

Variopartner SICAV
Société d'investissement à capital variable organisée sous la forme d'une société anonyme
11-13, Boulevard de la Foire,
L-1528 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B87256

**NOTICE TO THE SHAREHOLDERS OF
VARIOPARTNER SICAV – SECTORAL EMERGING MARKETS HEALTHCARE 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.**

1. PROPOSED MERGER

- 1.1 You are hereby informed that the board of directors of Variopartner SICAV, an investment company with variable capital (*société d'investissement à capital variable - SICAV*) governed and established in accordance with the provisions of Part I of the Luxembourg act of 17 December 2010 relating to undertakings for collective investment, as amended (the **2010 Act**), having its registered office at 11-13, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg – RCS*) under number B87256 (the **Merging Fund**), acting for the account of its sub-fund Variopartner SICAV – Sectoral Emerging Markets Healthcare Fund (the **Merging Sub-Fund**) intends to merge the Merging Sub-Fund into the sub-fund Protea Fund – Sectoral Emerging Markets Healthcare Fund (the **Receiving Sub-Fund**) (the **Merger**).
- 1.2 The Receiving Sub-Fund is a sub-fund of Protea Fund, a SICAV governed and established in accordance with the provisions of Part I of the 2010 Act, having its registered office at 15, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the RCS under number B80092 (the **Receiving Fund**).
- 1.3 The board of directors of each of the Merging Fund and the Receiving Fund, being the **Boards**, the Merging Fund and the Receiving Fund, being the **Funds** and the Merging Sub-Fund and the Receiving Sub-Fund, being the **Sub-Funds**.
- 1.4 The Merger has been approved by the Luxembourg supervisory authority, the *Commission de Surveillance du Secteur Financier*.

2. BACKGROUND AND RATIONALE FOR THE PROPOSED MERGER

- 2.1 The rationale for the Merger is that, after a review of its fund management activities, Sectoral Asset Management Inc., the investment manager of the Merging Sub-Fund, has identified Protea Fund as an adequate entity to host the Merging Sub-Fund.
- 2.2 The Merger is anticipated to be beneficial for the shareholders of the Merging Sub-Fund, as it is expected to result in improved efficiency from an operational, cost, and distribution standpoint.

2.3 Accordingly, the board of directors of the Merging Fund believes that the Merger is in the best interest of the shareholders of the Merging Sub-Fund.

2.4 The Merger is decided in accordance with, among others, section 22.5 (“Merger or liquidation of Sub-Fund or share classes”) of the main part of the prospectus of the Merging Fund (the **Merging Fund Prospectus**) and article 28 of the articles of incorporation of the Merging Fund (the **Merging Fund Articles**).

3. EFFECTIVE DATE AND IMPACT ON SHAREHOLDERS OF THE SUB-FUNDS

3.1 The Boards intend to set the effective date of the Merger on 29 January 2024 (the **Effective Date**).

3.2 The Boards intend to proceed to the Merger within the meaning of article 1(20) a) of the 2010 Act. On the Effective Date, the Merging Sub-Fund will transfer all of its assets and liabilities (if any) to the Receiving Sub-Fund. As a consequence, the Merging Sub-Fund will be dissolved without going into liquidation.

3.3 In exchange for their shares in the Merging Sub-Fund, shareholders of the Merging Sub-Fund will receive shares of the corresponding class of shares in the Receiving Sub-Fund as further described under Section 5 below. Subject to the Section 5 below, the shareholders of the Merging Sub-Fund who have not made use of their redemption right will become shareholders of the Receiving Sub-Fund as of the Effective Date. As at the Effective Date the shareholders of the Merging Sub-Fund will become shareholders of the Receiving Sub-Fund, they will be bound by the terms and conditions of the articles of incorporation of the Receiving Fund and the prospectus of the Receiving Fund and, in particular, the special section of the Receiving Sub-Fund outlining the features of the Receiving Sub-Fund.

3.4 The Receiving Sub-Fund is currently a “non-launched compartment” within the meaning of item 1.1 of the CSSF circular 12/540 of 9 July 2012 (i.e., a compartment is considered as non-launched since its approval by the CSSF if that approval is not promptly followed by an issue of its units). Hence, there are currently no shareholders in the Receiving Sub-Fund.

