

**VAM Funds (Lux)**

*Société d'investissement à capital variable organisée sous la forme d'une société anonyme*

Registered office: 26 Avenue de la Liberté, L-1930 Luxembourg

Grand Duchy of Luxembourg

R.C.S. Luxembourg: B 107.134

(the **Company**)

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**NOTICE TO THE SHAREHOLDERS OF  
VAM FUNDS (LUX) – ACCESSIBLE CLEAN ENERGY FUND**

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Dear Shareholders of VAM Funds (Lux) – Accessible Clean Energy Fund,

**1. PROPOSED MERGER**

You are hereby informed that the board of directors of the Company (the **Board**) intends to merge the sub-fund VAM Funds (Lux) – Accessible Clean Energy Fund (the **Merging Sub-Fund**) into Argos Funds – Accessible Clean Energy Fund (the **Receiving Sub-Fund**), a sub-fund of Argos Funds, a Luxembourg investment company with variable capital (*société d'investissement à capital variable*), incorporated as a public limited liability company (*société anonyme*) subject to Part I of the Luxembourg act of 17 December on 2010 on undertakings for collective investment, as amended (the **2010 Act**), with registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés de Luxembourg*) under number B 146.030 (the **Receiving Fund**) through the contribution of all assets and liabilities of the Merging Sub-Fund to the Receiving Sub-Fund (collectively the **Sub-Funds**) (the **Merger**). The Receiving Sub-Fund has not yet been launched.

The Merger has been approved by the Luxembourg supervisory authority, the *Commission de Surveillance du Secteur Financier*.

Capitalised terms not defined herein shall have the meaning ascribed to them in the last visa-stamped prospectus of the Company dated September 2016 (the **Prospectus**).

**2. BACKGROUND AND RATIONALE FOR THE PROPOSED MERGER**

The decision on the Merger is taken in the interest of economic efficiency in the management of the Sub-Funds, as it will enable the Merging Sub-Fund and the Receiving Sub-Fund to be managed as one sub-fund of the Receiving Fund.

- 2.1** The Board considers that it would be in the best interest of the Shareholders to merge with the Receiving Sub-Fund in order to (i) benefit from the economies of scale (ie, expected lower overall operating costs) of the Receiving UCITS and (ii) benefit from lower portfolio management fees (in relation to Class A Shares).

The Merger is decided in accordance with the section headed "*Lifetime, Merger and Liquidation of the Fund and Compartments*" of the general section of the Prospectus (the **General Section**) and article 5 of the articles of incorporation of the Company (the **Articles**).

**3. STEPS AND EFFECTIVE DATE OF THE MERGER**

The Company and the Receiving Fund have set the effective date of the Merger on 25 September 2017 (the **Effective Date**).

The decision to proceed with the Merger has been taken by the Board in accordance with the section headed "*Lifetime, Merger and Liquidation of the Fund and Compartments*" of the General Section and article 5 of the Articles.

As of the Effective Date, all assets and liabilities (if any) of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund in exchange for the issue of shares of the corresponding class of shares in the Receiving Sub-Fund to the Shareholders in accordance with the provisions of Section 5 below. The Receiving Sub-Fund will be dissolved without going into liquidation thereafter.

#### **4. REDEMPTION RIGHT**

**If you do not wish to participate in the Merger, you have the right to request the redemption of your Shares free of charge in accordance with article 73(1) of the 2010 Act. Redemption requests must be sent in writing to VP Fund Solutions (Luxembourg) SA, in its capacity as administrative agent of the Company (the "Administrative Agent").**

Your right to request the redemption of your Shares in the Merging Sub-Fund in accordance with article 73(1) of the 2010 Act will cease five Luxembourg bank business days prior to 25 September 2017. As a result, redemption applications in the Merging Sub-Fund received by the Administrative Agent before 4:00 pm (Lux time) one bank business day before 18 September 2017 will be accepted for the valuation day 18 September 2017; any application for redemption received by the Administrative Agent thereafter will not be dealt with nor forwarded to the administrative agent of the Receiving Fund. Shareholders presenting a redemption request after 15 September 2017 4:00 pm (Lux time) must send such request to the administrative agent of the Receiving Fund. Such requests will be dealt with for the Valuation Date of the Receiving Fund of 26 September 2017.

