siteassets/legal-and-disclaimer/external_disclosure_remuneration_policy.pdf
A printed copy is available free of charge on request.

4. Depositary

CACEIS Bank, Luxembourg Branch acts as the depositary of the SICAV ("**Depositary**") in accordance with a depositary bank agreement for an unlimited term as amended from time to time ("**Depositary Bank Agreement**") and with the relevant provisions of the Law and applicable regulations.

The Depositary is responsible for the safekeeping and/or, as applicable, the registration and verification of ownership of the assets of the sub-fund, and it discharges the obligations and responsibilities set out in Part I of the Law and the applicable regulations. In particular, the Depositary performs appropriate and effective monitoring of the cash flows of the SICAV.

In accordance with the applicable regulations, the Depositary:

(i) ensures that any sale, issue, redemption, repayment and cancellation of the shares of the SICAV take place in accordance with the Law and applicable regulations and the articles of incorporation of the SICAV,
(ii) ensures that the net asset value of the shares is calculated in accordance with the applicable regulations, the articles of incorporation of the SICAV, and the procedures set out in Directive 2009/65/EC,
(iii) carries out the instructions of the SICAV unless they conflict with the applicable regulations or the articles of incorporation of the SICAV,
(iv) ensures that for transactions involving the SICAV's assets, the consideration is paid to the SICAV within the usual time limits,
(v) ensures that the SICAV's income is allocated in accordance with the applicable regulations and the articles of incorporation of the SICAV.

The Depositary may not delegate any of the obligations and responsibilities in parts (i) to (v) above.

In accordance with Directive 2009/65/EC, the Depositary may, under certain conditions, entrust all or some of the assets for which it performs safekeeping or registration functions to correspondents or to third-party depositaries appointed from time to time ("Delegation"). The Depositary's responsibilities will not be affected by such Delegation, unless otherwise provided but solely within the limits allowed by the Law.

A list of these correspondents/third-party depositaries is available on the Depositary's web site (www.caceis.com, in the regulatory oversight section). This list may be updated from time to time. The complete list of correspondents/third-party depositaries may be obtained free of charge from the Depositary.

Up-to-date information about the identity of the Depositary, a description of its responsibilities and potential conflicts of interest, the safekeeping functions delegated by the Depositary and the potential conflicts of interest that may arise from such Delegation are also available on request free of charge on the Depositary's web site (above).

There are many situations in which a conflict of interest may arise, in particular when the Depositary delegates its safekeeping functions, or when the Depositary provides other services on behalf of the SICAV such as the central administration function or the registrar function. These situations and the potential conflicts of interest arising from them have been identified by the

Depositary. In order to protect the interests of the SICAV and its investors, and to comply with the applicable regulations, the Depositary has put in place and guarantees application of a conflicts of interest policy, as well as procedures intended to prevent and to manage any potential or actual conflict of interest, principally aiming to do the following:

(a) identify and analyse potential conflicts of interest,

(b) record, manage and monitor conflicts of interest, either:

- by relying on permanent measures established to manage conflicts of interest such keeping separate legal entities, segregating functions, separating hierarchical structures, insider lists of staff members, or

- by setting up case-by-case management with a view to (i) taking appropriate preventive measures such as preparing a new watch list, establishing new "Walls of China", ensuring that transactions take place under market conditions and/or informing the SICAV's relevant investors, or (ii) refusing to carry out the activity creating the conflict of interest.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its depositary bank functions and the performance of other tasks on behalf of the SICAV, in particular its administrative agent and registrar services.

The SICAV and the Depositary may terminate the Depositary Bank Agreement at any time with written notice of ninety (90) days. The SICAV may only dismiss the Depositary, however, if a new depositary bank is appointed within two months to perform the functions and responsibilities of the depositary bank. Once dismissed, the Depositary may continue to discharge its functions and responsibilities until all the assets of the sub-fund have been transferred to the new depositary bank.

5. Investment objectives

The SICAV is made up of various sub-funds which each pursue a management objective described in the Fact Sheets at the end of this Prospectus.
Each sub-fund offers shareholders the opportunity to access a professional form of diversified asset management.
In pursuit of its investment objective, each sub-fund is likely to be exposed to various risk factors mentioned in the Fact Sheets. These risk factors are set out in the section entitled *Risk factors*.
In view of stock market fluctuations and other risks to which investments in transferable securities, money market instruments and other financial assets are exposed, the value of the shares may go down as well as up.

6. Investment policy

6.1 The investments of the various sub-funds of the SICAV must consist only of one or more of the following:

a) units in UCITS authorised according to Directive 2009/65/EC and/or other UCIs, within the meaning of article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, whether established in a Member State or not, provided:

- these other UCIs are approved in accordance with legislation stipulating that these undertakings are subject to supervision that the CSSF believes to be equivalent to that stipulated by Community legislation, and that cooperation between the authorities is sufficiently guaranteed,

- the level of protection guaranteed to unitholders in these other UCIs is equivalent to that provided for unitholders of a UCITS and, in particular, that the rules on asset segregation, borrowing, lending and short-selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,

- the activities of these other UCIs are reported in semi-annual and annual reports such that their assets, liabilities, income and activities over the reporting period may be evaluated,

- the proportion of assets that the UCITS or other UCIs whose acquisition is contemplated may invest overall, in accordance with their management rules or their documents of incorporation, in units in other UCITS or other UCIs does not exceed 10%.

  Furthermore, a sub-fund may acquire and/or hold shares to be issued or having been issued by one or more sub-funds of the SICAV (the "target sub-fund(s)"), without the SICAV being subject to the requirements stipulated by the Law of 10 August 1915 on commercial companies, as amended, in terms of the subscription, acquisition and/or holding by a company of its own shares, subject, however, to the following:

- the target sub-fund does not in turn invest in the sub-fund invested in this target sub-fund, and

- the proportion of assets that the target sub-funds whose acquisition is contemplated may invest overall in the units of other target sub-funds of the same UCI does not exceed 10%, and

- any voting rights attached to the respective securities will be suspended for as long as they are held by the sub-fund in question, without prejudice to the appropriate treatment in the accounts and the interim reports, and

- in any event, for as long as these securities are held by the SICAV, their value will not be included in the calculation of the net assets of the SICAV for the purpose of verifying the minimum net assets level imposed by the law, and

b) transferable securities and money market instruments listed or traded on a market within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments,

c) transferable securities and money market instruments traded on another regulated market of a Member State, which operates regularly and is recognised and open to the public,

d) transferable securities and money market instruments officially listed on a stock exchange of a European state (other than those forming part of the EU), North and South America, Asia, Oceania or Africa, or traded on another regulated market of a European state (other than those forming part of the EU), North and South America, Asia, Oceania or Africa, which operates regularly and is recognised and open to the public;

e) newly issued transferable securities and money market instruments provided the terms of issue include the undertaking that the application for official listing on a stock exchange or another regulated market, which operates on a regular basis and is recognised and open to the public, as specified in b), c) and d) above, is made within one year of the date of issue.

f) deposits with a bank which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months. The bank must have its registered office in a Member State or, if this is not the case, must be subject to prudential rules considered by the Luxembourg supervisory authority to be equivalent to those provided for under EU legislation,

g) derivative financial instruments, including equivalent cash-settled instruments, traded on a regulated market of the type referred to under points b), c) and d) above, or derivative financial instruments traded over-the-counter, provided that:

- the underlying consists of the instruments referred to in this article 6.1, financial indices, interest rates, exchange rates or currencies, in which the sub-fund may make investments according to its investment objectives,

- the counterparties to the transactions are institutions subject to prudential supervision and belonging to the categories authorised by the CSSF,

- these instruments are reliably and verifiably valued on a daily basis and can, at the initiative of the SICAV, be sold, liquidated or closed by way of an offsetting transaction at their fair value at any time,

h) money market instruments other than those normally traded on the money market, which are liquid and whose value can be accurately determined at any time, provided the issue or issuer of these instruments is itself regulated for the purpose of protecting investors and savings and provided these instruments are:

- issued or guaranteed by a central, regional or local authority, by a central bank of a Member State, by the European Central Bank, by the European Union or by the European Investment Bank, by a non-Member State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

- issued by an undertaking whose securities are traded on the regulated markets referred to under points b), c) or d) above, or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF as being at least as stringent as those laid down by Community law, or

- issued by other bodies belonging to categories approved by the CSSF, provided that investments in such instruments are subject to investor protection rules equivalent to those laid down in the first, second or third indent above, and that the issuer is a company with combined capital and reserves of at least ten million euros (EUR 10,000,000) which presents and publishes its annual accounts in accordance with the Fourth Council Directive 78/660/EEC, an entity which, within a group of companies that includes one or more listed companies, is dedicated to financing the group or an entity which is dedicated to financing securitisation vehicles that benefit from bank financing facilities.

Additional information pertaining to certain instruments:

- Total return swaps

A sub-fund may make use of total return swaps or other derivative financial instruments which have the same characteristics, for example certificates for differences, for the purpose of (long or short) exposure, hedging or arbitrage.

The underlying instruments to these operations may be individual securities or financial indices (equities, interest rates, credit, foreign currencies, commodities, volatility etc.) in which the sub-fund may invest in accordance with its investment objectives.

A sub-fund may conduct credit derivative transactions (single underlying or on a credit index) for the purposes of exposure, hedging or arbitrage.

These transactions are undertaken with counterparties which specialise in this type of transaction and are covered by agreements among the parties. They are carried out within the framework of the investment policy and the risk profile of each individual sub-fund.

The investment policy of each sub-fund set in the Fact Sheet specifies whether a sub-fund is permitted to make use of total return swaps or these other forms of derivative financial instruments with the same characteristics and also of credit derivatives.

- Subordinated debt instruments

Subordinated debt instruments are bonds the repayment of which, in the event of the issuer's bankruptcy or liquidation does not have priority but is subordinated to that of other, higher-ranking bond holders. These securities are rated lower than the senior debt issued by the same issuer.

6.2 A sub-fund may not:

- invest more than 10% of its assets in transferable securities or money market instruments other than those referred to in article 6.1.,

- purchase precious metals or certificates representing precious metals.

A sub-fund may hold cash on an ancillary basis.

6.3 The SICAV may acquire the movable or immovable property essential to the direct exercise of its activities.

6.4 If this is mentioned in the investment policy of a sub-fund of the SICAV, the Management Company may make investments which take account of Environmental, Social and Governance criteria (ESG).

Candriam has developed an in-house approach for this analysis. It is applied by the ESG research and investment team.

For private issuers:

The ESG criteria are also embedded in the financial management of the portfolio. They aim to improve the way asset managers identify ESG risks around the serious long-term challenges of sustainable development, which potentially affect the issuers' credit risk in a substantial way.

In order to reduce the risks linked to ESG criteria and to take account of profound social changes, some sub-funds aim to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact covering human rights, international labour standards, the environment, and anti-corruption, and/or
2. are significantly exposed to certain controversial activities as defined for each sub-fund.

Furthermore, the process of analysis may be accompanied by dialogue with companies. Examples of such dialogue include an active dialogue with the companies or participation in collaborations. This engagement prioritises private issuers located in an OECD country and deemed to be of good quality (rated at least BBB-/Baa3 by one of the ratings agencies), and is organised according to the procedures set out in Candriam's company engagement policy.

Details of Candriam's exclusions policy and the company engagement policies are available on the Management Company’s web site at:
https://www.candriam.com/siteassets/medias/publications/sri-publications---candriam-policies/exclusion-policy.pdf
https://www.candriam.com/siteassets/medias/publications/sri-publications---candriam-policies/proxy-voting-policy.pdf

For sovereign issuers:

Candriam's country-level ESG analysis measures the country's capacity to manage its 4 principal assets – human capital, natural capital, social capital and financial capital – and its economic activity so as to guarantee the well-being of its population without penalising future generations. These ESG criteria are also embedded in the financial management of the portfolio.

The above policies linked to the ESG practices of private and sovereign issuers are applied to positions held directly, to the underlyings of derivative products (apart from index derivatives) and to UCIs/UCITS managed by Candriam.

6.5 Efficient portfolio management techniques.

In order to increase its yield and/or reduce its risks, each sub-fund is authorised to make use of the following efficient portfolio management techniques covering transferable securities and money market instruments:

6.4.1 Securities lending transactions

Each sub-fund may lend the securities in its portfolio to a borrower directly or through a standardised lending system organised by a recognised securities settlement service or a lending system organised by a financial institution that is subject to prudential supervision rules considered by the CSSF to be equivalent to those set down in Community legislation and that specialises in this type of transaction.

The type of securities contained in the lending transactions and the counterparties must meet the requirements of CSSF Circular 08/356 and the conditions defined in point 7.10 of the Prospectus.

The expected proportion and the maximum proportion of the assets under management involved in such transactions or contracts are contained in the fact sheet of each sub-fund.

The SICAV must ensure that it maintains the amount of securities lending at an appropriate level or must be able to request the return of the loaned securities, such that the sub-fund in question is able at all times to meet its redemption obligations, and must ensure that these transactions do not compromise the management of the sub-fund's assets in accordance with its investment policy.

6.4.2 Reverse repurchase transactions

Each sub-fund may enter into reverse repurchase transactions for which on maturity the seller (counterparty) is required to take back the asset contained in the repurchase agreement and the sub-fund is required to return the asset contained in the reverse repurchase agreement.

The expected proportion and the maximum proportion of the assets under management involved in such transactions or contracts are contained in the fact sheet of each sub-fund.

The type of securities contained in the reverse repurchase agreement and the counterparties must meet the requirements of CSSF Circular 08/356 and the conditions defined in point 7.10 of the Prospectus.

For the term of the reverse repurchase agreement, the sub-fund may not sell or use the securities which are contained in this agreement as a pledge/collateral unless the sub-fund has other means of coverage.

6.4.3 Repurchase transactions

Each sub-fund may enter into repurchase agreements for which on maturity the sub-fund is required to reacquire the asset contained in the repurchase agreement and the seller (counterparty) is required to return the asset contained in the reverse repurchase agreement.

The expected proportion and the maximum proportion of the assets under management involved in such transactions or contracts are contained in the fact sheet of each sub-fund. The type of securities contained in the repurchase agreement and the counterparties must meet the requirements of CSSF Circular 08/356 and the conditions defined in point 7.10 of the Prospectus.

The relevant sub-fund must, on expiry of the term of the repurchase agreement, have the necessary assets to pay the agreed return price to the sub-fund.

The use of these transactions must not result in a change in the sub-fund's investment objectives or result in additional risks being taken which exceed its risk profile as defined in the Prospectus.

6.4.4 Associated risks and mitigation measures

The risks associated with efficient portfolio management techniques (including collateral management) are identified, managed and restricted by the risk management process. The principal risks are counterparty risk, delivery risk, operational risk, legal risk, custody risk and conflict of interest risk (as defined in the article entitled Risk factors), and such risks are mitigated by the organisation and the procedures defined by the Management Company as follows:

i. *Selection of counterparties and legal framework*

Counterparties to these transactions are approved 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 which are subject to prudential supervision and belong 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 country.

ii. *Financial collateral*

See point 7.10. Management of collateral for OTC derivative products and efficient portfolio management techniques below.

iii. *Restrictions on reinvestment of financial collateral received*

See point 7.10. Management of collateral for OTC derivative products and efficient portfolio management techniques below.

iv. *Measures taken to reduce the risk of conflicts of interest*

To mitigate the risk of a conflict of interest, the Management Company has established a process for selecting and monitoring counterparties through committees organised by the risk management department. In addition, the remuneration of these transactions is in line with market practices in order to avoid any conflict of interest.

v. *Earnings on securities lending activities*

Income from securities lending is returned in full to the respective sub-fund(s) after deduction of costs and direct and indirect operational charges. The costs and charges paid to the Management Company and/or its delegates amount to a maximum of 40% of this income.
During the course of this activity, the Management Company and/or its delegates are responsible for concluding securities lending operations and the resulting administrative follow-up, the supervision of risks, legal and fiscal monitoring as well as the hedging of the operational risks stemming from this activity.

The annual report contains detailed information on the income from securities lending activities and on the operational costs and charges engendered. It also specifies the identity of the entities to which these costs and charges are paid and specifies if they are related to the Management Company and/or the depositary.

vi. Remuneration policy for reverse repurchase agreements

Income from reverse repurchase agreements is paid in full to the sub-fund.

vii. Remuneration policy for repurchase agreements

This activity does not generate income.

6.4.5 Periodic investor information

Further information on the conditions of application of these efficient portfolio management techniques is contained in the annual and semi-annual reports.

7. Investment restrictions

7.1 a) A sub-fund may invest no more than 10% of its assets in transferable securities or money market instruments issued by the same entity.

A sub-fund may invest no more than 20% of its assets in deposits made with a single entity.

The counterparty risk of a sub-fund in an OTC derivatives transaction may not exceed 10% of its assets when the counterparty is one of the credit institutions referred to in point 6.1. f) above or 5% of its assets in other cases.

Counterparties to these transactions are approved 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 considered to be of equivalent quality by the Management Company. These counterparties are entities which are subject to prudential supervision and belong 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 country.

The SICAV may have cause to be party to agreements, under the terms of which financial collateral may be granted under the conditions set out in point 7.10 below.

Additional information on these derivative financial instruments, notably the identity of the one or more counterparties to the transactions, along with the type and the amount of financial collateral received by the SICAV, are shown in the annual report of the SICAV.

b) The total value of the transferable securities and money market instruments held by the sub-fund in the issuing bodies in which it invests more than 5% of its assets must not exceed 40% of the value of its assets. This limit does not apply to deposits with financial institutions subject to prudential supervision or to over-the-counter derivative transactions with such institutions.

Notwithstanding the individual limits established in point 1a) above, a sub-fund may not combine, if this would result in its investing more than 20% of its assets in any one entity, more than one of the following items:

- investments in transferable securities or money market instruments issued by this entity,
- deposits with this entity, or
- exposures arising from OTC derivative transactions entered into with this entity.

c) The 10% limit specified in point 1a) above may be raised to a maximum of 35% if the transferable securities and money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State of the EU or by public international bodies to which one or more Member States belong.

d) The 10% limit specified in point 1a) above may be raised to a maximum of 25% in the case of certain bonds when these are issued by a bank which has its registered office in a Member State and which is subject by law to special supervision by the public authorities designed to protect bond-holders. In particular, the sums arising from the issue of these bonds must be invested, according to the legislation, in assets which, throughout the period of validity of the bonds, cover the debts arising from the bonds and which, in the event of the issuer's bankruptcy, would be used for the repayment of the capital and the payment of accrued interest.
If a sub-fund invests more than 5% of its assets in the bonds referred to in the first paragraph and issued by a single issuer, the total value of these investments may not exceed 80% of the asset value of this sub-fund.

e) The transferable securities and money market instruments referred to in points 1c) and d) above will not be taken into account for the purpose of applying the limit of 40% referred to in point 1b) above.

The limits provided for in points 1a), b), c) and d) may not be combined, and consequently investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with points 1a), b), c) and d) may not exceed a total of 35% of the assets of the sub-fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single entity for the purpose of calculating the limits set down in this point 1).

A sub-fund may cumulatively invest up to 20% of its assets in transferable securities and money market instruments within the same group.

7.2 **Notwithstanding the restrictions specified in point 1 above, each sub-fund is authorised to invest, according to the principle of risk diversification, up to 100% of its assets in different issues of transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities, by a Member State of the OECD or by public international bodies to which one or more Member States of the EU belong. If a sub-fund exercises this latter option, it must hold transferable securities belonging to at least six different issues but securities belonging to the same issue may not exceed 30% of the total amount of the net assets.**

7.3 Notwithstanding the restrictions specified in point 7.1 above, sub-funds whose investment policy is to replicate an equity or bond index (hereinafter the "benchmark index"), may raise the limits to a maximum of 20% for investments in equities and/or bonds issued by the same body, provided that:

- the composition of the index is sufficiently diversified,
- the index adequately represents the market to which it refers,
- the index is published in an appropriate manner.

The 20% limit referred to above is raised to 35% if this proves to be justified by exceptional conditions on the markets, notably on regulated markets where certain transferable securities or certain money market instruments are highly dominant. Investing up to this limit is only authorised for a single issuer.

7.4

(1) A sub-fund may acquire units in the UCITS and/or UCIs stated in points 6.1. a), provided it does not invest more than 20% of its assets in a single UCITS or other UCI.
For the purpose of applying this investment limit, each sub-fund of an umbrella UCI is regarded as a separate issuer, provided the principle of the segregation of the liabilities of the various sub-funds with regard to third parties is ensured.

(2) Investments in units of UCIs other than UCITS may not exceed in total 30% of the assets of a UCITS.
Where a UCITS has acquired units of a UCITS and/or other UCIs, the assets of those UCITS or other UCIs are not combined for the purposes of calculating the limits set down in point 1 above.

(3) If a sub-fund invests in the units of other UCITS and/or other UCIs which are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is associated as part of a co-management or co-control agreement or by means of a significant direct or indirect shareholding, the Management Company or the other company may not charge subscription or redemption fees for the sub-fund's investment in the units of other UCITS and/or other UCIs.

7.5

a) The SICAV may not acquire shares with voting rights that enable it to exercise a significant influence over the management of an issuer.

b) The SICAV may not acquire more than:
- 10% of the non-voting shares issued by a single issuer,
- 10% of the debt securities of a single issuer,
- 10% of the money market instruments of a single issuer,
- 25% of the units in a single UCITS or other UCI.

The limits set down in the second, third and fourth indents of point 7.5 b) above may be disregarded at the time of purchase if, at that time, the gross amount of the bonds or money market instruments, or the net amount of the securities in issue, cannot be calculated.

c) The limits set down in points 7.5. a) and b) above do not apply to:

- transferable securities and money market instruments issued or guaranteed by a Member State or by its local authorities,

- transferable securities and money market instruments issued or guaranteed by a non-Member State of the EU,

- transferable securities and money market instruments issued by public international bodies to which one or more Member States belong.

7.6

a) The SICAV may not borrow. However, a sub-fund may acquire currencies through back-to-back loans.

b)

- By way of derogation from point a), the sub-funds may borrow provided the loans are temporary and represent a maximum of 10% of their assets,

- The SICAV may borrow provided the loans permit the acquisition of the immovable property essential to the direct exercise of its activities, and represent a maximum of 10% of its assets.

When the SICAV is authorised to borrow under the terms of point b) above, these loans will not exceed a total of 15% of its assets.

7.7

a) A sub-fund may not grant loans or stand as guarantor in respect of third parties.

b) Point a) will not prevent the sub-funds from acquiring the transferable securities, money market instruments or other financial instruments referred to in points 6.1. a), g) and h), that are not fully paid-up,

7.8 A sub-fund may not short-sell transferable securities and money market instruments or other financial instruments referred to in articles 6.1 a), g) and h).

7.9

a) The sub-funds need not necessarily follow the limits stated in this article when exercising the subscription rights relating to the transferable securities or money market instruments forming part of their assets.
Whilst ensuring that the principle of risk diversification is followed, newly approved sub-funds may deviate from the provisions of points 1, 2, 3 and 4 of this article 7 for a period of six months from their approval date.

b) If the limits referred to in paragraph a) are exceeded unintentionally by the sub-fund or as a result of the exercise of the subscription rights, the primary objective of the latter in its selling transactions will be to regularise this situation in the interests of the shareholders.

c) In the month preceding a closure, cancellation, liquidation or demerger transaction, and in the thirty days preceding a sub-fund merger, the investment policy of the sub-funds affected by these operations may be deviated from, as indicated in the Fact Sheets.

7.10 Management of financial collateral for OTC derivative products and efficient portfolio management techniques.

a) <u>General criteria</u>

All collateral to reduce exposure to counterparty risk must at all times satisfy the following criteria:

- Liquidity: any collateral received in a form other than cash must have a strong level of liquidity and be traded on a regulated market or within the framework of a multilateral trading system making use of transparent price setting methods such that it can be quickly sold at a price close to the valuation prior to the sale.

- Valuation: the collateral received must be valued on a daily basis and assets with highly volatile prices will only be accepted as collateral if sufficiently prudent safety margins are in place.

- Credit quality of issuers: the financial collateral received must be of excellent quality.

- Correlation: the financial collateral received must be issued by an entity which is independent of the counterparty and does not have a strong correlation with the counterparty's performance.

- Diversification: the financial collateral must be sufficiently diversified in terms of the countries, markets and issuers (for the net assets). As regards issuer diversity, the maximum exposure to an issuer through the collateral received must not exceed 20% of the net assets of the respective sub-fund. However, this limit is raised to 100% for securities issued or guaranteed by a member state of the European Economic Area ("EEA"), by its local authorities, by a Member State of the OECD or by public international bodies to which one or more member states of the EEA belong. These issuers must be highly rated (in other words rated at least BBB-/Baa3 by a recognised rating agency or regarded as such by the Management Company). If the sub-fund exercises this latter option, it must hold securities belonging to at least six different issues, with securities belonging to the same issue not exceeding 30% of the total amount of the net assets.

