

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

Dear Shareholder,

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 mainly detailed hereunder:

**1. Changes concerning all the sub-funds (the “Sub-Funds”) within the SICAV**

**A. UCITS V Directive**

The Board of Directors has decided to clarify the new rules arising out of the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions (the “**UCITS V Directive**”) and impacting the Depositary Bank and Domiciliary Agent of the SICAV (as such term is defined below), in its capacity as depositary bank only, and the Management Company of the SICAV (as such term is defined below) on the following aspects:

- For the Depositary Bank and Domiciliary Agent: the new conditions applicable to the delegation of its functions as depositary bank to sub-custodians, the management of the conflict of interests, and its liability; and
- For the Management Company: the disclosure of the remuneration policy applied at the level of the Management Company.

**B. Change of Management Company**

The Board of Directors has decided to terminate the current Management Company Agreement with MDO Management Company S.A. (“**MDO**”) and to appoint Edmond de Rothschild Asset Management (Luxembourg) (“**EDRAM**”) to act as the management company of the SICAV (the “**Management Company**”). In its capacity of Management Company, EDRAM will be in charge of the central administration functions, including the transfer agency function, which will no longer be delegated to Edmond de Rothschild (Europe) (“**EDRE**”). In addition to these functions, EDRAM will also be in charge of the risk management which was previously entrusted to Banca del Sempione S.A.

The appointment of EDRAM as Management Company will be effective as of 1 October 2016.

Thus, as from 1 October 2016, all requests for subscriptions, redemptions and conversions, as well as requests for any documentation of the SICAV will have to be addressed to the new Management Company acting as administrative agent (the “**Administrative Agent**”) at 20, boulevard Emmanuel Servais, L-2535 Luxembourg.

The Board of Directors would also like to bring to your attention that the change of Management Company is due to the fact that EDRAM and EDRE, this latter acting as the depositary bank and domiciliary agent of the SICAV (the “**Depositary Bank and Domiciliary Agent**”) are part of the same group which will, from the Board of Directors’ perspective, ease the exchange of information flows between both entities and improve the quality of services of the SICAV. Furthermore the fee linked to this activity will be reduced as follow:

<b>Dedicated Services</b>	<b>Current fee</b>	<b>New fee</b>
Management Company	Maximum 0.045% per annum of on the average net assets under with a minimum of 10.000€ per sub-fund paid out of the assets of the SICAV.	Maximum of 0.155% per annum of the average net assets of the relevant sub-fund with a minimum of 30.000€ per sub-fund and per annum.

Administrative Agent		
Depository Bank	<p>Maximum of 0.125% per annum of the average net assets of the relevant sub-fund with a minimum of 25.000€ per sub-fund and per annum paid out of the assets of the SICAV.</p> <p>Such fees will be allocated between the Depository Bank, the Domiciliary Agent, the Administrative Agent and any their sub-contractor as agreed from time to time in writing between the parties.</p>	Such fees will be allocated between the Depository Bank, the Domiciliary Agent, the Management Company also acting as Administrative Agent and any their sub-contractor as agreed from time to time in writing between the parties.
Investment manager for risk management services	0.05% per annum per sub-fund calculated on the net assets value of each sub-fund paid out of the assets of the SICAV.	Fee already included in the Management Company fee

**C. Amendment of the chapter 5. “Special Consideration on Risks” of the Prospectus**

The Board of Directors has decided to allow the SICAV to realize direct investments in China A-Shares through the use of the recently approved “Stock Connect” mechanism allowing investors to deal in selected securities listed on the Shenzhen Stock Exchange (“**SSE**”) through the Stock Exchange of Hong Kong Limited (the “**SEHK**”).

As a result, the section 5.7, “Investments in China” of the Prospectus has been updated in order to disclose the relevant risks and consequences related to such investment.

**D. Listing of the Shares of the SICAV on the ETFplus Market of Borsa Italiana S.p.A**

The Board of Directors decided to insert a new section in chapter 15. “Shares” of the Prospectus, to be entitled “Investing and trading of Shares on Regulated Markets”, stating the possibility for Shares to be listed on one or more Regulated Markets, in particular on the ETFplus Market of Borsa Italiana S.p.A, in order for them to be traded on the secondary market. Shares listed on the ETFplus Market of Borsa Italiana S.p.A shall be issued without decimals.

Shares belonging to classes L listed on the ETFplus Market of Borsa Italiana S.p.A cannot be converted, but only sold on the market.

**E. Amendment of the calculation frequency of the net asset value (“NAV”)**

It has been specified in chapter 16. “Net Asset Value” of the Prospectus, that, the NAV will not be calculated on any Luxembourg business day where Borsa Italiana is closed.

