

**Terms of the merger of Conseq Invest New Europe Bond Fund, a sub-fund of Conseq Invest plc into Conseq Invest Dluhopisy Nové Evropy, otevřený podílový fond**

## **1 Summary of the Merger**

- 1.1 Conseq Invest plc (the "**Merging Company**"), subject to the prior approval of the Central Bank of Ireland (the "**Central Bank**"), proposes that: Conseq Invest New Europe Bond Fund (the "**Merging Fund**"), a sub-fund of the Merging Company, will be merged into the Conseq Invest Dluhopisy Nové Evropy, otevřený podílový fond (the "**Receiving Fund**"), (the "**Merger**").

The following terms of merger (the "**Terms**") have been prepared in accordance with Regulation 58 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended (S.I. No. 352 of 2011) (the "**Regulations**"). The boards of directors of the Merging Company (the "**Directors**") have the power to merge the aforementioned sub-fund pursuant to the Memorandum and Articles of Association of the Merging Company (the "**M&A**").

Terms used in this document but not otherwise defined herein shall have the meanings ascribed to them in the prospectus of the Merging Company which contain information on the Merging Fund.

## **2 Particulars of the Merger**

### **2.1 Type of Merger**

The Merger shall be effected in accordance with paragraph (c) of the definition in Regulation 3(1) of "merger" as further outlined below in the section entitled "Expected impact of Merger". Whereby the UCITS or sub-funds thereof, continue to exist until the liabilities have been discharged, transfer their net assets to another sub-fund of the same UCITS, to a UCITS which they form or to another existing UCITS or a sub-fund thereof.

### **2.2 Verification**

In accordance with regulation 59 of the Regulations, the depositary of the Merging Fund and the depositary of the Receiving Fund respectively, will provide written verification of the type of merger referred to above to the Central Bank.

### **2.3 Rationale for the Merger**

In the opinion of the Investment Manager, it is anticipated that the Merger will result in greater economies of scale in the long term, greater levels of operational efficiency as the Merging Fund and longer term cost savings for Shareholders in the Merging Fund. Having reviewed the strategic fit of the Merging Fund within its overall business model, with particular regard to the fact that the investment objective and policies of the Merging Fund and the Receiving Fund are materially the same (save for any changes to the supplement of the Receiving Fund requested by the Czech National Bank, the Investment Manager has concluded that it is appropriate to carry out the Merger.

## **3 Expected Impact of the Merger**

### **3.1 Impact on the shareholders of the Merging Fund**

If the resolution to approve the Merger is passed, the Merger will be binding on shareholders of the Merging Fund. Consequently shareholders of the Merging Fund will be issued New Shares without any further action on their part, whether or not they voted in favour of the Merger or voted at all. Furthermore, shareholders of the Merging Fund acknowledge and agree that all representations, warranties and undertakings given to

the Merging Fund at the time of their original subscription into the Merging Fund shall continue in full force and effect and shall, from the Effective Date, be interpreted as having been given to the Receiving Fund.

Shareholders of the Merging Fund who do not wish to take part in the Merger must submit a redemption request prior to 5:00 p.m. (Irish time) on 22 February 2022 in order to have their shares in the Merging Fund redeemed.

### 3.2 Impact on the shareholders of the Receiving Fund

The contemplated merger will not adversely impact the position of a shareholder of the Receiving Fund in terms of (i) the investment policy and strategy; (ii) costs; (iii) expected outcome; and (iv) periodic reporting. Also, there will be no risk of dilution in performance or a change in the tax treatment of a shareholder. The Receiving Fund will have no shareholders or shares issued prior to the Effective Date and on the Effective Date, other than shares issued to Shareholders of the Merging Fund pursuant to the Merger.

Any legal, advisory or administrative costs associated with the preparation and the completion of the Merger will not be charged to the Receiving Fund or to any of its shareholders. Any legal, advisory or administrative costs associated with the preparation and the completion of the Merger will be borne by the Investment Manager.