The management risks connected with collateral, such as operational and legal risks, must be identified, managed and restricted by the risk management process.

The collateral received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

b) Types of authorised collateral

The permitted types of financial collateral are as follows:

- cash denominated in a currency of one of the OECD's member states,

- highly rated debt securities (rated at least **BBB-/Baa3 or equivalent** by one of the rating agencies) issued by public sector issuers from an OECD country (governments, supranational bodies, etc.) and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 30 years,

- highly rated debt securities (rated at least **BBB-/Baa3 or equivalent** by one of the rating agencies) issued by private sector issuers from an OECD country and of a minimum issue size of EUR 250 million, and a maximum residual maturity of 15 years,

- equities listed or traded on a regulated market of a member state of the European Union or on a stock exchange of a state which is a member of the OECD provided the equities are included in a significant index,

- shares or units in undertakings for collective investment offering adequate liquidity and investing in money market instruments, highly rated bonds or shares that meet the conditions stated above.

The risk management department of the Management Company may impose stricter criteria in terms of the collateral received and thereby exclude certain types of instruments, certain countries, certain issuers or certain securities.

In the event of materialisation of the counterparty risk, the SICAV could end up owning the financial collateral received. If the SICAV is able to dispose of such collateral at a value corresponding to the value of the loan/assets transferred, it would not bear negative financial consequences. Otherwise (if the value of assets received as collateral fell below the value of the assets loaned/transferred before they could be sold), it might incur a loss equal to the difference between the value of the assets loaned/transferred and the value of the collateral once it is liquidated.

c) Level of financial collateral

The Management Company has put in place a policy which requires a level of financial collateral based respectively on the type of transactions as follows:

- securities lending transactions: 100 % of the value of the assets loaned,

- repurchase agreements and reverse repurchase agreements: 100% of the value of the assets transferred,

- over-the-counter derivative financial instruments: Certain sub-funds may hedge transactions by making margin calls in cash in the currency of the sub-fund subject to the restrictions stated in point 7.1 of this Prospectus as regards the counterparty risk.

d) <u>Discounting policy</u>

The Management Company has put in place a discounting policy suited to each category of assets received as financial collateral.

For each of the categories of assets shown below, the Management Company may apply the following discounts and reserves the right to apply additional discounts depending on market conditions:

Asset category	Discount
Cash	0%
Debt securities issued by public sector issuer	0-4%
Debt securities issued by private sector issuer	2-5%
Equities, UCI units/shares	2-8%

e) <u>Restrictions on reinvestment of financial collateral received</u>

Non-cash financial collateral may not be sold or reinvested or pledged.

Collateral received in cash can only be placed with counterparties meeting the above eligibility criteria, invested in highly rated government loans, used for the purpose of reverse repurchase transactions that can be recalled at any time or invested in short-term monetary funds, in accordance with the applicable diversification criteria.

Although invested in assets with a low degree of risk, the investments may, nevertheless, contain some limited financial risk.

f) <u>Safekeeping of collateral</u>

In the event of transfer of ownership, the collateral received will be held by the Depositary or a sub-custodian. In other types of collateral agreement, the collateral is held by an external depositary subject to prudential supervision which is not connected to the supplier of the financial collateral.
The collateral received may be fully mobilised at any time without reference thereto to the counterparty or the need to obtain its agreement.

g) Financial collateral in favour of the counterparty

Certain derivative financial instruments may initially require collateral to be lodged in favour of the counterparty (cash and/or securities).

h) Periodic investor information

Further information on the use of these efficient portfolio management techniques is contained in the annual and semi-annual reports.

7 11 Valuation

a) Reverse repurchase and repurchase agreements

Reverse repurchase and repurchase agreements are valued at cost plus interest. For contracts exceeding three months, the credit spread of the counterparty may be revalued.
b) Securities lending

Securities lending operations are not recorded individually in the net asset value – the income generated is recorded monthly. Loaned securities remain valued in the net asset value according to the valuation rules defined elsewhere.

c) Collateral

Collateral received is valued daily by the Management Company and/or the collateral agent. This valuation follows the valuation principles defined in the Prospectus, applying the discounts applicable to the instrument type.

Collateral provided is valued daily by the Management Company and/or the collateral agent.

8. Risk factors

The SICAV's sub-funds may be exposed to various risks depending on their investment policy. The principal risks to which the sub-funds may be exposed are shown below. Each fact sheet states the non-marginal risks to which the respective sub-fund may be exposed.
The net asset value of a sub-fund may rise or fall and shareholders may not receive back the amount invested or obtain any return on their investment.
The risk description below makes no claim, however, to be exhaustive and potential investors should take note firstly of the whole of this Prospectus and secondly of the section entitled "Risk and return profile" in the key investor information documents.
It is also recommended that investors consult their professional advisers before investing.

Risk of capital loss: there is no guarantee for investors relating to the capital invested in the sub-fund in question, and investors may not receive back the full amount invested.

Interest rate risk: a change in interest rates, resulting notably from inflation, may cause a risk of losses and reduce the net asset value of the sub-fund (particularly in the event of a rate increase if the sub-fund has a positive rate sensitivity and in the event of a rate decline if the sub-fund has a

negative rate sensitivity). Long term bonds (and related derivatives) are more sensitive to interest rate variations.
A change in inflation, in other words a general rise or fall in the cost of living, is one of the factors potentially affecting interest rates and consequently the NAV.

Volatility risk: a sub-fund may be exposed (taking directional positions or using arbitrage strategies for example) to market volatility risk and could therefore, based on its exposure, suffer losses in the event of changes in the volatility level of these markets.

Credit risk: Risk that an issuer or a counterparty will default. This risk includes the risk of changes in credit spreads and default risk.
Some sub-funds may be exposed to the credit market and/or specific issuers in particular whose prices will change based on the expectations of the market as regards their ability to repay their debt. These sub-funds may also be exposed to the risk that a selected issuer will default, i.e. will be unable to honour its debt repayment, in the form of coupons and/or principal. Depending on whether the sub-fund is positively or negatively positioned on the credit market and/or some issuers in particular, an upward or downward movement respectively of the credit spreads, or a default, may negatively impact the net asset value. When evaluating the credit risk of a financial instrument, the Management Company will never rely solely on external ratings.
This risk might be bigger in certain sub-funds that make use of high-yield debt, issuers of which are considered at risk.

Risk associated with derivative financial instruments: financial derivatives are instruments whose value depends on (or is derived from) one or more underlying financial assets (equities, interest rates, bonds, currencies, etc.). The use of derivatives therefore involves the risk associated with the underlying instruments. They may be used for purposes of exposure or hedging against the underlying assets. Depending on the strategies employed, the use of derivative financial instruments can also entail leverage risks (amplifying downward market movements). In a hedging strategy, the derivative financial instruments may, under certain market conditions, not be perfectly correlated to the assets to be hedged. With options, an unfavourable fluctuation in the price of the underlying assets could cause the sub-fund to lose all of the premiums paid. OTC financial derivatives also entail a counterparty risk (though this may be attenuated by the assets received as collateral) and may involve a valuation risk or a liquidity risk (difficulty selling or closing open positions).

Foreign exchange risk: foreign exchange risk derives from the sub-fund’s direct investments and its investments in forward financial instruments, resulting in exposure to a currency other than its valuation currency. Changes in the exchange rate of this currency in relation to that of the sub-fund may negatively affect the value of assets in the portfolio.

Counterparty risk: the sub-funds may use OTC derivative products and/or efficient portfolio management techniques. These transactions may cause a counterparty risk, i.e. losses incurred in connection with commitments contracted with a defaulting counterparty.

Emerging countries risk: market movements can be stronger and faster on these markets than on the developed markets, which could cause the net asset value to fall significantly in the event of adverse movements in relation to the positions taken. Volatility may be caused by a global market risk or may be triggered by the vicissitudes of a single security. Sectoral concentration risks may also be prevalent on some emerging markets. These risks may also heighten the volatility. Emerging countries may experience serious political, social, legal and fiscal uncertainties or other events that could have a negative impact on the sub-funds investing in them. In addition, local depositary and sub-custodial services remain underdeveloped in non-OECD countries and emerging countries, and transactions carried out in these markets are subject to transaction risk and custody risk. In some cases, the SICAV may be unable to recover all or part of its assets or may be exposed to delays in delivery when recovering its assets.

Risk associated with external factors: uncertainty about the sustainability of some external environmental factors (such as tax regime or regulatory changes) that may have an impact on operation of the sub-fund. The fund may be subject to a number of legal and regulatory risks, in particular contradictory, incomplete, ambiguous and unpredictable interpretations or applications of laws, restricted public access to the regulations, practices and customs, ignorance or violations of laws by counterparties or other market participants, incomplete or incorrect transaction documents, the absence of amendments established or applied consistently in order to obtain redress, inadequate protection of investors or a failure to apply existing laws. Difficulties in asserting, protecting and enforcing rights may have a significant negative effect on the fund and its transactions. In particular, tax rules may be changed regularly or interpreted differently, increasing the amount of tax payable by the investor or the fund on its assets, income, capital gains, financial transactions or charges paid or received by service providers.

Settlement risk: the risk that settlement with a payment system does not take place as planned, because the payment or delivery by a counterparty does not occur or is not made in accordance with the initial conditions. This risk exists to the extent that some funds invest in regions where financial markets are not well developed. In regions where the financial markets are well developed, this risk is low.

Leverage risk: compared with other types of investment, some sub-funds may operate with a high level of leverage. Use of leverage can entail high volatility and the sub-fund may suffer higher losses depending on the leverage level.

Liquidity risk: liquidity risk is defined as that of a position in the sub-fund's portfolio that cannot be sold, liquidated or closed at a limited cost and within a sufficiently short time, thus jeopardising the sub-fund's ability to comply at any time with its obligations to redeem the shares of investors at their request. On certain markets (in particular emerging and high-yield bonds, equities with low market capitalisation, etc.), the quotation spreads may widen under less favourable market conditions, which could impact on the net asset value when assets are purchased or sold. Furthermore, in the event of a crisis on these markets, the securities could also become difficult to trade.

Delivery risk: the sub-fund may want to liquidate assets which at that time are subject to a transaction with a counterparty. In this case, the sub-fund would recall these assets from the counterparty. Delivery risk is the risk that the counterparty, although contractually obliged, may not be able in operational terms to return the assets quickly enough to allow the sub-fund to honour the sale of these instruments on the market.

Equity risk: some sub-funds may be exposed to equity market risk through direct investment (through transferable securities and/or derivative products). These investments, which generate long or short exposure, may entail a risk of substantial losses. A variation in the equity market in the reverse direction to the positions can lead to the risk of losses and may cause the net asset value of the sub-fund to fall.

Arbitrage risk: arbitrage is a technique which consists in benefiting from the differences in prices recorded (or anticipated) between markets and/or sectors and/or securities and/or currencies and/or instruments. If such arbitrage transactions perform unfavourably (a rise in short transactions and/or fall in long transactions), the sub-fund's net asset value may fall.

Concentration risk: risk related to a significant concentration of investments in a specific asset class or certain markets. This means that changes in these assets or these markets have a significant impact on the sub-fund's portfolio value. The greater the diversification of the sub-fund's portfolio, the smaller the concentration risk. This risk is also greater for instance on more specific markets (certain regions, sectors or themes) than on broadly diversified markets (worldwide distribution).

Model risk: the management process of some sub-funds relies on establishing a model which is used to identify signals based on past statistical results. There is a risk that the model is inefficient and that the strategies used will produce a poor performance. There is no guarantee that past market situations will be reproduced in the future.

Commodities risk: Trends for commodities may differ significantly from those of traditional securities markets (equities, bonds). Climatic and geo-political factors can also affect the supply and demand levels of the respective underlying product, in other words altering the expected scarcity of the product on the market. Commodities such as energy, metals and agricultural products, however, could have trends which are more closely correlated with each other. Unfavourable trends on these markets may cause the net asset value of a sub-fund to fall.

Risk of conflicts of interest: selection of a counterparty based on reasons other than the sole interest of the SICAV and/or unequal treatment in the management of similar portfolios could be the main sources of conflicts of interest.

Risk associated with investing in Contingent Convertible Bonds ("CoCos"):
CoCos – or subordinated contingent capital securities – are instruments issued by banking institutions to increase their equity capital buffers in order to comply with new banking regulations which require them to increase their capital margins.

- **Trigger threshold risk:** these debt securities are automatically converted into shares or written down (loss of interest and/or capital) when predefined trigger thresholds are reached, as, for example, in the case of non-compliance with the minimum level of capital required for the issuer.

- **Capital structure inversion risk**: contrary to the classic capital hierarchy, investments in CoCos may be exposed to the risk of loss of capital even though shareholders are not.

- **Discretionary coupon cancellation**: coupon payments are entirely discretionary and may be cancelled at the issuer’s discretion at any time.

- **Risk associated with the innovative structure of CoCos:** given the lack of past experience with these instruments, it is uncertain how they will perform under certain market conditions (for example, a general problem with the asset class).

- **Deferred redemption risk**: While CoCos are perpetual instruments, they may, however, be redeemed on a determined date ("date of call") and at a predetermined level with the approval of the competent authority. There is, however, no guarantee that CoCos will be repaid on the scheduled date or that they will ever be repaid. Consequently, the sub-fund may never recover its investment.

- Investments are often made in these types of instruments because of their attractive return, owing to the complexity involved, which only a well-informed investor may be in a position to understand.

Custody risk: the risk of loss of assets held by a depositary as a result of insolvency, negligence or fraudulent action by the Depositary or a sub-custodian. This risk is mitigated by the regulatory requirements governing depositary services.

Legal risk: the risk of litigation of all kinds with a counterparty or a third party. The Management Company aims to reduce these risks by putting in place controls and procedures.

Operational risk: the operational risk is the risk of direct or indirect losses associated with a number of factors (such as human error, fraud and malice, IT system failures and external events, etc.) which may have an impact upon the sub-fund and/or the investors. The Management Company aims to reduce these risks by putting in place controls and procedures.

ESG investment risk: To an extent, the application of ESG and sustainability criteria to the investment process is subjective, and nothing guarantees that all the investment decisions taken at a given time by the sub-fund while applying such criteria will objectively match the convictions or values or a particular investor. Furthermore, an investment process of this kind may exclude the securities of certain issuers for reasons other than investment criteria, and consequently, some market opportunities offered to funds will not be available to the sub-fund as they do not apply ESG or sustainability criteria. The sub-fund's performance can sometimes be better or worse than the performance of similar funds which do not apply ESG or sustainability criteria. The selection of assets may rely in part on an exclusive ESG rating process, or
may exclude lists partly using data from third parties. The absence of European-level common or harmonised definitions and labels incorporating ESG and sustainability criteria may give rise to different approaches among the asset managers to fix the ESG objectives and to determine whether these objectives have been achieved by the funds they manage. This also means that it may be difficult to compare strategies incorporating ESG and sustainability criteria insofar as the selection of investments – and the weightings applied – may to an extent
be subjective or based on parameters which, although they have the same name, have different underlying meanings. Investors should note that the subjective value they might or might not attribute to certain types of ESG criteria may differ considerably from the methodology applied by the portfolio manager.

Hedging risk of the share classes: In some sub-funds, the SICAV may provide two types of hedging aimed at reducing foreign exchange risk: hedging against fluctuations in the reference currency and hedging against the foreign exchange exposure of the assets forming the portfolio. These techniques involve different types of risk.
Investors must be aware that the hedging of foreign exchange cannot be a total and permanent process and may not therefore fully neutralise the foreign exchange risk and so there may be differences in performance. Any gains or losses that may arise from the hedging process are borne separately by the holders of these classes.

Risk of changes to the benchmark index by the index provider: Shareholders should note that the benchmark index provider has full discretion to determine and therefore alter the characteristics of the relevant benchmark index for which it acts as sponsor. Under the terms of the licence contract, an index provider may not be required to give licence holders using the relevant benchmark index (including the SICAV) sufficient notice of changes to the benchmark index. As a consequence, the SICAV will not necessarily be in a position to inform shareholders of the relevant sub-funds in advance of the changes made by the relevant index provider to the characteristics of the relevant benchmark index.

Risk associated with Chinese debt (via Bond Connect)

Bond Connect is a trading system allowing overseas investors to invest directly in the Mainland China interbank bond market, based on a link between the Central Moneymarkets Unit (CMU) the Hong Kong Monetary Authority (HKMA) the relevant central depositaries in Mainland China.

Apart from emerging countries risk described above, investing on the Chinese debt market through the Bond Connect programme may also be subject to the following specific risks:

- Risks associated with low liquidity and high volatility:

Chinese bonds are accessible only to certain investors who use a special market access system called Bond Connect between the stock exchanges of Hong Kong and Mainland China. As these entry conditions restrict the volumes traded, and therefore the liquidity of certain bonds, they can accentuate the fluctuations (both upwards and downwards) and could be the subject of ill-defined regulatory changes. Restrictions on the repatriation of financial flows abroad cannot be excluded, for instance. In addition, when the Chinese bonds are sold, the sub-fund may be exposed to high implementation and transaction costs or even, to some extent, suffer losses.

- Risks associated with the custody of Chinese bonds:

The custody of Chinese bonds is based on a three-level structure. Eligible overseas investors are not required to open onshore settlement accounts and may deal with their international depositary, provided it is approved by the Hong Kong Monetary Authority (HKMA). As such, the (sub-)depositary keeps the securities with the Central Moneymarkets Unit (CMU), which holds a nominee account with China Central Depository Clearing Co. Ltd (CCDC).

As nominee, the CMU is not obliged to take any legal action or court proceedings in order to exercise the rights of the sub-fund concerned. In addition, the CMU is not the economic beneficiary of the debt securities, thereby giving rise to the risk that the concept of economic beneficiary in Mainland China is not recognised and defended whenever circumstances require it to be. In the highly unlikely event of a default of CCDC in which CCDC is declared the defaulting party, the liability of the CMU will be limited to helping the stakeholders in the compensation bring a complaint against CCDC. The CMU will endeavour in good faith to recover the bonds and amounts due from CCDC by having recourse to all available legal remedies or through the liquidation of CCDC. In this case, the sub-fund concerned could suffer from a delay in the recovery process or would be liable not to recover all of its losses from CCDC.

- Risks associated with trading and custody arrangements:

The Bond Connect programme does not meet all the standard criteria applicable to developed markets as regards the trading, clearing and custody of securities. It is subject to regulatory and operational evolutions, such as by way of non-restricting example, restrictions of volumes or changes in the conditions of investor eligibility and/or of the securities that are traded there. The trading days are also subject to the opening of several markets (China and Hong-Kong). These factors could act as a brake on investing and especially disinvesting quickly on this market segment. Meanwhile the sub-fund could see the value of its securities change unfavourably.

Besides, the valuation of some securities could be temporarily uncertain (particularly in the case of suspension of trading) and the Board of Directors could then be obliged to value the securities concerned on the basis of the information in its possession.

- Foreign exchange risk associated with the renminbi:

The renminbi, also known internationally as the Chinese yuan (RMB, CNY or CNH) is the local quotation currency of Chinese bonds in Bond Connect. It is exchanged inside and outside China at different exchange rates and has a high risk. Evolution of the exchange policy conducted by China and particularly the convertibility between local and international versions are very uncertain. Risks of a sudden short-term or long-term devaluation as well as substantial temporary quotation differentials cannot be excluded.

- Tax uncertainties:

The regulations and taxation applicable to Chinese bonds prove to be uncertain and regularly undergo changes that could lead to a taxation of capital gains, including retroactive. The Management Company may then decide to make a tax charge provision, which could later lead to a surplus or, in spite of all, prove insufficient. Performance of a sub-fund that invests directly or indirectly in Chinese bonds may be affected, including negatively, by the actual levy and, where applicable, the provision made.

- Regulatory risk:

The Bond Connect platform is in a process of development. Certain regulations in force have therefore not been tested and may be changed. As a result, the sub-fund might be affected by them.

- In general terms, Chinese bond investments via the Bond Connect trading platform may be subject to other risks associated with the People's Republic of China (PRC) including but not limited to the risk of changes to the social or economic policy of the PRC, the risks associated with taxation in the PRC, the risks associated with suspension of trading, quota limits, geographical risk, concentration risk and operational risk.

Investors can find additional information on the following website:
http://www.chinabondconnect.com/en/index.htm

Risks arising from distressed debts
A distressed debt is a debt issued by a company in bankruptcy or on the verge of bankruptcy, an implies a high level of risk.

An investment in debt of this kind implies an amplification of credit risk and liquidity risk (as defined above) and other risks such as:

- Trading restrictions (for legal reasons or reasons relating to the market or the company)

- Valuation risk (caused in particular by greater uncertainty and low liquidity)

- Restructuring risk (in particular unsuccessful reorganisation, receipt of ineligible assets or assets which are not safe-kept by the Depositary).

9. Risk management

The Management Company has put in place a system of risk management procedures in order to measure the risk of the positions and their contribution to the overall risk of the portfolio.

The method of determining the overall risk is established on the basis of the investment policy and strategy of each sub-fund (and notably on the basis of the use of derivative financial instruments).

One of two methods is used to monitor the overall risk: the commitment method or the value at risk method. The method used is stated in the Fact Sheet for each sub-fund.

A) Commitment method

This method consists in converting the derivative financial instruments into equivalent positions in the underlying assets (where applicable, based on their respective sensitivity). This conversion may, if necessary, be replaced by the notional value.

A derivative financial instrument will not be included in the calculation of the overall risk in the following situations:

- if the simultaneous holding of this instrument linked to a financial asset and cash invested in risk-free assets is equivalent to the direct holding of the financial asset in question,
- if this financial instrument exchanges the performance of the financial assets held in the portfolio for the performance of other benchmark financial assets (at no additional risk relative to the direct holding of the benchmark financial assets).

The sub-fund may offset long and short positions in derivative financial instruments concerning identical underlying assets, regardless of the maturity of the contracts. Furthermore, offsetting is also permitted between derivative instruments and directly held assets, provided the two positions concern the same asset or assets whose historic yields are closely correlated. Offsetting may be in terms of market value or in terms of risk indicator.

The overall risk assumed by the sub-funds of the SICAV may not exceed 210% of the net asset value.

B) Value at risk (VaR) method

A VaR model is used to quantify the maximum potential loss that could be incurred by the sub-fund's portfolio under normal market conditions. This loss is estimated for a given period of time (holding period of 1 month) and a given confidence level (99%).

The value at risk may be calculated as an absolute or a relative value:

- Relative VaR limit

The overall risk arising from all the portfolio positions calculated through the VaR may not exceed twice the VaR of a benchmark portfolio with the same market value as the sub-fund. This management limit applies to all sub-funds for which a benchmark portfolio may be adequately defined. For the sub-funds in question, the benchmark portfolio is mentioned in the Fact Sheets.

- Absolute VaR limit

The overall risk of all the portfolio positions calculated through the VaR may not exceed an absolute VaR of 20%. This VaR must be calculated on the basis of an analysis of the investment portfolio.

If the overall risk is calculated via the VaR method, the expected level of leverage as well as the possibility of a higher level of leverage is referred to in the Fact Sheet for the sub-fund in question.

10. Shares

From the time of their issue, the shares of the SICAV participate equally in the profits and any dividends of the SICAV and the proceeds of its liquidation. Shares do not carry any preferential or pre-emptive rights and each whole share, regardless of its net asset value, carries the right to one vote at any general meeting of shareholders. Shares must be fully paid-up and are issued at no par value.

There is no restriction as to the number of shares issued. In the event of liquidation, each share carries the right to a pro rata amount of the net liquidation proceeds.

The SICAV offers different share classes per sub-fund. Details of these are mentioned in the Fact Sheets. Shares are only available in registered form.

Shareholders will not receive any certificate representing the shares unless expressly requested by them. The SICAV will instead simply issue a written confirmation of entry in the register.
Fractions of shares divided into thousandths may be issued.

11. Listing of shares

The shares may be listed on the Luxembourg Stock Exchange at the discretion of the Board of Directors.

12. Issue of shares and subscription and payment procedures

The Board of Directors is authorised to issue an unlimited number of shares at any time. The shares must be fully paid-up.

Current subscription

The shares are issued at a price corresponding to the net asset value per share of the corresponding class. This price may be increased by a subscription fee payable to the selling agents, or as otherwise indicated in the Fact Sheets of the sub-funds.

The Board of Directors of the SICAV reserves the right to apply different arrangements for certain countries in order to comply with the laws, regulations and administrative provisions of those countries and provided the investment documents in relation to those countries make due mention of these requirements.

Procedure

The NAV Date, Valuation Date and cut-off time for subscription orders are set out in the Fact Sheets.

