

**BPER INTERNATIONAL SICAV**  
Société d'Investissement à Capital Variable  
2C, rue Albert Borschette  
L-1246 Luxembourg  
R.C.S. Luxembourg B 61 517  
(the "**Company**")

**NOTICE TO SHAREHOLDERS OF:**

**BPER INTERNATIONAL SICAV – GLOBAL BALANCED RISK CONTROL**

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**(the "Receiving Sub-Fund")**

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**IMPORTANT:**  
**THIS LETTER REQUIRES YOUR IMMEDIATE ATTENTION.**  
**IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENT OF THIS LETTER,**  
**YOU SHOULD SEEK INDEPENDENT PROFESSIONAL ADVICE.**

16 October 2020

*Capitalized terms not defined herein have the same meaning as in the prospectus of the Company.*

Notice is hereby given to the shareholders of the Receiving Sub-Fund that the board of directors of the Company (the "**Board of Directors**") has decided to (i) undertake a merger between a sub-fund of the Company, *BPER INTERNATIONAL SICAV – EQUITY EUROPE OPPORTUNITY* (the "**Absorbed Sub-Fund**") and the Receiving Sub-Fund (the Absorbed Sub-Fund and the Receiving Sub-Fund together referred to as the "**Merging Sub-Funds**") with effect as of 24 November 2020 (the "**Effective Date**") or such later time and date as may be determined by the Board of Directors, subject to the approval of the Luxembourg supervisory authority (the "**CSSF**"), and notified to the shareholders in each of the Absorbed Sub-Fund and Receiving Sub-Fund in writing. In the event that the Board of Directors approves a later Effective Date, they may also make such consequential adjustments to the other elements in the timetable of the merger as they consider appropriate.

This notice describes the implications of the contemplated merger.

Please contact your financial advisor if you have any questions on the content of this notice. The merger may impact your tax situation. Shareholders should contact their tax advisor for specific tax advice in relation to the merger.

**Section I – Information relating to the merger**

**1. Background and rationale for the merger**

Considering the low level of assets under management of the Absorbed Sub-Fund, such merger will enable to offer the benefit of economies of scale to shareholders of the Merging Sub-Funds, which is considered by the Board of Directors as being in the best interest of the shareholders of the Merging Sub-Funds as it will increase potential investments and opportunities.

## 2. Summary of the Merger

- i) The merger shall become effective and final between the Merging Sub-Funds and vis-à-vis third parties on the Effective Date.
- ii) On the Effective Date, all assets and liabilities of the Absorbed Sub-Fund will be transferred to the Receiving Sub-Fund by way of a contribution in cash of all assets and liabilities of the Absorbed Sub-Fund into the Receiving Sub-Fund, in accordance with article 1(20)(a) of the law dated 17 December 2010 on undertakings for collective investment, as amended (the “**2010 Law**”).
- iii) No vote of the shareholders in the Receiving Sub-Fund is required in order to carry out this merger.
- iv) Shareholders of the Receiving Sub-Fund who do not agree with the merger have the right to request until [D-7] the redemption of their shares in the Receiving Sub-Fund or the conversion of such shares in another sub-fund of the Company without redemption or conversion charges (other than charges retained by the Receiving Sub-Fund to meet disinvestment costs). Please see the section 5 below.
- v) Other procedural aspects of the merger are set out in section 6 below.
- vi) The merger has been approved by the CSSF.
- vii) The timetable below summarises the key steps of the merger:

Notice sent to shareholders	16 October 2020
Deadline to redeem shares in the Absorbed Sub-Fund or convert to another sub-fund	17 November 2020
Effective Date	24 November 2020

## 3. Impact of the Merger on shareholders of the Receiving Sub-Fund

The Receiving Sub-Fund will likely benefit from a meaningful increase in assets under management. There might be a limited dilution of performance due to the merger. To that end the investment manager may, if necessary, proceed to a rebalancing of the Receiving Sub-Fund’s portfolio prior to the merger.