3.5 The Receiving Sub-Fund will be launched as at the Effective Date.

3.6 As the Receiving Sub-Fund is newly created in order to absorb the Merging Sub-Fund on the Effective Date and will not have any shareholders prior to the Effective Date, the Merger will not have any impact on shareholders of the Receiving Sub-Fund because there are none.

4. REDEMPTION RIGHT

4.1 Shareholders in the Merging Sub-Fund who do not wish to participate in the Merger will have the right to request the redemption of their shares free of charge (save for the costs retained to meet disinvestment costs) in accordance with article 73(1) of the 2010 Act, section 22.5 (“*Merger or liquidation of Sub-Fund or share classes*”) of the Merging Fund Prospectus and article 28 of the Merging Fund Articles.

4.2 Redemption requests must be sent in writing to the central administration agent of the Merging Fund (i.e., CACEIS Investor Services Bank S.A (formerly RBC Investor Services Bank S.A.)) (the **Administrative Agent**). The right of the shareholders to request the redemption of their shares in the Merging Sub-Fund in accordance with article 73(1) of the 2010 Act will commence on 20 December 2023 and cease five (5) Business Days prior to the date of calculation of the exchange ratio. As a result, redemption applications in the Merging Sub-Fund must be received by the Administrative Agent at the latest on 19 January 2024 at 3:45 pm (Luxembourg time).

4.3 Any application for subscription, conversion and redemption requests received by the Administrative Agent thereafter will not be accepted anymore until the Effective Date. Any application for subscription, conversion and redemption requests will need to be submitted to the administrative agent of the Receiving Fund, as at the Effective Date.

4.4 The shares held by those shareholders of the Merging Sub-Fund who exercised their right to redeem their shares free of charge (save for the costs retained to meet disinvestment costs) will have been redeemed prior to the Effective Date.

5. TRANSFER OF ASSETS AND LIABILITIES AND EXCHANGE OF SHARES

5.1 Transfer of assets and liabilities

- (a) The purpose of the Merger is the transfer of all assets and liabilities (if any) of the Merging Sub-Fund to the Receiving Sub-Fund in exchange for the issue of shares of the corresponding class of shares in the Receiving Sub-Fund to existing shareholders of the Merging Sub-Fund on the Effective Date. The Merging Sub-Fund will be dissolved without going into liquidation thereafter.
- (b) The unamortised costs of the Merging Sub-Fund will be transferred as a liability to the Receiving Sub-Fund. Any accrued but unpaid income in the Merging Sub-Fund will be transferred on the Effective Date.
- (c) The costs of the Merger will be borne by the management company of the Receiving Fund.

5.2 Exchanges of Shares

- (a) As from 19 January 2024 at 3:45 pm (Luxembourg time) (last day of the free redemption period), no further requests for subscription in the Merging Sub-Fund will be accepted.
- (b) The subscriptions, conversions and redemptions of shares/shares in the Merging Sub-Fund will be suspended for the purpose of the Merger, as described under Sections 4.2, 4.3 and 5.2(a).
- (c) The Receiving Sub-Fund will in exchange for the transfer of the assets and liabilities (if any) of the Merging Sub-Fund issue shares in the Receiving Sub-Fund to the shareholders of the Merging Sub-Fund. More precisely, the shareholders of the different classes of shares of the Merging Sub-Fund will receive shares of the following classes of shares of the Receiving Sub-Fund:

Class of shares of the Merging Sub-Fund	Corresponding class of shares of the Receiving Sub-Fund
Class I USD (ISIN: LU1033754018)	Class IF USD (ISIN: LU1033754018)
Class P USD (ISIN: LU1033753986)	Class PF USD (ISIN: LU1033753986)
Class N USD (ISIN: LU1033754109)	Class NF USD (ISIN: LU1033754109)
Class Z USD (ISIN: LU1231115673)	Class Z USD (ISIN: LU1231115673)

- (d) As a result of the Merger, on the Effective Date, all shares in the Merging Sub-Fund will be cancelled. Shareholders who directly hold registered shares of a specific classes of shares of the Merging Sub-Fund will be removed from the register of shareholders of the Merging Sub-Fund and registered in the register of shareholders of the Receiving Sub-Fund in the corresponding class of shares for a number of shares determined based on the exchange ratio as of the Effective Date. The shares in the Receiving Sub-Fund will be issued in registered form as of the Effective Date.
- (e) The administrative agent of the Receiving Fund will notify the relevant shareholders of the Merging Sub-Fund of their admission to the register of shareholders of the Receiving Sub-Fund.