Any reference to the VNI Date must be interpreted as any Bank Business Day on which the net asset value is dated, an as specified in the Fact Sheets. The Management Company may consider certain days not to be NAV Dates if the banks, stock exchanges and/or regulated markets involved (namely the markets in which the sub-fund is mainly invested), as determined by the Management Company for each sub-fund, are closed for trading and/or settlement. A list of the days considered not to be NAV Dates for the different sub-funds is available on the web site www.candriam.com.

The SICAV may, however, at the discretion of the Board of Directors, grant exceptions on request to individual distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

Applications must specify the sub-fund and the number of shares applied for, specifying either capitalisation shares or distribution shares, and must include a statement declaring that the buyer has received and read a copy of the Prospectus and that the subscription application is made on the basis of the terms of this Prospectus. The application must specify the name and address of the person in whose name the shares are to be registered and the address to which confirmations of entry in the register of shareholders are to be sent.

As soon as the price at which the shares are to be issued has been calculated, the Transfer Agent will notify the issue agent who, in turn, will inform the buyer about the total amount to be paid, including the issue fee, in respect of the number of shares applied for.
Full payment, including any issue fee, must be received within the period specified in the Fact Sheets.

The total amount due must be paid in the currency of the class or in any other currency following the decision of the Board of Directors.
The payment must be made by transfer to the Transfer Agent for the account of the SICAV. Purchasers must give their bank instructions to advise the Transfer Agent that payment has been made, specifying the name of the buyer for identification purposes.

If the payment and the written subscription application have not been received by this date, the application may be rejected and any allocation of shares made on the basis of such application may be cancelled. If payment in connection with a subscription application is received after the period specified, the Transfer Agent may process this request on the basis that the number of shares that can be subscribed by means of such amount (including the applicable issue fee) will be the number resulting from the next calculation of the net asset value following receipt of payment.

If an application is rejected in full or in part, the price paid or the remaining balance will be returned to the applicant by post or by bank transfer, at the latter’s risk.

General provisions

The SICAV reserves the right to reject any subscription applications or to only accept such applications in part. Furthermore, and in accordance with the articles of incorporation, the Board of Directors reserves the right to suspend the issue and sale of the SICAV's shares at any time and without notice.

The SICAV, the Management Company, assisted by the Transfer Agent, and the selling agents shall at all times comply with Luxembourg legislation relating to the combating of money-laundering and financing of terrorism and the prevention of the use of the financial sector for the purpose of money-laundering and financing of terrorism.

The Transfer Agent will comply with Luxembourg laws when it receives subscription applications. Therefore when any shareholders or future shareholders submit an application, they must prove their identity by means of a copy of their identification papers (passport or identity card) certified true by the competent authorities of their country, such as an embassy, consulate, notary or the police. If the application is made by a legal entity, it must provide a copy of its articles of incorporation and the names and identities of its shareholders or directors. However, where the application is made by a bank or financial institution subject to obligations equivalent to those set down in the amended Law of 12 November 2004 or Directive (EU) 2015/849, the identity of these shareholders will not be verified. If there are any doubts as to the identity of a person making a subscription or redemption application due to a lack, irregularity or insufficiency of proof regarding that person's identity, it is the responsibility of the Transfer Agent to suspend or even reject the subscription application for the reasons set out above. In such circumstances, the Transfer Agent will not be liable for any charges or interest.

No shares will be issued by the SICAV during any period in which the calculation of the net asset value per share is suspended by the SICAV in accordance with the powers granted to it in its articles of incorporation and described in the Prospectus. Notice of any suspension of this type will be given to persons who have submitted a subscription application and any applications made or pending during such suspension may be withdrawn by written notification provided it is received by the Transfer Agent before the suspension is lifted. Unless they have been withdrawn, applications will be processed on the first Valuation Date following the end of the suspension.

13. Conversion of shares

Shareholders may apply for the conversion of all or some of their shares into shares in another class or another sub-fund, provided they meet the necessary criteria, by advising the Transfer Agent in writing, by telex or fax.

The NAV Date (as defined in the section entitled *Issue of shares and subscription and payment procedures*), Valuation Date and cut-off time for conversion orders are set out in the Fact Sheets.
The SICAV may, however, at the discretion of the Board of Directors, grant exceptions on request to individual distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.

Except where the calculation of the net asset value is suspended, the conversion will be carried out on the Valuation Date following the receipt of the application, at a rate calculated by reference to the price of the shares of the respective sub-funds established on that same date.
The rate at which all or some of the shares in a sub-fund or class (the "original sub-fund or class") are converted into shares in another sub-fund or class (the "new sub-fund or the new class") is determined, as closely as possible, on the basis of the following formula:

$$A = \frac{B \times C \times E}{D}$$

A =the number of shares of the new sub-fund (or class),

B =the number of shares of the original sub-fund (or class),

C =the net asset value per share of the original sub-fund (or class) used on the date in question,

D =the net asset value per share of the new sub-fund (or class) used on the date in question and

E =the average exchange rate on the date in question between the currency of the sub-fund to be converted and the currency of the sub-fund to be allocated.

After conversion, shareholders will be informed by the Transfer Agent of the number of shares that they have obtained in the new sub-fund (or new class) as a result of conversion and their respective price.

14. Redemption of shares

Shareholders are entitled at any time and without restriction to request that their shares be redeemed by the SICAV. The shares redeemed by the SICAV will be cancelled.

Redemption procedure

Shareholders wishing to have all or part of their shares redeemed may apply for the redemption by writing to the Transfer Agent, The request must be irrevocable (with the exception of what is stated further below in the case of the temporary suspension of redemptions) and must state the number, sub-fund and class of shares to be redeemed, and in the case of registered shares, the name under which they are registered. The application must be accompanied by the name under which the shares are registered and any documents certifying the transfer.

The NAV Date (as defined in the section entitled *Issue of shares and subscription and payment procedures*), Valuation Date and cut-off time for redemption orders are set out in the Fact Sheets.

The SICAV may, however, at the discretion of the Board of Directors, grant exceptions on request to individual distributors, allowing them an additional reasonable period of a maximum of 1 hour 30 minutes after the SICAV's official cut-off time in order that they may centralise, aggregate and send orders to the transfer agent, still based on an unknown net asset value.
As soon as is reasonably possible after the redemption price has been determined, the Transfer Agent will inform the applicant of the price.

The price of the redeemed shares will be paid within the period described in the Fact Sheets.
The total amount due must be paid in the currency of the class.
Payment will be made by bank transfer to the account specified by the shareholder or by cheque sent by mail to the shareholder.

The redemption price of the shares of the SICAV may be greater or less than the purchase price paid by the shareholder at the time of subscription, depending on whether the net asset value has gone up or down.

Temporary suspension of redemptions

The right of any shareholder to apply for redemptions from the SICAV will be suspended during any period in which the calculation of the net asset value per share is suspended by the SICAV by virtue of the powers described in the section entitled "*Temporary suspension of the calculation of the net asset value*" in the Prospectus. Any shareholders offering shares for redemption will be notified of this suspension and the end of the suspension. The shares in question will be redeemed on the first Bank Business Day in Luxembourg following the lifting of the suspension.

If the suspension continues for more than one month from the notification of the redemption application, the application may be cancelled by giving written notice to the Transfer Agent, provided this notice reaches the Transfer Agent before the end of the suspension.
If the total redemption orders* received for a sub-fund on a given Valuation Date concern more than 10% of the total net assets of the sub-fund in question, the Board of Directors or Management Company may decide on behalf of the fund to defer all or some of these orders for a period deemed by the Board of Directors or Management Company to be in the best interests of the sub-fund although not in principle more than ten (10) Bank Business Days for each pending redemption.
Any redemption order deferred in this way will be treated as a priority over redemption orders on following Valuation Dates.
The price applied to these deferred redemptions will be the net asset value of the sub-fund on the date the orders are satisfied (i.e. the net asset value calculated after the period of deferral).
(*) including conversion orders from one sub-fund to another sub-fund of the SICAV.

15. Market timing and late trading

Market timing and *late trading*, as defined below, are formally prohibited in relation to subscription, redemption and conversion orders.
The SICAV reserves the right to reject any subscription or conversion orders received from investors suspected of such practices and, where applicable, reserves the right to take all necessary steps to protect other shareholders.

15.1. Market timing

Market timing practices are not permitted.

Market timing means the arbitrage technique whereby an investor systematically subscribes to and redeems or converts units or shares of a single undertaking for collective investment over a short period of time by exploiting the time differences and/or imperfections or deficiencies of the system for calculating the net asset value of the undertaking for collective investment.

15.2. Late trading

Practices associated with late trading are not permitted.

Late trading means the acceptance of a subscription, conversion or redemption order after the cut-off time for the acceptance of orders on the relevant trading day and its execution at the price based on the net asset value applicable to that day.

16. Net asset value

The net asset value of the shares in each sub-fund is determined in that sub-fund's base currency in accordance with the articles of incorporation, which stipulate that this calculation will take place at least twice a month.

The net asset value of active sub-funds is calculated in Luxembourg on each valuation date (the "Valuation Date"), as stated in the Fact Sheets. The net asset value is calculated on the basis of the last known prices on the markets on which the securities held in portfolio are mainly traded. Any reference to the Valuation Date must be interpreted as any Bank Business Day during which the net asset value of the NAV Date is determine, and as specified in the Fact Sheets.

As a rule, the net asset value of each sub-fund will fluctuate in line with the value of the assets included in the underlying portfolio.

In order to determine the net asset value, income and expenditure are taken into account up to the applicable settlement date for subscriptions and redemptions, which will be processed on the basis of the applicable net asset value. The value of the securities held at the end of each Valuation Date is determined in accordance with the articles of incorporation of the SICAV, which stipulate various principles for determining this value, notably the following:

The net assets of each sub-fund will be valued as follows:

I. In particular, the SICAV's assets will consist of the following:

(a) all cash on hand or on deposit including accrued interest,

(b) all notes and bills payable at sight and accounts receivable (including proceeds from the sale of shares where payment has not yet been received),

(c) all securities, units, shares, bonds, options or subscription rights and other investments and transferable securities owned by the SICAV,

(d) all dividends and distributions receivable by the SICAV (it is understood that the SICAV may make adjustments in the light of fluctuations of the market value of transferable securities resulting from ex-dividend or ex-rights trading or similar practices),

(e) all accrued interest from securities owned by the SICAV, unless such interest is included in the principal of the securities,

(f) the preliminary expenses of the SICAV insofar as they have not been amortised,

(g) all other assets of any kind, including prepaid expenses.

The value of these assets is determined as follows:

(a) Units in undertakings for collective investment must be valued on the basis of their last available net asset value unless the publication date of the last net asset value is more than 10 Bank Business Days from the Valuation Date, in which case it will be estimated prudently and in good faith and in accordance with generally accepted principles and procedures.

(b) The value of cash on hand or on deposit, notes and bills payable at sight and accounts receivable, prepaid expenses and dividends and interest announced or due for payment but not yet received, will constitute the nominal value of these assets, except if it is unlikely that the value can be obtained. In the latter case, their value will be determined by deducting an amount considered appropriate by the SICAV to reflect the real value of the assets.

(c) The valuation of any security listed on an official list or on any other regulated market, operating regularly, recognised and open to the public is based on the latest stock market price known in Luxembourg, on the Valuation Date and, if the security is traded on several markets, on the basis of the latest price known on the main market of that security. If the last known price is not representative, the valuation will be based on the probable realisable value that the Board of Directors will estimate prudently and in good faith.

(d) Securities not listed or traded on a stock market or regulated market, which operates on a regular basis and is recognised and open to the public, will be valued on the basis of their probable realisable value estimated prudently and in good faith.

(e) Cash and money market instruments will be valued at their face value plus accrued interest or using the straight-line depreciation method.

(f) All other assets will be valued by the directors on the basis of their probable realisable value, which must be estimated in good faith and according to generally accepted principles and procedures.

The Board of Directors may, at its sole discretion, permit the use of any other generally accepted valuation method where it considers that the resulting valuation better reflects the probable realisable value of an asset held by the SICAV.

II. The SICAV's liabilities will in particular consist of the following:

(a) all borrowings, matured bills and accounts payable,

(b) all administrative charges, overdue or due (including but not limited to remuneration paid to the SICAV's asset managers, depositaries, representatives and agents),

(c) all known obligations, whether due or not due, including all contractual obligations payable relating to payments in cash or in kind, where the Valuation Date coincides with the date on which it is determined who is or will be entitled to such payment,

(d) an appropriate reserve for future taxes on capital and on revenue, accrued up to the Valuation Date and determined periodically by the SICAV and, where necessary, other reserves authorised or approved by the Board of Directors,

(e) any other liabilities of the SICAV regardless of their nature and type, with the exception of those represented by its own funds. When valuing these other liabilities, the SICAV will take into consideration all its expenses, in particular: incorporation costs, fees and charges payable to counterparties providing a service to the SICAV including management, performance and consulting fees, fees payable to the depositary and correspondent agents, the administrative agent, the transfer agent, the paying agents, etc., including out-of-pocket expenses, legal fees and audit fees, promotional expenses, the cost of printing and publishing the share sales documents and any other document concerning the SICAV such as financial reports, the cost of calling and holding shareholders' meetings and of any amendments to the articles of incorporation, the cost of calling and holding meetings of the Board of Directors, reasonable travel expenses incurred by the directors in carrying out their duties plus attendance allowances, share issue and redemption costs, dividend payment costs, taxes due to the supervisory bodies in foreign countries where the SICAV is registered including fees and charges payable to local permanent representatives, also the costs associated with maintaining registrations, taxes, charges and duties imposed by government authorities, stock exchange listing and follow-on costs, financial, banking or brokerage charges, the expenses and costs connected with subscription to an account or a license or any other request for paid information from financial index providers, ratings agencies or any other data suppliers, and all other operating expenses and all other administrative charges. When valuing the amount of all or some of these liabilities, the SICAV may estimate regular or periodic administrative and other expenses on the basis of one year or any other period, allocating the amount over that period on a pro rata basis, or may set a fee calculated and paid as described in the sales documents.

III. Each share in the SICAV that is in the process of being redeemed must be considered to be issued and outstanding until the close of business on the Valuation Date on which it is redeemed and will, from that date until the redemption price is paid, be considered a liability of the SICAV.

Each share to be issued by the SICAV in accordance with subscription applications received will be treated as having been issued from the close of business on the Valuation Date on which its issue price is calculated, and its price will be treated as an amount due to the SICAV until received by it.

IV. As far as possible, any investments or divestments made by the SICAV up to a given Valuation Date will be taken into account.

V. The net asset value of each sub-fund will be expressed in the currency selected by the Board of Directors as stated in the Fact Sheets.

All assets not expressed in the currency of the sub-fund will be converted into that currency at the exchange rate of the stock market date used as reference for the calculation of the net asset value.

The net asset value of the SICAV is equal to the sum of the net assets of the various sub-funds. The SICAV's capital will at all times be equal to the value of its net assets, and its consolidation currency is the EUR.

VI. A pool of assets will be established for each sub-fund in the following manner:

(a) the proceeds from the issue of shares in a sub-fund will be allocated in the SICAV's accounts to the pool of assets set up for that sub-fund, and assets, liabilities, income and expenses relating to that sub-fund will be allocated to that sub-fund's pool of assets,

(b) the assets derived from other assets will be allocated in the accounts of the SICAV to the same pool of assets as the assets from which they are derived. Whenever an asset is revalued, any increase or reduction in its value will be attributed to the pool of assets of the sub-fund to which the asset belongs,

(c) all of the liabilities of the SICAV which may be allocated to a given sub-fund will be allocated to the pool of assets of that sub-fund,

(d) the assets, liabilities, charges and expenses which cannot be allocated to a specific sub-fund will be allocated to the various sub-funds in equal parts, or insofar as the amounts concerned justify it, proportionate to their respective net assets,

Following any payment of dividends to the shareholders of a sub-fund, the net value of that sub-fund will be reduced by the amount of the dividends.

VII. **Anti-dilution mechanism**

- **Application**

  A protection mechanism intended to avoid performance dilution ("Anti-Dilution Mechanism") has been put in place on all the SICAV's sub-funds.

- **Description of the Anti-Dilution Mechanism and applicable thresholds**

  The Anti-Dilution Mechanism put in place within the SICAV is intended to save existing sub-fund shareholders from having to pay charges incurred for transactions on portfolio assets performed in the wake of significant subscriptions to or redemptions from the sub-fund by investors.
  Indeed, when there are significant subscriptions to or redemptions from the sub-fund, the asset manager must invest/disinvest the corresponding amounts, thus generating large transactions which may entail variable transaction charges depending on the asset types concerned.
  These charges are mainly taxes on certain markets and execution fees billed by brokers. These charges can be fixed amounts or variable in proportion to the volumes traded and/or take the form of the difference between the bid or ask prices for a financial instrument on the one hand and the valuation or average price on the other (typical situation in bond trading for example).
  The goal of the anti-dilution mechanism is therefore to have these charges borne by the investors at the origin of the subscription/redemption transactions concerned and to protect existing investors.

  In practice, on valuation dates when the difference between the amount of subscriptions and the amount of redemptions of a sub-fund (representing the net transactions) exceeds a threshold set beforehand by the Board of Directors, the Board reserves the right:

  - to assess the net asset value by adding a fixed percentage for fees and charges to the NAV (for net subscriptions) or deducting this percentage from the NAV (for net redemptions) with this percentage for fees and charges corresponding to market practice when buying or selling securities – the swing pricing mechanism;

- to value the securities portfolio of this sub-fund on the basis of bid or offer prices or by fixing a spread level representative of the market in question (in the case, respectively, of net inflow or net outflow) – the bid/ask mechanism.

Under no circumstances will the swing pricing and bid/ask mechanisms be applied at the same time.

- **Impact of activating the Anti-Dilution Mechanism and applicable Factor**

  - in case of net subscriptions: increase in the net asset value, i.e. an increase in the purchase price for all investors subscribing to shares on that date,
  - in case of net redemptions: reduction in the net asset value, i.e. a reduction in the selling price for all investors redeeming their shares on that date.

  This increase or reduction in the net asset value is called the “Factor” of the Anti-Dilution Mechanism.
  The scope of this variation depends on the estimate made by the Management Company of the transaction charges applied to the types of assets concerned.

  The pricing adjustment must not exceed 2% of the net asset value, except in exceptional circumstances, such as in the event of a strong drop in liquidity. If this 2% limit is exceeded, the Management Company will notify the CSSF and advise shareholders by publishing the information on its web site www.candriam.com. The details will also be published for the sub-fund concerned in the SICAV's (semi-)annual report.

- **Process by which it is decided to apply the Anti-Dilution Mechanism**

  The Board of Directors has entrusted the Management Company with implementation of the Anti-Dilution Mechanism.
  The Management Company has drawn up a policy detailing how the Anti-Dilution Mechanism works and has implemented operational processes and procedures in order to oversee application of the Anti-Dilution Mechanism by the Administrative Agent and the Transfer Agent.

  The policy detailing the Management Company's Anti-Dilution Mechanism has been duly validated by the SICAV's Board of Directors.

- **Methodology to be applied in case of performance fees**

  If performance fees must be calculated, these fees are calculated before any application of the Anti-Dilution Mechanism, making these fees immune to the impact of the Anti-Dilution Mechanism.

17. Temporary suspension of the calculation of the net asset value and the issue, redemption and conversion of the shares

The Board of Directors is authorised to temporarily suspend the calculation of the net asset value of one or more sub-funds, as well as the issue, redemption and conversion of shares in the one or more sub-funds in the following cases:

a) for any period during which a market or a stock market which is the principal market or stock market on which a significant percentage of the investments of the SICAV is listed at a given point, is closed, except for normal closing days, or when trading is subject to major restrictions or suspensions, or

b) in an urgent situation as a result of which the SICAV cannot gain access to its investments, or

c) during any breakdown in the means of communication normally used to determine the price of any investment of the SICAV or current prices on any market or stock market, or

d) during any period during which it is not possible to hand over the funds which are or may be necessary for the realisation or payment of any investment of the SICAV, or during any period in which it is not possible to repatriate funds required for the redemption of the shares.

e) in the event of the cancellation/closure or demerger of one or more sub-funds or share classes or types, provided this suspension is justified with a view to protecting the shareholders of the sub-funds or share classes or types in question,

f) if a meeting of shareholders is called to propose the winding-up of the SICAV.

Subscribers and shareholders offering shares for redemption or conversion must be advised of the suspension of net asset value calculation.

Pending subscriptions and redemption or conversion applications may be withdrawn by means of a written notification, provided such notification is received by the SICAV before the suspension is lifted.
Suspended subscriptions, redemptions and conversions will be processed on the first Valuation Date following the lifting of the suspension.

18. Allocation of income

18.1. General principles

Each year, the general meeting of shareholders votes on proposals put forward by the Board of Directors in this regard.

For the capitalisation classes, the Board of Directors will in principle propose the capitalisation of the associated income.

For the distribution classes, the Board of Directors may propose to distribute the net income from investments for the financial year, realised and unrealised capital gains and the net assets, within the limits of the provisions of the Law.

The Board of Directors may, where it considers appropriate, make interim dividend payments.

18.2. Dividend distribution policy

The SICAV may propose the distribution of dividends to holders of distribution shares. No dividend is generally paid in relation to capitalisation shares.

When the Board of Directors proposes the distribution of dividends at the general meeting of shareholders, the amount distributed is calculated subject to the limits stated by law.

For each share class, annual dividends may be declared separately to the general meeting of shareholders. The Board of Directors also reserves the right to pay interim dividends for each share class during the financial year.

For each share class, the SICAV may pay dividends more frequently as necessary or at different dates during the year as deemed appropriate by the Board of Directors. Share classes with the suffix:

- (m) may distribute dividends on a monthly basis,
- (q) may distribute dividends on a quarterly basis,
- (s) may distribute dividends on a semi-annual basis.

The Board of Directors may define dividend policies and payment methods for dividends and interim dividends.

For instance, the SICAV may offer share classes which will distribute a fixed dividend based on a fixed amount or a fixed percentage of the net asset value per share on the date set by the Board of Directors. This dividend will normally be paid at fixed intervals (quarterly for example) as deemed appropriate by the Board of Directors.

A timetable for payment of dividends including details of the distribution frequency and the basis of calculation of dividends are available from the Management Company or on the website of the Management Company at the following address: www.candriam.com.

The attention of shareholders is drawn particularly to the following points:

- The amount of the dividend does not necessarily depend on income received or capital gains realised by the share class.

- The dividend paid may consists of a capital distribution provided that following such distribution, the net asset value of the SICAV is above the minimum capital requirement under Luxembourg law. The dividend paid may exceed the income of the share class, potentially eroding the invested capital. Shareholders should therefore note that when the dividend is higher than the income generated by the investments in a share class, it may be deducted from the capital of the share class in question and from the realised and unrealised capital gains. In some countries, this may result in tax treatment that is detrimental to shareholders. They are therefore advised to evaluate their personal situation with their local tax adviser.

In addition, regarding share classes distributing a fixed dividend, shareholders should note the following in particular:

- During periods of negative performance of a sub-fund/share class, the dividend will continue to be paid as normal. As a result, the capital value of the investment of the sub-fund/share class will fall more quickly. The value of a shareholder's investment could therefore ultimately be reduced to zero.

- The Board of Directors will periodically revise the fixed distribution share classes, reserving the right to make changes. Changes to the distribution policy will be published on the Management Company website.

- Payment of dividends cannot be guaranteed indefinitely.

- The Board of Directors may decide not to distribute a dividend for a share class or to reduce the amount of the dividend to be distributed.

Dividends unclaimed for a period of five years from the payment date can no longer be claimed and will revert to the shares classes concerned.

19. Separation of the liabilities of the sub-funds

The SICAV is one and the same legal entity. However, all assets of a specific sub-fund are accountable for the debts, liabilities and obligations relating to that sub-fund only. In relations between shareholders, each sub-fund is treated as a separate entity.

20. Taxation

Taxation of the SICAV

Under the terms of current Luxembourg legislation and according to current practice, the SICAV is not subject to Luxembourg income tax. Similarly, dividends paid by the SICAV are not subject to any form of Luxembourg withholding tax.

However, the SICAV is liable in Luxembourg to an annual tax representing 0.05% of the SICAV’s net assets. This tax is reduced to 0.01% for classes reserved for institutional investors. This tax is payable quarterly based on the net assets of the SICAV and calculated at the end of the quarter to which the tax relates.

In accordance with the Law and current practice, no tax is payable in Luxembourg on the capital gains realised on the assets of the SICAV.

Certain revenues of the SICAV in terms of dividends and interest from asset sources outside Luxembourg may, however, be liable to taxes at variable rates, which are generally deducted at source. Generally speaking, these taxes or deductions at source are not fully or partly recoverable. Within this context, the relief on these taxes and deductions at source provided for by the international double taxation prevention treaties entered into by the Grand Duchy of Luxembourg and the respective countries is not always applicable.

