

**DNB ASSET MANAGEMENT S.A.**

5, Allée Scheffler  
L-2520 Luxembourg  
RCS B 34518

(the "**Management Company**")

**Notice to unitholders of the Sub-Funds**

**DNB Fund - Far East**

(the "**Merging Sub-Fund**")

and

**DNB Fund - Global Emerging Markets SRI**

(the "**Receiving Sub-Fund**")

both sub-funds of DNB Fund, a Luxembourg undertaking for collective investment in the form of a common fund ("*fond commun de placement*") subject to part I of the Luxembourg law dated 17 December 2010 relating to undertakings for collective investment (the "**Law of 2010**")

The Management Company would like to inform you as the unitholders of the Merging Sub-Fund or the Receiving Sub-Fund, respectively, that its board of directors (the "**Board of Directors**") has decided to merge the sole unit class of the Merging Sub-Fund into unit class retail A of the Receiving Sub-Fund (the "**Merger**"). The Merger is accomplished by transferring all assets and liabilities of the Merging Sub-Fund to the Receiving Sub-Fund.

**1. Background and Motivation for the merger**

The Board of Directors believes that it is in the interest of the unitholders of both the Merging Sub-Fund and the Receiving Sub-Fund to be managed as a single sub-fund.

The Board of Directors believes that the Merger will bring the following tangible benefits for the unitholders of the Merging Sub-Fund or the Receiving Sub-Fund, respectively:

- i. The Receiving Sub-Fund has assets under management of approximate 64,987,047 USD as of February 11<sup>th</sup> 2016. The Merger will take the total assets of the Receiving Sub-Fund to approximately 70,834,903 EUR. This means that, after the Merger, unitholders of the Merging Sub-Fund and the Receiving Sub-Fund will be part of a larger sub-fund and hence benefit from the increased economies of scale and cost efficiencies that this entails.
- ii. The increased size of the Receiving Sub-Fund after the Merger will allow the investment manager to allocate the sub-fund's investments more efficiently. This should result in improved performance levels and lower ongoing charges for unitholders over the long term.

The Board of Directors believes that the Merger of the Merging Sub-Fund and the Receiving Sub-Fund is in the interest of the unitholders. However, the unitholders of the Merging Sub-Fund and the

Receiving Sub-Fund should consider whether their investment continues to meet their individual needs.

**Further, the Merger may create tax consequences for the unitholders concerned. Therefore, unitholders are advised to consult their professional advisers about the consequences of the Merger on their individual tax position.**

## 2. Effective Date

The effective date of the merger will be April 4<sup>th</sup>, 2016 (the "**Effective Date**"). From the Effective Date on, the Receiving Sub-Fund will take over the economic activities of the Merging Sub-Fund.

With the Effective Date, the Merging Sub-Fund ceases to exist.

The exchange ratio will be calculated on April 4<sup>th</sup>, 2016.

## 3. Material Differences between the Merging and the Receiving Sub-Fund

DNB ASSET MANAGEMENT AS, Oslo, is acting as investment manager of both, the Merging and the Receiving Sub-Fund.

The main differences between the Merging and the Receiving Sub-Fund can be found in the table below.

DNB Fund - Global Emerging Markets SRI	DNB Fund - Far East
<p>The main objective of the Receiving Sub-Fund is the realisation of long-term growth coupled with security of the underlying assets</p> <p>Emphasis is placed on socially responsible investments (SRI) in the stock markets of any or all Emerging Countries in Latin-America, Asia, Eastern-Europe, Africa and the Near-East. Investments in the above mentioned stock markets may also be done indirectly through depository receipts, listed on any stock exchange or regulated market.</p> <p>These stock markets qualify either as stock exchanges or as regulated markets which operate regularly and are recognized and open to the public in the meaning of Article 41 (1) of the Law of 2010. The stocks which are not dealt on stock exchanges or regulated markets as described hereabove are subject to Article 41 (2) of the Law of 2010.</p> <p>The net asset value per unit is expressed in USD.</p> <p>The Receiving Sub-Fund's benchmark index is MSCI Emerging Markets Index Net.</p> <p>The Receiving Sub-Fund's Synthetic and Risk</p>	<p>The main objective of the Merging Sub-Fund is the realisation of long-term growth coupled with security of the underlying assets</p> <p>Emphasis is placed on investments in equities in Hong Kong, Singapore, Taiwan, Korea, Malaysia, Thailand, Indonesia, the Philippines, India, Australia, New Zealand and other countries in the Far East excluding Japan.</p> <p>The net asset value per unit is expressed in EUR.</p> <p>The Merging Sub-Fund's benchmark index is MSCI AC Asia Pacific ex Japan Index Net.</p> <p>The Merging Sub-Fund's Synthetic and Risk</p>

Reward Indicator is set as of 6.	Reward Indicator is set as of 6.
The management fee is 1.75 % per annum of the Receiving Sub-Fund's net assets, paid monthly.	The management fee is 1.25% per annum of the Merging Sub-Fund's net assets, paid monthly.
The Receiving Sub-Fund's ongoing charges over the preceding year represent 1.91%.	The Merging Sub-Fund's ongoing charges over the preceding year represent 1.39%.