6. VALUATION OF THE ASSETS AND LIABILITIES AND METHOD FOR CALCULATING THE EXCHANGE RATIO

- 6.1 The assets and liabilities (if any) of the Merging Sub-Fund will be valued as per the Effective Date based on the closing prices as of 26 January 2024.
- 6.2 All the assets of the Merging Sub-Fund will be contributed to the Receiving Sub-Fund. The Merging Sub-Fund will be dissolved without going into liquidation further to this Merger. In exchange, the contributing investors of the Merging Sub-Fund will receive a number of shares in the Receiving Sub-Fund equivalent to the number of shares of the corresponding class of shares of the Merging Sub-Fund as of the Effective Date. **The exchange ratio will therefore be 1:1.** The shares in the Receiving Sub-Fund will be issued at a price equal to the net asset value per class of shares of existing shares of the Merging Sub-Fund as of the Effective Date.
- 6.3 The calculation method of exchange ratio will be validated by the auditor of the Merging Fund in accordance with article 71 of the 2010 Act.

7. MAIN DIFFERENCES BETWEEN THE SUB-FUNDS

The below sets out the principal features and differences between the Merging Sub-Fund and the Receiving Sub-Fund:

7.1 Investment objective, investment strategy and investment policy

- (a) The investment objectives of the Merging Sub-Fund and the Receiving Sub-Fund are substantially the same.
- (b) The investment strategies and restrictions of the Receiving Sub-Fund and the Merging Sub-Fund are substantially the same as further set out in the table below. The differences are essentially clarifications linked to regulatory updates that do not change the investment objective. As a consequence, and save for any investments such as securities held in India, South Korea, Malaysia, Brazil, or China A-Shares, that cannot be transferred directly to the Receiving Sub-Fund, there will be no rebalancing of the portfolio of the Merging Sub-Fund prior to the Effective Date.
- (c) Any defined terms used in the below table have the meaning ascribed to such term in the relevant prospectus of the Merging Sub-Fund and the Receiving Sub-fund, respectively.

Merging Sub-Fund	Receiving Sub-Fund
The Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 SFDR. Information on environmental and/or social characteristics	The Compartment is managed to promote, among other characteristics, a combination of environmental and social characteristics within the meaning of article 8 of SFDR, but

<p>promoted by this Sub-Fund is available in the Annex 3 “Environmental and/or social characteristics” to this Sub-Fund.</p>	<p>if does not have as its objective Sustainable Investments, the Compartment will invest at least 30% of its NAV into Sustainable Investments with a social objective. The investee companies in which the Compartment invests will follow good governance practices based on such policies which are further detailed in Annex 1 of this Compartment’s appendix (the “Annex”).</p>
<p>This Sub-Fund aims to achieve capital growth in USD.</p>	<p>This Compartment aims to achieve capital growth in USD.</p>
	<p>This Compartment invests in healthcare companies domiciled in the emerging markets, across all market caps, and/or in companies realising at least 50% of their revenue in emerging markets. Emerging markets are undergoing rapid population aging, leading to higher incidence of age-related disease and rising utilization of therapies and healthcare services. Alongside demographic shifts, rising discretionary income, a growing focus on innovation, favorable regulatory and drug approval trends, as well as increased government spending on healthcare are supporting strong growth for healthcare companies across emerging geographies. The Compartment offers an investment opportunity that focuses on these growth drivers. Investments are focused on companies offering emerging therapies and services across all healthcare segments and addressing significant unmet medical need.</p>
<p>While respecting the principle of risk diversification, the Sub-Fund’s net assets are primarily invested in equities, equity-like transferable securities, participation certificates etc. issued by small, mid and large cap companies which are based in an emerging market and/or conduct the majority of their business in an emerging market and are mainly active in the healthcare sector and depository receipts, such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) and European Depositary Receipts (EDRs), referring to such securities.</p>	<p>While respecting the principle of risk diversification, the Compartment’s net assets are primarily invested in equities and equity-related securities (such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), European Depositary Receipts (EDRs)) issued by small, mid and large cap companies which:</p> <p>(a) are based in an emerging market and/or conduct the majority of their business in an emerging market; and</p> <p>(b) are mainly active in the healthcare sector.</p>
<p>The Sub-Fund may, within the limitations of section 9.1 (d) of the General Part, invest in securities and money market instruments from new issues to benefit from particularly innovative projects in the healthcare sector.</p>	<p>The Compartment may, invest in transferable securities and money market instruments from new issues to benefit from particularly innovative projects in the healthcare sector.</p>
<p>Furthermore, the Sub-Fund may also enter into futures, options and swaps, or a combination of these instruments to achieve the investment objective.</p>	
<p>Emerging markets in connection with this Sub-Fund are all countries considered as such by the World Bank, the International Finance Corporation or the United Nations or that are included in the MSCI Emerging Markets Index or the MSCI Frontier Markets (FM) Index. Irrespective of recognition by one of the abovementioned institutions,</p>	<p>Emerging markets in connection with this Compartment are all countries considered as such by the World Bank, the International Finance Corporation or the United Nations or that are included in the MSCI Emerging Markets Index or the MSCI Frontier Markets (FM) Index. Irrespective of recognition by one of the abovementioned institutions,</p>