The Shareholders who have not made use of their redemption right will become shareholders of the Receiving Sub-Fund as of the Effective Date.

#### **5. TRANSFER OF ASSETS AND LIABILITIES AND EXCHANGE OF SHARES**

##### **5.1 Transfer of asset and liabilities**

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 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.

Any accrued but unpaid income in the Merging Sub-Fund will be carried over to the Receiving Sub-Fund.

The costs of the Merger will be borne by the investment manager of the Receiving Fund.

##### **5.2 Exchange of Shares**

The subscription, conversion and redemption of Shares in the Merging Sub-Fund will be suspended for the purpose of the Merger as from [N-5 business days] and until the Effective Date.

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 corresponding to the number and Share Class they were holding in the Merging Sub-Fund at an initial issue price which corresponds to the net asset value of the corresponding Share Class of the Merging Sub-Fund as determined on 25 September 2017. More precisely, the Shareholders of the different Share Classes

of the Merging Sub-Fund will receive shares of the share classes of the Receiving Sub-Fund, as illustrated in the table below.

<b>Class of the Merging Sub-Fund</b>	<b>Class of the Receiving Sub-Fund</b>
A (ISIN: LU1047341380)	A (ISIN: LU1633832339)
D (ISIN: LU1047345704)	B (ISIN: LU1651874312)
U (ISIN: LU1120469686)	C (ISIN: LU1633832503)

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 Share Class of the Merging Sub-Fund will be removed from the register of Shareholders of the Merging Sub-Fund and registered in the register of the shareholders of the Receiving Sub-Fund for the same number of shares corresponding to the Share Class they were holding in the Merging Sub-Fund. The shares in the Receiving Sub-Fund will be issued in registered form as of the Effective Date.

The administrative agent of the Receiving Fund will notify the relevant Shareholders of the Merging Sub-Fund of their inscription to the register of shareholders of the Receiving Sub-Fund.

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

The assets and liabilities (if any) of the Merging Sub-Fund will be valued as per 25 September 2017 based on the closing prices as of 22 September 2017, subject to any accounting adjustments and corrections deemed necessary and in accordance with the provisions of the Articles and the Prospectus. Any liabilities accruing after this time in respect of the Merging Sub-Fund will be liabilities of the Receiving Sub-Fund. The assets and liabilities (if any) of the Receiving Sub-Fund following the Merger will be valued for the first time as from 26 September 2017 in accordance with the provisions of the articles of incorporation and the prospectus of the Receiving Fund.

The number of new shares to be issued in the Receiving Sub-Fund at an initial issue price which corresponds to the net asset value of the corresponding Share Class of the Merging Sub-Fund as determined on 25 September 2017 will be equal to the number of Shares previously held by the Shareholders in the corresponding Share Class of the Merging Sub-Fund. The exchange ratio will therefore be of 1:1.

The calculation method of exchange ratio will be validated by the auditor of the Receiving Fund in accordance with article 71 of the 2010 Act.

## **7. EXPECTED IMPACT OF THE MERGER ON SHAREHOLDERS AND MAIN DIFFERENCES BETWEEN THE SUB-FUNDS**

### **7.1 General**

The Receiving Sub-Fund will absorb the Merging Sub-Fund on the Effective Date. The Merger will not affect the investment objective, strategy and policy of the Receiving Sub-Fund, which will remain substantially unchanged (see 7.2 below).

As set out above, the Merging Sub-Fund will be dissolved, without going into liquidation, on the Effective Date. Shareholders of the Merging Sub-Fund will receive shares of the relevant class in the Receiving Sub-Fund (and, if applicable, a residual cash payment) and be bound by the terms and conditions applicable to the Receiving Sub-Fund as from the Effective Date.

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

## 7.2 Investment objective and investment policy

The objective and investment policy of the Merging Sub-Fund and the Receiving Sub-Fund are different as further set out in the table below.

