

**BASE INVESTMENTS SICAV**  
Société d'Investissement à Capital Variable  
20, boulevard Emmanuel Servais  
L-2535 Luxembourg  
R.C.S. Luxembourg B-82127

**NOTICE TO THE SHAREHOLDERS  
OF “BASE INVESTMENTS SICAV”  
(the “SICAV”)**

Dear Shareholders,

The board of directors of the SICAV (the “**Board of Directors**”) would like to inform you of its decision to proceed with several changes in the prospectus of the SICAV (the “**Prospectus**”), which are detailed hereunder.

**1. Update of the composition of the board of directors and of the conducting officers of Edmond de Rothschild Asset Management (Luxembourg) (the “Management Company”)**

The list of members of the board of directors of the Management Company has been amended in order to reflect the removal of Mr. Vincent Taupin and the appointment of Mr. Christophe Caspar.

The list of conducting officers of the Management Company has been amended in order to reflect the removal of Mr. Stanislas Kervyn and of Mr. Dimitri Guillaume and the appointment of Mr. Emmanuel Vergeynst.

**2. Removal of the Base Investments SICAV - Euro Hedging (the “Euro Hedging Sub-Fund”)**

As a result of the liquidation dated 21 September 2018 all references to the Euro Hedging Sub-Fund have been duly removed in the Prospectus.

**3. Valuation of futures contracts and units of undertakings for collective investment**

The valuation method of the futures contracts in which the SICAV may invest has been modified so that such contracts be valued as follows:

- All the European bond futures (and options) will be valued at their settlement price around 17:15 (Luxembourg Time), and the US bond futures (and options) will be valued at the same moment (snapshot);
- All the other futures will be valued at their settlement closing price.

The valuation method of the units of undertaking for collective investment in which the SICAV may invest has also been modified so that such units can be valued considering market prices (if available) in addition to solely their last available net asset value as it is currently the case.

**4. Benchmarks Regulation**

Further to the applicability of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmarks Regulation**”), the Prospectus has been amended to reflect the obligation of the SICAV in respect of the Benchmarks Regulation.

## **5. Date of the General Shareholders' Meeting**

The Prospectus has been amended in order to reflect the provisions of article 14 of the articles of association of the SICAV whereby the annual general meeting is held at such place and time as decided by the Board of Directors and specified in the convening notice to the meeting within four (4) months as of the end of the financial year.

## **6. Reference to contingent convertible bonds ("Cocos")**

All the sub-funds of the SICAV (the "**Sub-Funds**") will be authorised to invest in Cocos, except the Multi Asset Capital Appreciation Fund of Funds. Therefore, the investment policies of the Sub-Funds have been amended accordingly and a general risk disclosure relating to CoCos has been added in the Prospectus.

## **7. Data protection**

A new paragraph has been added in the section "Management of the SICAV" in order to reflect that Edmond de Rothschild Asset Management (Luxembourg) and Edmond de Rothschild (Europe) may also act as independent data controller and process personal data in the context of its activities and to clarify where the conditions under which such data is processed will be available.

## **8. Disclosure of identity**

A new section "Disclosure of Identity" has been added in the Prospectus in order to reflect the requirements of the Luxembourg law of 13 January 2019 establishing a register of beneficial owners with respect to the disclosure of information relating to the identity of the shareholders of the SICAV.

## **9. Publication of the SICAV's documentation in Switzerland**

The Prospectus has been amended in order to indicate that in the future the SICAV's publications will no longer be available on the *Feuille Officielle Suisse du Commerce* but only on the website [www.swissfunddata.ch](http://www.swissfunddata.ch).

## **10. Closure of the ETFplus Market of Borsa Italiana S.p.A.**

The Prospectus has been amended in order to reflect that the UCITS Segment of the ETFplus Market (the "**ETF Plus Market**") of Borsa Italiana S.p.A. has been closed and that simultaneously to this closure, the ATFund Market, an independent multi trading facility, also organized and operated by Borsa Italiana S.p.A., has been launched as from 1<sup>st</sup> October 2018. Please be informed that all shares of the SICAV that were listed and negotiated on the ETFplus Market are now traded on the ATFund Market, where they have been automatically transferred on 1<sup>st</sup> October 2018. As a consequence, the references to "ETFplus Market" in the Prospectus have been replaced by "ATFund Market" and references to "Multilateral Trading Facility" have been added where necessary.