## 4 Criteria adopted for the valuation of the assets and liabilities

BNP Paribas Fund Administration Services (Ireland) Limited, in its capacity as the administrator of the Merging Company (the "**Administrator**"), will value the assets and liabilities of the Fund on the 22 February 2022 (the "**Valuation date**") in accordance with the M&A, which are consistent with the requirements of the Central Bank. The specific criteria to be used to value the assets and liabilities are set out in Schedule 1 hereto. This valuation will be done the same way as any other valuation preceding the Valuation date. The valuation of the Fund as of the Valuation date is a responsibility of the Administrator and subject to approval of BNP Paribas Securities Services (Ireland) Limited (the "**Depository of the Merging Fund**"). The valuation as of the Valuation date will include all payables and receivables arising from subscriptions and redemptions processed on the Valuation date.

## 5 Calculation Method of the Exchange Ratio

The Exchange Ratio will not be calculated. The Exchange Ratio will be fixed to 1:100. The number of shares to be issued to each shareholder (the "**New Shares**") will be calculated using the Exchange Ratio. The Exchange Ratio of 1:100 means that each shareholder will on the Effective Date receive one hundred of New Shares in the Receiving Fund for each one share of the Merging Fund they held on the day immediately preceding the Effective Date (the "**Existing share**"). Once New Shares have been issued, all Existing shares will then be cancelled.

The value of the Merging Fund calculated by the Administrator as of the Valuation date will correspond to the value of the New Shares to be issued in the Receiving Fund to former shareholders of the Merging Fund. The number of New Shares to be issued in exchange for the net assets of the Merging Fund shall be the number which would, on the Valuation Point, have been issued for cash against the payment of a sum equal to the valuation of the Merging Fund calculated by the Administrator as of the Valuation date divided by the Exchange ratio.

## 6 Proposed date of the Merger

Subject to the approval of the Central Bank, the Funds propose that the Merger shall take place on 1 March 2022 (the "**Effective Date**"). The Valuation date used for the

determination of the New Shares to be issued in the Receiving Fund is 22 February 2022.

## 7 Rules regarding the transfer of net assets and exchange of shares

The Depositary of the Merging Fund, shall verify that the transfer of net assets and the exchange of shares from the Merging Fund for shares in the Receiving Fund take place in accordance with the provisions of M&A of the Merging Fund and shall be consistent with the requirements of the Regulations.

Conseq Investment Management, a.s., the Depositary of the Receiving Fund, shall verify that the transfer of net assets and the exchange of shares from the Merging Fund for shares in the Receiving Fund take place in accordance with the provisions of M&A of the Receiving Fund and shall be consistent with the requirements of the Regulations.

On the Effective Date, shareholders in the Merging Fund will receive New Shares. All assets and liabilities of the Merging Fund will be transferred to the Receiving Fund so that shareholders in the Merging Fund will receive New Shares that are equal in value to their existing shares in the Merging Fund, subject to rounding adjustments.

The Administrator of the Receiving Fund will issue shareholders with a written confirmation of ownership of the New Shares within five (5) Business Days following the Effective Date. No preliminary charge, exchange charge or repurchase charge will be applied on the issue of New Shares as part of this process. The subscription of New Shares in exchange for Existing Shares will not be subject to any charge.

## 8 General

The shareholders of the Merging Fund will receive a shareholder circular containing details of the Merger and details of the extraordinary general meeting to be held to allow shareholders of the Merging Fund to vote on the Merger. The Merging Fund shareholder circular will also contain details of the rights of shareholders of the Merging Fund to request a repurchase of their shares in the Merging Fund, as the case may be, at no cost, such right to be exercisable from the date of issue of the Merging Fund shareholder circular up to 5.00 p.m. (Irish time) on 22 February 2022.

The Merging Fund is registered in Ireland and the Receiving Fund will be registered in the Czech Republic with effect from the Effective Date of Merger.

