

**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**")

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**NOTICE TO THE SHAREHOLDERS OF THE SUB-FUNDS**

**DSBI Japan Equity Small Cap Absolute Value**

**SMD-AM China A Shares Fund**

**SMD-AM Japan Mid Small Cap Value**

**SMD-AM Japan Equity High Conviction Fund**

**SMD-AM Ares ESG Enhanced Global High Yield Bond Fund**

(each a "Sub-Fund", and collectively, the "Sub-Funds")

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Luxembourg, 2 July 2026

Dear Shareholder,

The board of directors of the Company (the "**Board**") would like to inform you of amendments to the Prospectus associated with SMD-AM Funds.

**A. Changes relating to the sub-funds SMD-AM Japan Mid Small Cap Value and SMD-AM Japan Equity High Conviction Fund (the "Relevant Sub-Funds" for the purposes of this section)**

We would like to inform you of the following changes to the Relevant Sub-Funds from the 16 July 2026 (the "**Effective Date**"):

- **Change to the cut-off time for subscriptions and redemptions**

The Relevant Sub-Funds currently have a cut-off time for subscriptions and redemptions of **4pm Central European Time (CET) on the Business Day prior to the relevant Dealing Date**. As from the Effective Date, the cut-off time for subscriptions and redemptions will be **1pm CET on the applicable Dealing Date**.

This change will align the Relevant Sub-Funds with standard market practice.

- **Change to the settlement period for subscription and redemption prices**

As from the Effective Date and in conjunction with the above amendment, the payment of the issue and redemption prices of the Relevant Sub-Funds will change from the current **two (2) Business Days** after the Valuation Date, to **three (3) Business Days** after the Valuation Date.

- **Introduction of a fair valuation pricing model**

To protect the Company and shareholders of the Relevant Sub-Funds from any possibility of anyone taking advantage of material market information between the Japanese Equity Market close and the new shareholder dealing cut-off time, the Board has decided to introduce a fair valuation pricing model ("**Fair Valuation Pricing Model**"), as from the Effective Date, to help adjust security prices in the event of large movements in global market prices, as further detailed in the Prospectus.

For the avoidance of doubt, these changes will not impact the delivery of Relevant Sub-Funds' prices or contract notes. The changes will also not impact the Relevant Sub-Funds' investment objectives or investment principles.

The costs linked to the Fair Valuation Pricing Model will be borne by the Sub-Funds' investment manager.

**B. Other changes**

The Prospectus will also be revised to reflect other miscellaneous updates set out below:

- Updates to the list of Directors of the Company, the list of Directors of the Management Company and the list of Conducting Officers of the Management Company in the Prospectus;
- Update to name of the Auditor pursuant to its internal reorganisation;
- Update to the section "Determination of Net Asset Value" of the general part of the prospectus to reflect that the value of all securities which are listed on an official stock exchange is determined on the basis of the last available prices or, where there have been material price movements of applicable derivative markets or other proxies since the market close, then the fair value price as determined in good faith and prudently pursuant to the procedures established by the Board of Directors;
- Correction of typographical errors and other miscellaneous updates.

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The updated Prospectus and related documents reflecting the changes described above will be available free of charge at the Company's registered office or via our website at [www.smd-am.co.uk](http://www.smd-am.co.uk).

All capitalised terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Prospectus.

Should you require further information, please contact the Management Company, your financial advisor or your local distributor.

Yours faithfully,

On behalf of the Board

**Germany:**

For German investors, FE fundinfo (Luxembourg) S.à.r.l at 6 Boulevard des Lumières, Belvaux, 4369, Luxembourg is the facilities service provider according to Sec. 306a (1) German Investment Code (KAGB) and the relevant Prospectus and key information documents for packaged retail and insurance-based investment products (PRIIPs-KIDs), the Certificate of Incorporation and Memorandum and Articles of Association and the annual and semi-annual reports are available there free of charge in paper form.

**Switzerland:**

For Swiss investors, the Swiss Representative is 1741 Fund Solutions AG, Burggraben 16, CH-9000 St. Gallen. The Paying Agent is Tellco Bank Ltd., Bahnhofstrasse 4, CH-6430 Schwyz. The prospectus, the articles of association, the key information document (KID) and the respective annual and semi-annual reports can be obtained free of charge from the representative. In respect of the units offered in Switzerland, the place of performance is the registered office of the representative. The place of jurisdiction is at the registered office of the representative or at the registered office or place of residence of the investor.