emerging markets also include: Argentina, Brazil, Chile, China, Columbia, the Czech Republic, Egypt, Hong Kong, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Peru, the Philippines, Poland, Romania, Russia, Singapore, South Africa, South Korea, Sri Lanka, Taiwan, Thailand, Turkey, Uruguay and Venezuela.	emerging markets also include: Argentina, Brazil, Chile, China, Columbia, the Czech Republic, Egypt, Hong Kong, Hungary, India, Indonesia, Israel, Malaysia, Mexico, Peru, the Philippines, Poland, Romania, Russia, Singapore, South Africa, South Korea, Sri Lanka, Taiwan, Thailand, Turkey, Uruguay and Venezuela.
The Sub-Fund may invest up to 66% of its net assets via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect in China A-Shares.	The Compartment may invest up to 66% of its net assets via Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect in China A-Shares.
Up to 10% of the Sub Fund's net assets may be invested in Special Purpose Acquisitions Companies.	Up to 10% of the Sub Fund's net assets may be invested in Special Purpose Acquisitions Companies ("SPACs").
Up to 33% of the Sub-Fund's net assets may be invested outside the aforementioned investment universe in equities of issuers of other business segments than healthcare and fixed and variable interest securities and held in bank deposits and money market instruments for liquidity management.	Up to 33% of the Compartment's net assets may be invested outside the aforementioned investment universe including in equities of issuers of other business segments than healthcare and fixed and variable interest securities.
The Sub-Fund may also hold up to 20% of its net assets in ancillary liquid assets (cash). The Sub-Fund may not invest more than 10 % of its net assets in other UCI or UCITS funds. The reference currency is not necessarily identical to the investment currencies of the Sub-Fund.	The Compartment may not invest more than 10 % of its net assets in other UCIs or UCITS.
The Sub-Fund may, for the purposes of hedging (incl. currency hedging), efficient portfolio management and achieving the investment objective, make use of derivative financial instruments including, but not limited to, futures, forwards and options and warrants, which will result in a corresponding leverage effect.	For hedging, within the limits set out in Section 23 "Investment restrictions" of the main body of the Prospectus, the Compartment may use all types of financial derivative instruments traded on a Regulated Market and/or OTC provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. However, in normal market conditions, the Investment Manager intends to use mainly FX forwards.
The Sub-Fund does not engage in securities lending transactions.	The Compartment will not use SFTs nor TRS.

7.2 Pre-contractual disclosure – Environmental and/or social characteristics

- (a) The pre-contractual disclosure annex for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 (the **Pre-Contractual Disclosure**) of the Merging Sub-Fund and the Pre-Contractual Disclosure of the Receiving Sub-fund contain certain differences.
- (b) The main differences between the Pre-Contractual Disclosure of the Merging Sub-Fund and the Pre-Contractual Disclosure of the Receiving Sub-Fund are in respect of:

- (i) the environmental and /or social characteristics that are promoted;
- (ii) the sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted;
- (iii) the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics that are promoted;
- (iv) the policy to assess good governance practices of the investee companies;
- (v) the asset allocation planned.

More detailed information is available in the Pre-Contractual Disclosure of the Merging Sub-Fund and the Pre-Contractual Disclosure of the Receiving Sub-Fund, which should be read carefully.

