

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 THE SUB-FUND:

BPER INTERNATIONAL SICAV – SHORT TERM EUR CORPORATES

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

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

23 October 2020

Notice is hereby given to the shareholders of the Absorbed Sub-Fund that the board of directors of the Company (the "**Board of Directors**") has decided to undertake a merger between the Absorbed Sub-Fund and a sub-fund of the Company, *BPER International SICAV – Optimal Income*, to be created prior to the merger (the "**Receiving Sub-Fund**", together with the Absorbed Sub-Fund referred to as the "**Merging Sub-Funds**") with effect as of 1 December 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 the Absorbed 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 merger on your current shareholding in the Absorbed Sub-Fund. 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.

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

1. Background and rationale for the merger

Considering the low level of assets under management of the Absorbed Sub-Fund, the non-satisfactory performance of the Absorbed Sub-Fund over the past years, and as there are currently no investor in the Receiving Sub-Fund, such merger will allow investors to expect better returns from their investment on the basis of the current track record of the Absorbed Sub-Fund and the track record of the master fund of the Receiving Sub-Fund, which is considered by the Board of Directors as being in the best interest of the shareholders of the Absorbed Sub-Fund.

2. Summary of the merger

(i) The merger of the Absorbed Sub-Fund into the Receiving Sub-Fund shall become effective and final between the Merging Sub-Funds and vis-à-vis third parties on the Effective Date.

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**”). On implementation of the merger, the Absorbed Sub-Fund shall be dissolved without liquidation on the Effective Date. The shares of the Absorbed Sub-Fund will be cancelled having effect on the Effective Date.

(ii) No vote of the shareholders in the Absorbed Sub-Fund is required in order to carry out this merger.

(iii) The thirty (30) calendar days period for shareholders in Absorbed Sub-Fund to redeem their shares in the Absorbed Sub-Fund and consequently not participate in the merger has started running on the date of the present notice. Please see section 5 below.

No action is required to be taken on the Effective Date by shareholders of the Absorbed Sub-Fund who agree to the merger and wish to receive shares of the Receiving Sub-Fund in exchange for their shares in the Absorbed Sub-Fund. Shareholders holding shares of the Absorbed Sub-Fund on the Effective Date will automatically be issued shares of the corresponding share class of the Receiving Sub-Fund and become shareholders in the Receiving Sub-Fund in exchange for their shares in the Absorbed Sub-Fund, in accordance with the relevant share exchange ratio and participate in the results of the Receiving Sub-Fund as from such date.

(iv) Other procedural aspects of the merger are set out in section 6 below.

(v) The merger has been approved by the CSSF.

(vi) The timetable below summarises the key steps of the merger.

Notice sent to shareholders	23 October 2020
Deadline to redeem shares in the Absorbed Sub-Fund or convert to another sub-fund	24 November 2020
Effective Date	1 December 2020

3. Impact of the merger on shareholders in the Absorbed Sub-Fund

The merger will result in shareholders who hold shares of the Absorbed Sub-Fund on the Effective Date becoming, from the Effective Date, shareholders of the Receiving Sub-Fund, as demonstrated below.

Absorbed Sub-Fund	Receiving Sub-Fund
BPER International SICAV – Short Term EUR Corporates	BPER International SICAV – Optimal Income
Class P (EUR)	Class P (EUR)
Class I (EUR)	Class I (EUR)

Shareholders of the Absorbed Sub-Fund will be impacted by the merger since the investment policy, the portfolio manager and the dealing deadlines of the Absorbed Sub-

Fund are different from the Receiving Sub-Fund.

The costs of the merger will be borne in the manner set out at section 7 below.

The Board of Directors believes that the shareholders in the Absorbed Sub-Fund will benefit from the merger insofar as it will give the shareholders the possibility to take advantage of the results of the Receiving Sub-Fund. The Receiving Sub-Fund will invest at least 85% of its assets into M&G (Lux) Optimal Income Fund (the “**Master Fund**”), a sub-fund of M&G (Lux) Investment Funds 1, a Luxembourg SICAV registered under Part I of the 2010 Law. A direct investment from the shareholders into the Master Fund would have for the shareholders higher costs than the ones foreseen by means of an investment through the Receiving Sub-Fund.

Notwithstanding the terms of the prospectus of the Company, prior to the Effective Date the portfolios of the Absorbed Sub-Fund will be rebalanced and invested in cash or different types of assets in order to facilitate the merger into the Receiving Sub-Fund. The merger will result in an inflow of cash/liquid assets into the Receiving Sub-Fund which to ensure that the assets of the Absorbed Sub-Fund are compliant with the Receiving Sub-Fund’s investment policy.

The Merging Sub-Funds are sub-funds of the same entity and will therefore benefit from equivalent investor protections and rights.