## **11. Securitisation Regulation**

A new section has been added in the Prospectus in relation to the Securitisation Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, in order to reflect that the SICAV will not make any investment into securitisations as described by such regulation.

## **12. Distribution Policy**

The Prospectus has been modified in order to slightly amend the process to allocate distributions to the shareholders. Further to this amendment, the allocation of distributions shall be determined by the annual shareholders' meeting acting on a proposal from the board of directors and the resolution of distribution shall be decided by the vote of a majority of the shareholders. In addition, no distribution may be effected if the net asset value of the SICAV is below the minimum threshold of EUR 1,250,000, as required by the law.

## **13. Change applicable to Base Investments SICAV – Bonds Value (the “Bonds Value Sub-Fund”)**

### *a) investment objective*

Further to its change of name, the reference to the Citigroup EUROBIG All benchmark has been replaced by a reference to the FTSE Euro Broad Investment-Grade Bond (EBIG) Index. This change has also been reflected in the section “*Performance Fee*”.

### *b) investment policy*

The investment policy of the Bonds Value Sub-Fund has been clarified in order to reflect that investments made through units or shares issued by other undertakings for collective investment (“UCIs”) will not exceed 10% of the assets of the Sub-Fund.

This clarification will not constitute a change of investment policy of the Bonds Value Sub-Fund and only aims at reflecting the investment policy as implemented by the investment manager of the Bonds Value Sub-Fund.

The possibility for the Bonds Value Sub-Fund to invest through investments in units or shares issued by UCIs, mostly open-ended and having the same investment policy, has also been deleted.

In addition, the investment policy has been amended to authorise the Bonds Value Sub-Fund to invest not more than 20% of its assets in non-investment grade bonds instead of 15%, as it is currently the case.

It has also been added in the investment policy that the Bonds Value Sub-Fund may gain indirect exposure to commodities for a maximum of 10% by investing in other eligible instruments including exchange traded notes (ETNs).

It has been further clarified that the Bonds Value Sub-Fund will not invest in distressed or default securities and, in the event of a rating downgrade, it has been clarified that the Bonds Value Sub-Fund may hold distressed (CC and below) or default securities up to 5% of the total net assets and that such securities would be sold off as soon as possible.

The possibility for the Bonds Value Sub-Fund to invest in asset backed securities (“ABS”) and mortgage backed securities (“MBS”) has been removed from the supplement.

## **14. Changes applicable to Base Investment SICAV – Bonds USD (the “Bonds USD Sub-Fund”)**

The possibility for the Bonds USD Sub-Fund to invest in ABS and MBS has been removed from the supplement.

## **15. Changes applicable to Base Investment SICAV – Bonds CHF (the “Bonds CHF Sub-Fund”)**

The possibility for the Bonds CHF Sub-Fund to invest in ABS and MBS has been removed from the supplement.

Furthermore, it has been specified that the Bonds CHF Sub-Fund may use, for investment purposes and/or efficient portfolio management purposes, as well as for hedging purposes, financial derivative instruments including, but not limited to, futures, forward and spot foreign exchange contracts, currency swaps, and currency options. The Sub-Fund may use financial derivative instruments either dealt in on a regulated or an OTC market.

**16. Changes applicable to Base Investment SICAV – Bonds – Multicurrency (the “Bonds Multicurrency Sub-Fund”)**

*a) Investment policy*

It has been clarified that the Sub-Fund will maintain at all times a minimal net exposure of 51% of its total net assets to global debt markets.

It has been added in the investment policy that the Bonds Multicurrency Sub-Fund may gain indirect exposure to commodities for a maximum of 10% by investing in other eligible instruments including exchange traded notes (ETNs).