Merging Sub-Fund	Receiving Sub-Fund
<p>The Investment objective of the sub-fund is to maximise total returns by responsible investing along the clean energy value chain. To achieve this objective the sub-fund will invest in an unleveraged portfolio of equities and cash or cash equivalents.</p> <p>The sub-fund's assets will consist primarily of equity of companies whose primary business lies along the clean energy value chain, including but not limited to companies involved in energy efficiency, renewable energy generation, grid efficiency, energy storage and strategic materials required for the manufacture of renewable energy technology. The sub-fund t's assets will consist primarily of equity of companies listed on stock markets around the world with aggregate market capitalizations, at the time of purchase, of the above USD200,000,000. However, the investment manager may cause the sub-fund to invest in companies with lower market capitalizations.</p> <p>The sub-fund may hold liquid assets on an ancillary basis. Under normal market conditions, investment in liquid assets and debt instruments of any kind will not exceed 10% of the sub-fund's net assets.</p> <p>There can be no assurance that the sub-fund will achieve its objective.</p>	<p>The investment objective of the sub-fund is to maximise total returns by responsible investments along the clean energy value chain. There can be no assurance that the sub-fund will achieve its objective.</p> <p>The sub-fund's assets will consist mainly of equities and equity related securities (such as depositary receipts (ADRs, GDRs)) of companies whose primary business lies along the clean energy value chain, including but not limited to companies involved in energy efficiency, renewable energy generation, grid efficiency, energy storage and strategic materials required for the manufacture of renewable energy technology.</p> <p>Except the sectorial focus, the choice of investments will neither be limited by a geographical area nor in terms of currencies in which investments will be denominated. However, depending on financial market conditions, a particular focus can be placed in a single country (or some countries) and/or in a single currency. It is not the intention of the sub-investment manager to invest more than 20% of its net assets in emerging markets. However, in case of opportunities or changes in the clean energy market sector, the sub-fund may invest up to 50% of its net assets in emerging markets.</p> <p>On an ancillary basis, the sub-fund may invest in any other type of eligible investments, such as money market instruments, in shares or units of UCITS and other UCIs, cash.</p> <p>However, the sub-fund cannot invest more than 10% of its net assets in shares or units of UCITS and other UCIs.</p> <p>For hedging and for investment purposes, the sub-fund may use all types of financial derivative instruments traded on a regulated market and/or OTC provided they are contracted with first class institutions.</p> <p>Nevertheless, in normal market conditions, the sub-investment manager intends to use only currency derivatives (such as forward foreign exchange contracts).</p>

	If the sub-investment manager considers this to be in the best interest of the shareholders, the sub-fund may also hold, on a temporary basis and for defensive purposes, up to 100% of its net assets in liquidities, such as cash deposits, money market UCIs (within the related above-mentioned 10% limit) and money market instruments.
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### 7.3 Sub-Funds risk profile

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.

The risk profiles of the Merging Sub-Fund and the Receiving Sub-Fund are similar as their SRRI and the risk they are exposed to are similar.

### 7.4 Profile of the typical investor

The provisions relating to the typical investor are identical in the Merging Sub-Fund and the Receiving Sub-Fund. It is suitable for investors seeking long-term growth through capital appreciation while following a diversified and socially responsible investment strategy and who want to participate in the growth of companies within the clean energy sector around the world. It is also suitable for investors wishing to diversify their investment portfolios, who are comfortable with and understand the risks of investing in the stock market, who have an investment horizon of at least three to five years, and who seek liquid investment opportunities in the clean energy sector.

### 7.5 Reference currency

The Reference Currency of the Merging Sub-Fund and the Receiving Sub-Fund is the United States Dollar (**USD**).

### 7.6 Term

Both the Merging Sub-Fund and the Receiving Sub-Fund have been created for an unlimited period of time.

### 7.7 Service Providers

	<b>Merging Sub-Fund</b>	<b>Receiving Sub-Fund</b>
<b>Management company</b>	VAM Global Management Company S.A.	FundPartner Solutions (Europe) S.A.
<b>Investment manager</b>	Opportunit� S.A.	Quaero Capital S.A.
<b>Sub-investment manager</b>	N/A	Quaero Capital (France) S.A.S.
<b>Investment adviser</b>	N/A	Quaero Capital (Luxembourg) S.A.
<b>Depository</b>	VP Bank (Luxembourg) S.A.	Pictet & Cie (Europe) S.A.