Taxation of shareholders

Under current legislation, shareholders are not liable in Luxembourg to any gift or inheritance tax, except for shareholders who are domiciled, resident or have a permanent address in Luxembourg.
In terms of income tax, shareholders who are resident in Luxembourg are liable on the basis of a direct assessment for tax on dividends received and capital gains realised on the sale of their units if their units are held for a period of less than six months, or if more than 10% of the shares of the company are held.

Shareholders who are non-resident in Luxembourg are not liable for tax in Luxembourg on the dividends received or capital gains realised on the sale of their units.

We recommend that shareholders familiarise themselves with and, if necessary, seek advice on the laws and regulations governing taxation and exchange control applicable to the subscription, purchase, holding and sale of shares in their place of origin, residence and/or domicile.

21. General meetings

An annual general meeting of shareholders will take place each year at the SICAV's registered office, or any other place in Luxembourg specified in the meeting notice. It will take place within six months of the end of the financial year.

Notices of all General Meetings of Shareholders will be sent by mail to all registered shareholders at the address shown in the share register at least eight days before the General Meeting in accordance with the legislation in force. These notices will state the time and place of the general meeting and the conditions of admission, the agenda and the requirements under Luxembourg law as regards the required quorum and majority.

They will also be published in the press of the countries where the SICAV is marketed, if stipulated by the legislation of these countries.

The requirements concerning participation, quorum and majority during any general meeting will be those set down in the SICAV's articles of incorporation.

22. Closure, merger and demerger of sub-funds, share classes or share types – Liquidation of the SICAV

22.1. Closure, cancellation and liquidation of sub-funds, share classes or share types

The Board of Directors may decide to close, cancel or liquidate one or more sub-funds, share classes or share types by cancelling the shares in question either by repaying to the shareholders of the one or more sub-funds, share classes or share types the total net asset value of the shares in these one or more sub-funds, share classes or share types, after deducting the liquidation charges; or by allowing them to convert to another sub-fund of the SICAV, with no conversion charge, thereby allocating them new shares equal to the value of their previous holding, after deducting the liquidation charges.

This decision may notably be made in the following circumstances:

- substantial and unfavourable changes in the economic, political and social situation in the countries where either investments are made or shares in the sub-funds in question are distributed,

- if the net assets of a sub-fund were to fall below a level considered by the Board of Directors to be too low for that sub-fund to continue to be managed efficiently,

- within the context of rationalising the products offered to shareholders.

This decision of the Board of Directors will be published as described in 24.2 below.

The net liquidation proceeds of each sub-fund will be distributed to the shareholders of each sub-fund proportionate to their holding.

The liquidation proceeds attributable to securities whose holders do not present themselves by the time the sub-fund closure procedure is complete will remain on deposit with the Caisse de Consignation in Luxembourg for the relevant beneficiary.

22.2. Merger of sub-funds, share classes or share types

22.2.1 Merger of share classes or share types

Under the circumstances indicated in article 22.1. above, the Board of Directors may decide to merge one or more share classes or share types of the SICAV.

This decision of the Board of Directors will be published as described in 24.2 below.

This publication will be made at least one month before the date the merger becomes effective so as to allow shareholders to apply for the redemption or repayment of their shares free of charge.

22.2.2 Merger of sub-funds

Under the circumstances indicated in article 22.1. above, the Board of Directors may decide to merge one or more sub-funds of the SICAV together or merge one or more sub-funds of the SICAV with each other or with another UCITS coming under Directive 2009/65/EC under the conditions set down in the Law.

However, for any merger giving rise to the disappearance of the SICAV, the taking effect of such merger will be decided by the general meeting of shareholders deliberating in accordance with the methods and the quorum and majority requirements stated in the articles of incorporation.

The SICAV will send the shareholders appropriate and accurate information about the proposed merger, so as to allow them to be fully informed and decide on the impact of this merger on their investment.
This information will be communicated based on the conditions set forth in the Law.

From the date this information is communicated, shareholders will have a period of 30 days during which they will have the right, free of charge apart from amounts deducted by the SICAV to cover the divestment costs, to apply for the redemption or repayment of their shares or, where applicable, based on the decision of the Board of Directors, the conversion of their shares into shares of another sub-fund or another UCITS with a similar investment policy and managed by the Management Company or by any other company with which the Management Company is associated through a relationship of common management or common control or through a significant direct or indirect shareholding.
This 30-day period will expire five bank business days before the calculation date of the exchange ratio.

22.3. Demerger of sub-funds, share classes or share types

Under the same circumstances as those indicated in article 22.1. above, the Board of Directors may also, if it deems appropriate in the interests of the shareholders of a sub-fund, share class or share type, decide to divide this sub-fund, share class or share type into one or more sub-funds, share classes or share types.

This decision of the Board of Directors will be published as described in 24.2 below.
This publication will be made at least one month before the date the demerger becomes effective so as to allow shareholders to apply for the redemption or repayment of their shares free of charge.

22.4. Liquidation of the SICAV

If the share capital of the SICAV falls below two thirds of the minimum required capital, the Board of Directors must refer the matter of winding up the SICAV to a general meeting of shareholders deliberating without conditions of attendance and ruling on the basis of a simple majority of the shares represented at the meeting.
If the share capital of the SICAV falls below one quarter of the minimum capital, the Board of Directors must refer the matter of winding up the SICAV to a general meeting of shareholders deliberating without conditions of attendance. Winding-up may be declared by shareholders holding one quarter of the shares represented at the meeting.

The meeting invitation must be sent to shareholders in such way as to ensure that the meeting is held within forty days of finding that the net assets have fallen, respectively, below two-thirds or one-quarter of the minimum capital.

The liquidation of the SICAV, whether court-ordered or otherwise, will be carried out in accordance with the Law and the articles of incorporation.

In the event of a non-court ordered liquidation, the process will be carried out by one or more liquidators who will be appointed by the general meeting of shareholders, which will determine their powers and remuneration.

The sums and amounts for shares whose holders do not come forward on completion of the liquidation proceedings will remain on deposit with the Caisse de Consignation for the relevant beneficiary.

23. Costs and charges

23.1. Management fee

In consideration for its portfolio management activity, the Management Company receives annual management fees, as indicated in the Fact Sheets.
The management fee is expressed as an annual percentage of the average net asset value of each share class and is payable monthly.

23.2. Performance fee

In consideration for its portfolio management activity, the Management Company may also receive performance fees, as indicated in the Fact Sheets where appropriate.

23.3. Distribution fee

In consideration for its marketing activity, the Management Company may also receive distribution fees, as indicated in the Fact Sheets where appropriate.

23.4. Operational and administrative charges

The SICAV will bear the day-to-day operational and administrative charges incurred to cover all the overheads, variable costs, charges, fees and other expenses, as described below (the "Operational and Administrative Charges").

The Operational and Administrative Charges cover the following costs, although this list is not exhaustive:

(a) expenses incurred directly by the SICAV, including, among others, fees and charges owing to the Depositary and the principal paying agent, commissions and fees for auditors, share class hedging charges, including those charged by the Management Company, the fees paid to Directors and the reasonable costs and expenses incurred by or for the Directors,

(b) a "service fee", paid to the Management Company and which includes the remaining amount of Operational and Administrative Charges after deducting the costs indicated in section (a) above, refers to the fees and charges of the domiciliary agent, the administrative agent, the transfer agent, the registrar, the costs associated with registration and for maintaining this registration in all jurisdictions (such as fees deducted by the supervisory authorities concerned, translation costs and payment for representatives abroad and local paying agents), stock exchange listing and follow-on expenses, share price publication costs, postal and communication costs, the costs for preparing, printing, translating and distributing prospectuses, key investor information documents, notices to the shareholders, financial reports or any other documents for shareholders, legal fees and expenses, the costs and charges associated with the subscription to any account or licence or any other use of paid information or data, the fees associated with analysis services, the fees incurred for using the SICAV's registered trademark and the fees and expenses for the Management Company and/or its delegates and/or any other agent appointed by the SICAV itself and/or independent experts.

Operational and Administrative Charges are expressed as an annual percentage of the average net asset value of each share class.

They are payable monthly at a maximum rate as set out in the Fact Sheets.

At the end of a given period, if the charges and expenses were to exceed the percentage of the Operational or Administrative Charges set for a share class then the Management Company would pay the difference. Conversely if the actual charges and expenses were to be less than the percentage of the Operational and Administrative Charges set for a class of shares, then the Management Company would retain the difference.

The Management Company may instruct the SICAV to settle all or part of the expenses as stated above directly on its assets. In such case, the amount of Operational and Administrative Charges will be reduced as a result.

The Operational and Administrative Charges do not cover:

- The duties, taxes, contributions, rights or similar tax charges imposed on the SICAV and its assets, including Luxembourg subscription tax.

- Charges linked to transactions: each sub-fund incurs the charges and expenses for buying and selling transferable securities, financial instruments and derivative products, brokerage fees and charges, interest (interest on swaps and loans, etc.) or tax and other expenses linked to transactions.

- Charges linked to securities lending and borrowing activities.

- Charges generated by the anti-dilution mechanism.

- Bank charges, for example interest on overdrafts.

- Credit facility charges.

- Non-recurring expenses, some of which may not be reasonably expected in the ordinary course of SICAV activities, including but not limited to, the cost of exceptional and/or ad hoc measures and fees for tax advisers, legal advice, expert assessment, introduction fees or fees for legal procedures to protect the interests of shareholders and any expenses associated with one-off agreements entered into by any third party in the interests of the shareholders.

Charges and expenses relating to updating the Prospectus may be amortised over the next five financial years.

The charges and costs relating to opening a specific sub-fund may be amortised over five years, exclusively in relation to the assets of this new sub-fund.

Charges and costs not directly attributable to a specific sub-fund will be allocated equally among the various sub-funds or, where the amount of charges and costs so requires, will be allocated among the sub-funds proportionate to their respective net assets.

24. Shareholder information

24.1. Publication of the net asset value

The net asset value per share of each sub-fund and/or per share class of each sub-fund, together with the issue, redemption and conversion prices will be published on each Valuation Date and will be available from the registered office of the SICAV in Luxembourg and from the financial services authorities in the countries where the SICAV is marketed.
The net asset value may also be published in one or more newspapers selected freely from time to time by the Board of Directors.

24.2. Financial notices and other information

Financial notices and other information for shareholders will be sent by mail to all registered shareholders at the address shown in the share register in accordance with the legislation in force. This information will also be published in the "Luxemburger Wort" if the legislation requires it.

It will also be published in the press of the countries where the shares of the SICAV are marketed, if stipulated by the legislation of these countries.

Reports to shareholders on the previous financial year and the results will be available from the registered office of the SICAV.

The financial year of the SICAV ends on 31 December each year.

24.3. Documents of the SICAV

The SICAV’s Prospectus, key investor information documents, articles of incorporation and its annual and semi-annual reports are available to the public, free of charge, on bank business days and during normal office opening hours from the registered office of the SICAV.
The agreement appointing the Management Company, the agreement concerning the operational and administrative charges, and the depositary bank and principal paying agent agreement may be consulted by investors at the registered office of the SICAV during normal office hours on bank business days.
The Prospectus is also available at: www.candriam.com.

24.4. Auditors

PricewaterhouseCoopers, Luxembourg is responsible for the auditing of the SICAV's accounts and annual reports.

24.5. Additional information

In order to meet regulatory and/or tax requirements, the Management Company may, over and above the legal publications, communicate to investors requesting it the SICAV's portfolio composition and all information relating to it.

24.6. Information for investors located in Asia

To facilitate communication in the Asian time zones, investors have the option of contacting CACEIS Hong Kong Trust Company Limited directly to transmit their share subscription, redemption or conversion orders and to obtain any information or documentation concerning customer identification and/or Personal Data.

Candriam Bonds Capital Securities

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in subordinated bonds issued by companies based in OECD countries, and to outperform the benchmark.

This sub-fund may be appropriate for **well-informed investors** who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are primarily invested in subordinated debt securities (bonds and other analogous securities including contingent convertible (additional Tier 1 & Tier 2)) bonds issued by good-quality private sector companies (rated at least BBB-/Baa3 by at least one of the rating agencies or considered by the Management Company to be of comparable quality) and based in OECD countries.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

Contingent convertible bonds will represent not more than 40% of the sub-fund's net assets . **These securities involve additional risks such as mechanisms for absorbing loss, which may lead to the capital and/or capitalised interest being written down in value or to conversion into shares. Also, because of the legal complexity, each security has its own particular features.**

Bonds must be rated B-/B3 at the time of acquisition by at least one of the rating agencies or considered to be of a comparable quality by the Management Company (in particular if no rating is available).
If the sub-fund's assets were to drop below the rating indicated above following a downgrade or were no longer considered to be of a comparable quality by the Management Company, then these assets should be sold, in the best interests of shareholders, within six months.
However, if these assets, which no longer meet the rating criteria, account for less than 3% of the net asset value of the sub-fund, then they may be kept in the portfolio, with the agreement of the Management Company and insofar as the interests of shareholders are preserved.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in transferable securities or money-market instruments other than those described above, or in cash.
The sub-fund may invest a maximum of 10% of its assets in UCIs and/or UCITS.

Exposures to currencies other than the euro will be hedged against foreign exchange risk.
As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may make use of derivative financial instruments on regulated and/or over-the-counter markets (especially swaps, forwards, options or futures) for the purpose of exposure and/or hedging and/or arbitrage. The underlyings of these derivative financial instruments may be currencies, interest rates, credit spreads, equities, equity indices and volatility.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 0 % and 25 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	▪ 70% ICE BofA Euro Financial Subordinated & Lower Tier-2 Index (Total Return) ▪ 30% ICE BofA Contingent Capital Index Hedged EUR (Total Return)
Benchmark definition	▪ ICE BofA Euro Financial Subordinated & Lower Tier-2: measures the performance of investment grade bonds denominated in EUR, issued by financial institutions on the eurobond or domestic markets of the eurozone countries, including all subordinated and tier 2 securities. ▪ ICE BofA Contingent Capital Index Hedged EUR: measures the performance of investment grade and below investment grade bonds issued on the main domestic and eurobond markets of the eurozone countries.

Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance; ▪ to calculate the performance fee for some share classes.
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Benchmark provider	ICE Data Indices LLC
	Each of the sub-fund's benchmark providers is an entity registered with ESMA in accordance with Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Investment in CoCos risk
- Risk associated with derivative financial instruments
- Liquidity risk
- Concentration risk

- Counterparty risk
- Equity risk
- Arbitrage risk
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total exposure is calculated using the relative VaR approach as described in the section entitled "Risk management".
The benchmark for VaR is a mixed indicator composed of the ICE BofA Contingent Capital Index Hedged EUR (Total Return) (30%) and the ICE BofA Euro Financial Subordinated & Lower Tier-2 Index (Total Return) (70%).
As an indication, the leverage of this sub-fund is a maximum of 350% of net assets. The sub-fund could, however, be exposed temporarily to a higher leverage.
The leverage is calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund.

6. Valuation currency of the sub-fund: EUR

7. Form of the shares: registered shares only

8. Share classes

- **Classique** Class capitalisation shares [LU1616742737]
- **Classique** Class distribution shares [LU1616743032]

- **I** Class capitalisation shares [LU1616743388]

- **PI** Class capitalisation shares [LU1797525224]

- **R** Class capitalisation shares [LU1616743545]

- **Z** Class capitalisation shares [LU1616743974]

9. Minimum subscription

No minimum subscription is required for the different share classes **except for the following classes**:

- The minimum initial subscription for the **Classique** Class is EUR 10,000. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date;

- the minimum initial subscription for the **PI** class is EUR 1,000,000. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 1%	Max. 0.35%
I	0%	0%	0%	Max. 0.60%	Max. 0.28%
PI	0%	0%	0%	Max. 0.60%	Max. 0.28%
R	Max. 2.5%	0%	0%	Max. 0.70%	Max. 0.35%
Z	0%	0%	0%	0%	Max. 0.28%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU1616743388] of the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each class valuation, a benchmark asset is established based on a theoretical investment corresponding to the performance of the mixed index composed of 30 % ICE BofA Contingent Capital Index Hedged EUR (Total Return) + 70% ICE BofA Euro Financial Subordinated & Lower Tier-2 Index (Total Return) of all net assets over the period (the net book value of the assets at the end of the previous financial year being considered as a subscription at the beginning of the period).

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Convertible Defensive

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from a positive performance of the market in convertible bonds with a maturity of less than 5 years, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are invested principally in convertible bonds and the bonds of issuers rated at least BBB-/Baa3 at the time of purchase and maturing within 5 years.
The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

The sub-fund may also invest up to 30% of its assets in synthetic convertible bonds that aim to replicate the risk profile of a convertible bond, which may be obtained, for example, by investing in a negotiable debt security and in a stock option.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in securities (with a maximum of 10% in shares) or money market instruments other than those described above or in cash.

The sub-fund aims to exclude companies which:
1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps, total return swaps), forwards, options and futures. Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0 % and 25 %.

For example the sub-fund may carry out transactions with interest rates, equities, credit or currencies for purposes of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio. The proportion is normally expected to vary between 25 % and 50 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	EONIA Capitalized
Benchmark definition	The Eonia represents the interest rate at which financially strong banks in the European Union and the European Free Trade Association lend overnight funds denominated in euros on the interbank markets.
Use of the benchmark	▪ to compare performance; ▪ to calculate the performance fee for some share classes.
Benchmark provider	European Money Markets Institute
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Equity risk
- Interest rate risk
- Credit risk
- Emerging countries risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Arbitrage risk
- Volatility risk
- Counterparty risk
- Foreign exchange risk
- Risk related to external factors
- ESG investment risk
- Hedging risk of the share classes
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. Valuation currency of the sub-fund: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares [LU0459959929]
- **Classique** Class distribution shares [LU0459960000]

- **I** Class capitalisation shares [LU0459960182]
- **I** Class distribution shares [LU0459960265]

- **R-H** Class capitalisation shares, denominated in USD [LU1616744279]

- **R2** Class capitalisation shares [LU1410483926]
- **R2** Class distribution shares [LU1410484064]

- **Z** Class capitalisation shares [LU0459960349]
- **Z** Class distribution shares [LU0459960422]

9. Minimum subscription

No minimum subscription is required for the different classes.

10. Fees and charges

Classes	Fees and charges					
	Issue		Exit *(3)*	Conversion *(3)*	Portfolio management	Operational and administrative charges
	(1)	*(2)*				
Classique	Max. 2.5%	0%	0%	0%	Max. 0.90%	Max. 0.29%
I	0%	0%	0%	0%	Max. 0.50%	Max. 0.23%
R	Max. 2.5%	0%	0%	0%	Max. 0.60%	Max. 0.29%
R2	Max. 2.5%	0%	0%	0%	Max. 0.36%	Max. 0.29%
Z	0%	0%	0%	0%	0%	Max. 0.23%

(1) This fee may be deducted for any subscription and is payable to the distributor.
(2) This fee may be deducted for any subscription and is payable to the sub-fund.
(3) This fee may be deducted and is payable to the sub-fund and in accordance with the principle of equal treatment of all shareholders. This fee will cover the actual charges for realising the assets.

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Classes [LU0459960182] and [LU0459960265] of the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each class valuation, a benchmark asset is established based on a theoretical investment at the **EONIA Capitalized** index performance rate of all net assets over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period).

If the benchmark value is negative, the benchmark index value used for the calculation would be 0.

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions	**Redemptions**
Cut-off	D at midday (Luxembourg time)	D-2 at midday (Luxembourg time)
NAV date	D	D
Valuation date	D+1	D+1
Payment date	D+3	D+3

Candriam Bonds Convertible Opportunities

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from a positive performance of the market in convertible bonds, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

This sub-fund invests principally in convertible bonds and equivalent securities (notably bonds redeemable as shares) of issuers with no geographical region, rating, currency and/or maturity constraint.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

The analysis of ESG criteria is also embedded in the financial management of the portfolio
Secondly, the sub-fund may invest in the following assets:

- Other debt securities (bonds, synthetic convertible bonds and other equivalent securities) of companies in any geographical region rated at least BBB- or equivalent by a rating agency;
- Equities (or securities equivalent to equities) of companies in any geographical regional, of any capitalisation;
- Warrants and subscription warrants;
- Units in undertakings for collective investment (for up to 10% of assets);
- Transferable securities or money market instruments other than those described above;
- Cash.

Exposures to currencies other than the euro will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

As part of its investment strategy, the sub-fund may also investment in derivative financial instruments, such as futures, options and swaps on regulated or OTC markets. These products are used for the purposes of exposure, arbitrage and/or hedging. The underlyings of these derivative financial instruments can be:

- Convertible bonds and equivalent securities
- Debt securities (bonds and other equivalent securities)
- Equities (or securities equivalent to equities)
- Equities indices and equities volatility indices
- Credit default swaps
- Total Return Swaps: total return swaps may represent up to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0 % and 25 %.
- Interest rates
- Currencies
- Units in undertakings for collective investment

Investors are warned that warrants and derivatives are more volatile than the underlying assets.

3. Description of two investment segments

Directional strategies

These strategies reflect the principle convictions of the management team for the convertible bonds selected based on a three-stage analysis:

- an analysis of the issuer's credit risk
- an analysis of the technical characteristics of the convertible bond (or redeemable as shares)
- a financial analysis of the underlying share

The management team may prioritise investments in synthetic bonds, or replicate the convertible bond by combining a bond and an underlying option, if the technical characteristics of the convertible bond are considered unattractive.

Arbitrage strategies

These strategies, managed using a flexible and opportunistic approach, may, for example, take the following forms:

- a long position in convertible bonds with a weak conversion premium and at the same time a short position in the underlying share of the convertible bond. This type of strategy may be profitable if there is a marked decline in the underlying share.

- a long position in convertible bonds with weak share sensitivity and at the same time a short position in another bond (or a long position in a credit default swap) from the same issuer, in order to generate a credit risk hedge position with a potentially positive carry.

- a long position (or short) in convertible bonds and at the same time a short position (or long) in the underlying share of the convertible bond, in order to benefit from a possible rise (or decline) in the implicit volatility of the convertible bond.

- a long position in convertible bonds and at the same time a short position in the underlying share of the convertible bond, in order to benefit from a share control change announcement. The conditions on control change specified in the issue prospectus could make these strategies profitable.

4. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio. The proportion is normally expected to vary between 25 % and 50 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

5. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	EONIA Capitalized
Benchmark definition	The Eonia represents the interest rate at which financially strong banks in the European Union and the European Free Trade Association lend overnight funds denominated in euros on the interbank markets.
Use of the benchmark	▪ to compare performance; ▪ to calculate the performance fee for some share classes.
Benchmark provider	European Money Markets Institute
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark

	will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

6. Risk factors specific to the sub-fund and risk management

6.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Equity risk
- Interest rate risk
- Credit risk
- Risk associated with derivative financial instruments
- Arbitrage risk
- Risk associated with emerging countries
- Liquidity risk
- Volatility risk
- Counterparty risk
- Foreign exchange risk
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

6.2 Risk management

The total exposure will be calculated using the absolute VaR approach as described in the section entitled "Risk management".
The total risk may not exceed an absolute VaR of 20%. This VaR uses a confidence level of 99% and a timeframe of 20 days.
As an indication, the leverage of this sub-fund is a maximum of 350%.
This leverage will be calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund. The sub-fund could, however, be exposed to a higher leverage.

7. Valuation currency of the sub-fund: EUR**.**

8. Form of the shares: registered shares only.

9. Share classes

- **Classique** Class capitalisation shares [LU1269890759]
- **Classique** Class distribution shares [LU1269890676]

- **I** Class capitalisation shares [LU1269890916]
- **I** Class distribution shares [LU1269891054]

- **PI** Class capitalisation shares [LU1797525497]

- **R2** Class capitalisation shares [LU1708105207]

- **R2** Class distribution shares [LU1708105462]

- **Z** Class capitalisation shares [LU1269891211]
- **Z** Class distribution shares [LU1269891484]

10. Minimum subscription

No minimum subscription is required for the different classes except for class PI, for which the minimum initial subscription is EUR 1,000,000 (this minimum may be changed at the discretion of the Board of Directors provided that equal treatment of shareholders is ensured on the same Valuation Date).

11. Fees and charges

Classes	**Fees and charges**					
	Issue		Exit *(3)*	Conversion *(3)*	Portfolio management	Operational and administrative charges
	(1)	*(2)*				
Classique	Max. 2.5%	0%	0%	0%	Max. 1.20%	Max. 0.29%
I	0%	0%	0%	0%	Max. 0.50%	Max. 0.23%
PI	0%	0%	0%	0%	Max. 0.50%	Max. 0.23%
R2	Max. 2.5%	0%	0%	0%	Max. 0.48%	Max. 0.29%
Z	0%	0%	0%	0%	0%	Max. 0.23%

(1) This fee may be deducted for any subscription and is payable to the distributor.
(2) This fee may be deducted for any subscription and is payable to the sub-fund.
(3) This fee may be deducted and is payable to the sub-fund and in accordance with the principle of equal treatment of all shareholders. This fee will cover the actual charges for realising the assets.