**SIGNED** on behalf of

**Conseq Invest New Europe Bond Fund, a sub-fund of Conseq Invest plc**

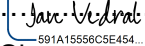
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*Veronika Juvova*

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**SIGNED** on behalf of

**Conseq Invest Dluhopisy Nové Evropy, otevřený podílový fond**

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## Schedule 1

### Criteria for the Valuation of Assets of the Merging Fund

The Administrator will apply the valuation criteria set out in this Schedule for the purposes of valuing the assets and liabilities of the Merging Fund:-

#### "Determination of Net Asset Value"

##### Net Asset Value of Participating Shares

- (a) The Net Asset Value of a Fund shall be the value of all the assets comprised in the relevant Fund less all the liabilities attributable to the relevant Fund and subject to the Regulations.
- (b) The value of the assets and liabilities referred to in (a) above shall be determined in accordance with the valuation rules set out hereafter in Articles 17 to 19 inclusive.
- (c) The Net Asset Value of a Fund or any class of Fund, shall be expressed in the currency in which shares are issued (the "Base Currency") (translated where necessary at such rate of exchange as the Directors think fit).
- (d) The Net Asset value of a class of Participating Shares within a Fund shall be calculated as follows: -
  - (i) determining the allocation ratios for each class of Participating Shares which shall be done by dividing the figure calculated in A below for each class of Participating Shares by the figure calculated in B below:-
    - A. adding the Net Asset Value of each class of Participating Shares for the previous Valuation Point and the value of member activity (i.e. net subscription/redemptions placed as of the previous Valuation Point) for the current Valuation Point for each class of Participating Shares;
    - B. adding the total of the Net Asset Values for all classes of Participating Shares for the previous Valuation Point and the value of Member activity (i.e. net subscriptions/redemptions placed as of the previous Valuation Point) for the current Valuation Point for all classes of Participating Shares;

allocating the Company's income, expenses and realised and unrealised gains and losses accrued for the current Valuation Point to each class of Participating Shares with the amount to be allocated being calculated by multiplying the aggregate of such accrued amounts by the ratios determined in (i); adding the figures from (ii) as allocated for each class of Participating Shares to the expenses accrued, distributions declared and the value of Member activity (i.e. net subscriptions/redemptions) for the current Valuation Point which are solely attributed to each specific class of Participating Shares. An expense will be attributed to a specific class of Participating Shares which is specifically attributable to that class; and (iv) adding the results of (iii) for each class of Participating Shares to the Net Asset Value of the previous

Valuation Point of the respective class of Participating Shares.

- (e) The costs and related liabilities/benefits arising from instruments entered into (subject to Article 78(c)) for the purposes of hedging the currency exposure for the benefit of any particular class of a Fund (where the currency of a particular class is different to the base currency of the Fund) shall be attributable exclusively to that class.
- (f) The Net Asset Value of a class of Participating Shares within a Fund shall be expressed in the Base Currency in which the Fund is designated (except, where the currency of the particular class is different to the Base Currency of the Fund, it shall be expressed in the currency in which that class is designated) (translated, where necessary at such rate of exchange as the Directors think fit).
- (g) The Net Asset Value of a Participating Share within a class shall be determined by dividing the Net Asset Value of the relevant class by the number of Participating Shares in that class in issue and deemed to be in issue.

### **Assets of the Company**

- (a) The assets of the Company shall be deemed to include inter alia:-
  - (i) all cash in hand, on deposit, or on call including any interest accrued thereon and all accounts receivable;
  - (ii) all bills, demand notes, certificates of deposit and promissory notes;
  - (iii) all bonds, forward currency transactions, time notes, shares, stock, units of or participation in collective investment schemes/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, fixed rate securities, floating rate securities, securities in respect of which the return and/or repurchase amount is calculated by reference to any index, price or rate, financial instruments and other investments and securities owned or contracted for by the Company, other than rights and securities issued by it;
  - (iv) all stock and cash dividends and cash distributions to be received by the Company and not yet received by it but declared to stockholders on record on a date on or before the day as of which the Net Asset Value is being determined;
  - (v) all interest accrued on any interest-bearing securities owned by the Company except to the extent that the same is included or reflected in the principal value of such security;
  - (vi) all other Investments of the Company;
  - (vii) the establishment costs attributable to the Company and the cost of issuing and distributing Participating Shares of the Company insofar as the same have not been written off; and
  - (viii) all other assets of the Company of every kind and nature including prepaid

expenses as valued and defined from time to time by the Directors.