<b>Central Administration</b>	VP Fund Solutions (Luxembourg) SA	FundPartner Solutions (Europe) S.A.
<b>Domiciliary Agent</b>	VP Fund Solutions (Luxembourg) SA	FundPartner Solutions (Europe) S.A.
<b>Auditor</b>	Ernst & Young S.A.	PricewaterhouseCoopers, <i>société coopérative</i>
<b>Legal adviser</b>	Elvinger Hoss Prussen, <i>société anonyme</i>	Allen & Overy, <i>société en commandite simple</i>

## 7.8 Taxation

The tax regime of the Receiving Fund will be identical to the tax regime of the Company in Luxembourg.

**The tax treatment of investors in the Merging Sub-Fund may however be affected by the Merger.**

**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.**

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

	Merging Sub-Fund			Receiving Sub-Fund		
	A	D	U	A	B	C
<b>Classes</b>	A	D	U	A	B	C
<b>Distribution policy</b>	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation	Accumulation
<b>Synthetic risk and reward profile (SRRRI) set out in the KIID</b>	6	6	6	6	6	6
<b>Minimum holding requirement</b>	USD 10,000	USD 1,500,000	USD 5,000,000	USD 10,000	USD 1,500,000	USD 5,000,000
<b>Minimum initial subscription amount</b>	USD 10,000	USD 1,500,000	USD 5,000,000	USD 10,000	USD 1,500,000	USD 5,000,000
<b>Minimum subsequent subscription amount</b>	USD 1,000	USD 150,000	USD 500,000	N/A	N/A	N/A
<b>Reference Currency</b>	USD	USD	USD	USD	USD	USD
<b>Eligible</b>	All types of	Institutional	Institutional	Financial	Institutional	Institutional

<b>Investors</b>	investors	Investors	Investors	intermediaries, family offices and Retail Investors	Investors	Investors
<b>Subscription Fee</b>	Up to 5.26% of the NAV per Share			Up to 3% of the NAV per Share		
<b>Redemption Fee</b>	N/A			Up to 0.5% of the NAV per Share		
<b>Conversion Fee</b>	N/A			Up to 1% of the NAV per Share		
<b>Valuation Day</b>	Each day that is a full business day in Luxembourg and Paris			Each Business Day		
<b>Deadline for the payment of subscription moneys</b>	Within four (4) Business Days after the Valuation Day (as defined above for the Merging Sub-Fund)			Within two (2) Business Days after the Valuation Day		
<b>Cut-off time for the receipt of subscription, redemption and conversion requests</b>	Subscription, redemption and conversion cut-off: 4 p.m. CET, one (1) Business Day (as defined above for the Merging Sub-Fund) before the relevant Valuation Day (as defined above for the Merging Sub-Fund)			Subscription cut-off: 4 p.m. CET, one (1) Business Day before the relevant Valuation Day Redemption cut-off: 4 p.m. CET, two (2) Business Days before the relevant Valuation Day Conversion cut-off: - before 4 p.m. CET, two (2) Business Days before the relevant Valuation Day for conversion requests for Shares of another Sub-Fund - before 4 p.m. CET, one (1) Business Day before the relevant Valuation Day for conversion requests for Shares of other Classes available in the Sub-Fund		
<b>Payment of redemption proceeds</b>	Within five (5) Business Days (as defined above for the Merging Sub-Fund).after the Valuation Day (as defined above for the Merging Sub-Fund)			Within five (5) Business Days after the Valuation Day		