**17. Changes applicable to Base Investment SICAV – Flexible Low Risk Exposure (the “Flexible Low Risk Sub-Fund”)**

*a) Investment objective*

The investment objective of the Flexible Low Risk Sub-Fund has been modified to indicate that this sub-fund will henceforth seek to outperform an index consisting of 60% of Bloomberg Barclays Global-Aggregate Total Return Index Value Hedged EUR (LEGATREH), 30% of Euribor 3 months (EUR003M) and 10% of MSCI World EUR (MSERWI). This change has also been reflected in the section “Performance Fee”.

It has also been further clarified that the investment objective of the Flexible Low Risk Sub-Fund is to generate real positive returns through a flexible and dynamic asset allocation process that maintains particular focus on capital preservation and enhancement. An all asset investible universe increases flexibility and permits a reduction in aggregate portfolio volatility by applying balanced risk allocation techniques.

*b) Investment policy*

The investment policy of the Flexible Low Risk Sub-Fund will be modified to indicate that this sub-fund may invest:

- (i) up to 15% of its assets in equity assets,
- (ii) up to 15% of its total assets in non-investment grade bonds (average rating B),
- (iii) up to 10% in convertible bonds and bonds linked to warrants, and
- (iv) no more than 10% of its assets in units of other UCITS or UCIs.

The purpose of such modification is to have distinct percentages for equity and bond securities.

It has also been clarified that the active management of asset allocation is implemented through a modular exposure to different asset classes, in particular government and corporate bonds, equities and currencies and that the Flexible Low Risk Sub-Fund will mainly invest in low risk securities (i.e. investment grade bonds).

In addition to this, the four pillars on which the investment strategy of the Flexible Low Risk Sub-Fund have been further described.

It has also been added in the investment policy that the Flexible Low Risk Exposure Sub-Fund may gain indirect exposure to commodities for a maximum of 10% by investing in other eligible instruments including exchange traded notes (ETNs).

It has also been further clarified that the Flexible Low Risk Sub-Fund will not invest in distressed or default securities and that, in the event of a rating downgrade, the Flexible Low Risk Sub-Fund may hold distressed (CC and below) or default securities up to 5% of the total net assets and that such securities would be sold off as soon as possible.

The possibility for the Flexible Low Risk Sub-Fund to invest in ABS and MBS has been removed from the supplement.

*c) Performance fee*

As from 1 January 2020, the performance fee calculation method of the Flexible Low Risk Sub-Fund will be modified in order to take into account the new index which such sub-fund seeks to outperform.

*d) Calculation of global exposure and level of leverage*

The global exposure calculation method of the Flexible Low Risk Sub-Fund will be amended so that the absolute VaR approach be henceforth used.

In accordance with the aforementioned change of calculation method, the level of leverage of this sub-fund will be set to 800% of the sub-fund's net asset value.

**18. Changes applicable to Base Investment SICAV – Emerging and Frontier Markets Equity (the “Emerging and Frontier Equity Sub-Fund”)**

*a) Investments in China A-Shares*

The investment policy of the Emerging and Frontier Equity Sub-Fund will be modified in order for this sub-fund to be authorized to invest, directly or indirectly, up to 45% of its assets in China A-Shares, instead of 10% as it is currently the case.

*b) Investments in China H-Shares*

It has also been clarified in the investment policy of the Emerging and Frontier Equity Sub-Fund that this sub-fund may invest directly or indirectly up to 49% of its total net assets in China H Shares.

It has also been clarified that the investments in China may become the core investment policy of the Emerging and Frontier Equity Sub-Fund.

*c) Investments in distressed or default securities*

It has been clarified in the investment policy of the Emerging and Frontier Equity Sub-Fund that this sub-fund will not invest in distressed or default securities and that, in the event of a rating downgrade, the Emerging and Frontier Equity Sub-Fund may hold distressed (CC and below) or default securities up to 5% of the total net assets and that such securities would be sold off as soon as possible.

*d) Investments in REITS*

It has been clarified that the Emerging and Frontier Equity Sub-Fund will not invest more than 20% of its total net assets in closed-ended REITs.