(b) The valuation principles to be used in valuing the Company's assets are as follows:

- (i) the amortised cost method of valuation may only be used in relation to Funds which comply with the Central Bank's requirements for short-term money market funds and where a review of the amortised cost method of valuation vis-a-vis market valuation will be carried out in accordance with the Central Bank's requirements;
- (ii) money market instruments in a non-money market fund may be valued on an amortised basis in accordance with the Central Bank's requirements;
- (iii) the value of an Investment which is quoted, listed or normally dealt in on a Regulated Market shall (save in the specific cases set out in paragraphs (i), (iv) (ix) and (x)) in respect of bond Investments be the middle market price on such Regulated Market as at the Valuation Point or the last available traded price when no closing mid-market price is available and in respect of equity Investments be the last traded price on such Regulated Market as at the Valuation Point, provided that:-
  - A. if an Investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may, in their absolute discretion, select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such Investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value with respect to that Investment unless the Directors otherwise determine; and
  - B. in the case of any Investment which is quoted, listed or normally dealt in on Regulated Market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value therefor shall be the probable realisation value thereof calculated with care and in good faith by a competent person, firm or association making a market in such Investment (selected for the purpose by the Directors and approved for the purpose by the Depositary) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Depositary). For this purpose:

the initial value of such Investment shall be the amount expended out of the Fund in the acquisition therefor (including the amount, the stamp duties, commissions and other expenses in the acquisition thereof and the vesting thereof in the Company; and

there shall be taken into account interest on interest bearing Investments up to the relevant valuation point; and

the Directors may accept a valuation of such Investment calculated by a person, firm or association qualified in the opinion of the Directors to provide such a calculation.

- (iv) the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market shall (save in the case set out in paragraph (i)) be the probable realisable value calculated with care and in good faith by a competent person, firm or association making a market in such Investment (selected for the purpose by the Directors and approved for the purpose by the Depositary) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Depositary);
- (v) the value of any Investment which is a unit of or participation in an open-ended collective investment scheme/mutual fund shall be the latest available net asset value of such unit/participation;
- (vi) the value of any cash in hand, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the net present value thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors (with the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof;
- (vii) deposits and interest bearing investments shall be valued at their principal amount plus accrued interest from the date on which the same were acquired or made up to the relevant Valuation Point;
- (viii) treasury bills shall be valued at the middle market dealing price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (approved for the purpose by the Depositary);
- (ix) notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the latest available middle market dealing price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired;
- (x) forward foreign exchange contracts will be valued by reference to the price

at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken;

- (xi) the value of any futures contracts and options which are dealt in on a Regulated Market shall be the settlement price as determined by the market in question, provided that if such settlement price is not available for any reason or is unrepresentative, same shall be valued at the probable realisation value calculated with care and good faith by a competent person (approved for the purpose by the Depositary);
- (xii) the value of any over the counter ("OTC") derivative contracts shall be the quotation from the counterparty provided that such quotation is provided on at least a daily basis and is approved or verified at least weekly by a person independent of the counterparty and who is approved for the purpose by the Depositary;
- (xiii) notwithstanding any of the foregoing sub-paragraphs, the Directors:
  - A. with the approval of the Depositary, may adjust the value of any Investment if, having regard to currency, applicable rates of interest, maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof; and/or
  - B. may, in order to comply with any applicable accounting standards, present the value of any assets of the Company in financial statements to Members in a manner different to that set out in this Article;

If in any case a particular value is not ascertainable as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors shall decide with the approval of the Depositary, and the rationale/methodologies shall be clearly documented.

Notwithstanding the foregoing, where at the time of valuation any asset of the Company has been realised or contracted to be realised there shall be included in the assets of the Company in place of such asset the net amount receivable by the Company in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the Company and provided that such adjustment method is approved by the Depositary and provided further that if the net amount receivable is not available until some future time after the time of any valuation, the Directors shall make such allowance as they consider appropriate to reflect the true current value thereof.

Where the current price of an Investment is quoted as "ex" any dividend (including stock dividend), interest or other rights to which the Fund is entitled but such dividend, interest, or the property to which such rights relate have not been received and is not taken into account under any other provisions of this Prospectus, the amount of such dividend, interest, property or cash shall be taken into account.

- (c) For the purposes of this Article 17 monies payable to the Company in respect of the allotment of Participating Shares of any class shall be deemed to be an asset of the

relevant Fund as of the time at which such Participating Shares are deemed to be in issue in accordance with Article 10(f) of these Articles.