## 7.10 Service provider fees

	Merging Sub-Fund			Receiving Sub-Fund		
Classes	A	D	U	A	B	C
<b>Management fee</b>	Up to 2.25% of the NAV per Share	Up to 1.50% of the NAV per Share	Up to 1% of the NAV per Share	0.06% of the NAV of the Receiving Sub-Fund and subject to an annual minimum of EUR 30,000		
<b>Global Management Fee</b>	N/A (the fees of the investment manager are paid out of the management fee)			Up to 1.5% of the NAV per Share	Up to 1.5% of the NAV per Share	Up to 1% of the NAV per Share
<b>Depository and administration fee</b>	Aggregate maximum of 0.5 % per annum of the NAV of the Merging Sub-Fund			Depository fee up to 0.07% of the NAV and subject to an annual minimum of EUR 10,000 and central administration fee of up to 0.10% of the NAV of the Receiving Sub-Fund and subject to an annual minimum of EUR 15,000		
<b>Performance</b>	15% of any	15% of any	12% of any return	12% of the performance of the NAV per Share measured		

<b>Fee Rate</b>	return above 12% per year (Hurdle Rate), provided that the return exceeds the greater of the Class's highest net asset value per share of the current financial year or the last net asset value per share of the previous financial year (High Water Mark)	return above 12% per year (Hurdle Rate), provided that the return exceeds the greater of the Class's highest net asset value per share of the current financial year or the last net asset value per share of the previous financial year (High Water Mark)	above 10% per year (Hurdle Rate), provided that the return exceeds the greater of the Class's highest net asset value per share of the current financial year or the last net asset value per share of the previous financial year (High Water Mark).	against the high water mark over a hurdle rate of 10% per year. The Performance Fee is paid to the Sub-Investment Manager		
<b>Ongoing charges as per the KIID</b>	2.78%	1.98%	1.47%	[2.14%]	2.14%	1.66%
<b>Subscription tax rate</b>	0.05%	0.01%	0.01%	0.05%	0.01%	0.01%

### 7.11 Performance fee

The principles for the calculation of the performance fee of the Merging Sub-Fund and the Receiving Sub-Fund are similar (subject to the different percentages under as further described under section 7.10 above). The payment of the performance fee is each time subject to a high water mark (the **HWM**). The HWM ensures that investors will not be charged a performance fee until any previous losses are recovered.

The performance fee of the Merging Sub-Fund will be applied until the Effective Date. The performance fee will be crystallised and paid as of the Effective Date and the assets will be considered for calculation of the performance fee of the Receiving Sub-Fund.

On the Effective Date, the HWM applicable to the different Share Classes in the Merging Sub-Fund will be transferred to the relevant share classes in the Receiving Sub-Fund as follows:

- the HWM applicable to Share Class A in the Merging Sub-Fund will be transferred to the corresponding share class A in the Receiving Sub-Fund;
- the HWM applicable to Share Class D in the Merging Sub-Fund will be transferred to the corresponding share class B in the Receiving Sub-Fund; and
- the HWM applicable to share class U in the Merging Sub-Fund will be transferred to the corresponding share class C in the Receiving Sub-Fund,

so that there will be no reset of the HWM for the Shareholders of the Merging Sub-Fund.

## **8. AUDITOR AND DEPOSITARY REPORT**

The following documents are available on request and free of charge to the Shareholders at the registered office of the Receiving Fund:

- (a) the report of the auditor of the Receiving Fund validating (i) the criteria adopted for the valuation of the assets and liabilities (if any) of the Merging Sub-Fund on the Effective Date; and (ii) the calculation method of the exchange ratio as well as the actual exchange ratio determined at the Effective Date;
- (b) the confirmation of the depositaries of the Merging Sub-Fund and the Receiving Sub-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 Company and the Receiving Fund;
- (c) the common terms of Merger; and
- (d) the latest visa-stamped prospectus of the Receiving Fund.

## **9. KEY INVESTOR INFORMATION DOCUMENTS**

A copy of the KIIDs of the Receiving Sub-Fund in respect of class A, B and C shares of the Receiving Sub-Fund is attached hereto.

Shareholders are advised to read the KIIDs of the relevant class of shares of the Receiving Sub-Fund they will hold after the Merger.

For additional information on the Merger, please contact Quaero Capital SA, the Investment Manager of the Receiving Sub-Fund, by email at [info@quaerocapital.com](mailto:info@quaerocapital.com) or by phone at +41 22 799 90 90

**For the Board**