On implementation of the merger, shareholders in the Receiving Sub-Fund will continue to hold the same shares in the Receiving Sub-Fund as before and there will be no change in the rights attaching to your shares

While the assets under management of the Receiving Sub-Fund will be increased accordingly, the implementation of the merger will not affect the fees, costs and charges structure, investment strategy and criteria of the Receiving Sub-Fund or its portfolio. This will enable the investment manager and the sub-investment manager of the Receiving Sub-Fund, benefiting from increased investment capacities, to allocate the Receiving Sub-Fund’s investments more efficiently and may also result in improved performance levels.

The merger will be binding on all the shareholders of the Receiving Sub-Fund who have not exercised their right to request the redemption of their shares, free of charge, within the timeframe set out in section 5 below.

The Merging Sub-Funds are sub-funds of the Company and will therefore benefit from

equivalent investor protections and rights.

#### **4. Criteria for valuation of assets and liabilities**

For the purpose of calculating the relevant share exchange ratio, the rules laid down in the articles of incorporation and the prospectus of the Company for the calculation of the net asset value will apply to determine the value of the assets and liabilities of the Receiving Sub-Fund.

The exchange ratio will be calculated five (5) business days after such notice period has expired.

#### **5. Rights of shareholders in relation to the merger**

Shareholders of the Receiving Sub-Fund not agreeing with the merger will be given the possibility to request the redemption of their shares in the Receiving Sub-Fund at the applicable net asset value, without any redemption charges (other than charges retained by the Receiving Sub-Fund to meet disinvestment costs) during at least thirty (30) calendar days from the date of the present notice.

#### **6. Procedural aspects**

##### No suspensions in dealings

Subscriptions for or conversions to, and redemption of shares of the Receiving Sub-Fund will not be suspended during the merger process.

##### Publications

The merger and its Effective Date shall be published on the central electronic platform of the Grand Duchy of Luxembourg, the *Recueil électronique des sociétés et associations (RESA)* and in the "*Luxemburger Wort*", before the Effective Date. This information shall also be made publicly available, when regulatory mandatory, in other jurisdictions where shares of the Merging Sub-Funds are distributed.

##### Approval by competent authorities

The merger has been approved by the CSSF.

#### **7. Costs of the merger**

Any costs, expenses or charges in relation with the Merger will be borne by Morgan Stanley Investment Management Limited

#### **8. Taxation**

The merger of the Absorbed Sub-Fund into the Receiving Sub-Fund may have tax consequences for shareholders. Shareholders should consult their professional advisers about the consequences of this merger on their individual tax position.

#### **9. Additional information**

##### Merger report

PricewaterhouseCoopers, Société Coopérative, the authorised auditor of the Company in

respect of the merger, will prepare reports on the merger which shall include a validation of the following items:

- 1) the criteria adopted for valuation of the assets and/or liabilities for the purposes of calculating the share exchange ratio;
- 2) where applicable, the cash payment per share;
- 3) the calculation method for determining the share exchange ratio; and
- 4) the final share exchange ratio.

A copy of the report of the authorised auditor will be made available upon request and free of charge to the shareholders of the Merging Sub-Funds and to the CSSF on or about the Effective Date.

#### Global Risk Exposure calculation method

The global risk exposure calculation methodology for the Receiving Sub-Fund is based on the absolute value-at-risk approach, while the methodology used for the Absorbed Sub-fund is based on the Commitment Approach.

#### Additional documents available

In addition to the documentation of the Company, the following documents are available at the registered office of the Company on request and free of charge to the shareholders of the Receiving Sub-Fund as from the date of this notice:

- the terms of the merger drawn-up by the Board of Directors containing detailed information on the merger, including the calculation method of the share exchange ratio (the "**Terms of the Merger**"); and
- a statement by the depositary bank of the Company confirming that they have verified compliance of the Terms of the Merger with the terms of the 2010 Law and the articles of incorporation of the Company.

Please contact your financial adviser or the registered office of the Company if you have questions regarding this matter.

Copies of the updated prospectus of the Company dated December 2020 will be made available free of charge during normal office hours at the registered office of the Company or with the Company's local agents, as required by applicable laws.

For the Board of Directors  
16 October 2020