7.3 Risk profile

- (a) In both Sub-Funds, the investments of the Sub-Funds are subject to normal market fluctuation and other risks inherent in investing in securities and there can be no assurance that capital appreciation or distribution payments would occur. The value of investments and income from them, and therefore the value of the shares of the Sub-Funds, can go down as well as up and an investor may not get back the amount invested.
- (b) The risk profile of the Merging Sub-Fund and the Receiving Sub-Fund are substantially the same.

Merging Sub-Fund	Receiving Sub-Fund
<p>Investors are advised to read section 7 “Notice Regarding General Risks” of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund. Please refer to the details below for information on risks that investments in this Sub-Fund may entail.</p> <ul style="list-style-type: none"> • Investments may be made in countries where the local stock exchanges may not yet qualify as recognized stock exchanges within the meaning of the investment restrictions set out in this Sales Prospectus; • Pursuant to the investment and borrowing restrictions defined in section 9 of the General Part, investments in securities listed on stock exchanges which do not qualify as recognized exchanges or markets and other non-listed investments may represent up to 10% of the net assets of the Sub-Fund; • This Sub-Fund’s investments may be subject to a higher degree of risk. The stock markets and the economies of emerging markets are generally volatile. This Sub-Fund’s investments in certain emerging markets may also be adversely affected by political developments and/or changes in local laws, taxes and exchange controls. Finally, in some countries, it is difficult to clearly identify what conditions of 	<p>The assets of the Compartment are subject to market fluctuations and the specific risks linked to investments in bonds and equity securities, in UCIs, investments in China, currency risk as well as to risks inherent in all investments. Please refer to the Section 16 of the main body of the Prospectus headed “Risk considerations” above for further details in this connection.</p> <p><i>Risk related to investments in Special Purpose Acquisition Companies (SPACs)</i></p> <p>The Compartment may invest in stock, warrants, and other securities of SPACs or similar special purpose entities that pool funds to seek potential acquisition opportunities. Unless and until an acquisition is completed, a SPAC generally invests its assets (less a portion retained to cover expenses) in securities, money market fund securities and cash; if an acquisition that meets the requirements for the SPAC is not completed within a pre-established period of time, the invested funds are returned to the entity’s shareholders. Because SPACs and similar entities are in essence blank check companies without an operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity’s</p>

<p>ownership apply to certain companies as a result of ongoing privatization processes;</p> <ul style="list-style-type: none"> The procedures for settling securities transactions are associated with higher risks in the emerging markets than in developed markets. These higher risks are partly due to the fact that the Sub-Fund must use brokers and counterparties which do not have a very high level of capitalization, and the safekeeping of assets may in some countries be undependable, so that upon subscription or redemption, Fund shares may be worth less, or more, than at the time they were created. <p>Investments in equities are subject to price fluctuations at all times. Investments in foreign currencies are also subject to currency fluctuations. A shareholder may not receive back in full the amount invested. Past performance is no guarantee of future results.</p>	<p>management to identify and complete a profitable acquisition. Some SPACs may pursue acquisitions only within certain industries or regions, which may increase the volatility of their prices.</p>
<p>The Sub-Fund’s investments may be subject to Sustainability Risks. Key material sustainability risks relevant to the healthcare sector in which the Sub-Fund invests include but are not limited to: product quality and safety, affordability and access to medicine, data privacy and protection, marketing practices, and management of legal and regulatory environment.</p> <p>The Investment Manager’s integration of sustainability risks in the investment decision-making process is reflected in its sustainable investment policy. The Sub-Fund has recourse to external ESG research and integrates financially material sustainability risks into its investment decision-making processes. More information on the sustainable investment policy may be obtained from https://www.sectoral.com/en/public-equity/#esg. More information how the sustainable investment policy is implemented in this Sub-Fund may be obtained from the Annex 4 “Environmental and/or social characteristics”.</p> <p>The Sustainability Risks that the Sub-Fund may be subject to are likely to have low impact on the value of the Sub-Fund’s investments in the medium to long term due to the mitigating nature of the Investment Manager’s sustainable investment policy.</p>	<p><i>SFDR</i></p> <p>The Investment Manager integrates Sustainability Risks and opportunities into its research, analysis and investment decision-making processes. The Investment Manager also incorporates and evaluates governance factors in the investment decision-making process. If one or more Sustainability Risks crystallise, there may be a negative impact on the value of the Compartment, and therefore returns to investors and performance of the Compartment. However, the Compartment has a diligent approach in place to seek to mitigate the impact of Sustainability Risk on its returns, including (among other things) by integrating the consideration of such risks into its investment decision-making process, and through monitoring and management where relevant, in each case, as described herein and in the Annex.</p> <p><i>Taxonomy Regulation</i></p> <p>In the context of the Taxonomy Regulation, in view of its ESG strategy, the Compartment promotes environmental characteristics and does not aim to invest in environmentally sustainable economic activities. Therefore, the investments underlying the Compartment do not take into account the EU criteria for environmentally sustainable economic activities, within the meaning of the Taxonomy Regulation.</p>