A detailed schedule of the key features of and any differences and similarities between the Merging Sub-Funds as from the Effective Date is attached hereto at Appendix I.

Shareholders of the Absorbed Sub-Fund should also carefully read the description of the Receiving Sub-Fund in Appendix I and in the KIID of the Receiving Sub-Fund before making any decision in relation to the merger.

The merger will be binding on all the shareholders of the Absorbed 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.

No subscription fee will be levied within the Receiving Sub-Fund as a result of the merger.

4. Criteria for valuation of assets and liabilities

The assets and liabilities of the Absorbed Sub-Fund will be valued as of the Effective Date in accordance with the provisions of the prospectus and the articles of incorporation of the Company.

The accrued income of the Absorbed Sub-Fund, for instance accounts receivables, accrued interest, and other investment related receivables, will be transferred to the Receiving Sub-Fund as part of the assets and liabilities of the Absorbed Sub-Fund. There will be no payment of accrued income to shareholders before the merger.

The net asset value of the Absorbed Sub-Fund will be reviewed by the auditors of the Company.

5. Rights of shareholders in relation to the merger

Given that the Receiving Sub-Fund will be launched on the Effective Date, each shareholder in the Absorbed Sub-Fund will receive one share of the relevant share class in the Receiving Sub-Fund in exchange for a share of the corresponding class in the

Absorbed Sub-Fund.

Shareholders of the Absorbed Sub-Fund will acquire rights as shareholders of the Receiving Sub-Fund from the Effective Date and will thus participate in any increase in the net asset value of the Receiving Sub-Fund.

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

6. Procedural aspects

i. Approval of shareholders not required

The implementation of the merger does not require the approval of the general meeting of shareholders of the Absorbed Sub-Fund. Shareholders of the Absorbed Sub-Fund not agreeing with the merger may however request the redemption of their shares, as stated under section 5 above, until 24 November 2020.

ii. 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.

iii. Approval by competent authorities

The merger has been approved by the CSSF.

7. Costs of the merger

M&G Investment Management Limited will bear the legal, advisory and administrative costs and expenses associated with the preparation and completion of the merger.

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

i. Merger reports

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 the 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 Absorbed Sub-Fund and to the CSSF on or about the Effective Date.

ii. 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.

iii. Additional documents available

The following documents are available to the shareholders of the Absorbed Sub-Fund at the registered office of the Company on request and free of charge 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**");
- 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; and
- the prospectus of the Company and the KIIDs of the Receiving Sub-Fund, as well as Appendix I.

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.

Yours faithfully,

The Board of Directors

Appendix I:

Please find below a summary of the main features of the Absorbed Sub-Fund and the Receiving Sub-Fund:

Absorbed Sub-Fund	Receiving Sub-Fund
BPER INTERNATIONAL SICAV – SHORT TERM EUR CORPORATES	SUB-FUND 17 – BPER INTERNATIONAL SICAV – OPTIMAL INCOME
<p>Investment Policy</p> <p>The Sub-Fund invests at least two-thirds of its assets in debt securities and claims. The duration of the portfolio is continually adapted to the prevailing market situation (“short term”) but will not exceed three years. At least two-thirds of the investments are denominated in EUR.</p> <p>However, the portion of investments in foreign currencies not hedged against EUR may not exceed 10% of assets.</p> <p>After deducting cash and cash equivalents, the Sub-Fund may invest up to one-third of its assets in money market instruments. Up to 25% of its assets may be invested in convertible, exchangeable and warrant-linked bonds as well as convertible debentures.</p> <p>In addition, after deducting cash and cash equivalents, the Sub-Fund may invest up to 10% of its assets in equities, equity rights and warrants as well as shares, other equity shares and dividend-right certificates acquired through the exercise of conversion and subscription rights or warrants, or warrants remaining after the separate sale of ex-issues and any equities acquired with these warrants.</p> <p>The equities acquired by exercise or subscription must be sold no later than 12 months after they were acquired.</p>	<p>Investment Policy</p> <p>This Sub-Fund is a feeder fund of M&G (Lux) Optimal Income Fund (the “Master Fund”), a sub-fund of M&G (Lux) Investment Funds 1, a Luxembourg SICAV registered under Part I of the 2010 Law. The Sub-Fund will invest at least 85% of its assets in Class CI in EUR shares in the Master Fund.</p> <p>On an ancillary basis, the Sub-Fund may also invest up to 15% of its assets in liquid instruments.</p> <p>The performance of the Sub-Fund is expected to be broadly in line with that of the Master Fund subject to its level of investment in the Master Fund and save for additional fund expenses at the level of the Sub-Fund which will affect its performance.</p> <p>Investment policy and objectives of the Master Fund</p> <p>The Master Fund aims to provide a total return (the combination of capital growth and income) to investors based on exposure to optimal income streams in investment markets.</p> <p>The Master Fund invests at least 50% of its Net Asset Value in debt securities, including investment grade bonds, high yield bonds, unrated securities and asset-backed securities. These securities may be issued by governments and their agencies, public authorities, quasi-sovereigns, supranational bodies and companies. Issuers of these securities may be located in any country, including emerging markets, and denominated in any</p>

currency. At least 80% of the net asset value will be in EUR or hedged into EUR.

