

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
SMD-AM CHINA A SHARES FUND
SMD-AM JAPAN EQUITY HIGH CONVICTION 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**").

10 October 2024

Dear Shareholder,

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

- Update to reflect that in the case of a prolonged suspension of the calculation of the Net Asset Value and/or the sale, redemption and conversion of Shares in any Sub-Fund, notice(s) will be published and/or prominent message(s) will be displayed on <https://asia.smd-am.com/>¹, or in such other appropriate manner at least once a month during the period of suspension in the "Suspension of Calculation of the Net Asset Value and Dealings" sub-section of the "5. DEALINGS IN THE AUTHORISED SUB-FUND(S)" section of the HKCD;
- Update to the disclosures relating to FATCA in the "IMPORTANT INFORMATION" section of the Prospectus;
- Update to the disclosures relating to restrictions on ownership of shares in the "IMPORTANT INFORMATION" section, the "INVESTOR PROFILE" section and the "RESTRICTIONS ON

¹ This website has not been reviewed by the SFC.

OWNERSHIP OF SHARES” section of the Prospectus, whereby no shares in the Company shall be acquired or held by or on behalf of:

- any person, firm or corporate entity (i) if in the opinion of the Board of Directors such holding may be detrimental to the Company, (ii) if it may result in a breach of any law or regulation, whether Luxembourg or foreign, (iii) if as a result thereof the Company may become exposed to disadvantages of a tax, legal or financial nature that it would not have otherwise incurred or (iv) if such person would not comply with the eligibility criteria of a given Class of Shares (each individually, a "**Prohibited Person**"); or
- any ultimate beneficial owner that constitutes a US Person²,

and the Board of Directors will either (i) direct such shareholders to redeem or to transfer the relevant shares to a person who is qualified or entitled to own or hold such shares or (ii) redeem the relevant shares of such shareholders who contravene such restrictions or fail to provide any information or declaration required by the Board of Directors within ten (10) days of being requested to do so;

- Enhancements of SFDR-related information for the Sub-Funds in the new “LIST OF SFDR ARTICLE 6 AND 8 SUB-FUNDS” section of the Prospectus and Appendix VII of the Prospectus;
- Updates to the list of Directors of the Company and the list of Board of Directors of the Management Company in the Prospectus;
- Update to reflect that if an investor has invested in a UCITS through an intermediary that makes the investment in its own name for the account of the investor, investors’ rights to indemnification in the event of NAV errors / non-compliance with investment rules applicable to a UCITS may be impacted and only exercisable indirectly in the “GENERAL INFORMATION” section of the Prospectus.
- Update to the Appendices of the Sub-Funds of the Prospectus to reflect that the Board may from time to time determine a lower minimum investment amount in respect of the Sub-Funds;
- Update to the Appendices of the Sub-Funds of the Prospectus to reflect the reduction in the Investment Management Fee for certain Sub-Funds as set out in the Appendix to this notice with effect from 10 October 2024 (the “**Effective Date**”);
- Enhancement of disclosures in relation to the dividend policy in the Appendices of SMDAM Asia Pacific Real Estate Securities Fund and SMD-AM China A Shares Fund of the Prospectus;
- Update to the information relating to certain currently launched Share Classes in Appendix VI of the Prospectus; 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,

² “US Person” means, with respect to any person, any individual or entity that would be: (i) a “United States Person” as defined under Regulation S promulgated under the 11/55079206_4 5 U.S. Securities Act of 1933; (ii) a person or entity that is not a “Non-United States Person” as defined under the regulations of the CFTC (17 CFR § 4.7(a)(1)(iv)), as amended; a “U.S. person” under the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations published by the CFTC on July 26, 2013; or (iii) a “United States person” under the U.S. Internal Revenue Code.

On behalf of the Board

Appendix

Sub-Fund	Share Class	Investment Management Fee before the Effective Date (% p.a. of the net asset value of the Share Class)	New Investment Management Fee with effect from the Effective Date (% p.a. of the net asset value of the Share Class)
DSBI Japan Equity Small Cap Absolute Value	A	Up to 1.50%	Up to 1.20%
SMDAM Asia Pacific Real Estate Securities Fund	A	Up to 2.00%	Up to 1.40%
SMD-AM China A Shares Fund	A	Up to 2.00%	Up to 1.60%