VAM Funds (Lux)

Société d'Investissement à Capital Variable
Registered Office: 26, avenue de la Liberté,
L-1930 Luxembourg
R.C.S. Luxembourg B 107.134
(the "**Company**")

NOTICE TO SHAREHOLDERS OF
VAM FUNDS (LUX) – EMERGING MARKETS GROWTH FUND

Luxembourg, 10 August 2017

Dear Shareholder,

We are writing to inform you of a merger taking place for VAM Funds (Lux) – Emerging Markets Growth Fund (the "**Receiving Fund**"), a sub-fund of the Company (the "**Merger**").

The board of directors of the Company (the "**Board**") has decided to merge VAM Funds (Lux) – Frontier Markets Fund (the "**Merging Fund**") with the Receiving Fund.

The Merger will be effective on 22 September 2017 (the "**Effective Date**"**).**

The purpose of this letter is to describe the Merger, in accordance with section "LIFETIME, MERGER AND LIQUIDATION OF THE FUND AND COMPARTMENTS" of the prospectus of the Company (the "**Prospectus**"), as well as the merger procedures applicable under the law of 17 December 2010 on undertakings for collective investment, as amended (the "**2010 Law**").

If you do not agree with the planned Merger, you may take this opportunity to redeem your shares free of charge or convert them under the same conditions, from the Receiving Fund to any other sub-fund within the Company until 14 September 2017 at 4 p.m. CET ("**Cut-off**").

A detailed comparison between the Merging Fund and the Receiving Fund is set out in the Appendix to this letter.

If you have any questions, please contact VAM Global Management Company SA, 16, rue Jean-Pierre Brasseur, L-1258 Luxembourg, Tel: +352 20 60 0484, vamglobalmanco@vamgrouplux.com.

1. REASON FOR AND ADVANTAGE OF THE PROPOSAL

A significant investor in the Merging Fund has indicated its intention to redeem its shares in the Merging Fund. As a consequence, the Merging Fund will no longer be economically viable.

By merging the Merging Fund into the Receiving Fund, shareholders of the Receiving Fund should benefit from the advantages associated with superior scale due to the increased size of assets under management following the Merger. The Merger should, therefore, provide economies of scale, with the expectations that this should ensure relatively lower costs in the future.

For the above reasons, the Board believes that the decision of the Board, taken in accordance with Article 5 of the articles of association of the Company (the "**Articles**"), to merge the Merging Fund into the Receiving Fund best serves the interests of the shareholders of the Receiving Fund.

2. SHAREHOLDERS' RIGHTS

Shareholders may request redemption or conversion of their Shares by 4 p.m. CET on 14 September 2017.

Please note that it is not expected that the Receiving Fund's portfolio be rebalanced in the context of the Merger.

In addition, the Merger is not expected to entail a dilution effect on the Receiving Fund.

A schedule of the principal differences between the Merging Fund and the Receiving Fund is set out in the Appendix to this letter.

3. INVESTMENT OBJECTIVE AND POLICIES OF THE MERGING FUND AND OF THE RECEIVING FUND, AND RELATED RISKS

The Receiving Fund will continue to be managed according to its current investment objective and strategy after the Merger.

Neither the current risk profile nor the SRRI mentioned in the Key Investor Information Document will change due to the Merger.

The differences between the Merging Fund and the Receiving Fund are detailed in the Appendix to this letter.

The dealing costs of investing the cash transferred to the Receiving Fund as a result of the Merger, will be borne by the Receiving Fund and ultimately by all investors in the Receiving Fund, including the shareholders of the Merging Fund having participated in the merger.

You should consider whether the Receiving Fund continues to meet your personal investment requirements. If it does not, you may redeem your shares free of charge or convert them under the same conditions, from the Receiving Fund to any other sub-fund within the Company until 14 September 2017 at 4 p.m. CET ("**Cut-off**").

If you are in any doubt as to the action to be taken, you should consult your independent financial adviser, stockbroker, bank manager, solicitor, attorney or other professional adviser.

4. FEES AND EXPENSES

The implementation of the Merger will not affect the fee structure of the Receiving Fund which shall remain unchanged. For more detailed information, please refer to the Appendix to this letter.

5. TERMS

The Merger will be effective on the Effective Date.

Upon the Effective Date, the Merging Fund will transfer all its assets and liabilities to the Receiving Fund. Shareholders of the Merging Fund will receive in exchange shares in the Receiving Fund of a total value which will correspond to the total value of the shares held in the Merging Fund.
As of the Effective Date, all of the assets and liabilities of the Merging Fund shall be transferred to the Receiving Fund.

Merger reports and availability of documents

In accordance with Article 71 (1) of the 2010 Law, the merger reports will be prepared by Ernst & Young S.A. and will include a validation of the following items:

(i) the criteria adopted for valuation of the assets and/or liabilities for the purposes of calculating the exchange ratio;
(ii) the calculation method for determining the exchange ratio; and
(iii) the final exchange ratio.