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Classes [LU1269890916] [LU1269891054], PI Class [LU1797525497], Z Classes [LU1269891211] and [LU1269891484] of the sub-fund.

This performance fee will be 20% (10% for the PI Class [LU1797525497]) of the outperformance of the class, as defined below, but the outperformance fee payable to the Management Company at the end of each financial year is capped at one-third of the outperformance fee provision.

At each class valuation, a benchmark asset is established based on a theoretical investment at the **EONIA Capitalized** index performance rate of all net assets over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period).

If the benchmark value is negative, the benchmark index value used for the calculation would be 0.

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

12. Frequency of net asset value calculation: Each Bank Business Day.

13. Subscription, redemption and conversion arrangements

	Subscriptions	**Redemptions**
Cut-off	D at midday (Luxembourg time)	D-2 at midday (Luxembourg time)
NAV date	D	D
Valuation date	D+1	D+1
Payment date	D+3	D+3

Candriam Bonds Credit Alpha

Fact Sheet

This sub-fund will be launched on 1 February 2021.
The initial net asset value will be dated 1 February 2021.

The first calculated net asset value will be dated 2 February 2021, calculated on 3 February 2021, payment date 4 February 2021.

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to outperform the benchmark with a volatility objective below 10% under normal market conditions. However, the volatility may be higher, particularly under abnormal market conditions.

The sub-fund will seek to benefit from investment opportunities (both buying and selling) in bonds and derivatives of private-sector issuers located in the developed countries.

The sub-fund holds high yield securities which are generally poorly rated and exposed to higher credit risk and liquidity risk than more highly rated securities; they may be subject to greater market value fluctuations and lower liquidity. This sub-fund thus carries a higher risk than a sub-fund investing in traditional bonds.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period, insofar as they are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are primarily invested in:

- Debt securities (bonds and other equivalent securities such as subordinated corporate debt for up to 40% of the net assets) rated at least CCC/Caa2 by a recognised rating agency at the time of purchase or considered to be of equivalent quality by the Management Company. The issuers of these securities are located in the developed countries.

- Credit derivatives (credit default swaps and total return swaps) whose underlying asset is rated at least CCC/Caa2 by a recognised rating agency at the time of purchase or considered to be of equivalent quality by the Management Company. The underlyings of total return swaps may either be bonds or equivalent securities, or financial indices (such as leveraged loan indices)

Exposure to the credit market and to risk assets in general:

The sub-fund may seek to benefit from the narrowing of credit spreads through a long position (with the risk of losses if they widen), and also from the widening of credit spreads through a short position (with the risk of losses if they narrow).

In the former case, the positive exposure is created through the purchase of debt securities (bonds and other equivalent securities), through the sale of protection on the credit default swaps (CDS) market, or through a long position via a total return swap (TRS).

The only way to create a short exposure, however, is through the purchase of protection on the same CDS market or a short position via a TRS.
The net credit exposure of the fund may vary between -100% and +100%.
The total duration of the portfolio may vary between -5 years and +5 years.

The TRSs may relate to a maximum of 200% of the net assets of the sub-fund. The proportion is normally expected to vary between 75% and 125%.

The remainder of the assets may be invested in securities or money-market instruments other than those described above, in particular:

- securities of sovereign issuers or quasi-sovereign issuers,
- contingent convertible bonds (CoCos) (maximum 10% of net assets),
- convertible bonds (maximum 10% of net assets),
- *distressed debts* (maximum 10% of net assets) in other words securities issued by issuers facing or imminently facing payment difficulties and considered as such by the Management Company on the basis of rating criteria and market criteria (especially prices and spreads).

Temporarily, in the absence of investment opportunities, the sub-fund may be maintained in cash or equivalent (money market instruments, repo, reverse repo, sovereign and quasi-sovereign bonds, etc.).
The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The sub-fund may make use of derivative financial instruments on regulated and/or over-the-counter markets (especially swaps, forwards, options or futures) for the purpose of hedging, exposure and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit rates and volatility rates, based on individual underlying assets or on indices.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

Exposures to currencies other than the euro will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The management team makes discretionary investment choices according to its expectations based on fundamental analyses of the issuers (qualitative assessment of the financial and non-financial elements of the issuers), on legal analyses (assessment of specific clauses of the assets) and on quantitative analyses (assessment of the valuation of the assets).

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or

2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

In order to achieve its management objective, the sub-fund has two investment strategies:

- a fundamental long/short strategy which consists of purchasing "long" financial instruments with appreciation potential and "short" financial instruments - through derivatives - which the management team expects to depreciate,

- a quantitative long/short strategy which consists of creating arbitrage positions on a particular issuer or sector in order to benefit from possible market inefficiencies.

The amounts allocated to each of these strategies vary according to market opportunities.
The sub-fund may also adjust its credit exposure according to its market expectations.

3. Efficient portfolio management techniques

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 100% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	EONIA Capitalized
Benchmark definition	The Eonia represents the interest rate at which financially strong banks in the European Union and the European Free Trade Association lend overnight funds denominated in euros on the interbank markets.
Use of the benchmark	▪ to compare performance; ▪ to calculate the performance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Performance fee" below).
Benchmark provider	European Money Markets Institute

	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Risk associated with derivative financial instruments
- Arbitrage risk
- Liquidity risk
- Counterparty risk
- Equity risk
- Investment in CoCos risk
- Foreign exchange risk
- Volatility risk
- Emerging countries risk
- Risk related to external factors
- Hedging risk of the share classes
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

There is a general explanation of the various risk factors in section 8. "Risk factors" in the Prospectus.

5.2 Risk management

The total exposure will be calculated using the absolute VaR approach as described in the section entitled "Risk management".
The total risk may not exceed an absolute VaR of 20%. This VaR uses a confidence level of 99% and a timeframe of 20 days.

The leverage of this sub-fund should generally vary between 100% and 300%.
The maximum leverage of this sub-fund will be 450%.

This leverage will be calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund.

6. Valuation currency of the sub-fund: EUR

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU2098772366]
- **Classique** Class distribution shares, denominated in EUR [LU2098772440]

- **I** Class capitalisation shares, denominated in EUR [LU2098772523]
- **I** Class distribution shares, denominated in EUR [LU2098772796]
- **I** Class capitalisation shares, denominated in GBP not hedged against the EUR [LU2098772879]
- **I-H** Class capitalisation shares, denominated in GBP [LU2098772952]
- **I** Class capitalisation shares, denominated in USD not hedged against the EUR [LU2098773091]

- **N** Class capitalisation shares, denominated in EUR [LU2098773174]

- **PI** Class capitalisation shares, denominated in EUR [LU2098773257]

- **R** Class capitalisation shares, denominated in EUR [LU2098773331]
- **R** Class distribution shares, denominated in EUR [LU2098773414]
- **R** Class capitalisation shares, denominated in GBP not hedged against the EUR [LU2098773505]
- **R-H** Class capitalisation shares, denominated in GBP [LU2098773760]

- **R2** Class capitalisation shares, denominated in EUR [LU2098773844]
- **R2** Class distribution shares, denominated in EUR [LU2098773927]

- **S** Class capitalisation shares, denominated in EUR [LU2098774065]

- **V** Class capitalisation shares, denominated in EUR [LU2098774149]

- **Z** Class capitalisation shares, denominated in EUR [LU2098774222]
- **Z** Class distribution shares, denominated in EUR [LU2098774495]

9. Minimum subscription

No minimum subscription is required for the different share classes except for these classes:

- **PI**, for which the minimum initial subscription is EUR 1,000,000.
- **S**, for which the minimum initial subscription is EUR 25,000,000.
- **V**, for which the minimum initial subscription is EUR 20,000,000.

10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 1.20%	Max. 0.33%
I	0%	0%	0%	Max. 0.70%	Max. 0.25%
N	Max. 2.5%	0%	0%	Max. 1.60%	Max. 0.33%
PI	0%			Max. 0.35%	Max. 0.25%
R	Max. 2.5%	0%	0%	Max. 0.70%	Max. 0.33%
R2	Max. 2.5%	0%	0%	Max. 0.48%	Max. 0.33%
S	0%	0%	0%	Max. 0.04%	Max. 0.25%
V	0%	0%	0%	Max. 0.55%	Max. 0.25%
Z	0%	0%	0%	0%	Max. 0.25%

Performance fee

The Management Company will receive a performance fee which will apply to the net assets of all classes of the sub-fund **EXCEPT** for the S Class. The performance fee for all the classes will be calculated as follows:

This performance fee will be 20% of the outperformance of the class, as defined below (10% for the PI Class), the outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each valuation of the different share classes, a benchmark asset is established based on a theoretical investment at the index performance rate (set out below) of all net assets over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period):

Share classes	Benchmark
Classes denominated in EUR	Eonia Capitalized
Classes denominated in USD not hedged against the EUR	ICE BofA Euro Currency Overnight Deposit Offered Rate Index - USD
Classes denominated in GBP not hedged against the EUR	ICE BofA Euro Currency Overnight Deposit Offered Rate Index - GBP
Classes denominated in GBP hedged against the EUR	Sonia Capitalized

If the benchmark value is negative, the benchmark index value used for the calculation would be 0.

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

Calculation of the performance fee will begin on 1 February 2021. It will be collected for the first time on 31 December 2021.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D-2 at midday (Luxembourg time) for subscriptions D-4 at midday (Luxembourg time) for redemptions
NAV date	D
Valuation date	D+1
Payment date	D+2 for subscriptions D+3 for redemptions

Candriam Bonds Credit Opportunities

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds issued by private sector issuers with a high credit risk, located in European Union and/or North American countries, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The sub-fund's objective is to offer shareholders the ability to participate in the yields of the bonds of high credit risk companies in European Union and/or North American countries.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

Accordingly, the assets of this sub-fund are principally invested in debt instruments (bonds and other equivalent securities) of issuers with a rating exceeding CCC+/Caa1.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The sub-fund may also invest in derivative products (credit derivatives based on indices or on individual names) of issuers of the same quality.
The remainder of the assets may be invested in marketable securities (notably convertible bonds) or money-market instruments other than those described above, or in cash.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps, total return swaps), forwards, options and futures.
Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0 % and 25 %.

For example the sub-fund may also make use of interest rate, credit or currency transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	EONIA Capitalized
Benchmark definition	The Eonia represents the interest rate at which financially strong banks in the European Union and the European Free Trade Association lend overnight funds denominated in euros on the interbank markets.
Use of the benchmark	▪ to compare performance; ▪ to calculate the performance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Performance fee" below).
Benchmark provider	European Money Markets Institute
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Arbitrage risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Equity risk
- Foreign exchange risk
- Volatility risk
- Emerging countries risk
- Risk related to external factors
- ESG investment risk
- Hedging risk of the share classes
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

Investors' attention is drawn to the management style of this sub-fund which is partly invested in securities classified as speculative by the rating agencies and traded on markets whose operating conditions, in terms of transparency and liquidity, may differ considerably from the standards accepted on international stock markets or regulated markets. Consequently, the product is targeted at investors with sufficient experience to be able to assess the merits and risks.

5.2 Risk management

The total exposure will be calculated using the absolute VaR approach as described in the section entitled "Risk management".
The total risk may not exceed an absolute VaR of 20%. This VaR uses a confidence level of 99% and a timeframe of 20 days.
As an indication, the leverage of this sub-fund is a maximum of 350%.
This leverage will be calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund. The sub-fund could, however, be exposed to a higher leverage.

6. Valuation currency of the sub-fund: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0151324422]
- **Classique** Class distribution shares, denominated in EUR [LU0151324851]
- **Classique (q)** Class distribution shares, denominated in EUR [LU1269889157]

- **Classique-H** Class capitalisation shares, denominated in USD [LU1375972251]
- **Classique-H** Class capitalisation shares, denominated in CHF [LU2069307564]

- **I** Class capitalisation shares, denominated in EUR [LU0151325312]
- **I** Class capitalisation shares, denominated in GBP, not hedged against the EUR [LU1184245816]
- **I (q)** Class distribution shares, denominated in EUR [LU1269889314]
- **I-H** Class capitalisation shares, denominated in USD [LU1375972335]
- **I-H** Class capitalisation shares, denominated in CHF [LU2069305949]

- **I2** Class capitalisation shares, denominated in EUR [LU2026165931]
- **I2(q)** Class distribution shares, denominated in EUR [LU2026166079]

- **N** Class capitalisation shares, denominated in EUR [LU0151324935]

- **R** Class capitalisation shares, denominated in EUR [LU1120697633]
- **R** Class capitalisation shares, denominated in GBP, not hedged against the EUR [LU1184245493];
- **R-H** Class capitalisation shares, denominated in CHF [LU1184245659]
- **R-H** Class capitalisation shares, denominated in USD [LU2069305865]

- **R2** Class capitalisation shares, denominated in EUR [LU1410484494]
- **R2** Class distribution shares, denominated in EUR [LU1410484577]

- **S** Class capitalisation shares, denominated in EUR [LU0151333506]

- **S3** Class capitalisation shares, denominated in EUR [LU2026166152]

- **SF** Class capitalisation shares, denominated in EUR [LU2026166236]

- **Z** Class capitalisation shares, denominated in EUR [LU0252969745]
- **Z** Class distribution shares, denominated in EUR [LU1410484148]

9. Minimum subscription

No minimum subscription is required for the different share classes except:

- the minimum initial subscription for the **S** Class is EUR 25,000,000.
- the minimum initial subscription for the **S3** Class is EUR 175,000,000.

10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 1%	Max. 0.33%
I	0%	0%	0%	Max. 0.50%	Max. 0.25%
I2	0%	0%	0%	Max. 1.50%	Max. 0.25%
N	0%	0%	0%	Max. 1.60%	Max. 0.33%
R	Max. 2.5%	0%	0%	Max. 0.60%	Max. 0.33%
R2	Max. 2.5%	0%	0%	Max. 0.40%	Max. 0.33%
S	0%	0%	0%	Max. 0.25%	Max. 0.25%
S3	0%	0%	0%	Max. 0.50%	Max. 0.25%
SF	0%	0%	0%	Max. 0.25%	Max. 0.25%
Z	0%	0%	0%	0%	Max. 0.25%

Performance fees

The Management Company will receive a performance fee which will apply to the net assets of all classes of the sub-fund except for the S3, I2 and I2(q) classes. The performance fee for all the classes will be calculated as follows:

This performance fee will be 20% of the outperformance of the class, as defined below, the outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each valuation of the different share classes, a benchmark asset is established based on a theoretical investment at the index performance rate (set out below) of all net assets over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period):

Share classes	Benchmark
Classes denominated in EUR	Eonia Capitalized
Classes denominated in USD hedged against the EUR	FED FUNDS EFFECTIVE RATE US
Classes denominated in GBP not hedged against the EUR	ICE BofA Euro Currency Overnight Deposit Offered Rate - GBP
Classes denominated in CHF hedged against the EUR	SARON Capitalized

If the benchmark value is negative, the benchmark index value used for the calculation would be 0.

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 1 December 2020

Candriam Bonds Emerging Debt Local Currencies

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds of emerging countries mainly denominated in the local currencies, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities) which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

These securities are issued by private sector issuers, issued or guaranteed by emerging countries, public entities and semi-public issuers active in emerging countries.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in securities or money-market instruments other than those described above, or in cash.

These assets are denominated primarily in the local currencies of the issuers such as BRL, MXN, PLN, and secondarily in the currencies of developed countries such as USD, EUR, GBP, JPY.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures).

For example the sub-fund may also make use of currency and interest rate transactions in emerging countries for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 0 % and 25 %.
The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25%.
To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	J.P. Morgan GBI-EM Global Diversified (Total Return)
Benchmark definition	The benchmark measures the performance of sovereign bonds of emerging markets in local currency, using a diversification model allowing a more equal distribution of weightings among the countries in the benchmark.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance; ▪ to calculate the performance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Performance fee" below)
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be moderate to large, namely between 0.75% and 3%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

<table>
<tr><td rowspan="3">Benchmark provider</td><td>J.P. Morgan Securities PLC</td></tr>
<tr><td>This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.</td></tr>
<tr><td>The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.</td></tr>
</table>

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Risk associated with derivative financial instruments
- Emerging countries risk
- Liquidity risk
- Risk associated with Chinese debt (via Bond Connect)
- Counterparty risk
- Equity risk
- Arbitrage risk
- Risk related to external factors
- ESG investment risk
- Hedging risk of the share classes
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.
Investors' attention is drawn to the fact that this sub-fund is particularly exposed to risks related to emerging countries, liquidity risks and foreign exchange risks (notably in the emerging currencies, which are even more volatile). There is therefore a higher risk for investors than the risk arising from investment in a bonds sub-fund of a developed country. Furthermore, in view of its investments, this sub-fund could see the calculation of its net asset value **temporarily** suspended (as stated in the section entitled *Temporary suspension of the calculation of the net asset value and the issue, redemption and conversion of shares* in this Prospectus). If certain market prices (bonds, currencies etc.) are deemed to be unrepresentative, investors should be

aware that the probable realisable value of these assets may be estimated prudently and in good faith by the Board of Directors (based for example on valuation models).

5.2 Risk management

The total exposure is calculated using the relative VaR approach as described in the section entitled "Risk management".
The J.P. Morgan GBI-EM Global Diversified (Total Return) in USD / EUR (depending on shares) index is used as the benchmark for the VaR.

As an indication, the leverage of this sub-fund should vary between 50% and 150% of net assets. The sub-fund could, however, be exposed temporarily to a higher leverage.
The leverage is calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund.

6. **Valuation currency of the sub-fund:** USD.

7. **Form of the shares**: registered shares only.

8. **Share classes**

- **Classique** Class capitalisation shares, denominated in EUR, not hedged against the USD [LU0616945282]
- **Classique** Class distribution shares, denominated in EUR, not hedged against the USD [LU0616945449]
- **Classique (q)** Class distribution shares, denominated in USD [LU1269889405]
- **Classique** Class capitalisation shares, denominated in USD [LU0616945522]
- **Classique** Class distribution shares, denominated in USD [LU0616945795]

- **I** Class capitalisation shares, denominated in EUR, not hedged against the USD [LU0616945878]
- **I-H** Class capitalisation shares, denominated in EUR [LU1258426821]
- **I** Class distribution shares, denominated in EUR, not hedged against the USD [LU0616945951]
- **I** Class capitalisation shares, denominated in USD [LU0616946090]
- **I** Class distribution shares, denominated in USD [LU0616946173]
- **I** Class capitalisation shares, denominated in GBP, not hedged against the USD [LU1184246467]

- **N** Class capitalisation shares, denominated in EUR, not hedged against the USD [LU0616946256]

- **R** Class capitalisation shares, denominated in USD [LU0942152934]
- **R** Class capitalisation shares, denominated in EUR, not hedged against the USD [LU1184246038]
- **R** Class capitalisation shares, denominated in GBP, not hedged against the USD [LU1184246202]
- **R-H** Class capitalisation shares, denominated in CHF [LU1258426748]

- **R2** Class capitalisation shares, denominated in USD [LU1410484908]
- **R2** Class distribution shares, denominated in USD [LU1410485038]

- **R2** Class capitalisation shares, denominated in EUR, not hedged against the USD [LU1410485111]

- **R2** Class distribution shares, denominated in EUR, not hedged against the USD [LU1410485202]

- **V** Class capitalisation shares, denominated in EUR, not hedged against the USD [LU0616946413]
- **V** Class capitalisation shares, denominated in USD [LU0616946504]

- **V2** Class capitalisation shares, denominated in USD [LU1410484650]

- **Z** Class capitalisation shares, denominated in EUR, not hedged against the USD [LU0616946686]
- **Z** Class capitalisation shares, denominated in USD [LU0616946769]
- **Z** Class distribution shares, denominated in USD [LU1410484734]
- **Z** Class distribution shares, denominated in EUR, not hedged against the USD [LU1410484817]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the **V and V2** classes, for which the minimum initial subscription is the USD equivalent of EUR 20,000,000 or the equivalent of EUR 20,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 1.20%	Max. 0.35%
I	0%	0%	0%	Max. 0.60%	Max. 0.28%
N	0%	0%	0%	Max. 1.60%	Max. 0.35%
R	Max. 2.5%	0%	0%	Max. 0.70%	Max. 0.35%
R2	Max. 2.5%	0%	0%	Max. 0.30%	Max. 0.35%
V	0%	0%	0%	Max. 0.30%	Max. 0.28%
V2	0%	0%	0%	Max. 0.60%	Max. 0.28%
Z	0%	0%	0%	0%	Max. 0.28%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU0616946090], [LU0616946173], [LU0616945878], [LU0616945951], [LU1184246467], [LU1258426821] and the V Class [LU0616946504], [LU0616946413] of the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each valuation of the different share classes, a benchmark asset is established based on a theoretical investment at the index performance rate (set out below) of all net assets over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period):

Share classes	**Benchmark**
Classes denominated in USD	J.P. Morgan GBI-EM Global Diversified (Total Return)
Classes denominated in EUR not hedged against the USD	J.P. Morgan GBI-EM Global Diversified (Total Return) EUR
Classes denominated in EUR hedged against the USD	J.P. Morgan GBI-EM Global Diversified (Total Return) in EUR cross hedged
Classes denominated in GBP not hedged against the USD	J.P. Morgan GBI-EM Global Diversified (Total Return) GBP

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 1 December 2020

Candriam Bonds Emerging Markets

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds of emerging countries mainly denominated in the currencies of developed countries, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities) which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

These securities are issued by private sector issuers in emerging countries, issued or guaranteed by emerging countries, public entities and semi-public issuers active in such countries.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.
The remainder of the assets may be invested in securities or money-market instruments other than those described above, or in cash.

These assets will denominated primarily in the currencies of developed countries such as USD, EUR, GBP, JPY and secondarily in the local currencies of the issuers such as BRL, MXN, PLN.

Exposures to the currencies of developed countries such as EUR, GBP, JPY and emerging currencies such as BRL, MXN, PLN will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk on these currencies may remain.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps,

credit default swaps, inflation swaps), forwards, options and futures).

For example the sub-fund may also make use of interest rate transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 0 % and 25 %.
The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	J.P. Morgan EMBI Global Diversified (Total Return)
Benchmark definition	The benchmark measures the performance of sovereign and quasi-sovereign bonds of emerging markets denominated in USD, using a diversification model allowing a more equal distribution of weightings among the countries in the benchmark.
Use of the benchmark	as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, in determining risk levels / parameters, to compare performance; to calculate the performance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Performance fee" below).
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be moderate to large, namely between 0.75% and 3%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions

	(volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Benchmark provider	J.P. Morgan Securities PLC
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Emerging countries risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Equity risk
- Foreign exchange risk
- Risk related to external factors
- ESG investment risk
- Hedging risk of the share classes
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.
Investors' attention is drawn to the fact that this sub-fund is particularly exposed to emerging countries risk. There is therefore a higher risk for investors than the risk arising from investment in a bonds sub-fund of a developed country. Furthermore, in view of its investments, this sub-fund could see the calculation of its net asset value temporarily suspended (as stated in the section entitled *Temporary suspension of the calculation of the net asset value and the issue, redemption and conversion of shares* in this Prospectus). If certain market prices (bonds, currencies etc.) are deemed to be unrepresentative, investors should be aware that the probable realisable value of

these assets may be estimated prudently and in good faith by the Board of Directors (based for example on valuation models).

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. **Valuation currency of the sub-fund:** USD.

7. **Form of the shares**: registered shares only.