*e) Reference Currency*

As from 1 January 2020, the reference currency of the Emerging and Frontier Equity Sub-Fund will change from EUR to USD. As a result, the classes of the sub-fund which are not denominated in USD will be hedged against USD.

*f) Performance fee*

The section on the performance fee has been modified to reflect the new composition of the benchmark index as follows: 65% consisting of MSCI Emerging Markets Consumer Staples Net Total Return Index - USD (Bloomberg Ticker: M1EF0CS), 25% of MSCI Frontier (Bloomberg Ticker: MXFM) and 10% cash (Euribor 3Months EUR003M).

**19. Changes applicable to Base Investments SICAV – Low Duration (the “Low Duration Sub-Fund”)**

*a) Change of name of the sub-fund*

The board of directors of the SICAV has decided to change the name of the sub-fund from Base Investments SICAV -Short Term into Base Investments SICAV - Low Duration.

*b) Investment objective*

The investment objective of the Low Duration Sub-Fund has been modified to indicate that this sub-fund will henceforth seek to outperform the Bloomberg Barclays Global Aggregate 1-3 Years Total Return (LG13TREH) index. Reference to JPM CASH EUR 03 MONTHS has been deleted.

*c) Investment policy*

The duration of the portfolio of the Low Duration Sub-Fund has been modified from twelve months to three years.

In the future, the fixed and floating rate securities the Low Duration Sub-Fund can invest in will no longer need to have a rate which is subject to a change at least once a year.

It has also been clarified in the investment policy that the Short Term Sub-Fund does not qualify as a money market fund within the meaning of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.

**20. Change applicable to Base Investments SICAV – Macro Dynamic (the “Macro Dynamic Sub-Fund”)**

It has been added in the investment policy that the Macro Dynamic Sub-Fund may gain indirect exposure to commodities for a maximum of 10% by investing in other eligible instruments including exchange traded notes (ETNs).

**21. Change applicable to Base Investments SICAV – Multi Asset Capital Appreciation Fund of Funds (the “Multi Asset Capital Appreciation Fund of Funds”)**

*a) Investment objective*

The investment objective of the Multi Asset Capital Appreciation Fund of Funds will be modified to indicate that this sub-fund will henceforth seek to outperform an index consisting of Bloomberg Barclays Global Aggregate (34%), MSCI WORLD TR Net (33%) and HFRU - Hedge Fund Research Composite Ucits compliant (ticker Bloomberg HFRUHFC) (33%). This change has been reflected in the section “Performance Fee”.

*b) Investment policy*

It has also been added in the investment policy that the Multi Asset Capital Appreciation Fund of Funds may gain indirect exposure to commodities for a maximum of 10% by investing in other eligible instruments including exchange traded notes (ETNs).

The possibility for the Multi Asset Capital Appreciation Sub-Fund to invest in ABS and MBS has been removed from the supplement.

c) *Performance fee*

As from 1 January 2020, the performance fee calculation method of the Multi Asset Capital Appreciation Fund of Funds will be modified in order to take into account the new index which such sub-fund seeks to outperform. In addition to this the percentage of the performance fee received by the Investment Manager has been increased up to 15%.

The above mentioned changes constitute the main changes made to the Prospectus and other amendments mainly for consistency purposes have been made.

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Shareholders who do not agree with aforementioned changes may request the redemption of their Shares, without any charges, up to January the 1<sup>st</sup>, 2020.

All changes will be effective on January the 1<sup>st</sup>, 2020..

The above changes will be reflected in an updated version of the Prospectus dated January 2020. The updated version of the Prospectus will be available at the registered office of the SICAV and at the registered office of the representative and paying agent of the SICAV in Switzerland: Banca del Sempione SA, via P. Peri 5, CH-6901 Lugano, as well as on the following websites [www.basesicav.ch](http://www.basesicav.ch) and on [www.swissfunddata.ch](http://www.swissfunddata.ch).

Luxembourg, 29<sup>th</sup> November 2019

The Board of Directors