

## Notice to the shareholders of

### **PARVEST**

*SICAV under Luxembourg law – UCITS class  
Registered Office: 10, Rue Edward Steichen, L-2540 Luxembourg  
Luxembourg Trade and Companies Register No. B 33.363*

### **MERGERS**

#### NOTICE TO THE SHAREHOLDERS OF THE MERGING AND RECEIVING SUB-FUNDS

<u>MERGING SUB-FUND</u>	<u>RECEIVING SUB-FUND</u>	<u>MERGER EFFECTIVE AS OF</u>
<u>EQUITY AUSTRALIA</u>	<u>EQUITY BEST SELECTION WORLD</u>	<u>DECEMBER 07, 2018</u>

Luxembourg, October 1<sup>st</sup> 2018

Dear Shareholders,

We hereby inform you that the Boards of Directors of PARVEST (the **Company**), decided to **merge**, on the basis of Article 32 of the Company's Articles of Association, the following share classes (the **Merger**):

<i>PARVEST Merging Sub-fund</i>				<i>PARVEST Receiving Sub-fund</i>			
<i>ISIN code</i>	<i>Sub-fund</i>	<i>Class</i>	<i>Currency</i>	<i>Sub-fund</i>	<i>Class</i>	<i>Currency</i>	<i>ISIN code</i>
LU0111482476	Equity Australia	Classic - CAP*	AUD	Equity Best Selection World	Classic – CAP	USD	LU0956005226
LU0111481668		Classic - DIS*	AUD		Classic – DIS	USD	LU0956005499
LU0111481668		Classic – DIS <i>Valued in EUR</i>	AUD		Classic EUR – DIS	EUR	LU1270637298
LU0251810007		Classic EUR - CAP	EUR		Classic EUR - CAP	EUR	LU1270636993
LU0111482989		N - CAP*	AUD		N – CAP	USD	LU0956005572
LU0111482989		N – CAP <i>Valued in EUR</i>	AUD		N – CAP <i>Valued in EUR</i>	USD	LU0956005572
LU0111483102		Privilege - CAP*	AUD		Privilege – CAP	USD	LU0950374610
LU0111482716		I - CAP*	AUD		I – CAP	USD	LU0956005655
LU0111482716		I – CAP <i>Valued in EUR</i>	AUD		I – CAP <i>Valued in EUR</i>	USD	LU0956005655

\* Holders of shares valued in AUD will receive shares valued in USD.

#### **1) Effective date of the Merger**

The Merger will be effective on **Friday December 7, 2018**.

The first NAV with merged portfolios will be calculated on Monday December 10, 2018 into the Receiving Sub-fund and classes, on the valuation of the underlying assets set on Friday December 7, 2018.

**2) Background to and rationale for the Merger**

- ✓ The Assets under Management of the Merging sub-fund are continuously decreasing since 2010 and are currently at a critical level for efficiently managing the vehicle. The assets were at the level of AUD 259 million in April 2010 and decreased to the level of AUD 46 million in June 2018. The remained continuously below AUD 50 million since the end of the year 2017.
- ✓ There is less interest in this country and distributors prefer now to allocate their investments in global markets which are more diversified in geographical terms.
- ✓ The Australian Equity market is currently not sufficiently diversified and too much exposed on commodities market.
- ✓ As a consequence, the assets of the Merging sub-fund are expected to continue to fall under the above mentioned critical threshold

**Warning:**

- ✓ **Past results are not an indicator or guarantee of future results.**
- ✓ **There is no guarantee that this objective will be achieved.**

**3) Impact of the Merges on the Merging Shareholders**

Please note the following **impacts** of the Merger:

- ✓ The **last** subscription, conversion and redemption **orders** in the Merging sub-fund will be accepted until the cut-off time on **Friday November 30, 2018**. Orders received after this cut-off time will be rejected.
- ✓ The shareholders of the Merging sub-fund, who will not make use of their redemption right explained below under point 8), will **become** shareholders of the Receiving sub-fund.
- ✓ The **Merging** sub-fund will be **dissolved** without liquidation by transferring all of its assets and liabilities into the Receiving sub-fund. The sub-fund will **cease to exist** at the effective date of the merger.
- ✓ The investment sectors of the Receiving sub-fund is not the same as the one of the Merging sub-fund as explained below under point 6. Consequently, all the assets of the Merging sub-fund will be sold several days (in principle five business days) before the Merger depending on the market conditions and in the best interest of the shareholders. The Merger will thus be performed in cash. The transaction costs associated with this rebalancing will be borne by the Management Company.
- ✓ As in any merger, the operation might involve a risk of performance dilution for the Merging shareholders, especially as consequence of the differences of targeted assets (explained below under point 6) and of the portfolio rebalancing (as explained above).

**4) Impact of the Merger on Receiving Shareholders**

Please note the following points:

- ✓ The merger will have **no impact** for the shareholders of the Receiving Sub-fund.

**5) Organisation of the exchange of shares**

- ✓ If you are shareholder of the **Merging Sub-fund**, you will receive, in the Receiving Sub-fund, a **number of new shares** calculated by multiplying the number of shares they held in the Merging Sub-fund by the **exchange ratio**.
- ✓ The **exchange ratio** will be **calculated** on Friday December 7, 2018 by dividing the net asset value (NAV) per share of the Merging classes by the NAV per share of the corresponding Receiving classes, based on the valuation of the underlying assets set on Thursday December 6, 2018.  
The criteria adopted for valuation of the assets and, where applicable, the liabilities on the date for calculating the exchange ratio will be the same as those used for the NAV calculation as described in the chapter "Net Asset Value" of the Book I of the prospectus of the Company.
- ✓ **Registered shareholders** will receive registered shares.  
**Bearer shareholders** will receive bearer shares.
- ✓ No balancing cash adjustment will be paid for the fraction of the Receiving share attributed beyond the third decimal.