7.4 Profile of the typical investor

The profile of the typical investor in the Sub-Funds is the same. The Sub-Funds are geared to private and/or institutional investors with a long-term investment horizon, who wish to invest in companies

conducting business in the health care sector in emerging markets, while being aware of the associated price fluctuations.

7.5 Reference currency

The Reference Currency of the Sub-Funds is the Dollar (USD).

7.6 Term

The Sub-Funds have been created for an unlimited period of time.

7.7 Financial Year

The financial year of the Merging Fund runs from 1 July to 30 June.

The financial year of the Receiving Fund runs from 1 January to 31 December.

7.8 Subscription/redemption/conversion of shares of the Sub-Funds

	Merging Sub-Fund	Receiving Sub-Fund
Cut-off / Subscription Cut-Off Time, Redemption Cut-Off Time, Conversion Cut-Off Time	<p>Subscription: 15.45 Lux time on the Business Day preceding the calculation day (as defined in the prospectus of the Merging Sub-Fund)</p> <p>Redemption: 15.45 Lux time on the Business Day preceding the calculation day (as defined in the prospectus of the Merging Sub-Fund)</p> <p>Conversion: 15.45 Lux time on the Business Day preceding the calculation day (as defined in the prospectus of the Merging Sub-Fund)</p>	<p>Subscription: 16.00 Lux time on the Valuation Day (as defined in the prospectus of the Receiving Sub-Fund)</p> <p>Redemption: 16.00 Lux time on the Valuation Day (as defined in the prospectus of the Receiving Sub-Fund)</p> <p>Conversion: 16.00 Lux time on the Valuation Day (as defined in the prospectus of the Receiving Sub-Fund)</p>
Valuation Day (pricing day)	The Business Day preceding the calculation day	The Business Day preceding the Calculation Day.
Calculation Day / NAV Calculation Day	Each Business Day	Each Business Day
Conversion of shares and conversion commission	<p>Any shareholder may request conversion of all or part of his shares from one class into shares of another class of this Merging Sub-Fund or into a class of another compartment of the Merging Fund for which Sectoral Asset Management Inc. is appointed Investment Manager, at the respective net asset values of the relevant share classes on the Valuation Day in question.</p> <p>The price at which all or part of the shares in a given class (the “original class”) are converted into the target share class (the “new class”) is</p>	<p>Any shareholder may request conversion of all or part of his shares from one class into shares of another class of this Receiving Sub-Fund or into a class of another compartment of the Receiving Fund for which Sectoral Asset Management Inc. is appointed Investment Manager, at the respective net asset values of the relevant share classes on the Valuation Day in question.</p> <p>The price at which all or part of the shares in a given class (the “Original Class”) are converted into the target share class (the “New Class”) is</p>

