

SMD-AM Funds

Société d'Investissement à Capital Variable

Registered Office: 80, route d'Esch

L-1470 Luxembourg

Grand Duchy of Luxembourg

R.C.S. Luxembourg: B 181.392

(the "**Company**")

**NOTICE TO THE SHAREHOLDERS OF THE SUB-FUNDS
DSBI JAPAN EQUITY SMALL CAP ABSOLUTE VALUE
SMDAM ASIA PACIFIC REAL ESTATE SECURITIES FUND
(each a "Sub-Fund", and collectively, the "Sub-Funds")**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT, YOU SHOULD SEEK INDEPENDENT PROFESSIONAL FINANCIAL ADVICE.

The board of directors of the Company (the "**Board**") accepts full responsibility for the accuracy of the information contained in this document at the date of publication and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

All capitalised terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Hong Kong Covering Document ("**HKCD**"), the Prospectus and the Product Key Facts Statements of the Sub-Funds (collectively, the "**Hong Kong Offering Document**").

8 March 2024

Dear Shareholder,

The Board would like to inform you of the following changes to be reflected in the Hong Kong Offering Document:

- **ESG PROMOTION STRATEGY SUB-FUND**

The investment policy of SMDAM Asia Pacific Real Estate Securities Fund (the "**Sub-Fund**" for the purpose of this section) has been updated as from January 2024 in order to better reflect the environmental, social and governance ("**ESG**") methodology applied to the Sub-Fund and to integrate ESG characteristics as a binding element for the Sub-Fund's securities selection and investment decision making process, by notably investing in securities of issuers which comply with ESG criteria as further detailed in the table below.

The Sub-Fund is categorised as an ESG promotion strategy sub-fund, as further described in the Prospectus, and is classified as Article 8 under the EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector, as amended (the "**SFDR**").

The Sub-Fund was previously classified as an Article 6 fund under SFDR.

The portfolio of the Sub-Fund will not need to be rebalanced in view of this change as the Sub-Fund’s investment manager was already taking into account environmental and social considerations in the management of the Sub-Fund, and is now disclosing this according to the SFDR.

In this respect, the investment policy of the Sub-Fund has been amended as follows:

<p>SMDAM ASIA PACIFIC REAL ESTATE SECURITIES FUND</p>	<p>[...]</p> <p>More information relating to the environmental and/or social characteristics that the Sub-Fund promotes according to article 8 SFDR is provided in the annex to this Appendix III. [...]</p>
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For the avoidance of doubt, this recategorisation from Article 6 SFDR to Article 8 SFDR does not have any impact on the investment policy of the Sub-Fund, the way the Sub-Fund is managed nor the fees borne by the Sub-Fund, which remain unchanged. The Sub-Fund will not be authorised by the SFC as an ESG fund in Hong Kong following the changes above.

- **OTHER CHANGES TO THE HONG KONG OFFERING DOCUMENT**

The Hong Kong Offering Document will also be revised to reflect other miscellaneous updates set out below:

- Updates to the list of Directors of the Company and the list of Conducting Officers of the Management Company in the Prospectus;
- Update to the section titled “THE COMPANY” of the Prospectus to reflect that the list of countries where the Company and the Share Classes are registered is available on <https://www.smd-am.co.uk>¹ and consequential removal of the list of distribution countries in the Appendix of each Sub-Fund;
- Addition of a new risk factor titled “Potential conflict of interest” in the “RISK FACTORS” section of the Prospectus;
- Updates to the section titled “ISSUE OF SHARES BY THE COMPANY” of the Prospectus to reflect that a Sub-Fund may, from time to time and without notice to Shareholders, be closed to new subscriptions or conversions in (but not to redemptions or conversions out) if the Company is in the opinion that the closure is necessary to protect the interests of the existing Shareholders;
- Updates to the “Prevention of money laundering and terrorist financing” sub-section of the “LIQUIDATION, COMPULSORY REDEMPTION AND MERGERS” section of the Prospectus to reflect the requirements under the Luxembourg law of 13 January 2019 establishing a register of beneficial owners, as amended;
- Updates to the section titled “1. INTRODUCTION” of the HKCD to reflect that notwithstanding the references to the packaged retail and insurance-based products key information document (the “PRIIPS KID” or “PRIIPS KIDS”) in the Prospectus, the PRIIPS KID or PRIIPS KIDS are not intended to be, and shall not in any event be interpreted as, an offering document of the Company and its Sub-Funds in Hong Kong and are not distributed to Hong Kong investors;
- Update to the section titled “3. HONG KONG REPRESENTATIVE” of the HKCD to reflect that the address of the Hong Kong Representative’s registered office has changed to “Suites 901 & 902, 9th Floor, Two Taikoo Place, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong”;
- Updates to clarify that there is currently no subscription charge for the Sub-Funds, and investors pay up to 5% of the gross subscription amount as the front-end load which

¹ This website has not been reviewed by the SFC.

represents additional fees in respect of subscriptions for Shares payable to distributors through whom the investor invests; and

- Other miscellaneous updates.

The Hong Kong Offering Document will be updated to reflect the changes described above in due course. The latest Hong Kong Offering Document is available free of charge during normal working hours at the Hong Kong Representative's registered office at Suites 901 & 902, 9th Floor, Two Taikoo Place, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong and on the Company's website at <https://asia.smd-am.com>¹.

Should you require further information, please contact the Management Company, your financial advisor or your local distributor. You may also contact the Hong Kong Representative at the address above or by phone at (852) 2521 8883.

Yours faithfully,

On behalf of the Board