6) Material differences between Merging and Receiving Sub-funds

The **differences** between the Merging and Receiving Sub-funds are the following:

features	<b>“PARVEST Equity Australia” Merging sub-fund</b>	<b>“PARVEST Equity Best Selection World” Receiving sub-fund</b>
Investment objective	Increase the value of its assets over the medium term.	Increase the value of its assets over the medium term.
Investment policy	At all times, this sub-fund invests at least 75% of its assets in equities and/or equity equivalent securities issued by companies that have their registered office or conduct a significant proportion of their business in Australia. The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities, money market instruments, financial derivative instruments and/or cash, and also, within a limit of 15% of the assets, in debt securities of any kind and, within a limit of 10% of the assets, in UCITS or UCIs.	At all times, this sub-fund invests 75% of its assets in equity and/or equity equivalent of companies selected based on fundamental driven investment process. The remaining portion, namely a maximum of 25% of its assets, may be invested in any other transferable securities (including P-Notes), money market instruments or cash, provided that investments in debt securities of any kind do not exceed 15% of its assets, and up to 10% of its assets may be invested in UCITS or UCIs. In respect of the above investments limits, the sub-fund’s investments into “China A-Shares” via the Stock Connect may reach up to 25% of its assets. The sub-fund may use financial derivative instruments only for hedging purposes.
Specific Market Risk	<ul style="list-style-type: none"> <li>Liquidity Risk</li> </ul>	<ul style="list-style-type: none"> <li>Liquidity Risk</li> <li>Counterparty Risk</li> <li>Derivatives Risk</li> <li>Operational &amp; Custody Risk</li> <li>Emerging Markets Risk</li> <li>Risks related to investments in some countries</li> </ul> <p>Specific risks related to investments in Mainland China</p> <ul style="list-style-type: none"> <li>Changes in PRC taxation risk</li> <li>Risks related to Stock Connect</li> </ul>
Investor Type Profile	This sub-fund is suitable for investors who: <ul style="list-style-type: none"> <li>✓ Are looking to add a single country holding to an existing diversified portfolio;</li> <li>✓ Are willing to accept higher market risks in order to potentially generate higher long-term returns;</li> <li>✓ Can accept significant temporary losses;</li> <li>✓ Can tolerate volatility.</li> </ul>	This sub-fund is suitable for investors who: <ul style="list-style-type: none"> <li>✓ Are looking for a diversification of their investments in equities;</li> <li>✓ Are willing to accept higher market risks in order to potentially generate higher long-term returns;</li> <li>✓ Can accept significant temporary losses;</li> <li>✓ Can tolerate volatility.</li> </ul>
Summary of differences for: •Investment policies •Investment Strategy •Asset Allocation	<ul style="list-style-type: none"> <li>✓ The investments of the “Equity Best Selection World” Receiving sub-fund are more diversified and are spread over more 10 countries. Investments into “China A-Shares” via the Stock Connect may reach up to 25% of the assets of the Receiving Sub-fund.</li> <li>✓ Australia represents only +/- 2.5% of the asset allocation of the Receiving sub-fund.</li> </ul>	
Accounting Currency	AUD	USD
Valuation Day	For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding net asset value which is dated the same day unless the Sydney stock exchange is closed	For each day of the week on which banks are open for business in Luxembourg (a "Valuation Day"), there is a corresponding NAV which is dated the same day.

OCR: • "Classic" • "N" • "Privilege" • "I"	As mentioned in the current KIID • 1.96% • 2.71% • 1.08% • 0.96%	As mentioned in the current KIID • 1.97% • 2.71% • 1.08% • 0.96%
--	--	--

SRRI (5), Risk management process (Commitment Approach), maximum Management Fees, and NAV cycle are the same in both Merging and Receiving sub-funds.

#### 7) Tax Consequences

These Merger will have **no Luxembourg tax impact** for you.

In accordance with the European Directive 2011/16 the Luxembourg authorities will report to the tax authorities in your state of residence the total gross proceeds from the exchange of shares in application of the Merger.

For more **tax advice or information** on possible tax consequences associated with the Merger, it is recommended that you **contact your local tax advisor or authority**.

#### 8) Right to redeem the shares

Your options:

- ✓ Should you approve the Merger, you do **not need** to take any action,
- ✓ Should you not approve the Merger, you have the possibility to request the redemption of your shares free of charge until the cut-off time, on **Friday November 30, 2018**,
- ✓ In case of **any question**, please contact our **Client Service (+ 352 26 46 31 21 / AMLU.ClientService@bnpparibas.com)**.

#### 9) Other information

- ✓ All expenses related to these mergers (including Audit and transaction costs) will be borne by BNP PARIBAS ASSET MANAGEMENT Luxembourg, the Management Company.
- ✓ The merging operation will be validated by PricewaterhouseCoopers, Société Coopérative, the auditor of the Company.
- ✓ The merger ratios will be available on the website <https://www.bnpparibas-am.com/en/> as soon as they are known.
- ✓ The Annual and Semi-Annual Report and the legal documents of the Company, as well as the KIIDs of the Merging and Receiving sub-funds, and the Custodian and the Auditor reports regarding this operation are available at the Management Company. The KIIDs of the Receiving sub-fund are also available on the website <https://www.bnpparibas-am.com> where shareholders are invited to acquaint with them.
- ✓ The notice will also be communicated to any potential investor before confirmation of subscription.
- ✓ Please refer to the Prospectus of the Company for any term or expression not defined in this notice.

Best regards,

**The Boards of Directors**