	<p>determined by means of the following formula:</p> $A = \frac{B \times C \times E}{D}$ <p>A is the number of shares to be allocated from the new class;</p> <p>B is the number of shares of the original class to be converted;</p> <p>C is the applicable net asset value per share of the original class;</p> <p>D is the applicable net asset value per share of the new class;</p> <p>E is the exchange rate (if any) between the currency of the original and the new classes.</p> <p>Conversion requests for registered shares may be sent by an electronic method acceptable to the administrative agent.</p> <p>A written conversion request must be sent to the administrative agent. No other documents are normally required.</p>	<p>determined by means of the following formula:</p> $A = \frac{B \times C \times E}{D}$ <p>A is the number of shares to be allocated from the New Class;</p> <p>B is the number of shares of the Original Class to be converted;</p> <p>C is the applicable net asset value per share of the Original Class;</p> <p>D is the applicable net asset value per share of the New Class;</p> <p>E is the exchange rate (if any) between the currency of the Original Class(es) and the New Class(es).</p> <p>Conversion requests for registered shares may be sent by an electronic method acceptable to the Administrative Agent.</p> <p>A written conversion request must be sent to the Administrative Agent. No other documents are normally required.</p>
Settlement Day	<p>Subscription: within 3 Business Days after the relevant pricing day</p> <p>Redemption: within 3 Business Days after the relevant pricing day</p> <p>Conversion: within 3 Business Days after the relevant pricing day</p>	<p>Subscription: within 3 Business Days after the relevant Valuation Day</p> <p>Redemption: within 3 Business Days after the relevant Valuation Day</p> <p>Conversion: within 3 Business Days after the relevant Valuation Day</p>
Swing Pricing	<p>Partial swing pricing mechanism – if on any Valuation Day, the aggregate net transactions in Shares of the Merging Sub-Fund (i.e. aggregate net subscriptions or redemptions) exceed a threshold which is pre-determined by the Variopartner Board, the net asset value per share may be adjusted upwards or downwards to reflect respectively net inflow or net outflows.</p> <p>The swing factor will be limited to a maximum of 1% of the then applicable net asset value.</p> <p>Any performance fee will be calculated and accrued on the basis of the unswung net asset value.</p>	<p>Partial swing pricing mechanism – if on any Valuation Day, the aggregate net transactions in Shares of the Receiving Sub-Fund (i.e. aggregate net subscriptions or redemptions) exceed a threshold which is pre-determined and periodically reviewed by the management company of the Receiving Fund, the net asset value per share may be adjusted upwards or downwards to reflect respectively net inflow or net outflows.</p> <p>The swing factor will be limited to a maximum of 1% of the then applicable net asset value.</p> <p>Any performance fee will be calculated on the basis of an unadjusted net asset value.</p>

7.9 Service Providers of the Sub-Funds

Merging Sub-Fund	Receiving Sub-Fund
<ul style="list-style-type: none"> Management Company: VONTOBEL ASSET MANAGEMENT S.A., 18, rue Erasme, L-1468 Luxembourg, Grand Duchy of Luxembourg Administration agent and depositary : CACEIS INVESTOR SERVICES BANK S.A (formerly RBC Investor Services Bank S.A.), 14, Porte de France, L-4360 Esch-sur-Alzette Investment Manager: SECTORAL ASSET MANAGEMENT INC., 1010 Sherbrooke St. West, suite 1610, H3A 2R7 Montreal, Quebec, Canada Sub-investment manager: SECTORAL ASSET MANAGEMENT LIMITED, Unit 2302, 23/F, Golden Center, 188 Des Voeux Road Central, Hong Kong. Auditor: ERNST & YOUNG, 35E, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg 	<ul style="list-style-type: none"> Management Company and central administration agent: FUNDPARTNER SOLUTIONS (EUROPE) S.A., 15, avenue John F. Kennedy, L- 1855 Luxembourg, Grand Duchy of Luxembourg Depositary: BANK PICTET & CIE (EUROPE) AG Succursale de Luxembourg, 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg Investment Manager: SECTORAL ASSET MANAGEMENT INC., 1010 Sherbrooke St. West, suite 1610, H3A 2R7 Montreal, Quebec, Canada Sub-investment manager: SECTORAL ASSET MANAGEMENT LIMITED, , Unit 2302, 23/F, Golden Center, 188 Des Voeux Road Central, Hong Kong Auditor: DELOITTE AUDIT, <i>société à responsabilité limitée</i>, 20, boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg

7.10 Taxation

- (a) The tax regime of the Receiving Sub-Fund should, in principle, be identical to the tax regime of the Merging Sub-Fund. **For the avoidance of doubt, shareholders of the Merging Sub-Fund should be aware that there is no guarantee that the Merger will not have an impact on the tax regimes applicable to them and the tax treatment of investors in the Merging Sub-Fund may, depending on their own statement, be substantially affected by the Merger.**
- (b) **Prospective investors in the Receiving Sub-Fund should consult their own tax advisers as to the applicable tax consequences of the ownership of the shares, based on their particular circumstances.**

7.11 Comparison of key differences between the Merging Sub-Fund and the Receiving Sub-Fund

Categories	Merging Sub-Fund				Receiving Sub-Fund			
	Class I	Class P	Class N	Class Z	Class IF	Class PF	Class NF	Class Z