8. **Share classes**

- **Classique** Class capitalisation shares, denominated in USD [LU0083568666]
- **Classique-H** Class capitalisation shares, denominated in EUR [LU0594539719]
- **Classique** Class distribution shares, denominated in USD [LU0083569045]
- **Classique (q)** Class distribution shares, denominated in USD [LU1269889587]

- **CS** Class capitalisation shares, denominated in USD [LU2026166319]

- **LOCK** Class capitalisation shares, denominated in USD [LU0574791835]

- **I** Class capitalisation shares, denominated in USD [LU0144746764]
- **I** Class distribution shares, denominated in USD [LU1184247275]
- **I-H** Class capitalisation shares, denominated in EUR [LU0594539982]

- **I** Class capitalisation shares, denominated in EUR, not hedged against the USD [LU1184247432]
- **I** Class capitalisation shares, denominated in GBP, not hedged against the USD [LU1120698953]
- **I(q)-H** Class distribution shares, denominated in GBP [LU1410492919]
- **I(q)-H** Class distribution shares, denominated in EUR [LU1490969497]

- **I2** Class distribution shares, denominated in USD [LU2026166400]

- **N** Class capitalisation shares, denominated in USD [LU0144751251]

- **R** Class capitalisation shares, denominated in USD [LU0942153155]
- **R** Class capitalisation shares, denominated in EUR, not hedged against the USD [LU1184246624]
- **R-H** Class capitalisation shares, denominated in EUR [LU1764521966]
- **R-H** Class capitalisation shares, denominated in GBP [LU1184246970]
- **R-H** Class capitalisation shares, denominated in CHF [LU1258427126]
- **R(q)** Class distribution shares, denominated in USD [LU2178471681]

- **R2** Class capitalisation shares, denominated in USD [LU1410485897]
- **R2** Class distribution shares, denominated in USD [LU1410485970]
- **R2-H** Class capitalisation shares, denominated in EUR [LU1410486192]

- **S** Class capitalisation shares, denominated in USD [LU1797525570]

- **S2** Class capitalisation shares, denominated in USD [LU1920010995]

- **V-H**, Class capitalisation shares, denominated in EUR [LU0616945100]

- **V-H** Class capitalisation shares, denominated in CHF [LU2015352391]
- **V** Class capitalisation shares, denominated in EUR, not hedged against the USD [LU0891848607]
- **V(q)-H** Class distribution shares, denominated in EUR [LU1490969570]

- **V2** Class capitalisation shares, denominated in USD [LU1410485624]
- **V2** Class distribution shares, denominated in USD [LU2178471764]
- **V2-H** Class capitalisation shares, denominated in GBP [LU1708110033]
- **V2-H** Class capitalisation shares, denominated in CHF [LU2015352128]
- **V2** Class capitalisation shares, denominated in GBP, not hedged against the USD [LU1708110207]
- **V2(q)-H** Class distribution shares, denominated in GBP [LU1708110462]
- **V2-H** Class capitalisation shares, denominated in EUR [LU2026166582]
- **V2** Class capitalisation shares, denominated in EUR, not hedged against the USD [LU2026166665]

- **Z** Class capitalisation shares, denominated in USD [LU0252942387]
- **Z** Class distribution shares, denominated in USD [LU1410485467]
- **Z-H** Class capitalisation shares, denominated in EUR [LU1582239619]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the following classes:

- the minimum initial subscription for the **V and V2** Classes is the USD equivalent of EUR 20,000,000 or the equivalent of EUR 20,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- the minimum initial subscription for the **S** Class is the USD equivalent of EUR 25,000,000 or the equivalent of EUR 25,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- the minimum initial subscription for the **S2** Class is USD 100,000,000 or the equivalent of USD 100,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 1.20%	Max. 0.35%
CS	0%	0%	0%	Max. 1.20%	Max. 0.35%
I denominated in EUR or USD	0%	0%	0%	Max. 0.60%	Max. 0.28%
I denominated in GBP	0%	0%	0%	Max. 0.70%	Max. 0.28%
I2	0%	0%	0%	Max. 0.80%	Max. 0.28%
LOCK	Max. 2.5%	0%	0%	Max. 1.20%	Max. 0.35%
N	0%	0%	0%	Max. 1.60%	Max. 0.35%
R	Max. 2.5%	0%	0%	Max. 0.70%	Max. 0.35%
R2	Max. 2.5%	0%	0%	Max. 0.30%	Max. 0.35%
S	0%	0%	0%	Max. 0.44%	Max. 0.28%
V	0%	0%	0%	Max. 0.30%	Max. 0.28%
V2	0%	0%	0%	Max. 0.60%	Max. 0.28%
Z	0%	0%	0%	0%	Max. 0.28%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU0144746764], [LU0594539982], [LU1184247275], [LU1184247432] [LU1490969497] and V [LU0616945100], [LU0891848607], [LU1490969570], [LU2015352391] of the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each valuation of the different share classes, a benchmark asset is established based on a theoretical investment at the index performance rate (set out below) of all net assets over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period):

Share classes	Benchmark
Classes denominated in USD	J.P. Morgan EMBI Global Diversified (Total Return)
Classes denominated in EUR hedged against the USD	J.P. Morgan EMBI Global Diversified (Total Return) hedged in EUR

Classes denominated in EUR not hedged against the USD	J.P. Morgan EMBI Global Diversified (Total Return) EUR
Classes denominated in CHF hedged against the USD	J.P. Morgan EMBI Global Diversified (Total Return) hedged in CHF

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

Specific charges associated with the LOCK class mechanism: 0.07% per annum of the average net asset value. This fee is payable at the end of each quarter.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Emerging Markets Corporate

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds issued primarily by private-sector issuers in emerging countries and denominated mainly in the currencies of developed countries, and to maximise the risk/return ratio of this asset class, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of the sub-fund are invested primarily in debt securities (bonds and other equivalent securities including high yield bonds) which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

These securities are primarily issued by private sector issuers (rated at least B-/B3 by a recognised rating agency at the time of purchase or considered to be of equivalent quality by the Management Company) operating in emerging countries. The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in marketable securities other than those described above, in particular:

- issued by active public sector entities and semi-public issuers in emerging countries
- contingent convertible bonds (CoCos) (maximum 10% of net assets),
- subordinated bonds (maximum 20% of net assets),
- UCITS and UCIs (maximum 10%)
- money market instruments
- deposits and/or cash.

These assets will mainly be denominated in the currencies of developed countries (USD, EUR, GBP, JPY, etc.)
Exposures to the currencies of developed countries (such as EUR, GBP, JPY) will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk on these currencies may remain.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, nuclear, biological, white phosphorus and depleted uranium weapons.

The sub-fund may make use of derivative financial instruments on the regulated and/or over-the-counter markets (notably swaps, forwards, options or futures) for the purpose of exposure, hedging and/or arbitrage.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility.

Within the limits of sub-fund's objective and investment policy, the management team makes discretionary investment choices in the portfolio. It selects portfolio securities depending on their attractiveness on the market and/or depending on their diversifying character within the portfolio.

The JP Morgan CEMBI Broad Diversified Return Index ("JP Morgan CEMBI Broad Diversified") is the sub-fund's benchmark.

The sub-fund is managed actively. The application of the investment process determines the extent to which the positions taken in the portfolio are able to deviate from those of the index.

Such deviation may be substantial. Differences in the composition and/or performance of the portfolio compared to the benchmark may therefore be large in certain periods and more limited in other periods.

The benchmark may be used as a universe of selection although investments outside this universe are authorised.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 0 % and 25 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	J.P. Morgan CEMBI Broad Diversified (Total Return)

Benchmark definition	The benchmark measures the performance of corporate bonds of emerging markets denominated in USD, using a diversification model allowing a more equal distribution of weightings among the countries in the benchmark.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance; ▪ to calculate the performance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Performance fee" below).
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be moderate to large, namely between 0.75% and 3%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Benchmark provider	J.P. Morgan Securities PLC
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Emerging countries risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Hedging risk of the share classes
- Counterparty risk
- Investment in CoCos risk
- Foreign exchange risk
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.
Investors' attention is drawn to the fact that this sub-fund is particularly exposed to emerging countries risk. There is therefore a higher risk for investors than the risk arising from investment in a bonds sub-fund of a developed country. Furthermore, in view of its investments, this sub-fund could see the calculation of its net asset value temporarily suspended (as stated in the section entitled *Temporary suspension of the calculation of the net asset value and the issue, redemption and conversion of shares* in this Prospectus). If certain market prices (bonds, currencies etc.) are deemed to be unrepresentative, investors should be aware that the probable realisable value of these assets may be estimated prudently and in good faith by the Board of Directors (based for example on valuation models).

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. Valuation currency of the sub-fund: USD.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in USD [**LU2026166749**]
- **Classique** Class distribution shares, denominated in USD [**LU2026166822**]
- **Classique-H** Class capitalisation shares, denominated in EUR [**LU2026167044**]

- **I** Class capitalisation shares, denominated in USD [**LU2026167127**]
- **I** Class distribution shares, denominated in USD [**LU2026167390**]
- **I-H** Class capitalisation shares, denominated in EUR [**LU2026167473**]

- **I2** Class capitalisation shares, denominated in USD [**LU2026167556**]

- **N-H** Class capitalisation shares, denominated in EUR [**LU2026167630**]

- **R** Class capitalisation shares, denominated in USD [**LU2026167804**]
- **R** Class distribution shares, denominated in USD [**LU2026167986**]
- **R-H** Class capitalisation shares, denominated in EUR [**LU2026168018**]
- **R-H** Class capitalisation shares, denominated in GBP [**LU2026168109**]

- **R2** Class capitalisation shares, denominated in USD [**LU2026169503**]
- **R2** Class distribution shares, denominated in USD [LU2092203855]

- **PI** Class capitalisation shares, denominated in USD [**LU2026169842**]

- **V** Class capitalisation shares, denominated in USD [**LU2026169925**]

- **Z** Class capitalisation shares, denominated in USD [**LU2026170006**]
- **Z-H** Class capitalisation shares, denominated in EUR [**LU2178471848**]
- **Z** Class distribution shares, denominated in USD [**LU2026170188**]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the following classes:

- the minimum initial subscription for the **PI** Class is the USD equivalent of EUR 1,000,000 or the equivalent of EUR 1,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- the minimum initial subscription for the **V** Class is the USD equivalent of EUR 20,000,000 or the equivalent of EUR 20,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 1.40%	Max. 0.35%
I	0%	0%	0%	Max. 0.65%	Max. 0.28%
I2	0%	0%	0%	Max. 0.65%	Max. 0.28%
N	0%	0%	0%	Max. 1.80%	Max. 0.35%
PI	0%	0%	0%	Max. 0.30%	Max. 0.28%
R	Max. 2.5%	0%	0%	Max. 0.75%	Max. 0.35%
R2	Max. 2.5%	0%	0%	Max. 0.30%	Max. 0.35%
V	0%	0%	0%	Max. 0.35%	Max. 0.28%
Z	0%	0%	0%	0%	Max. 0.28%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU2026167127], [LU2026167390], [LU2026167473], and V Class [LU2026169925] in the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each valuation of the different share classes, a benchmark asset is established based on a theoretical investment at the index performance rate (set out below) of all net assets over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period):

Share classes	Benchmark
Classes denominated in USD	J.P. Morgan CEMBI Broad Diversified (Total Return)
Classes denominated in EUR hedged against the USD	J.P. Morgan CEMBI Broad Diversified (Total Return) hedged in EUR

In the event of redemption, the last benchmark asset calculated and the total cumulative net assets on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. **Frequency of net asset value calculation:** Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 1 December 2020

Candriam Bonds Emerging Markets Total Return

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to benefit from the positive performance of the financial markets via a flexibility of investments in bonds of emerging countries, on the basis of discretionary active management, not involving any reference to a benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities) which may notably be at fixed or variable rates, indexed, subordinated, convertible or backed by assets.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

The securities are issued by private issuers, issued or guaranteed by governments, international and supranational organisations, public entities and semi-public issuers in emerging countries.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in marketable securities (notably in convertible bonds, Contingent Convertible Bonds (CoCos) up to 10% of the net assets, subordinates up to 10% of net assets, etc.) or money market instruments other than those described above, or in cash.

Assets will be denominated in the currencies of developed countries such as EUR, USD, JPY, GBP or
emerging currencies such as BRL, MXN, PLN.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

<u>Exposure to the credit market and to risk assets in general</u>:

Although the main object of the sub-fund is to benefit from the narrowing of credit spreads (with the risk of losses if they widen), it may enter into opposite positions in order to benefit from a widening of credit spreads (with the risk of losses if they narrow).
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 and/or CDS indices.
However, it is possible to create a negative exposure only through the purchase of protection in the CDS market.

The total duration of the portfolio may vary between 0 years and +10 years.

The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures).

Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0 % and 25 %.

The sub-fund may invest a maximum of 10% of its assets in UCITS and/or UCIs.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 0 % and 25 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Risk factors specific to the sub-fund and risk management

4.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Risk associated with derivative financial instruments
- Emerging countries risk
- Liquidity risk
- Arbitrage risk
- Counterparty risk
- Equity risk
- Investment in CoCos risk

- Volatility risk
- Risk associated with Chinese debt (via Bond Connect)
- Risk related to external factors
- ESG investment risk
- Hedging risk of the share classes

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.
Investors' attention is drawn to the fact that this sub-fund is particularly exposed to emerging countries risk. There is therefore a higher risk for investors than the risk arising from investment in a bonds sub-fund of a developed country. Furthermore, in view of its investments, this sub-fund could see the calculation of its net asset value temporarily suspended (as stated in the section entitled *Temporary suspension of the calculation of the net asset value and the issue, redemption and conversion of shares* in this Prospectus). If certain market prices (bonds, currencies etc.) are deemed to be unrepresentative, investors should be aware that the probable realisable value of these assets may be estimated prudently and in good faith by the Board of Directors (based for example on valuation models).

4.2 Risk management

The total derivatives exposure will be calculated using the absolute VaR approach as described in the section entitled *Risk Management*.
The total risk of all the portfolio derivative positions may not exceed an absolute VaR of 20%. This VaR uses a confidence level of 99% and a timeframe of 20 days.
The leverage of this sub-fund will be a maximum of 450%. This leverage will be calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund. The sub-fund could, however, be exposed to a higher leverage. This high leverage is explained by the use of forward contracts on interest rates whose nominal values are not always adequately indicative of the risk actually incurred.

5. **Valuation currency of the sub-fund**: USD

6. **Form of the shares:** registered shares only

7. **Share classes**

- **Classique** Class capitalisation shares, denominated in USD [LU1708105629]
- **Classique** Class distribution shares, denominated in USD [LU1708105975]
- **Classique-H** Class capitalisation shares, denominated in EUR [LU1708106270]
- **Classique-H** Class distribution shares, denominated in EUR [LU1708106437]

- **I** Class capitalisation shares, denominated in USD [LU1708106601]
- **I** Class distribution shares, denominated in USD [LU1708106866]
- **I-H** Class capitalisation shares, denominated in EUR [LU1708107161]
- **I-H** Class distribution shares, denominated in EUR [LU1708107328]
- **I-H** Class distribution shares, denominated in GBP [LU1708107674]
- **I2-H** Class distribution shares, denominated in GBP [LU1797525653]

- **PI** Class capitalisation shares, denominated in USD [LU1797822357]

- **R** Class capitalisation shares, denominated in USD [LU1708107831]

- **R** Class distribution shares, denominated in USD [LU1708108136]
- **R-H** Class capitalisation shares, denominated in EUR [LU1708108482]
- **R-H** Class distribution shares, denominated in EUR [LU1708108649]
- **R-H** Class distribution shares, denominated in GBP [LU1708108995]

- **Z** Class capitalisation shares, denominated in USD [LU1708109290]
- **Z** Class capitalisation shares, denominated in USD [LU1708109456]
- **Z-H** Class capitalisation shares, denominated in EUR [LU1838942008]

8. Minimum subscription

No minimum subscription is required for the different share classes except for the **PI** class, for which the minimum initial subscription is USD 1,000,000 or the equivalent of USD 1,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

9. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 1.35%	Max. 0.35%
I	0%	0%	0%	Max. 0.85%	Max. 0.28%
I2	0%	0%	0%	Max. 0.85%	Max. 0.28%
PI	0%	0%	0%	Max. 0.85%	Max. 0.28%
R	Max. 2.5%	0%	0%	Max. 0.95%	Max. 0.35%
Z	0%	0%	0%	0%	Max. 0.28%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU1708106601], [LU1708106866], [LU1708107161], [LU1708107328] [LU1708107674] of the sub-fund.

At each valuation of the class, a benchmark asset is established based on a theoretical investment at the annual rate of 5% of net assets over the period (the net book value at the end of the previous financial year being equal to a subscription at the beginning of the period).

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of units redeemed. Similarly, a proportion of any provision for performance fees on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of units redeemed. This portion of the performance fees is paid to the Management Company on redemption.

If the total assets, defined as the net book value of the assets after deducting the performance fees on redemptions, but excluding the performance fees provision corresponding to the outstanding units, is greater than the benchmark asset, an outperformance (or in the opposite case, an underperformance) is recorded. The provision for performance fees on the accounting balance is adjusted to 20% of the amount of this new outperformance by allocation or write-back of a provision before calculating the net asset value.

The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year. The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is a financial year.

Calculation of the performance fee commence will begin on 1 January 2018. It will be collected for the first time at the end of December 2018.

10. Frequency of net asset value calculation: Each Bank Business Day.

11. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Euro

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR, issued by highly rated issuers of all types, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a short investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund will be invested principally in debt securities (bonds and other equivalent securities) denominated in EUR which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

These securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organisations, public entities and semi-public issuers. These issuers will be highly rated (rated at least **BBB-/Baa3** by one of the rating agencies at the time of purchase).

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in marketable securities (notably convertible bonds including contingent convertible bonds (CoCos) for a maximum of 5% of net assets) or money-market instruments other than those described above, or in cash.

Exposures to currencies other than the euro may be hedged against the foreign exchange risk, but this will not be done systematically.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures).

For example the sub-fund may also make use of interest rate and credit transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 50 % and 75 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	iBoxx EUR Overall (Total Return)
Benchmark definition	The index measures the performance of investment grade bonds denominated in EUR.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance; ▪ to calculate the performance fee for some share classes.
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Benchmark	IHS Markit Benchmark Administration Limited

provider	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Equity risk
- Investment in CoCos risk
- Foreign exchange risk
- Emerging countries risk
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. Valuation currency of the sub-fund: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares [LU0011975413]
- **Classique** Class distribution shares [LU0011975330]

- **I** Class capitalisation shares [LU0144743829]
- **I** Class distribution shares [LU1258427399]

- **R** Class capitalisation shares [LU0942153239]

- **R2** Class capitalisation shares [LU1410486432]
- **R2** Class distribution shares [LU1410486515]

- **V** Class capitalisation shares [LU0391256418]

- **Z** Class capitalisation shares [LU0252943781]
- **Z** Class distribution shares [LU1410486275]

9. Minimum subscription

No minimum subscription is required for the different classes except for the **V** Class, for which the minimum initial subscription is EUR 20,000,000 (this minimum may be changed at the discretion of the Board of Directors provided that equal treatment of shareholders is ensured on the same Valuation Date).

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 0.6%	Max. 0.29%
I	0%	0%	0%	Max. 0.2%	Max. 0.23%
R	Max. 2.5%	0%	0%	Max. 0.40%	Max. 0.29%
R2	Max. 2.5%	0%	0%	Max. 0.15%	Max. 0.29%
V	0%	0%	0%	Max. 0.15%	Max. 0.23%
Z	0%	0%	0%	0%	Max. 0.23%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU0144743829], [LU1258427399] and the V Class [LU0391256418] in the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each fund valuation, a benchmark asset is established based on a theoretical investment corresponding to the performance of the iBoxx EUR Overall (Total Return) index. actifs nets sur la période (l'actif net comptable de fin d'exercice précédent étant assimilé à une souscription de début de période).

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Euro Corporate

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR and issued by highly rated private sector issuers, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund will be invested principally in debt securities (bonds and other equivalent securities) denominated in EUR which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

These securities are issued by highly rated private sector issuers (rated at least BBB-/Baa3 by one of the rating agencies at the time of purchase).

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in securities or money-market instruments other than those described above (including contingent convertible bonds (CoCos) up to 5% of net assets), or in cash.

Exposures to currencies other than the euro will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures).

For example, the sub-fund may also make use of interest rate and credit transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 0 % and 25 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	iBoxx EUR Corporates (Total Return)
Benchmark definition	The index measures the performance of investment grade corporate bonds denominated in EUR.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance; ▪ to calculate the performance fee for some share classes.
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Benchmark	IHS Markit Benchmark Administration Limited

provider	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Equity risk
- Investment in CoCos risk
- Concentration risk
- Emerging countries risk
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. Valuation currency of the sub-fund: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares [LU0237839757]
- **Classique** Class distribution shares [LU0237840094]

- **I** Class capitalisation shares [LU0237841142]
- **I** Class distribution shares [LU1258427472]

- **N** Class capitalisation shares [LU0237840680]

- **Z** Class capitalisation shares [LU0252947006]
- **Z** Class distribution shares [LU1410487083]

- **R** Class capitalisation shares [LU0942153403]

- **R2** Class capitalisation shares [LU1410487166]
- **R2** Class distribution shares [LU1410487240]

9. Minimum subscription

No minimum subscription is required for the different classes of shares.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 0.75%	Max. 0.29%
I	0%	0%	0%	Max. 0.30%	Max. 0.23%
N	0%	0%	0%	Max. 1%	Max. 0.29%
R	Max. 2.5%	0%	0%	Max. 0.40%	Max. 0.29%
R2	Max. 2.5%	0%	0%	Max. 0.19%	Max. 0.29%
Z	0%	0%	0%	0%	Max. 0.23%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU0237841142] and [LU1258427472] of the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each class valuation, a benchmark asset is established based on a theoretical investment corresponding to the performance of the iBoxx EUR Corporates (Total Return) index of all net assets over the period (the net book value of the assets at the end of the previous financial year being considered as a subscription at the beginning of the period).

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 1 December 2020

Candriam Bonds Euro Corporate ex-Financials

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR and issued by highly rated private sector issuers of all types - excluding the financial sector - and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund will be invested principally in debt securities (bonds and other equivalent securities) denominated in EUR which may notably be at fixed or variable rates, indexed, subordinated.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

These securities are issued by highly rated private sector issuers (rated at least BBB-/Baa3 by one of the rating agencies at the time of purchase) excluding the financial sector.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.
The remainder of the assets may be invested in securities or money-market instruments other than those described above, or in cash.

Exposures to currencies other than the euro will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures).

For example the sub-fund may also make use of interest rate and credit transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 0 % and 25 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	iBoxx EUR Non-Financials (Total Return)
Benchmark definition	The index measures the performance of investment grade corporate bonds outside the financial sector.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance;
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Benchmark provider	IHS Markit Benchmark Administration Limited
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Equity risk
- Concentration risk
- Emerging countries risk
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 **Risk management**

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. Currency of valuation of the sub-fund: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares [LU0170294283]
- **Classique** Class distribution shares [LU0170294796]

- **I** Class capitalisation shares [LU0170295173]

- **Z** Class capitalisation shares [LU0252973267]

9. Minimum subscription

No minimum subscription is required for the different classes of shares.

10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 0.6%	Max. 0.29%
I	0%	0%	0%	Max. 0.3%	Max. 0.23%
Z	0%	0%	0%	0%	Max. 0.23%

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Euro Diversified

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated mainly in EUR, issued by highly rated eurozone issuers of all types and with a maturity of between 1 and 10 years, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities) denominated in EUR, with a maturity of between 1 and 10 years, which may notably be at fixed or variable rates, indexed, subordinated (up to 10% of net assets) or backed by assets.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

These securities are issued or guaranteed by governments, international and supranational organisations, public sector entities and semi-public issuers and/or private sector issuers, considered to be good quality (rated at least BBB-/Baa3 by one of the rating agencies) or considered to be of equivalent quality by the Management Company (in particular if there is no rating). The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in:

- transferable securities other than those described above (in particular high yield bonds, convertible bonds, inflation-linked bonds, Contingent Convertible Bonds (up to 5% of net assets), asset-backed securities (up to 5% of net assets), mortgage-backed securities (up to 5% of net assets), emerging market bonds), and/or
- money market instruments and/or
- cash

Exposures to currencies other than the euro may be hedged against the foreign exchange risk, but this will not be done systematically.

The sub-fund aims to exclude companies which:
1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel

mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures).
Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0 % and 25 %.
The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 50 % and 75 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	Bloomberg Barclays Euro-Aggregate 1-10 Year Index (Total Return)
Benchmark definition	The index measures the performance of investment grade bonds denominated in EUR with maturities between 1 and 10 years.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance; ▪ to calculate the performance fee for some share classes.
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions

	(volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Benchmark provider	Bloomberg Index Services Limited
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Equity risk
- Investment in CoCos risk
- Foreign exchange risk
- Emerging countries risk
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. Valuation currency of the sub-fund: EUR.

7. **Form of the shares**: registered shares only.

8. **Share classes**

- **Classique** Class capitalisation shares [LU0093577855]
- **Classique** Class distribution shares [LU0093578077]

- **I** Class capitalisation shares [LU0144744124]
- **I** Class distribution shares [LU1258427639]

- **R** Class capitalisation shares [LU1269890080]

- **R2** Class capitalisation shares [LU1410487919]
- **R2** Class distribution shares [LU1410488057]

- **Z** Class capitalisation shares [LU0252961767]
- **Z** Class distribution shares [LU1410488131]

9. **Minimum subscription**

No minimum subscription is required for the different classes of shares.

10. **Fees and charges**

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 0.60%	Max. 0.33%
I	0%	0%	0%	Max. 0.30%	Max. 0.25%
R	Max. 2.5%	0%	0%	Max. 0.40%	Max. 0.33%
R2	Max. 2.5%	0%	0%	Max. 0.15%	Max. 0.33%
Z	0%	0%	0%	0%	Max. 0.25%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU0144744124] and [LU1258427639] of the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each class valuation, a benchmark asset is established based on a theoretical investment corresponding to the performance of the Bloomberg Barclays Euro-Aggregate 1-10 Year Index (Total Return) index of all net assets over the period (the net book value of the assets at the end of the previous financial year being considered as a subscription at the beginning of the period).