As a result, the definition of “Business Day” has been amended for all the sub-funds

**F. Amendment of the NAV suspension cases**

It has been specified in chapter 17. “Suspension of Net Asset Value Calculation and of the Issue, Redemption and Conversion of Shares” of the Prospectus, that the Board of Directors is authorised to suspend temporarily the calculation of the NAV when one or more sources of quotation are not able to provide relevant valuations to the Management Company (as administrative agent) or, if for any reason, the value of any asset of the SICAV may not be determined as rapidly and accurately as required.

**G. Reduction of the settlement deadline for subscription and redemption**

In order to align the settlement of all Shares, the Board of Directors has decided to reduce from five (5) to three (3) Business Days after the applicable Valuation Date the maximum deadline by which the payment of the subscription and redemption price shall be executed.

For classes listed on the ETFplus Market of Borsa Italiana S.p.A, it has been clarified that Business Days shall mean each business day that is a business day in Luxembourg and on which Borsa Italiana S.p.A. is open, as provided in the Sub-Funds Appendices.

**H. Change of the order cut-off time**

In order to be processed on the basis of the net asset value per share applicable as of a given Valuation Date, subscription, redemption and conversion applications must be received by the Administrative Agent by 3.00 p.m. on the relevant Valuation Date (Luxembourg time).

**I. Restriction of selling of the SICAV in the United-States and to non Eligible US Investors**

It has been clarified that the SICAV is not and will not be registered in the USA pursuant to the United States Securities Act of 1933 nor under any securities law of any USA State. As a result the offer, selling, reselling and transfer of Shares in the USA will be made under the registration requirement exemption.

In addition, it has been clarified that the Shares can only be sold in the USA to Eligible US Investors.

**J. Amendment of collateral haircut levels**

The Board of Directors has decided to amend the level of haircut applicable to the value of collateral received by the SICAV which will no longer be 5% for cash and 20% for government bonds. The levels of haircut applied will henceforth be the following:

<b>Asset Class</b>	<b>Haircut (% deduction from market value)</b>
<b>Liquidities</b>	
Liquidities in the following currency: EUR (other currencies not accepted)	0%
<b>Fixed Income</b>	
Short-term instruments (<1year) issued by one of the OECD countries with a minimum rating of A	1%
Short-term instruments (1year<5years) issued by one of the OECD countries with a minimum rating of A	4%
Mid-term instruments (5year<10years) issued by one of the OECD countries with a minimum rating of A	6%
Long-term instruments (>10year) issued by one of the OECD countries with a minimum rating of A	8%

**K. FINRA Rules 5130 and 5131**

A new section "FINRA Rules 5130 and 5131" has been inserted into the Prospectus clarifying the conditions under which the SICAV may purchase directly or indirectly equities securities that are part of an initial public offering pursuant to FINRA Rule 5130 and 5131 (the "Rules"). It has also been clarified that investors who qualify as Restricted Investors under the Rules are not eligible to subscribe within the SICAV.

L. Calculation of the net asset value

For clarification purposes only, it has been indicated in the chapter 16 “Net Asset Value” of the Prospectus that the net asset value per share for each class of shares for a relevant Valuation Date is calculated and published the next business day following the Valuation Date (the “NAV Calculation Day”).

M. Common Reporting Standard

Further to the entry into force on 1 January 2016 of the OECD common reporting standard (the “**Common Reporting Standard**”), the Prospectus has been amended in order to clarify that the SICAV qualifies as an exempted collective investment vehicle (“**ECIV**”) under the Luxembourg law dated 18 December 2015 implementing the CRS in Luxembourg (the “**CRS Law**”), and the consequences of the Common Reporting Standard for the SICAV and its shareholders. This includes in particular the duty for the shareholders to provide certain information to the SICAV and the duty for the SICAV to report certain information to the Luxembourg tax authorities.

N. FATCA

The Prospectus has been amended in order to clarify that the SICAV qualifies as collective investment vehicle (“**CIV**”) under the intergovernmental agreement concluded between Luxembourg and the United States of America on 28 March 2014 to improve international tax compliance and with respect to FATCA (the “**IGA**”). As such, the SICAV will not need to fulfill the reporting obligations imposed on it under the IGA. Nevertheless, the SICAV may require all shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the IGA.

O. Miscellaneous

Other minor amendments have been made to the Prospectus, in particular in order to implement the latest update regarding tax matters.

2. Changes applicable to specific sub-funds within the SICAV

A. Change applicable only to the sub-fund “BASE INVESTMENTS SICAV – Bonds Value” (the “**Bonds Value Sub-Fund**”)

The Board of Directors has decided to change the method applied for the calculation of the global exposure from the commitment approach to the Value at Risk (“**VAR**”) approach. The Board of Directors is of the opinion that this method is more suitable due to the use of financial derivative instrument (“**FDI**”) by this sub-fund.

B. Change applicable to the Bonds Value Sub-Fund and to the sub-fund “BASE INVESTMENTS SICAV – Bonds Multicurrency” (the “**Bonds Multicurrency Sub-Fund**”)

It has been clarified that these sub-funds can be leveraged. The Bonds Value Sub-Fund and the Bonds Multicurrency Sub-Fund will have a maximum expected average leverage of 1500% based on the method of the sum of notionals.