Summary Risk Indicator (SRI) set out in the KID)	5	5	5	5	5	5	5	5
Distribution policy	Accumulation							
Reference Currency	USD				USD			
Minimum investment amount	USD 250'000	None			USD 250'000	None		
Eligible Investors	Institutional investors	Private and institutional investors	Private and institutional investors*	Institutional investors	Institutional investors	Private and institutional investors	Private and institutional investors*	Institutional investors
Subscription fee	Up to 2 % of the issue price / net asset value per share							
Redemption fee	None							
Conversion fee	Up to 1.5% of the number of shares to be allocated from the new class multiplied by the applicable net asset value per share of the new class.				Up to 1.5% of the number of shares to be allocated from the New Class multiplied by the applicable net asset value per share of the New Class			
Investment management fee	Up to 1.1% p.a.	Up to 2.1% p.a. (rebates or retrocessions may be granted)	Up to 1.1% p.a.	0%**	Up to 1.1% p.a.	Up to 2.1% p.a. (rebates or retrocessions may be granted)	Up to 1.1% p.a.	0%**

* These shares are intended only for

(i) investors in the United Kingdom and the Netherlands and

(ii) investors in other countries, acting on their own behalf or on behalf of their own clients (who may be any type of investor) and who have concluded a separate agreement with their clients. The universe of such investors acting on behalf of their own clients include entities who have received a discretionary portfolio management mandate or signed an independent advisory services agreement with their clients.

** These shares are intended exclusively for institutional investors who have concluded a separate fee agreement with the Investment Manager.

7.12 Service provider fees

(a) Overview

	Merging Sub-Fund				Receiving Sub-Fund			
Categories	Class I	Class P	Class N	Class Z	Class IF	Class PF	Class NF	Class Z

Management company fee / administrative fee / depositary fee	The service fee, which covers the costs involved in central administration, management company, the depositary and support function for the Merging Fund amounts to a maximum of 0.6% p.a. and is calculated based on the average of the daily net asset values of the Merging Fund during the relevant month.				The actual remuneration of the depositary, its correspondents, the administrative agent and the management company in aggregate will not exceed 0.6% p.a. Notwithstanding the above, the Prospectus of the Receiving Fund provides that the remuneration of the depositary, its correspondents, the administrative agent and the management company may amount up to a maximum of 1.6% p.a. (exclusive of any applicable VAT) on the total average net assets of the Receiving Fund.			
Investment management fee*	Up to 1.1% p.a.	Up to 2.1% p.a.	Up to 1.1% p.a. (rebates or retrocessions may be granted)	0%	Up to 1.1% p.a.	Up to 2.1% p.a. (rebates or retrocessions may be granted)	Up to 1.1% p.a.	0%
Performance Fee	N/A							
Taxe d'abonnement	0.01%	0.05%	0.05 %	0.01%	0.01%	0.05%	0.05 %	0.01%

* The applicable rate of the investment management fee for:

(i) the Merging Sub-Fund is calculated on the average of the daily net asset value of the Sub-Fund.

(ii) the Receiving Sub-Fund is calculated will be calculated, on a daily basis, in arrear, on the average net assets of the relevant category of shares and will be payable monthly in arrears.

Class Z shares are intended exclusively for institutional investors who have concluded a separate fee agreement with the Investment Manager.

8. AUDITOR AND DEPOSITARY REPORT

The following documents are available on request and free of charge to the shareholders of the Merging Sub-Fund and at the registered office of the Merging Fund.

- (a) the report of the auditor of the Merging Fund validating the criteria adopted for the valuation of the assets and liabilities (if any) of the Merging Sub-Fund on the Effective Date and the calculation method of the exchange ratio as well as the actual exchange ratio determined at the date of calculation of the exchange ratio;
- (b) the confirmations of the depositary of each of the Merging Fund and the Receiving Fund verifying the conformity of (i) the identification of the type of the Merger, (ii) the Effective Date and (iii) the rules applicable to the transfer of the assets and the exchange ratio with the provisions of the 2010 Act and the articles of incorporation of the Merging Fund and Receiving Fund respectively;
- (c) the common terms of Merger; and
- (d) the latest visa-stamped prospectus of the Receiving Fund.

9. KEY INVESTOR INFORMATION DOCUMENT

- (a) A copy of the KIDs of the Receiving Sub-Fund is attached hereto.
- (b) Shareholders are strongly advised to read the KID of the relevant class of shares of the Receiving Sub-Fund they will hold after the Merger.

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

The board of directors of Variopartner SICAV