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Euro Government

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds issued or guaranteed by eurozone governments, international and supranational organisations and public sector entities, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund will be invested principally in debt securities (bonds and other equivalent securities) denominated in EUR which may notably be at fixed or variable rates or indexed.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

These securities are issued or guaranteed by governments, international and supranational organisations and public entities in the eurozone.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in securities or money-market instruments other than those described above, or in cash.
Exposures to currencies other than the euro will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The sub-fund may also make use of derivative financial instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures).

For example the sub-fund may also make use of interest rate transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 50 % and 75 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	J.P. Morgan EMU (Total Return)
Benchmark definition	The index measures the performance of EUR-denominated domestic government bonds issued by western eurozone countries.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance; ▪ to calculate the performance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Performance fee" below).
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund’s performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Benchmark provider	J.P. Morgan Securities PLC
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Concentration risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Liquidity risk
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. Valuation currency of the sub-fund: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0157930404]
- **Classique** Class distribution shares, denominated in EUR [LU0157930313]

- **I** Class capitalisation shares, denominated in EUR [LU0156671926]
- **I** Class distribution shares, denominated in EUR [LU1258427555]

- **N** Class capitalisation shares, denominated in EUR [LU0156671843]

- **R** Class capitalisation shares, denominated in EUR [LU1269889744]
- **R** Class capitalisation shares, denominated in GBP, not hedged against the EUR [LU1269889827]

- **R2** Class capitalisation shares, denominated in EUR [LU1410487679]
- **R2** Class distribution shares, denominated in EUR [LU1410487752]

- **Z** Class capitalisation shares, denominated in EUR [LU0252949713]
- **Z** Class distribution shares, denominated in EUR [LU1410487836]

9. Minimum subscription

No minimum subscription is required for the different classes of shares.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 0.60%	Max. 0.33%
I	0%	0%	0%	Max. 0.20%	Max. 0.25%
N	0%	0%	0%	Max. 1%	Max. 0.33%
R	Max. 2.5%	0%	0%	Max. 0.40%	Max. 0.33%
R2	Max. 2.5%	0%	0%	Max. 0.15%	Max. 0.33%
Z	0%	0%	0%	0%	Max. 0.25%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU0156671926] and [LU1258427555] of the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each fund valuation, a benchmark asset is established based on a theoretical investment corresponding to the performance of the J.P. Morgan EMU (Total Return) index of all net assets over the period (the net assets of the previous financial period being equal to a subscription at the start of the period).

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Euro High Yield

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in high yield bonds denominated in EUR and issued by private sector issuers, and to outperform the benchmark.
These high yield securities are generally poorly rated and exposed to higher credit risk and liquidity risk than more highly rated securities; they may be subject to greater market value fluctuations and lower liquidity.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The objective of this sub-fund is to offer investors exposure to the high yield market (debt of companies with a high credit risk).

Accordingly, the assets of this sub-fund will be invested principally in debt instruments denominated in EUR (including bonds, notes or bills) of issuers with a rating exceeding B-/B3 and/or in derivative products (credit derivatives based on indices or individual names) of issuers of the same quality.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus. The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in marketable securities (notably convertible bonds) or money-market instruments other than those described above, or in cash.

Exposures to currencies other than the euro will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps, total return swaps), forwards, options and futures. Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0 % and 25 %.

For example the sub-fund may also make use of interest rate or credit transactions for the purpose of hedging, exposure and/or arbitrage.
The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	ICE BofA BB-B Euro Non-Financial High Yield Constrained Index (Total Return)
Benchmark definition	The benchmark measures the performance of below investment grade non-financial corporate bonds denominated in EUR, rated from BB1 to B3, issued on the domestic eurozone or eurobond markets, with issuer exposure capped at 3%.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance; ▪ to calculate the performance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Performance fee" below).
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be moderate to large, namely between 0.75% and 3%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Benchmark provider	ICE Data Indices LLC
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Equity risk
- Foreign exchange risk
- Arbitrage risk
- Volatility risk
- Emerging countries risk
- Risk related to external factors
- ESG investment risk
- Hedging risk of the share classes
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

Subscribers' attention is drawn to the management style of this sub-fund which is partly invested in securities classified as speculative by the rating agencies and which are traded on markets whose operating conditions, in terms of transparency and liquidity, may differ considerably from the standards accepted on international stock markets or regulated markets. Consequently, the product is aimed at investors who have sufficient experience to be able to assess the merits and risks.

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. Valuation currency of the sub-fund: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0012119607]
- **Classique** Class distribution shares, denominated in EUR [LU0012119789]
- **Classique (q)** Class distribution shares, denominated in EUR [LU1269890163]
- **Classique-H** Class capitalisation shares, denominated in USD [LU1258428280]
- **Classique-H** Class distribution shares, denominated in USD [LU1375972418]

- **LOCK** Class capitalisation shares, denominated in EUR [LU0574792569]

- **I** Class capitalisation shares, denominated in EUR [LU0144746509]
- **I** Class distribution shares, denominated in EUR [LU1258427985]
- **I** Class capitalisation shares, denominated in GBP, not hedged against the EUR [LU1184247861].
- **I-H** Class capitalisation shares, denominated in USD [LU1375972509]

- **I2** Class distribution shares, denominated in EUR [LU2026170345]

- **N** Class capitalisation shares, denominated in EUR [LU0144751095]

- **R** Class capitalisation shares, denominated in EUR [LU0942153742]
- **R** Class capitalisation shares, denominated in GBP, not hedged against the EUR [LU1184247606]
- **R-H** Class capitalisation shares, denominated in USD, hedged against the EUR [LU1511857465]
- **R-H** Class capitalisation shares, denominated in CHF, hedged against the EUR [LU1258428017]
- **R(q)** Class distribution shares, denominated in EUR [LU1375972848]
- **R(q)-H** Class distribution shares, denominated in GBP, hedged against the EUR [LU1375972921]

- **R2** Class capitalisation shares, denominated in EUR [LU1410488487]
- **R2** Class distribution shares, denominated in EUR [LU1410488560]
- **R2-H** Class capitalisation shares, denominated in USD, hedged against the EUR [LU1410488644]

- **S** Class capitalisation shares, denominated in EUR [LU1432307756]

- **S-H** Class capitalisation shares, denominated in USD [LU2130892933]
- **S-H** Class distribution shares, denominated in USD [LU2130893071]
- **S-H** Class capitalisation shares, denominated in CHF [LU2130893154]
- **S-H** Class capitalisation shares, denominated in GBP [LU2130893238]

- **S2** Class capitalisation shares, denominated in EUR [LU1633811333]

- **S(s)** Class distribution shares, denominated in EUR [LU1010337324]

- **S4** Class capitalisation shares, denominated in EUR [LU1410488305]

- **V** Class capitalisation shares, denominated in EUR [LU0891843558]
- **V-H** Class capitalisation shares, denominated in USD [LU1375972681]

- **V2** Class capitalisation shares, denominated in EUR [LU2241127344]

- **Z** Class capitalisation shares, denominated in EUR [LU0252971055]
- **Z** Class distribution shares, denominated in EUR [LU1410488214]

9. Minimum subscription

No minimum subscription is required for the different share classes **except for the following classes**:

- the minimum initial subscription for the S Class is EUR 25,000,000 or the equivalent of EUR 25,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- the minimum initial subscription for the **S2** Class is EUR 100,000,000 or the equivalent of EUR 100,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- the minimum initial subscription for the **S4** Class is EUR 75,000,000 or the equivalent of EUR 75,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

- the minimum initial subscription for the **V and V2** Classes is EUR 20,000,000 or the equivalent of EUR 20,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 1.20%	Max. 0.35%
I	0%	0%	0%	Max. 0.60%	Max. 0.28%
I2	0%	0%	0%	Max. 0.80%	Max. 0.28%
LOCK	Max. 2.5%	0%	0%	Max. 1.20%	Max. 0.35%
N	0%	0%	0%	Max. 1.60%	Max. 0.35%
R	Max. 2.5%	0%	0%	Max. 0.70%	Max. 0.35%
R2	Max. 2.5%	0%	0%	Max. 0.30%	Max. 0.35%
S / S(s) / S2	0%	0%	0%	Max. 0.40%	Max. 0.28%
V	0%	0%	0%	Max. 0.40%	Max. 0.28%
V2	0%	0%	0%	Max. 0.60%	Max. 0.28%
S4	0%	0%	0%	Max. 0.50%	Max. 0.28%
Z	0%	0%	0%	0%	Max. 0.28%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU0144746509], [LU1184247861], [LU1258427985], [LU1375972509] and the V Class [LU0891843558], [LU1375972681] of the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each valuation of the different share classes, a benchmark asset is established based on a theoretical investment at the index performance rate (set out below) of all net assets over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period):

Share classes	Benchmark
Classes denominated in EUR	ICE BofA BB-B Euro Non-Financial High Yield Constrained Index (Total Return)
Classes denominated in GBP not hedged against the EUR	ICE BofA BB-B Euro Non-Financial High Yield Constrained Index (Total Return) GBP
Classes denominated in USD hedged against the EUR	ICE BofA BB-B Euro Non-Financial High Yield Constrained Index (Total Return) hedged in USD

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

Specific charges associated with the LOCK class mechanism: 0.05% per annum of the average net asset value. This fee is payable at the end of each quarter.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Euro Long Term

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR with a duration of at least 6 years and issued by highly rated issuers, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund will mainly be invested in debt securities (bonds and other analogous securities) denominated in EUR with a duration, i.e. sensitivity to movements in interest rates, of at least six years, which notably may be at either fixed or variable rates, indexed, subordinated or backed by assets.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

These securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organisations, public entities and semi-public issuers. These issuers will be considered good quality (rated at least BBB-/Baa3 by one of the rating agencies at the time of purchase).

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in marketable securities (notably convertible bonds including contingent convertible bonds (CoCos) for a maximum of 5% of net assets) or money-market instruments other than those described above, or in cash.

Exposures to currencies other than the euro may be hedged against the foreign exchange risk, but this will not be done systematically.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps,

credit default swaps, inflation swaps), forwards, options and futures).

For example the sub-fund may also make use of interest rate or credit transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 50 % and 75 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	Markit iBoxx EUR Overall 7+ Index (Total Return)
Benchmark definition	The index measures the performance of investment grade bonds denominated in EUR with maturities above 7 years.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance; ▪ to calculate the performance fee for some share classes.
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Benchmark provider	IHS Markit Benchmark Administration Limited	
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.	
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.	

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Equity risk
- Investment in CoCos risk
- Foreign exchange risk
- Concentration risk
- Emerging countries risk
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. **Valuation currency of the sub-fund:** EUR

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares [LU0077500055]
- **Classique** Class distribution shares [LU0108056432]

- **I** Class capitalisation shares [LU0144745956]
- **I** Class distribution shares [LU0459960851]

- **R** Class capitalisation shares [LU1269890320]

- **R2** Class capitalisation shares [LU1410489451]
- **R2** Class distribution shares [LU1410489535]

- **Z** Class capitalisation shares [LU0252963110]
- **Z** Class distribution shares [LU1410489618]

9. Minimum subscription

No minimum subscription is required for the different classes of shares.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 0.60%	Max. 0.33%
I	0%	0%	0%	Max. 0.20%	Max. 0.25%
R	Max. 2.5%	0%	0%	Max. 0.30%	Max. 0.33%
R2	Max. 2.5%	0%	0%	Max. 0.15%	Max. 0.33%
Z	0%	0%	0%	0%	Max. 0.25%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU0144745956] of [LU0459960851] of the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each class valuation, a benchmark asset is established based on a theoretical investment corresponding to the performance of the Markit iBoxx EUR Overall 7+ Index (Total Return) index of all net assets over the period (the net book value of the assets at the end of the previous financial year being considered as a subscription at the beginning of the period).

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.
The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 1 December 2020

Candriam Bonds Euro Short Term

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in EUR with a duration of no more than 3 years and a residual term not exceeding 5 years, issued by highly rated issuers, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a short investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund will mainly be invested in debt securities (bonds and other analogous securities) denominated in EUR with a duration, i.e. sensitivity to movements in interest rates, **not exceeding three years** and a residual term of an investment not exceeding five years, which notably may be at either fixed or variable rates, indexed, subordinated or backed by assets.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

The securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organisations, public entities and semi-public issuers. These issuers will be considered good quality (rated at least BBB-/Baa3 by one of the rating agencies at the time of purchase).

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in securities or money-market instruments other than those described above (including contingent convertible bonds (CoCos) up to 5% of net assets), or in cash.

Exposures to currencies other than the euro will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The sub-fund aims to exclude companies which:
1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps,

credit default swaps, inflation swaps), forwards, options and futures).

For example the sub-fund may also make use of interest rate or credit transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 25 % and 50 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	iBoxx EUR Overall 1-3 (Total Return)
Benchmark definition	The index measures the performance of investment grade bonds denominated in EUR with maturities between 1 and 3 years.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance; ▪ to calculate the performance fee for some share classes.
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be between 0% and 0.6%, which corresponds to limited to moderate deviations for a short-term bond sub-fund. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Benchmark provider	IHS Markit Benchmark Administration Limited
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Credit risk
- Interest rate risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Equity risk
- Investment in CoCos risk
- Concentration risk
- Emerging countries risk
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. Valuation currency of the sub-fund: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares [LU0157929810]
- **Classique** Class distribution shares [LU0157929737]

- **I** Class capitalisation shares [LU0156671504]
- **I** Class distribution shares [LU0594540485]

- **N** Class capitalisation shares [LU0156671413]

- **R** Class capitalisation shares [LU1269890593]

- **R2** Class capitalisation shares [LU1410489709]
- **R2** Class distribution shares [LU1410489881]

- **S** Class capitalisation shares [LU1184248083]

- **Z** Class capitalisation shares [LU0252964431]
- **Z** Class distribution shares [LU0459960778]

9. Minimum subscription

No minimum subscription is required for the different classes except for the **S** Class, for which the minimum initial subscription is EUR 25,000,000 (this minimum may be changed at the discretion of the Board of Directors provided that equal treatment of shareholders is ensured on the same Valuation Date).

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 0.40%	Max. 0.33%
I	0%	0%	0%	Max. 0.20%	Max. 0.25%
N	0%	0%	0%	Max. 0.80%	Max. 0.33%
R	Max. 2.5%	0%	0%	Max. 0.30%	Max. 0.33%
R2	Max. 2.5%	0%	0%	Max. 0.10%	Max. 0.33%
S	0%	0%	0%	Max. 0.12%	Max. 0.25%
Z	0%	0%	0%	0%	Max. 0.25%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU0156671504] and [LU0594540485] of the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each class valuation, a benchmark asset is established based on a theoretical investment corresponding to the performance of the iBoxx EUR Overall 1-3 (Total Return) index of all net assets over the period (the net book value of the assets at the end of the previous financial year being considered as a subscription at the beginning of the period).

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Floating Rate Notes

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to benefit from the performance of the market in bonds denominated in EUR with an interest rate sensitivity between 0 and 3 years, issued by highly rated issuers, on the basis of discretionary management, not involving any reference to a benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a short investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are invested principally in variable rate debt securities (bonds and other equivalent securities) denominated in EUR which may notably be indexed, subordinated or backed by assets. The portfolio will have an interest rate sensitivity between 0 and 3 years.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

These securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organisations, public entities and semi-public issuers. These issuers will be highly rated (rated at least BBB-/Baa3 by one of the rating agencies) or considered to be of equivalent quality by the Management Company at the time of purchase.
The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in securities other than those described above (including contingent convertible bonds (CoCos) up to 5% of net assets, subordinates up to 20% of net assets, asset backed securities up to 5% of net assets and mortgage backed securities up to 5% of net assets), in money market instruments, deposits and/or cash.

Exposures to currencies other than the EUR will be hedged against foreign exchange risk. As the risks cannot be fully hedged at all times, a marginal residual foreign exchange risk may remain.

The sub-fund aims to exclude companies which:
1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging and/or exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures.

For example the sub-fund may also make use of interest rate or credit transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 25 % and 50 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Risk factors specific to the sub-fund and risk management

4.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Credit risk
- Interest rate risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Investment in CoCos risk
- Liquidity risk
- Concentration risk
- Emerging countries risk
- Risk related to external factors
- ESG investment risk

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

4.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

5. Valuation currency of the sub-fund: EUR

6. Form of the shares: registered shares only.

7. Share classes

- **BF** Class capitalisation shares [LU2178471418]
- **BF** Class distribution shares [LU2178471509]

- **Classique** Class capitalisation shares [LU1838941372]
- **Classique** Class distribution shares [LU1838941455]

- **I** Class capitalisation shares [LU1838941539]

- **PI** Class capitalisation shares [LU1838941703]

- **R** Class capitalisation shares [LU1838941612]
- **R** Class distribution shares [LU2015352474]

- **R2** Class capitalisation shares [LU2240495288]
- **R2** Class distribution shares [LU2240495791]

- **V** Class capitalisation shares [LU1838941885]
- **Z** Class capitalisation shares [LU1838941968]

8. Minimum subscription

No minimum subscription is required for the different share classes except for the following classes:

- the minimum initial subscription for the **PI** class is EUR 1,000,000. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date;

- the minimum initial subscription for the **V** Class is EUR 20,000,000. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

9. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
BF	0%	0%	0%	Max. 0.10%	Max. 0.25%
Classique	Max. 2.5%	0%	0%	Max. 0.50%	Max. 0.33%
I	0%	0%	0%	Max. 0.25%	Max. 0.25%
R	Max. 2.5%	0%	0%	Max. 0.25%	Max. 0.33%
R2	Max. 2.5%	0%	0%	Max. 0.125%	Max. 0.33%
PI	0%	0%	0%	Max. 0.10%	Max. 0.25%
V	0%	0%	0%	Max. 0.15%	Max. 0.25%
Z	0%	0%	0%	0%	Max. 0.25%

10. Frequency of net asset value calculation: Each Bank Business Day.

11. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Global Government

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds denominated in any currency, issued or guaranteed by highly rated governments, international and supranational organisations and public sector entities, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund will be invested principally in debt securities (bonds and other equivalent securities) which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

The assets will be issued or guaranteed by governments, international and supranational organisations and public entities. These issuers will be considered good quality (rated at least BBB-/Baa3 by one of the rating agencies at the time of purchase).
The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in securities or money-market instruments other than those described above, or in cash.

These assets are denominated in the local currencies of the issuers or in the currencies of developed countries such as EUR, USD, JPY, GBP.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures).

For example the sub-fund may also make use of interest rate or currency transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 25 % and 50 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	J.P. Morgan GBI Global (Total Return)
Benchmark definition	The index measures the performance local Treasury bonds of the most liquid developed global markets.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance;
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.
Benchmark provider	J.P. Morgan Securities PLC
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Liquidity risk
- Emerging countries risk
- Risk associated with Chinese debt (via Bond Connect)
- Risk related to external factors
- ESG investment risk
- Hedging risk of the share classes
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. Valuation currency of the sub-fund: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares [LU0157931550]
- **Classique** Class distribution shares [LU0157931394]

- **I** Class capitalisation shares [LU0156673039]
- **I-AH** Class capitalisation shares [LU0391256509]

- **R** Class capitalisation shares [LU2043253751]

- **R2** Class capitalisation shares [LU1410492596]

- **R2** Class distribution shares [LU1410492679]
- **Z** Class capitalisation shares [LU0252978738]
- **Z** Class distribution shares [LU1410492752]
- **Z-AH** Class capitalisation shares [LU2015352631]

9. Minimum subscription

No minimum subscription is required for the different classes of shares.

10. Fees and charges

Classes	Fees and charges				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 0.60%	Max. 0.33%
I	0%	0%	0%	Max. 0.30%	Max. 0.25%
R	Max. 2.5%	0%	0%	Max. 0.40%	Max. 0.33%
R2	Max. 2.5%	0%	0%	Max. 0.12%	Max. 0.33%
Z	0%	0%	0%	0%	Max. 0.25%

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 1 December 2020

Candriam Bonds Global High Yield

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in high yield bonds and issued by private sector issuers, and to outperform the benchmark. These high yield securities are generally poorly rated and exposed to higher credit risk and liquidity risk than more highly rated securities; they may be subject to greater market value fluctuations and lower liquidity.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The objective of the sub-fund is to offer investors exposure to the global high yield market (debt of companies with a high credit risk).

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

Accordingly, the assets of this sub-fund will be invested principally in debt instruments (including bonds, notes or bills) of issuers or issues with a rating exceeding B-/B3.
The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The sub-fund may also invest in derivative products (credit derivatives based on indices or on individual names) of issuers of the same quality.

The remainder of the assets may be invested in marketable securities (notably convertible bonds) or money-market instruments other than those described above, or in cash.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps, total return swaps), forwards, options and futures. Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0 % and 25 %.

For example the sub-fund may also make use of interest rate, credit or currency transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.
To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	ICE BofA BB-B Global High Yield Non-Financial Constrained Index Hedged EUR (Total Return)
Benchmark definition	The benchmark measures the performance of below investment grade non-financial corporate bonds denominated in USD, CAD, GBP and EUR, rated from BB1 to B3, issued on the main domestic eurozone or eurobond markets, with issuer exposure capped at 2%.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance; ▪ to calculate the performance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Performance fee" below).
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the sub-fund will be moderate to large, namely between 0.75% and 3%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Benchmark provider	ICE Data Indices LLC	
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.	
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.	

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Counterparty risk
- Equity risk
- Foreign exchange risk
- Arbitrage risk
- Volatility risk
- Emerging countries risk
- Risk related to external factors
- ESG investment risk
- Hedging risk of the share classes
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

Investors' attention is drawn to the management style of this sub-fund which is partly invested in securities classified as speculative by the rating agencies and traded on markets whose operating conditions, in terms of transparency and liquidity, may differ considerably

from the standards accepted on international stock markets or regulated markets. Consequently, the product is targeted at investors with sufficient experience to be able to assess the merits and risks.

6. Currency of valuation of the sub-fund: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0170291933]
- **Classique** Class distribution shares, denominated in EUR [LU0170293392]
- **Classique (q)** Class distribution shares, denominated in EUR [LU1269891567]

- **I** Class capitalisation shares, denominated in EUR [LU0170293806]

- **I** Class distribution shares, denominated in EUR [LU2015352557]

- **I-H** Class capitalisation shares, denominated in USD [LU1599350359]

- **I2** Class capitalisation shares, denominated in EUR [LU2026170428]

- **N** Class capitalisation shares, denominated in EUR [LU0170293632]

- **R** Class capitalisation shares, denominated in EUR [LU1269891641]
- **R(q)** Class distribution shares, denominated in EUR [LU1375973069]
- **R(q)-H** Class distribution shares, denominated in GBP [LU1375973143]
- **R(q)** Class distribution shares, denominated in GBP, not hedged against the EUR [LU1375973226]

- **R2** Class capitalisation shares, denominated in EUR [LU1410489964]
- **R2** Class distribution shares, denominated in EUR [LU1410490038]

- **S** Class capitalisation shares, denominated in EUR [LU1797525737]

- **S** Class capitalisation shares, denominated in USD, not hedged against the EUR [LU1184248240]

- **S-H** Class capitalisation shares, denominated in GBP [LU1582239536]

- **V** Class capitalisation shares, denominated in EUR [LU0891839952]

- **V2** Class capitalisation shares, denominated in EUR [LU1410490384]

- **Z** Class capitalisation shares, denominated in EUR [LU0252968697]
- **Z** Class distribution shares, denominated in EUR [LU1410490111]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the following classes:

- the minimum initial subscription for the **V and V2** Classes is EUR 20,000,000. This minimum may be changed at the discretion of the Board of Directors provided shareholders are treated equally on the same Valuation Date.

- the minimum initial subscription for the **S** Class is EUR 25,000,000 or the equivalent of EUR 25,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 1.20%	Max. 0.35%
I	0%	0%	0%	Max. 0.60%	Max. 0.28%
I2	0%	0%	0%	Max. 0.80%	Max. 0.28%
N	0%	0%	0%	Max. 1.60%	Max. 0.35%
R	Max. 2.5%	0%	0%	Max. 0.70%	Max. 0.35%
R2	Max. 2.5%	0%	0%	Max. 0.30%	Max. 0.35%
S	0%	0%	0%	Max. 0.40%	Max. 0.28%
V	0%	0%	0%	Max. 0.40%	Max. 0.28%
V2	0%	0%	0%	Max. 0.60%	Max. 0.28%
Z	0%	0%	0%	0%	Max. 0.28%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class **[**LU0170293806**]** [LU1599350359] [LU2015352557] and V Class **[**LU0891839952**]** of the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each valuation of the different share classes, a benchmark asset is established based on a theoretical investment at the index performance rate (set out below) of all net assets over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period):

Share classes	Benchmark
Classes denominated in EUR	ICE BofA BB-B Global High Yield Non-Financial Constrained Index Hedged EUR (Total Return)
Classes denominated in USD hedged against the EUR	ICE BofA BB-B Global High Yield Non-Financial Constrained Index Hedged USD (Total Return)

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Global Inflation Short Duration

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in inflation-indexed bonds with a maturity of less than 5 years, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a short investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The sub-fund's assets are principally invested in inflation-indexed debt securities (bonds and other equivalent securities), which can notably be fixed or variable rate, with a maturity of less than 5 years.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

These securities are issued or guaranteed by governments, international and supranational organisations, public sector entities and semi-public issuers and/or private sector issuers in developed and/or emerging countries.
The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The assets are denominated in all currencies of both developed and emerging countries.