### **Liabilities attributable to each Fund**

(a) The Company may pay out of the assets of each Fund:-

- (i) the fees and expenses payable to the Investment Manager, its delegates, the Depositary (and to any sub-custodians appointed by the Depositary) and the Administrator appointed in respect of such Fund;
- (ii) the fees and expenses of the Directors;
- (iii) any fees in respect of circulating details of the Net Asset Value (including publishing prices or Net Asset Value per class of Participating Shares);
- (iv) stamp duties;
- (v) taxes (including value added tax (if any) on fees payable by the Company other than taxes taken into account as Duties and Charges) and contingent liabilities as determined from time to time by the Directors; and
- (vi) company secretarial fees;
- (vii) rating fees (if any);
- (viii) brokerage or other expenses of acquiring and disposing of Investments;
- (ix) the Central Bank's industry funding levy;
- (x) fees and expenses of the auditors, tax, legal and other professional advisers of the Company;
- (xi) fees connected with listing of Shares on any stock exchange;
- (xii) fees and expenses in connection with the distribution of Shares and costs of registration of the Company in jurisdictions outside Ireland;
- (xiii) costs of preparing, printing and distributing the Prospectus and Supplements, reports, accounts and any explanatory memoranda;
- (xiv) any necessary translation fees;
- (xv) any costs incurred as a result of periodic updates of the Prospectus or any Supplements, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- (xvi) any other fees and expenses relating to the management and administration of the Company or attributable to the Company's investments;
- (xvii) in respect of each financial year of the Company in which expenses are being determined, such proportion (if any) of the establishment expenses as are being amortised in that year and reconstruction.

- (xviii) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by shares in the Company and reserves (other than reserves authorised or approved by the Directors for Duties and Charges or contingencies).

In determining the amount of such liabilities the Directors may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

- (b) The liabilities attributable to each class of Participating Shares shall be deemed to include (without limitation):-
  - (i) the fees and expenses of any service provider to the Company attributable to the relevant class of Participating Shares;
  - (ii) fees and expenses involved in registering and maintaining registrations of the Participating Shares for sale in any jurisdiction outside Ireland, including the preparation of prospectuses;
  - (iii) expenses in connection with the listing of the Participating Shares on any securities exchange.
- (c) For the purposes of this Article 18:-
  - (i) monies payable to the Company in respect of the allotment of Participating Shares of any class shall be deemed to be an asset of the relevant Fund as at the time at which such shares are deemed to be in issue in accordance with Article 10(e) of these Articles; and
  - (ii) monies payable by the Company on the repurchase or repurchase by the Company of Participating Shares pursuant to repurchase requests or monies payable by the Company as a result of the cancellation of allotments shall be deemed to be a liability of the relevant Fund from the time at which such Participating Shares are deemed to cease to be in issue in accordance with Article 10(f) of these Articles; and
  - (iii) monies due to be transferred from one Fund to another pursuant to any switching between Funds pursuant to Article 25 shall be deemed to be a liability of the original Fund and an asset of the New Fund immediately after the Valuation Point on the Dealing Day on which the Conversion Notice is received or deemed to be received in accordance with Article 25.

### **General Provisions on Valuation**

- (a) Any assets held, including funds on deposit and amounts payable to the Company and any liabilities and amounts payable by the Company in respect of any Fund in a currency other than that in which that Fund or is designated shall be translated into the Currency of that Fund at such rate of exchange as the Directors may think fit.
- (b) Where the current price of an Investment is quoted "ex" any dividend (including stock dividend), interest or other rights to which the relevant Fund is entitled but

such dividend, interest or the property to which such rights relate has not been received and is not taken into account under any other provisions of this Article, the amount of such dividend, interest, property or cash shall be taken into account.

- (c) Any entity wholly owned by the Company shall be valued on the basis of its net assets (being the difference between the value of its assets and liabilities) and in valuing its net assets, the provisions of Articles 16 to 19 inclusive shall mutatis mutandis apply. The assets and shares of any such wholly owned entity shall be held by the Depositary.
- (d) Any certificate as to Net Asset Value of Participating Shares or Units given in good faith (and in the absence of negligence or manifest error) by or on behalf of the Directors shall be binding on all parties.

**Schedule 2**  
**Constitution of the Receiving UCITS**