DNCA Invest
Société d'Investissement à Capital Variable
60, avenue J.F. Kennedy,
L-1855 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg No B125.012
(the "**Company**")

31/07/2024

NOTICE TO THE SHAREHOLDERS OF DNCA INVEST – CONVERTIBLES

Re: **Merger of DNCA CONVERTIBLES EUROPE into DNCA INVEST – CONVERTIBLES**

Dear Shareholder,

We are writing you as a shareholder of DNCA INVEST – CONVERTIBLES (the "**Receiving Fund**") to advise you that on 13/09/2024 (the "**Merger's Effective Date**"), DNCA CONVERTIBLES EUROPE a French undertaking for collective investment in transferable securities, established as a "*fonds commun de placement*" and approved by the French financial authority "*Autorités des Marchés Financiers*" on October 4th, 2005 managed by the Management Company (as defined hereunder) (the "**Merging Fund**" together with the Receiving Fund the "**Funds**") will be merged into the Receiving Fund (the "**Merger**"). Dealing in the Receiving Fund will not be interrupted by the Merger.

The decision to merge the Funds was taken by the board of directors of the Company (the "**Board**").

Rationale of the Merger

The Merger aims to rationalize the Management Company's global offer by removing product's overlapping their investment policy and thus allowing to increase its overall efficiency from an administrative, operational, and economic standpoint.

The Merger will increase the assets under management of the Receiving Fund and will offer investors an alternative fund with appropriate scale also managed by DNCA Finance, the Company's management company (the "**Management Company**").

Though the Funds share the same extra-financial investment approach:

- promoting environmental and/or social characteristics within the meaning of Article 8 of SFDR, focusing on comprehensive ESG performance reporting and engagement with issuers to improve corporate responsibility practices;
- having their financial investment process complemented whit a strong commitment to social responsibility, excluding investments in entities that do not meet specific ESG standards, and aiming for a minimum of 20% sustainable investments; and
- having their investment philosophy marked by an active engagement in corporate responsibility, leveraging a proprietary ESG analysis tool to refine their investment universe significantly.

the key differences in the investment processes of the Funds underscore the advantages that the Receiving Fund will offer to unitholders of the Merging Fund.

Indeed, in the one hand, the Merging Fund's management strategy is characterized by its dual approach to investment, prioritizing not only financial performance but also integrating an environmental, social, and governance (ESG) criteria. This strategy focuses on European convertible bonds, applying a meticulous selection process that combines both "top-down" and "bottom-up" approaches to portfolio construction.

On the other hand, the Receiving Fund extends these principles with a commitment to capital appreciation through low volatility investments in convertible bonds, emphasizing a discretionary management style that also incorporates ESG criteria across its entire investment process. The Receiving Fund stands out for its global bond approach and stock-picking policy, aiming to construct a portfolio that exhibits lower volatility than its underlying equity investments.

The Merger represents a forward-looking move for unitholders of the Merging Fund, offering focus on sustainability and responsible investing without compromising on the goal of achieving capital appreciation with low volatility. The Receiving Fund's distinct approach to combining a global bond strategy with an active engagement in ESG issues provides a platform for investors seeking to contribute positively to societal goals while targeting financial returns.

Therefore, the Board believes that shareholders and unitholders of the Funds will benefit from the Merger.

The Board has therefore decided, in accordance with Articles 5 and 27 of the articles of incorporation of the Company (the "**Articles**") and the provisions of the prospectus of the Company (the "**Prospectus**") and in the interest of the Funds' share and/or unit holders, to merge the Merging Fund into the Receiving Fund.

Impact on the Receiving Fund's investment portfolio and performance

The Receiving Fund will continue to be managed in line with its investment objective and strategy, after the Merger but taking into account the changes as further described hereafter. Further, as assets of the Merging Fund are eligible and compatible with the Receiving Fund's investment strategy the Management Company anticipates that the Merger will have a minor impact on the portfolio of the Receiving Fund which will not need to be rebalanced before or after the Merger. Only the Merging Fund's assets will be rebalanced prior to the Merger.

In addition, in order to ensure a fair treatment of share or unit holders of both Funds in accordance with Article 4 of the Regulation of the *Commission de Surveillance du Secteur Financier* n°10-05 transposing Commission Directive 2010/44/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards certain provisions concerning fund mergers, master-feeder structures and notification procedure, the performance-related fee effect for the shareholders of the Receiving Fund from the Merger is unchanged at the Merger's Effective Date and no different than if the Receiving Fund had received external investor subscriptions.

Consequently the Board does not foresee any material impact on the Receiving Fund's investment portfolio or performance as a result of the Merger.

Costs and expenses of the Merger

The expenses incurred in the Merger, including the legal, advisory and administrative costs, will be borne by the Management Company.

Exchange ratio, treatment of accrued income and consequences of the Merger

On the Merger's Effective Date, all the assets and liabilities of the Merging Fund, including any accrued income, will be calculated in its final net asset value per unit for each unit class and unitholders in the Merging Fund will be issued shares of an equal amount by value of shares in the Receiving Fund at the net asset value per share calculated on that day for the corresponding share class. Thereafter accrued income will be accounted for on an on-going basis in the net asset value per share for each share class in the Receiving Fund.

Any accrued income in the Receiving Fund prior to the Merger will not be affected.

Rights of shareholders to redeem/switch

As a shareholder in the Receiving Fund, you have the right to redeem your holding in the Receiving Fund or to switch into another sub-fund of the Company. If you do not agree with the Merger, you have the right to redeem your holding in the Receiving Fund or to switch into another sub-fund of the Company at any time up to and including the dealing day on 06/09/2024. BNP Paribas, Luxembourg branch ("**BNP**") will carry out your redemption free of charge or switch instructions in accordance with the provisions of the Prospectus. There will be no suspension of dealings in shares of the Receiving Fund in the context of the Merger.

Tax status

The conversion of shares at the time of the Merger and/or your redemption or switch of shares prior to the Merger might affect the tax status of your investment. We therefore recommend that you seek independent professional advice in these matters.

Further information

The key information documents of all available share classes and the Prospectus are available at www.dnca-investments.com.

An audit report will be prepared by the approved statutory auditor of the Company in relation to the Merger and will be available free of charge upon request from the Management Company.

If you would like more information, please contact your usual professional adviser or the Management Company on (+33 (0)1 58 62 55 00).

Yours faithfully,

The Board
DNCA INVEST