The remainder of the assets may be invested in securities or money-market instruments other than those described above, or in cash.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

The sub-fund may make use of derivative financial instruments on the regulated and/or over-the-counter markets (notably swaps, forwards, options or futures) for the purpose of exposure, hedging and/or arbitrage. In so doing, exposure to derivative financial instruments can be high. For example the asset manager may make extensive use of these instruments in order to actively manage the duration of the portfolio and to take currency

exposures on the basis of market predictions.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility.

Investors are warned that derivatives are more volatile than the underlying assets.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 0 % and 25 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	Bloomberg Barclays World Govt Inflation-Linked 1-5Yrs Index Hedged EUR (Total Return)
Benchmark definition	The index measures the performance of investment grade inflation-indexed government issued by various developed countries between 1 and 5 years.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance;
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Benchmark provider	Bloomberg Index Services Limited
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Credit risk
- Foreign exchange risk
- Risk associated with derivative financial instruments
- Interest rate risk
- Liquidity risk
- Emerging countries risk
- Counterparty risk
- Concentration risk
- Arbitrage risk
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total exposure is calculated using the relative VaR approach as described in the section entitled "Risk management".
The Bloomberg Barclays World Govt Inflation-Linked 1-5Yrs Index Hedged EUR index is used as the benchmark for the VaR.

As an indication, the leverage of this sub-fund is a maximum of 350% of net assets. The sub-fund could, however, be exposed temporarily to a higher leverage.

The leverage is calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund.

6. **Currency of valuation of the sub-fund:** EUR.

7. **Form of the shares**: registered shares only.

8. **Share classes**

- **Classique** Class capitalisation shares [LU0165520114]
- **Classique** Class distribution shares [LU0165520973]

- **I** Class capitalisation shares [LU0165522086]
- **I** Class distribution shares [LU1258427712]

- **Z** Class capitalisation shares [LU0252962658]
- **Z** Class distribution shares [LU1410488727]

- **R** Class capitalisation shares [LU0942153825]

- **R2** Class capitalisation shares [LU1410488990]
- **R2** Class distribution shares [LU1410489022]

9. **Minimum subscription**

No minimum subscription is required for the different classes except for the **V** Class, for which the minimum initial subscription is EUR 20,000,000 (this minimum may be changed at the discretion of the Board of Directors provided that equal treatment of shareholders is ensured on the same Valuation Date).

10. **Fees and charges**

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 0.6%	Max. 0.33%
I	0%	0%	0%	Max. 0.3%	Max. 0.25%
R	Max. 2.5%	0%	0%	Max. 0.40%	Max. 0.33%
R2	Max. 2.5%	0%	0%	Max. 0.15%	Max. 0.33%
Z	0%	0%	0%	0%	Max. 0.25%

11. **Frequency of net asset value calculation:** Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

This Fact Sheet forms an integral part of the Prospectus dated 1 December 2020

Candriam Bonds International

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the performance of the market in bonds issued by highly rated public or private sector issuers of all types, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund will be invested principally in debt securities (bonds and other equivalent securities) which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

These securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organisations, public entities and semi-public issuers. These issuers will be highly rated (rated at least BBB-/Baa3 by one of the rating agencies) at the time of purchase.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in marketable securities (notably convertible bonds including contingent convertible bonds (CoCos) for a maximum of 5% of net assets) or money-market instruments other than those described above, or in cash.

The assets are denominated in different currencies, of developed and emerging countries.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

The sub-fund may also make use of derivative financial instruments on the regulated and/or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads (such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps), forwards, options and futures).

For example the sub-fund may also make use of interest rate, credit or foreign currency transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 0 % and 25 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	Bloomberg Barclays Global Aggregate Index Hedged EUR (Total Return)
Benchmark definition	The benchmark measures the performance of investment grade multi-currency bonds in the global fixed income securities markets.
Use of the benchmark	▪ as an investment universe. In general, the issuers contained in the sub-fund portfolio are mostly contained in the index. However, investments outside the index are permitted, ▪ in determining risk levels / parameters, ▪ to compare performance; ▪ to calculate the performance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Performance fee" below).
Divergence of portfolio composition from the benchmark	As the sub-fund is managed actively, it does not aim to invest in each component of the index nor to invest in the same proportions as the components of the index. In normal market conditions, the expected tracking error of the Sub-fund will be limited to moderate, namely between 0.4% and 1.5%. This measure is an estimation of the divergence of the sub-fund's performance compared to the performance of the benchmark. The greater the tracking error, the greater the deviations from the index. The actual tracking error depends in particular on market conditions (volatility and correlations between financial instruments) and may therefore differ from the expected tracking error.

Bloomberg Index Services Limited	Bloomberg Index Services Limited
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Emerging countries risk
- Counterparty risk
- Equity risk
- Investment in CoCos risk
- Risk associated with Chinese debt (via Bond Connect)
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. Valuation currency of the sub-fund: EUR.

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0012119433]
- **Classique** Class distribution shares, denominated in EUR [LU0012119516]

- **I** Class capitalisation shares, denominated in EUR [LU0144746335]
- **I** Class distribution shares, denominated in EUR [LU1258428876]
- **I** Class capitalisation shares, denominated in USD, not hedged against the EUR [LU0391256681]

- **R** Class capitalisation shares, denominated in EUR [LU1269891724]

- **R2** Class capitalisation shares, denominated in EUR [LU1410491358]
- **R2** Class distribution shares, denominated in EUR [LU1410491432]

- **Z** Class capitalisation shares, denominated in EUR [LU0252972020]
- **Z** Class distribution shares, denominated in EUR [LU1410491515]

9. Minimum subscription

No minimum subscription is required for the different classes of shares.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 0.75%	Max. 0.29%
I	0%	0%	0%	Max. 0.3%	Max. 0.23%
R	Max. 2.5%	0%	0%	Max. 0.4%	Max. 0.29%
R2	Max. 2.5%	0%	0%	Max. 0.19%	Max. 0.29%
Z	0%	0%	0%	0%	Max. 0.23%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU0144746335] [LU1258428876] and [LU0391256681] of the sub-fund.

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each valuation of the different share classes, a benchmark asset is established based on a theoretical investment at the index performance rate (set out below) of all net assets over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period):

Share classes	Benchmark
Classes denominated in EUR	Bloomberg Barclays Global Aggregate Index Hedged EUR (Total Return)
Classes denominated in USD, not hedged against the EUR	Bloomberg Barclays Global Aggregate Index (Total Return) USD

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Total Return

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the positive performance of the financial markets via a flexibility of investments in bonds, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a medium investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

This sub-fund sets an optimum allocation in the bond segments with an absolute return target at the recommended investment horizon. This does not, however, constitute a guarantee.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

The assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities) which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

These securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organisations, public entities and semi-public issuers.

The analysis of ESG criteria is also embedded in the financial management of the portfolio.

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.

Assets will be denominated in the currencies of developed countries such as EUR, USD, JPY, GBP or emerging currencies such as BRL, MXN, PLN.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

Exposure to the credit market and to risk assets in general:

Although the main object of the sub-fund is to benefit from the narrowing of credit spreads (with the risk of losses if they widen), it may enter into opposite positions in order to benefit from a widening of credit spreads (with the risk of losses if they narrow).

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.

The sub-fund may also, in order to implement its strategy, make use of derivative financial techniques and instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage. In so doing, exposure to derivative financial instruments can be high.

The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps, total return swaps), forwards, options and futures. Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0 % and 25 %.

For example the sub-fund may also make use of interest rate, credit or currency transactions for the purpose of hedging, exposure and/or arbitrage.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 25 % and 50 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark indices

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	EONIA Capitalized +2%
Benchmark definition	The Eonia represents the interest rate at which financially strong banks in the European Union and the European Free Trade Association lend overnight funds denominated in euros on the interbank markets.
Use of the benchmark	to compare performance; to calculate the performance fee for some share classes. For share classes in currencies other than the currency of the sub-fund, another corresponding index may be used in order to calculate performance fees as applicable (see "Performance fee" below).
Benchmark provider	European Money Markets Institute
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Interest rate risk
- Credit risk
- Foreign exchange risk
- Risk associated with derivative financial instruments
- Emerging countries risk
- Liquidity risk
- Arbitrage risk
- Counterparty risk
- Equity risk
- Investment in CoCos risk
- Volatility risk
- Risk associated with Chinese debt (via Bond Connect)
- Risk related to external factors

- ESG investment risk
- Hedging risk of the share classes
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated using the absolute VaR approach as described in the section entitled *Risk Management*.
The total risk of all the portfolio derivative positions may not exceed an absolute VaR of 20%. This VaR uses a confidence level of 99% and a timeframe of 20 days.
The leverage of this sub-fund should vary between 100% and 450%. This leverage will be calculated for each derivative instrument according to the notional value method and is added to the securities portfolio of the sub-fund. The sub-fund could, however, be exposed to a higher leverage. This high leverage is explained by the use of forward contracts on interest rates whose nominal values are not always adequately indicative of the risk actually incurred.

6. Currency of valuation of the sub-fund: EUR

7. Form of the shares: registered shares only

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU0252128276]
- **Classique** Class distribution shares, denominated in EUR [LU0252129167]
- **Classique (q)** Class distribution shares, denominated in EUR [LU1269892029]
- **Classique-H** Class capitalisation shares, denominated in USD [LU1184248596]

- **I** Class capitalisation shares, denominated in EUR [LU0252132039]
- **I** Class distribution shares, denominated in EUR [LU1120698102]
- **I-H** Class capitalisation shares, denominated in GBP [LU1184249305]
- **I-H** Class capitalisation shares, denominated in USD [LU1184249644]

- **N** Class capitalisation shares, denominated in EUR [LU0252131148]

- **R** Class capitalisation shares, denominated in EUR [LU1184248752]
- **R-H** Class capitalisation shares, denominated in GBP [LU1184248919]
- **R-H** Class capitalisation shares, denominated in CHF [LU1184249131]

- **R2** Class capitalisation shares, denominated in EUR [LU1410491788]
- **R2** Class distribution shares, denominated in EUR [LU1410491861]

- **S** Class capitalisation shares, denominated in EUR [LU1511858513]
- **S** Class distribution shares, denominated in EUR [LU1511858430]

- **S-H** Class capitalisation shares, denominated in GBP [LU1582239882]

- **V** Class capitalisation shares, denominated in EUR [LU1269892375]

- **Z** Class capitalisation shares, denominated in EUR [LU0252136964]

- **Z-H** Class capitalisation shares, denominated in USD [LU1546486744]
- **Z** Class distribution shares, denominated in EUR [LU1410491945]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the following classes:

- The minimum initial subscription for the **S** Class is EUR 25,000,000. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date;

- The minimum initial subscription for the **V** Class is EUR 20,000,000. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 0.90%	Max. 0.29%
I	0%	0%	0%	Max. 0.60%	Max. 0.23%
N	0%	0%	0%	Max. 1.30%	Max. 0.29%
R	Max. 2.5%	0%	0%	Max. 0.70%	Max. 0.29%
R2	Max. 2.5%	0%	0%	Max. 0.23%	Max. 0.29%
S	0%	0%	0%	Max. 0.50%	Max. 0.23%
V	0%	0%	0%	Max. 0.40%	Max. 0.23%
Z	0%	0%	0%	0%	Max. 0.23%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU0252132039], [LU1120698102], [LU1184249644] and [LU1184249305] and V Class [LU1269892375].

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each valuation of the different share classes, a benchmark asset is established based on a theoretical investment at the index performance rate (set out below) of all net assets over the period (the net book value of the assets at the end of the previous financial year being equal to a subscription at the beginning of the period):

Share classes	Benchmark
Classes denominated in EUR	EONIA Capitalized +2%
Classes denominated in GBP hedged against the EUR	Sonia + 2%
Classes denominated in USD hedged against the EUR	Fed Funds +2%

If the benchmark value is negative, the benchmark index value (cash price + 200 bps) used for the calculation would be 0.

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. Frequency of net asset value calculation: Each Bank Business Day.

12. Subscription, redemption and conversion arrangements

	Subscriptions/Redemptions/Conversions
Cut-off	D at midday (Luxembourg time)
NAV date	D
Valuation date	D+1
Payment date	D+3

Candriam Bonds Total Return Defensive

Fact Sheet

1. Investment objective and investor profile

The objective of the sub-fund is to use discretionary management to benefit from the positive performance of the financial markets via a flexibility of investments in bonds, with a portfolio duration not exceeding 2 years, and to outperform the benchmark.

This sub-fund may be appropriate for investors who wish to achieve this objective over a short investment holding period and who are aware of, understand and are able to bear the specific risks of the sub-fund as set out below and defined in the section entitled Risk factors in the Prospectus.

2. Investment policy

The assets of this sub-fund are invested principally in debt securities (bonds and other equivalent securities) which may notably be at fixed or variable rates, indexed, subordinated or backed by assets.

The sub-fund takes into account an analysis of ESG criteria as set out in the *Investment policy* section of the Prospectus.

The securities are issued by private sector issuers, issued or guaranteed by governments, international and supranational organisations, public entities and semi-public issuers.
The analysis of ESG criteria is also embedded in the financial management of the portfolio.

The remainder of the assets may be invested in securities or money-market instruments other than those described above, or in cash.

The sub-fund may invest a maximum of 10% of its assets in UCIs and UCITS.

Assets will be denominated primarily in the currencies of developed countries such as EUR, USD, JPY, GBP, and, on an ancillary basis, in local currencies of emerging currencies such as the Brazilian real, the Mexican peso, the Polish zloty, etc.

The debt securities must be rated at least BB/Ba2 by one of the rating agencies or considered to be of equivalent quality by the Management Company (in particular if there is no rating) at the time of purchase.

If the sub-fund's assets were to drop below the rating indicated above following a downgrade or were no longer considered to be of a comparable quality by the Management Company, then these assets should be sold, in the best interests of shareholders, within six months.
However, if these assets, which no longer meet the rating criteria, account for less than 3% of the net asset value of the sub-fund, then they may be kept in the portfolio, with the agreement of the Management Company and insofar as the interests of shareholders are preserved.

The sub-fund aims to exclude companies which:

1. have significantly and repeatedly violated one of the principles of the United Nations Global Compact, and/or
2. are significantly exposed to controversial activities such as tobacco or thermal coal. The strategy does not allow investment in companies that manufacture, use or hold anti-personnel mines, cluster bombs, or chemical, biological, white phosphorus and depleted uranium weapons.

Exposure to the credit market and to risk assets in general:

Although the main object of the sub-fund is to benefit from the narrowing of credit spreads (with the risk of losses if they widen), it may enter into opposite positions in order to benefit from a widening of credit spreads (with the risk of losses if they narrow).
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.
The "positive" exposure can reach a maximum of 30% of the combined sum of the "risk" assets (emerging market bonds, bonds with a rating less than BBB-/Baa3 (high yield)).
The combined "negative" exposure of these "risk" assets must be between 0 and -5%.

The total duration of the portfolio may vary between -1.5 years and +3 years.

The sub-fund may also, in order to implement its strategy, make use of derivative financial techniques and instruments on the regulated or over-the-counter markets for the purpose of hedging, exposure and/or arbitrage. In so doing, exposure to derivative financial instruments can be high.
The underlyings of these derivative financial instruments can be currencies, interest rates, credit spreads and volatility spreads such as swaps (currency exchange swaps, interest rate swaps, credit default swaps, inflation swaps, total return swaps), forwards, options and futures. Total return swaps may relate to a maximum of 50% of the net assets of the sub-fund. The proportion is normally expected to vary between 0% and 25%.

3. Efficient portfolio management techniques

The sub-fund may use securities lending transactions corresponding to a maximum of 100% of the net assets of the portfolio.
The proportion is normally expected to vary between 0 % and 25 %.

The sub-fund may use reverse repurchase agreements corresponding to a maximum of 50% of the net assets of the portfolio. The proportion is normally expected to vary between 0 % and 25 %.

To meet temporary liquidity needs, the sub-fund may use repurchase agreements corresponding to a maximum of 10% of the net assets of the portfolio. The proportion is normally expected to vary between 0% and 10 %.

4. Benchmark

The sub-fund is actively managed and the investment approach implies a reference to a benchmark.

Benchmark name	EONIA Capitalized +1%
Benchmark definition	The Eonia represents the interest rate at which financially strong banks in the European Union and the European Free Trade Association lend overnight funds denominated in euros on the interbank markets.
Use of the benchmark	▪ to compare performance; ▪ to calculate the performance fee for some share classes.
Benchmark provider	European Money Markets Institute
	This benchmark is provided by an entity authorised with the ESMA in accordance with article 36 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
	The Management Company has adopted robust written plans to cover the cases where the publication of the benchmark index has been stopped or where major changes in that benchmark have occurred. The Board of Directors of the SICAV, based on these plans, may choose another benchmark, if appropriate. Any such change of benchmark will be reflected in an updated Prospectus. Such plans are available free of charge, upon request, at the registered office of the Management Company.

5. Risk factors specific to the sub-fund and risk management

5.1 Risk factors specific to the sub-fund

- Risk of capital loss
- Credit risk
- Foreign exchange risk
- Interest rate risk
- Liquidity risk
- Risk associated with derivative financial instruments
- Arbitrage risk
- Emerging countries risk
- Counterparty risk
- Volatility risk
- Risk related to external factors
- ESG investment risk
- Risk of changes to the benchmark index by the index provider

A general explanation of the various risk factors is given in the section entitled *Risk factors* in the Prospectus.

5.2 Risk management

The total derivatives exposure will be calculated according to the commitment approach set down in CSSF Circular 11/512.

6. Currency of valuation of the sub-fund: EUR

7. Form of the shares: registered shares only.

8. Share classes

- **Classique** Class capitalisation shares, denominated in EUR [LU1511857549]
- **Classique** Class distribution shares, denominated in EUR [LU1511857622]
- **Classique (q)** Class distribution shares, denominated in EUR [LU1511857895]

- **I** Class capitalisation shares, denominated in EUR [LU1511857978]
- **I** Class distribution shares, denominated in EUR [LU1511858190]

- **PI** Class capitalisation shares, denominated in EUR [LU1797525810]

- **R** Class capitalisation shares, denominated in EUR [LU1511858273]

- **R2** Class capitalisation shares, denominated in EUR [LU1708109613]
- **R2** Class distribution shares, denominated in EUR [LU1708109886]

- **Z** Class capitalisation shares, denominated in EUR [LU1511858356]

9. Minimum subscription

No minimum subscription is required for the different share classes except for the **PI** class, for which the minimum initial subscription is EUR 1,000,000 or the equivalent of EUR 1,000,000 in foreign currencies for classes denominated in foreign currencies. This minimum may be changed at the discretion of the Board of Directors provided that shareholders are treated equally on the same Valuation Date.

10. Fees and charges

Classes	**Fees and charges**				
	Issue	Exit	Conversion	Portfolio management	Operational and administrative charges
Classique	Max. 2.5%	0%	0%	Max. 0.60%	Max. 0.29%
I	0%	0%	0%	Max. 0.40%	Max. 0.23%
PI	0%	0%	0%	Max. 0.40 %	Max. 0.23%
R	Max. 2.5%	0%	0%	Max. 0.50%	Max. 0.29%
R2	Max. 2.5%	0%	0%	Max. 0.15%	Max. 0.29%
Z	0%	0%	0%	0%	Max. 0.23%

Performance fee

The Management Company will receive a performance fee, which will be applied to the assets of the I Class [LU1511857978] and the I Class [LU1511858190].

This performance fee will be 20% of the outperformance of the class, as defined below. The outperformance fee payable to the Management Company at the end of each financial year is, however, capped at one-third of the outperformance fee provision.

At each valuation of the I Class [LU1511857978] and the I Class [LU1511858190], a benchmark asset is established based on a theoretical investment corresponding to the performance of the EONIA Capitalized +1% index of all net assets over the period (the net assets of the previous financial period being equal to a subscription at the start of the period).

If the benchmark value is negative, the benchmark index value (cash price + 100 bps) used for the calculation would be 0.

In the event of redemption, the last benchmark asset calculated and the total cumulative subscriptions received on the last valuation are reduced beforehand in proportion to the number of shares redeemed. Similarly, a proportion of the outperformance fee provision on the accounting balance at the last valuation is permanently allocated to a specific third-party account in proportion to the number of shares redeemed. This portion of the outperformance fee is paid to the Management Company on redemption.

When the class is valued, if the total assets, defined as the net book value after outperformance fees on redemptions but excluding the provision for outperformance fees corresponding to outstanding shares, are greater than the benchmark asset valuation, the class is said to have outperformed (or to have underperformed in the opposite case). The provision for outperformance fees on the outstanding amount is adjusted to 20% of the amount of this new outperformance by allocation or reversal of a provision before calculating the net asset value. The provision for outperformance fees on the outstanding amount is only payable to the Management Company in respect of one-third of the amount as at the end of the financial year.

The balance (two-thirds) of the provision is carried over to the next financial year and is either reduced by reversing the underperformance provision, subject to the limit of the provision created, or increased by any new outperformance fee provision.

The reference period is the financial year.

11. **Frequency of net asset value calculation:** Each Bank Business Day.

12. **Subscription, redemption and conversion arrangements**

	Subscriptions/Redemptions/Conversions
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UK SUPPLEMENT

relating to the issue of units of
Candriam Bonds

This UK Supplement should be read in conjunction with and forms part of the latest version of Prospectus as amended or supplemented from time to time (the "Prospectus"). References to the Prospectus are to be taken as references to that document as supplemented or amended hereby. In addition, words and expressions defined in the Prospectus, unless otherwise defined below, shall bear the same meaning when used herein.

Candriam Bonds (the "**Fund**") (a Luxembourg investment company with variable capital- SICAV) is an investment company for the purposes of section 264 of the Financial Services and Markets Act 2000 ("**FSMA**") of the United Kingdom.

The Fund has appointed Candriam Luxembourg, whose registered office is SERENITY – Bloc B, 19-21, route d'Arlon, L-8009 Strassen, Grand Duchy of Luxemburg (the "**Management Company**"), to take care of the investment management and promotional services related to the Fund. The Management Company is EEA authorised and is regulated by the *Commission de Surveillance du Secteur Financier* in Luxemburg and the Financial Conduct Authority (the "**FCA**") in the United Kingdom.

The Prospectus is being distributed in the United Kingdom by the Management Company. Other persons distributing the Prospectus in, from, or into the United Kingdom must satisfy themselves it is lawful to do so.

In making an investment decision, prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of an investment in the Fund and the terms of the offering including the merits and risks involved. Prospective investors should not treat the contents of this document as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisers concerning the acquisition, holding or disposal of units.

Dealing Arrangements and Information

Duff & Phelps Ltd (the "**Facilities Agent**") has been appointed, pursuant to an agreement with the Management Company to act as the facilities agent for the Fund in the United Kingdom and it has agreed to provide certain facilities at its offices at 14th Floor, The Shard, 32 London Bridge Street, London SE1 9SG, United Kingdom, in respect of the Fund.

The attention of investors is drawn to the subscription and repurchase procedures contained in the Prospectus in particular with regard to the deadlines for the Fund. Requests for the repurchase of units (a "**Redemption Request**") may be sent to either the Facilities Agent at the abovementioned offices or the Transfer Agent of the Fund at the offices mentioned in the Prospectus.

Units are issued and repurchased at the net asset value per unit as determined on the relevant valuation day as set out in the Prospectus. Details of the determination of the net asset value per unit are set out in the section entitled "Commercial information" in the Prospectus. Information on the most recently published net asset value per unit may be obtained from either the Facility Agent at the abovementioned offices or the Management Company.

Documents Available for Inspection

The following documents of the Fund may be obtained free of charge during usual business hours from the offices of the Facilities Agent:

(a) The Articles of Association of the Fund and any amendments thereto;

(b) the prospectus most recently issued by the Management Company together with any supplements;

(c) the key investor information documents most recently issued by the Management Company, and

(d) the most recently produced annual and half yearly reports relating to the Fund.

Complaints about the operation of the Fund may be submitted to the Management Company directly or through the Facilities Agent at the following address:

Duff & Phelps Ltd
14th Floor, The Shard, 32 London Bridge Street,
London SE1 9SG, United Kingdom

The date of this UK Supplement is October 19th, 2016.