While the Master Fund's overall duration will not be negative, the Master Fund may derive negative duration from individual fixed income markets.

The Master Fund may invest up to a combined maximum of 100% of the Master Fund's net asset value in below investment grade and unrated securities. There are no credit quality restrictions with respect to the debt securities in which the Master Fund may invest.

The Master Fund may invest in Chinese onshore debt securities denominated in CNY traded on the China Interbank Bond Market.

The Master Fund may also hold up to a maximum of 20% of its net asset value in contingent convertible debt securities and up to a maximum of 20% of its net asset value in asset-backed securities.

The Master Fund is a flexible bond fund that allows investment across a broad range of fixed income assets according to where the investment manager finds value. In identifying the optimal income stream, the Master Fund also has the flexibility to invest up to a maximum of 20% of its net asset value in equities.

The Master Fund will typically invest directly. The Master Fund may also invest indirectly via derivative instruments to take both long and short positions and to gain exposure to investments exceeding the net asset value of the Master Fund in order to increase potential returns in both rising and falling markets. Derivative instruments can be used to meet the Master Fund's investment objective, for efficient portfolio management and for the purpose of hedging. These instruments may include, but are not limited to, spot and forward contracts, exchange traded

	<p>futures, credit default swaps, total return swaps and interest rate swaps.</p> <p>The Master Fund may also invest in other assets including, collective investment schemes, cash and near cash, deposits, warrants and other debt securities.</p> <p>For performance comparison use, the Master Fund has this composite index made of the following three indices:</p> <ul style="list-style-type: none"> • 1/3 Bloomberg Barclays Global Aggregate Corporate Index EUR Hedged; • 1/3 Bloomberg Barclays Global High Yield Index EUR Hedged; et • 1/3 Bloomberg Barclays Global Treasury Index EUR Hedged. <p>These indices represent the global investment grade corporate market, the global high-yield corporate market and the global government bond market respectively.</p> <p>Sub-Fund and Master Fund are actively managed. The composite index is a point of reference against which the performance of Sub-Fund and Master Fund may be measured. Master Fund may bear little resemblance to this composite index as it only represents the neutral position of the Fund.</p>	
Profile of the typical investor	<p>The Sub-Fund is suitable for investors who wish to invest cash in a portfolio with an average duration not exceeding three years which is continuously adjusted to suit the prevailing market situation.</p>	<p>The Sub-Fund is suitable for retail and institutional investors seeking to gain a combination of capital growth and income from a portfolio at least half of which will be debt instruments with the remainder including these or other asset types, but who appreciate that this is not guaranteed and that their capital will be at risk and that the value of their investment and any derived income may fall as well as rise.</p>
Use of Techniques and Instruments	<p>This Sub-Fund may enter into transactions relating to techniques and instruments for investment purposes other than hedging in compliance with what is provided under Chapter 23, Investment Guidelines, paragraph "Special</p>	<p>For (up to) 15% of its assets that are not invested in the Master Fund, this Sub-Fund does not enter into transactions relating to techniques and instruments provided under Chapter 23, Investment Guidelines, paragraph "Special</p>

	<p>techniques and instruments related to transferable securities and money market instruments" and in the interest of an orderly management of its assets.</p> <p>Due to their high volatility, investments in techniques and instruments are exposed to greater risks than direct investments in securities.</p> <p>The Sub-Fund does not intend to enter into Securities Financing Transactions ("SFTs") and will not invest in Total Return Swaps ("TRS"). As a result, the Sub-Fund is not subject to Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse.</p>	<p>techniques and instruments related to transferable securities and money market instruments".</p> <p>The Master Fund itself enters into transactions relating to techniques and instruments for investment and hedging purposes. Please refer to the prospectus of the Master Fund for information regarding the use of such techniques and instruments that is applicable to the Master Fund.</p>
SRRI (Risk and reward profile)	Category 2	Category 3
Flat Fee	<p>Class P: 0.800% p.a. calculated daily on the average total net assets of the respective class during the month concerned.</p> <p>Class I: 0.55% p.a. calculated daily on the average total net assets of the respective class during the month concerned.</p>	<p>Class P: maximum 1.395% p.a. calculated daily on the average total net assets of the respective class during the month concerned.</p> <p>Class I: 0.55% p.a. calculated daily on the average total net assets of the respective class during the month concerned.</p>
Ongoing Charge	0.93%	<p>Class P: Up to 1.46 % of which up to 0.96% relate to the Receiving Sub-Fund and up to 0.50% are charges relating to the Master Fund.</p> <p>Class I: Up to 0.66% of which up to 0.16% relate to the Receiving Sub-Fund and up to 0.50% are charges relating to the Master Fund.</p>
Redemption / Conversion Fee	None	None
Subscription Fee	Up to 3% of the subscribed amount payable to the Distributor.	Class P: Up to 3% of the subscribed amount payable to the Distributor.