#### **4. Expected Impact of the Merger on the unitholders of the Merging and of the Receiving Sub-Fund**

The Board of Directors does not believe that the Merger will have a negative impact on the unitholders of either the Merging or the Receiving Sub-Fund. However, it is brought to the attention of the unitholders of the Merging Sub-Fund, that the management fee in the Receiving Sub-Fund is higher than the management fee in the Merging Sub-Fund. In addition, the net asset value per unit of the Receiving Sub-Fund is expressed in USD, whereas the net asset value of the Merging Sub-Fund is calculated in EUR.

The Merger will not have a material impact on the portfolio of the Receiving Sub-Fund due to the fact that the investment manager of the Merging Sub-Fund will endeavour to sell such assets that are incompatible with the Receiving Sub-Fund's investment policy.

No rebalancing of the Receiving Sub-Fund's portfolio will be undertaken before or after the Effective Date.

The investment policy of the Receiving Sub-Fund will not be amended for the purposes of the Merger.

According to Article 74 of the Law of 2010 any legal, advisory or administrative costs associated with the preparation and the completion of the Merger shall neither be charged to the Merging, the Receiving Sub-Fund nor to any of their unitholders. These costs will be paid by the Management Company.

#### **5. Procedural aspects of the Merger**

Each holder of units of unit class retail A of the Merging Sub-Fund will receive on the Effective Date, in exchange for each unit of unit class retail A of the Merging Sub-Fund held by such unitholder, a proportionate number of units of unit class retail A of the Receiving Sub-Fund as determined by a merger exchange ratio calculated by dividing the net asset value per unit of the sole unit class of the Merging Sub-Fund by the net asset value per unit of unit class retail A of the Receiving Sub-Fund.

The Management Company will entrust Ernst & Young Luxembourg S.A. to validate the following:

- The criteria adopted for valuation of the assets and the liabilities on the date for calculating the merger exchange ratio; and
- The calculation method of the exchange ratio as well as the actual exchange ratio determined as at the date for calculation that ratio.

The Merger will be governed by the provisions of Chapter 8 of the Law of 2010. The assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund on the Effective Date. On such date, the Merging Sub-Fund will cease to exist. The units of the sole unit class of the Merging Sub-Fund will automatically be converted into units of unit class retail A the Receiving Sub-Fund. The unitholders of the Merging Sub-Fund who continue to hold their units in the Merging Sub-Fund at the end of the merger process will become unitholders of the Receiving Sub-Fund and will participate in the profits and losses of the Receiving Sub-Fund.

Where the application of the merger exchange ratio will not lead to the issuance of full units, the unitholders of the Merging Sub-Fund will receive fractions of units in the receiving Sub-Fund, as determined up to one thousandth of a unit.

The net asset value per unit of the Merging Sub-Fund and the Receiving Sub-Fund will be calculated in the same manner and expressed in EUR for the Merging Sub-Fund and in USD for the Receiving Sub-Fund. Therefore, the number of units of unit class retail A of the Receiving Sub-Fund to be issued on the Effective Date in exchange for units of unit class retail A of the Merging Sub-Fund will be calculated using the exchange rate of such date.

#### **6. Unitholders' Rights in relation to the Merger**

The unitholders of the Merging and the Receiving Sub-Funds have the right to request without any charge other than those retained to meet disinvestment costs, the redemption of their units.

This right shall become effective from the moment that the unitholders of the Merging Sub-Fund and those of the Receiving Sub-Fund have been informed of the Merger and shall cease to exist five working days before the date of calculating the Merger exchange ratio. Thus, dealing with units of the Merging and Receiving Sub-Fund will be suspended with effect as of March 24<sup>th</sup>, 2016. The Receiving Sub-Fund will be re-opened for subscriptions and redemptions with effect as of the Effective Date.

The Merger will be binding on all the unitholders of the Merging Sub-Fund and the Receiving Sub-Fund who have not exercised their right to request the redemption of their units.

Furthermore, the unitholders have the right to obtain free of charge a copy of the report of the approved statutory auditor and of the confirmation of the depositary bank as specified in Article 70 and 71 of the Law of 2010 from the Management Company. Further, the prospectus of DNB Fund may be obtained free of charge at the registered office of the Management Company. A key investor information document of unit class retail A of the Receiving Sub-Fund is attached to this notice. Unitholders are invited to carefully read such important document.

Luxembourg, 23 February 2016

On behalf of the Board of Directors

  
Olivier HUMBLET  
Operations

#### **APPENDIX**

Key Investor Information Document of unit class retail A of the Receiving Sub-Fund