C. Change applicable to the sub-funds “BASE INVESTMENTS SICAV – Bonds Value” (the “**Bonds Value Sub-Fund**”) and “BASE INVESTMENTS SICAV – Short Term” (the “**Short Term Sub-Fund**”)

The investment policies of these sub-funds have been amended in order to authorize the use of FDI by the sub-fund. In this context it has been clarified that they may use FDI for investment purpose, hedging purpose and efficient portfolio management.

- D. Change applicable to the sub-funds BASE INVESTMENTS SICAV – Flexible Low Risk” (the “Flexible Low Risk Sub-Fund”), “BASE INVESTMENTS SICAV – Equities USA” (the “Equities USA Sub-Fund”) and “BASE INVESTMENTS SICAV – Equities Switzerland” (the “Equities Switzerland Sub-Fund”)

The investment policies of these sub-funds have been amended in order to clarify that the use of financial techniques and financial instruments dealt in on a regulated or an OTC market is made for hedging, investment and/or efficient portfolio management.

- E. Change applicable only to the Equities USA Sub-Fund

*E.1 Termination of the appointment of the Neuberger Berman LLC as sub-investment manager*

The Board of Directors has decided to terminate the appointment of Neuberger Berman LLC as sub-investment manager for the Equities USA Sub-Fund. The termination of the appointment of Neuberger Berman LLC will be effective on 1 October 2016.

The termination of the appointment of Neuberger Berman LLC will not result in an increase of the total management fee paid by the Equities USA Sub-Fund.

*E.2 Increase of Sempione SIM S.p.A’s sub-investment management fee*

Further to the termination of the sub-investment management agreement between Neuberger Berman LLC and Banca del Sempione S.A., it has been agreed that Sempione SIM S.p.A, being the Sub-Investment Manager for the total assets of the Equities USA Sub-Fund, will receive an increased sub-investment management fee up to 1.05% instead of 1.00% as previously provided.

- F. Change applicable only to the sub-fund “BASE INVESTMENTS SICAV – Emerging and Frontier Markets Equity” (the “Emerging and Frontier Markets Sub-Fund”)

*F.1 Investment in China A-Shares*

The Board of Directors has decided to allow the Emerging and Frontier Markets Sub-Fund to realize direct investments, up to 10% of its assets, in China A-Shares through the use of the Stock Connect.

*F.2 Other investments*

It has been added that up to 49% of the assets of the Emerging and Frontier Markets Sub-Fund may be invested in bonds, so in all types of fixed-income securities, money markets instruments, certificates of deposits, cash and cash equivalents assets.

*F.3 Clarification regarding holding and investment requirements of Class EUR – B Shares*

It has been clarified that there is no minimum holding requirement for the Class EUR – B Shares and no minimum amount is required for subsequent subscription made after the initial investment in this Class of Shares.

*F.4. Amendment of the calculation frequency of the NAV*

It has been added that estimated net asset values will be calculated on a daily basis for risk management purposes. For the avoidance of doubt, estimated net asset values will be used for risk management purposes only and investors are only entitled to request the subscription, conversion or redemption of Shares on the basis of the NAV calculated as at a Valuation Date. This change does not trigger additional fees for the SICAV.

G. Change applicable only to the sub-fund “BASE INVESTMENTS SICAV – Euro Hedging”  
(the “**Euro Hedging Sub-Fund**”)

The investment objective of the Euro Hedging Sub-Fund has been changed so that the Investment Manager may make appropriate protections reducing the net exposure of the portfolio through futures, forward and spot foreign exchange contracts, currency swaps, and currency options in order to limit the negative effects within the limits provided by the investment policy and by the law of 17 December 2010 on undertakings for collective investment (the “**Law**”).

In addition, the investment policy of the Euro Hedging Sub-Fund has been amended so that the exposure of at least 85% in currencies different from the reference currency of the Sub-Fund (Euro) will henceforth be achieved via bonds, and cash/spot foreign exchange contracts,

These amendments will be reflected in an amended version of the Prospectus.

H. Information for Investors in Switzerland

In compliance with the “Guidelines on the Distribution of Collective Investment Schemes - 22 May 2014” issued by SFAMA, the paragraph 27. Information for Investors in Switzerland has been modified explaining the Swiss rules governing the payment of retrocessions and rebates to distribution partners linked to distribution activities in or from Switzerland.

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Shareholders who do not agree with the above mentioned changes may request the redemption of their Shares, without any charges, during a one month period beginning as of the date of this notice. Such changes will be effective at the expiration of such period.

The updated version of the Prospectus, of the KIIDs, together with the last versions of the Articles of Incorporation and of the financial statements 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 web-site [www.basesicav.ch](http://www.basesicav.ch).

Luxembourg, 31 August 2016

The Board of Directors