		Class I: None
Investment Manager	UBS Asset Management Switzerland AG	Optima S.p.A. SIM, Modena Italy
Reference Currency	EUR	EUR
Classes of Shares	Class P (EUR) Class I (EUR)	Class P Class I
Distribution Policy	Accumulation	Accumulation
Valuation Frequency	Each Business Day in Luxembourg	Each business day in Luxembourg, which for the purpose of this Sub-Fund shall mean any day when the banks are fully open for normal banking business in both England and Luxembourg. For clarification purposes, 24 December and 31 December will be considered business days, unless they fall on the weekend.
Cut-off, NAV calculation and settlement terms	<p>Subscription applications entered with the Administrative Agent no later than by 4 p.m. Central European Time (cut-off time) on a Business Day (order date) will be processed on the same Business Day (valuation date) on the basis of the net asset value calculated for that day. The subscriptions received by the Administrative Agent after the above mentioned cut-off times will be settled at the subscription price of the next Valuation Day.</p> <p>Redemption applications received by the Administrative Agent no later than by 4 p.m. (Central European Time) on a Business</p>	<p>Subscription applications entered with the Administrative Agent no later than by 4:00 p.m. Central European Time (cut-off time) on a business day preceding the Valuation Day (Valuation Day, "T") will be processed on the basis of the net asset value calculated on the business day following the applicable Valuation Day (T+1) ("Calculation Day"). Subscriptions received by the Administrative Agent after the above mentioned cut-off times will be settled at the subscription price calculated in respect of the next Valuation Day.</p>

<p>Day shall be settled at the redemption price per Share calculated on the same Business Day (valuation date). They shall be submitted for payment in the reference currency as defined under Section I "Available Sub-Funds". All redemption requests received by the Administrative Agent after the cut-off-time mentioned above shall be settled at the redemption price calculated on the next following Valuation Day.</p> <p>Earlier closing times for receipt of orders are applied by the Distributor, its subsidiaries, branches and sales agencies for those orders in order to ensure these can be communicated to the Administrative Agent on time. The earlier closing time is usually the business opening hours of the Distributor, its subsidiaries, branches and sales agencies preceding the net asset value calculation date. This means that net asset value for settlement purposes is not known when the order is placed (forward pricing).</p> <p>A local paying agent will submit transactions on behalf of the final investor on a nominee basis. Costs incurred for such services may be charged to the investor. Payment must be received by the depositary of the Fund within 2 Business Days after the calculation of the subscription price (Valuation Day). Investors must note that subscriptions will only be allotted after receipt of the subscription money.</p> <p>The redemption price is based on the net asset value per Share. Any taxes, commissions and other fees incurred in the respective countries in which Shares are sold will be charged. For the calculation of the redemption price, the net asset value per Share will be rounded down to the next smallest currency unit. Since provision must be made for an adequate supply of liquidity in the Fund's assets, payment for Shares is effected under normal circumstances within 2 Business Days after the calculation of the redemption price unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the</p>	<p>Redemption applications received by the Administrative Agent no later than by 4:00 p.m. (Central European Time) on a business day preceding the Valuation Day (Valuation Day, "T") will be processed on the basis of the net asset value calculated on the business day following the applicable Valuation Day (T+1) ("Calculation Day"). Redemption requests received by the Administrative Agent after the cut-off-time mentioned above shall be settled at the redemption price calculated in respect of the next Valuation Day.</p> <p>Earlier closing times for receipt of orders are applied by the Distributor, its subsidiaries, branches and sales agencies for those orders in order to ensure these can be communicated to the Administrative Agent on time. The earlier closing time is usually the business opening hours of the Distributor, its subsidiaries, branches and sales agencies preceding the net asset value calculation date. This means that net asset value for settlement purposes is not known when the order is placed (forward pricing).</p> <p>Payment date for subscriptions and redemptions: within 3 business days following the applicable Valuation Day. In case the calculation of the net asset value is suspended in accordance with paragraph "Suspension of the net asset value calculation and of the issue, redemption and conversion of Shares", the payment for subscriptions and redemptions will be delayed by the duration of the suspension.</p> <p>For the purpose of this section, a business day shall mean any day when the banks are fully open for normal banking business in both England and Luxembourg. For clarification purposes, 24 December and 31 December will be considered business days, unless they fall on the weekend.</p>
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	Fund, make it impossible to transfer the redemption amount to the country in which the redemption application was submitted.	
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