

LUXEMBOURG SELECTION FUND

Société d'Investissement à Capital Variable

Registered Office: 33A avenue J.F. Kennedy L- 1855 Luxembourg

R.C.S. Luxembourg: B 96. 268

(the “**Company**”)

Notice to the Shareholders of LUXEMBOURG SELECTION FUND – PEF Protected Equity Fund (the “**Sub-Fund**”) of the Company

Dear Shareholders,

The board of directors of the Company (the “**Board of Directors**”) has decided to terminate and liquidate the Sub-Fund, because the net asset value of the Sub-Fund has decreased from an amount of EUR 140'739'679.45 as of 31 December 2014 to an amount of EUR 36'579'594.02 as of 31 December 2016. As the net asset value is not expected to recuperate in the near term and the current level of the net asset value does no longer allow the Sub-Fund to be managed in an economically reasonable way, the termination and liquidation of the Sub-Fund was considered by the Board of Directors. Such is in the best interest of the shareholders (the “**Shareholders**”) and in accordance with article 24 of the Company's articles of association (the “**Articles of Association**”) and the provisions of the Company's prospectus (the “**Prospectus**”). The liquidation shall be effective as from **15 June 2017** (the “**Effective Date**”); i.e. with effect of the Effective Date, the Sub-Fund enters into liquidation and termination.

The Sub-Fund may, with immediate effect, deviate in line with the best interest of the Shareholders from its principal investment policy as far as needed in preparation of the liquidation. In particular, while adhering to the diversification regulations, a considerable proportion of its assets may be held in liquid assets.

As a result, on the Effective Date any outstanding shares in the Sub-Fund will be compulsory redeemed at the net asset value per share applicable on that date. The proceeds will be settled without undue delay in accordance with the provisions of the Prospectus once the Sub-Fund has been liquidated, pursuant to Luxembourg laws and regulations. If necessary, the redemption of liquidation proceeds may be carried out in several instalments. Any liquidation proceeds which cannot be distributed to Shareholders will be deposited on their behalf with the Caisse de Consignation in Luxembourg.

To ensure an equal treatment between all Shareholders, the Sub-Fund is closed for further subscriptions, conversions and redemptions as of the Cut-off time of 30 May 2017. Redemption requests from the shareholders of the Sub-Fund may be considered once all costs linked to such liquidation including inter alia any outstanding liabilities have been incurred.

As of today, any costs or expenses incurred in the liquidation of the Sub-Fund will be borne by the Sub-Fund.

The Board of Directors further recommends you to inform yourself of, and where appropriate take advice on, the tax consequences of the foregoing in your country of citizenship, residence or domicile.

The Board of Directors of the Company