Copies of the merger report on items (i) and (ii) shall be made available free of charge from the date of this notice upon request to the shareholders of the Receiving Fund. Copies of the merger report on item (iii) will be available on the next business day following the Effective Date. In order to obtain the merger reports, please contact VAM Global Management Company SA whose contact details are mentioned on the first page of this notice.

The Common Merger proposal is enclosed with this letter.

Copies of the latest annual and semi-annual reports and the material contracts of the Company may be obtained and/or inspected free of charge at the registered office of the Company.

Costs of the Merger

All the Merger expenses as referred to in the 2010 Law, including the legal, audit and regulatory charges, will be borne by VAM Global Management Company SA.

Any dealing costs in adjusting the portfolio of assets of the Merging Fund prior to the Effective Date will be borne by the Merging Fund and ultimately by investors in the Merging Fund. The dealing costs of investing the cash transferred to the Receiving Fund as a result of the Merger, will be borne by the Receiving Fund and ultimately by all investors in the Receiving Fund, including the shareholders of the Merging Fund having participated in the Merger..

Any additional liabilities accruing after 4 p.m. CET (Luxembourg time) on the Effective Date, will be borne by the Receiving Fund.

Tax impact

The Merger will not subject the Receiving Fund to taxation in Luxembourg. Investors may however be subject to taxation in their tax domiciles or other jurisdictions where they pay taxes.

If you are in any doubt regarding your taxation position as a result of the Merger you should consult your own professional adviser as to the implications of the Merger under the laws of the country of your nationality, residence, domicile or incorporation. You may also refer to the summaries of the anticipated tax treatment of the Receiving Fund and its shareholders in the Prospectus.

The Board accepts responsibility for the accuracy of the information contained in this notice as at the date of the mailing.

Yours faithfully,
On behalf of the Board of VAM Funds (Lux)

Appendix: Main differences between the Merging Fund and the Receiving Fund

Unless stated otherwise, the terms used in this Appendix are as defined in the Prospectus.

PRODUCT FEATURES	VAM FUNDS (LUX) – Emerging Markets Growth Fund (the Receiving Fund)	VAM MANAGED FUNDS (LUX) – Frontier Markets Fund (the Merging Fund)
Name	VAM Funds (Lux) – Emerging Markets Growth Fund	VAM Funds (Lux) – Frontier Markets Fund
I. OPERATIONAL DETAILS		
Valuation Day	Each day that is a full bank business day in Luxembourg and the New York Stock Exchange is normally open for business.	The last day of each week that is a full bank business day in Luxembourg and the New York Stock Exchange is normally open for business.
Issue Price	The issue price for Shares in each Compartment is equal to the net asset value of each Share in that Compartment, calculated on the relevant Valuation Day.	unchanged.
Reference Currency	USD	unchanged
Risk management methodology	Commitment	unchanged
II. INVESTMENT OBJECTIVES AND POLICIES, AND RELATED RISKS		
Objectives and Investment Policy	The investment objective of the Compartment is to maximize capital appreciation over each full market cycle. To achieve this objective the Compartment will invest primarily in equity securities of companies in emerging markets. The Compartment may invest in companies with limited operating histories. The Compartment uses a growth style of investment by investing in stocks the Investment Manager believes have some or all of the following characteristics: - dominant products or market niches - improved sales outlook or opportunities - demonstrated sales growth and earnings	The investment objective of the Compartment is to maximize capital appreciation over each full market cycle. To achieve this objective the Compartment will invest primarily in equity and equity related securities (such as depositary receipts which fulfil eligibility criteria of Article 41(1) of the Law) of companies domiciled in frontier markets that are dealt on an Eligible Market. The Compartment may invest in companies with limited operating histories. The Compartment will invest primarily in companies domiciled in frontier markets and companies not domiciled in frontier markets but that derive a substantial portion of their revenues from frontier markets. The Compartment will hold a diversified portfolio of equity securities unconstrained as to geography, sector or market capitalisation.

	- cost restructuring programmes which are expected to positively affect company earnings - increased order backlogs, new product introductions, or industry developments which are expected to positively affect company earnings. The Compartment 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 15% of the Compartment's net assets. **The Compartment will invest in securities of issuers of emerging countries and investors should be aware that such investments are more speculative and subject to greater risk than those in securities of issuers of developed countries. Emerging markets may be volatile and illiquid and the investments of the Compartment in such markets may be subject to significant delays in settlement. The risk of significant fluctuations in the net asset value and of the suspension of redemptions in the Compartment may be higher than for Compartments investing in major world markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets. The assets of the Compartment, as well as the income derived therefrom, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the net asset value of the Compartment's Shares may be subject to significant volatility. Some of these markets may not be subject to**	For the purpose of this Compartment, frontier markets are countries that are represented in the MSCI Frontier Markets Index and/or classified as frontier markets by MSCI. The Compartment does not intend to replicate or track the MSCI Frontier Markets Index. The list of countries classified as Frontier Markets is available under http://www.msci.com/products/indexes/tools/index_country_membership/frontier_markets.html. On an ancillary basis, the Compartment may invest in equity securities of issuers worldwide, including of issuers domiciled in emerging markets. The Compartment may hold liquid assets and/or invest in investment grade sovereign or corporate debt instruments of issuers worldwide on an ancillary basis. **The Compartment will invest in securities of issuers of frontier and/or emerging countries and investors should be aware that such investments are more speculative and subject to greater risk than those in securities of issuers of developed countries. Frontier/emerging markets may be volatile and illiquid and the investments of the Compartment in such markets may be subject to significant delays in settlement. The risk of significant fluctuations in the net asset value and of the suspension of redemptions in the Compartment may be higher than for Compartments investing in major world markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or frontier/emerging markets. The assets of the Compartment, as well as the income derived therefrom, may also be affected unfavourably by fluctuations in currency rates and exchange control and tax**

	accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets. There are no specific limitations on the percentage of assets that may be invested in the securities of issuers located in any one country at a given time; the Compartment may invest significant assets in any single emerging market country. **Foreign securities may include securities of companies located outside of the United States, American Depositary Receipts (ADRs) Global Depositary Receipts (GDRs), exchange traded funds and other international and global investment instruments providing an exposure to the assets described above.** There can be no assurance that the Compartment will achieve its objective.	**regulations and consequently the net asset value of the Compartment's Shares may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets. There are no specific limitations on the percentage of assets that may be invested in the securities of issuers located in any one country at a given time; the Compartment may invest significant assets in any single frontier market country.** **Foreign securities may include securities of companies located outside of the United States, American Depositary Receipts (ADRs) Global Depositary Receipts (GDRs), exchange traded funds and other international and global investment instruments providing an exposure to the assets described above.** There can be no assurance that the Compartment will achieve its objective.

III. SHARE CLASSES AND MINIMUM INVESTMENT AND HOLDING REQUIREMENTS		
Share Classes	Class A, Class B, Class C, Class D, and Class E Shares may be made available in various currencies as the Board of Directors may decide from time to time. These Classes of Shares may be offered either as accumulation ("acc.") or distribution ("distr.") Shares and may or may not be hedged ("NH").	unchanged
Minimum Initial Subscription	Class A Shares – USD 10,000 Class B Shares – USD 20,000 Class C Shares - No subscription minimum applies to Class C Class D Shares – USD 100,000 Class E Shares - USD 1,000,000	unchanged
Minimum holding	Class A Shares - USD 10,000 Class B Shares – USD 20,000 Class C Shares – No holding minimum applies to Class C Class D Shares – USD 100,000 Class E Shares - USD 1,000,00	unchanged
IV. FEES TO BE BORNE BY THE SHAREHOLDERS		
Subscription fee	Unless specifically provided otherwise in the Appendix for any specific Compartment, a subscription fee of up to 5% of the subscription proceeds (representing up to 5.26% of the net assets value of the Shares being subscribed) may be charged for the benefit of distributors and other financial intermediaries. No subscription fee is applied to Class C or Class D Shares.	unchanged
Redemption fee	No redemption charge will be levied.	unchanged

V. FEES PAID OUT OF THE FUND ASSETS		
Management Fee	Class A Shares up to 1.75% per annum Class B Shares up to 1.75% per annum Class D Shares up to 0.85% per annum Class E Shares up to 1.00% per annum Class C Shares up to 0.75% per annum calculated on the Net Asset Value of the relevant Share Class on the relevant Valuation Day.	unchanged
Performance Fee	In addition to the Management Fee, a performance fee may be paid to the Management Company on a quarterly basis in relation to Class A, Class B, Class C and Class D Shares. The Management Company will be entitled to a performance fee calculated and due in relation of each Valuation Day for each Share and fraction thereof in issue, unless specifically provided otherwise in the Appendix for any specific Compartment, at the rate of 15% of the difference – if positive – between: - the Net Asset Value per Share before deduction of the daily performance fee to be calculated, but after deduction of all other fees attributable to the respective Class of Shares, including but not limited to the Management Fee; and - the greater of ("High Water Mark") (i) the highest Net Asset Value per Share of the Class recorded on any preceding day during the same financial year of the Fund, and (ii) the last Net Asset Value per Share of the Class recorded for the immediately preceding financial year of the Fund, each of them increased on a prorata temporis basis by a rate of 12% p.a. (the "hurdle rate"). In relation to Classes of Shares launched during the financial year of the Fund, the initial High Water Mark shall be equal to the initial subscription price of such Class of Shares. Performance of Classes of Shares in currencies other than the reference currency of	unchanged

	the Compartment shall be measured in the currency of such Classes of Shares. The amounts so accumulated during each calendar quarter shall be paid to the Management Company after each calendar quarter end. No performance fee is due in relation to Class E Shares.	
Custodian and Management Company Fees	The Depositary Bank, the Management Company and the Administrative Agent are entitled to further fees of an aggregate maximum of 0.5% per annum of the net assets of the Fund, payable on a monthly basis.	unchanged
VI. SERVICES PROVIDERS		
Investment Manager	Driehaus Capital Management LLC 25 East Erie Street, Chicago, Illinois 60611, USA	unchanged