



**Common Terms of Merger relating to the merger of  
ANIMA Star Bond (the “Merging Sub-Fund”)  
into ANIMA Bond Flex (the “Receiving Sub-Fund”)**

It is proposed to merge the Merging Sub-Fund into the Receiving Sub-Fund (the “**Merger**”) in accordance with the Irish Laws implementing the Directive 2009/65/EC of the European Parliament and of the Council, as amended (the “**UCITS Directive**”) and Commission Directive 2010/42/EU.

This document constitutes the Common Terms of Merger (the “**Terms**”) as required pursuant to Article 40 of the UCITS Directive.

**1. Identification of the type of merger and of the UCITS involved**

*UCITS involved*

The Merging Sub-Fund and Receiving Sub-Fund are sub-funds of ANIMA Funds plc (the “**Company**”).

The Company is an open-ended umbrella investment company with variable capital and segregated liability between sub-funds incorporated with limited liability in Ireland under the Companies Act 2014 with registration number 308009 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. Number 352 of 2011), as amended (the “**UCITS Regulations**”).

*Type of Merger*

The Merger falls within point (p) (i) of Article 2 of the UCITS Directive, which refers to an operation whereby one or more UCITS or investment compartments thereof, the ‘merging UCITS’, on being dissolved without going into liquidation, transfer all of their assets and liabilities to another existing UCITS or an investment compartment thereof, the ‘receiving UCITS’, in exchange for the issue to their shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares.

As at the Effective Time (as defined below) of the Merger, the total net assets, being all the assets less any liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund (by way of a contribution in kind to the Receiving Sub-Fund) in exchange for the issue of shares in the Receiving Sub-Fund.

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It is anticipated that sums due to the Administrator, Manager, Distributor and Local Paying Agent of the Company and any other service providers will be paid as of the Effective Time. Where this is not possible, these liabilities owed by the Merging Sub-Fund to creditors at the Effective Time will, with the agreement of the relevant creditors, be assigned to the Receiving Sub-Fund.

The Company will continue to operate after the Merger.

An extraordinary general meeting of all shareholders of the Merging Sub-Fund has been convened for 10:30AM (Irish time) on 28 June 2021 for the purpose of considering and voting on the Merger (the “**Extraordinary General Meeting**”).

## **2. Background to and rationale for the proposed merger**

The Directors of the Company, in conjunction with the Manager of the Company, have initiated the Merger proposal. The objective of the Merger is to streamline the Company’s range of bond strategies on offer, thus resulting in the offering of the Receiving Sub-Fund, which will have the same synthetic risk and reward indicator as the Merging Sub-Fund (ie. 4), as well as providing a more dynamic management approach especially on the rate curves (via a long-short strategy) in order to also take advantage of any positioning opportunities.

None of the costs of the Merger will be borne by the Merging Sub-Fund or the Receiving Sub-Fund in accordance with Regulation 64 of the Irish UCITS Regulations.

Given the above, the Directors of the Company (the “**Directors**”) are recommending to shareholders in the Merging Sub-Fund (a “**Shareholder**”, collectively the “**Shareholders**”) that they vote in favour of the Merger at the Extraordinary General Meeting.

## **3. Expected impact of the proposed merger on the Shareholders of the Merging Sub-Fund and shareholders of the Receiving Sub-Fund**

- (i) Prior to the Merger, it is intended to register the Receiving Sub-Fund for public sale in Italy, Switzerland, Germany and Spain.
- (ii) If the Merger is approved, Shareholders of each launched and existing share class of the Merging Sub-Fund will receive shares of the Receiving Sub-Fund as follows:

MERGING SUB-FUND		RECEIVING SUB-FUND
Silver Class ISIN: IE00B5SZ0671	will merge into	Class R ISIN: IE00BNXH7H43
Class I ISIN: IE00B5WJ7209	will merge into	Class I ISIN: IE00BNXH7J66
Class I Dis ISIN: IE00BWTNM636	will merge into	Class I Dis ISIN: IE00BNXH7K71
Prestige Class ISIN: IE00B5L8N534	will merge into	Class R ISIN: IE00BNXH7H43
Class Classic A ISIN: IE00B7FN3H04	will merge into	Class Classic A ISIN: IE00BNXH7L88
Class Classic B ISIN: IE00B7FN3G96	will merge into	Class Classic B ISIN: IE00BNXH7M95

- (iii) No shares have yet been issued in the Receiving Sub-Fund. The Merger will be the first investment in the Receiving Sub-Fund.
- (iv) The risk measurement methodology used to calculate global exposure in the Receiving Sub-Fund will be the commitment approach, which was also used to calculate global exposure in the Merging Sub-Fund.
- (v) A full comparison of the fees applicable to the relevant share classes in the Merging Sub-Fund and the relevant share classes in the Receiving Sub-Fund is set out in **Appendix B** of the circular to be issued to Shareholders in the Merging Sub-Fund (the “**Circular**”).
- (vi) The Receiving Sub-Fund currently has no assets and the initial net asset value of the Receiving Sub-Fund will be calculated as a result of the Merger.
- (vii) The investment objective and policies of the Merging Sub-Fund and the Receiving Sub-Fund are set out in full in Appendix B. The investment objective and investment policies are sufficiently similar such that the Investment Manager of the Merging Sub-Fund does not consider it necessary to materially rebalance or change the composition of the Merging Sub-Fund’s portfolio of assets to conform to the Receiving Sub-Fund’s investment policies.
- (viii) The Merger is not expected to impact the performance experienced by Shareholders, rather it is anticipated that the Merger will have a positive effect for

the reasons outlined above. The Receiving Sub-Fund will ultimately be managed on a discretionary basis by the same portfolio management team as that of the Merging Sub-Fund.

- (ix) Any income accrued on securities as at the Effective Time will be reflected in the valuation of the relevant security as at the Effective Time and will transfer automatically to the Receiving Sub-Fund as part of the transfer of the relevant security, to be held by State Street Custodial Services (Ireland) Limited, the depository of the Company (the “**Depository**”), on behalf of the Receiving Sub-Fund.
- (x) The risks of the Merging Sub-Fund and the Receiving Sub-Fund, as set out in their key investor information documents, are described in **Appendix B** of the Circular.
- (xi) As at the date of these Terms, the share classes of the Merging Sub-Fund involved in the Merger and the share classes of the Receiving Sub-Fund involved in the Merger have the same synthetic risk and reward indicator of 4.
- (xii) The voting rights of the shareholders of the Merging Sub-Fund and Receiving Sub-Fund are similar in all material respects. You should review the constitutional document of the Company for further details in respect of your voting rights.

A table highlighting the key differences between the terms and procedures of the Merging Sub-Fund and the Receiving Sub-Fund (including the difference, if any, in rights of Shareholders and shareholders of the Receiving Sub-Fund) is included in **Appendix B** of the Circular, and a table highlighting the differences between the fees charged to the Shareholders of the Merging Sub-Fund and shareholders of the Receiving Sub-Fund is also included in **Appendix B** of the Circular.

**4. Criteria adopted for valuation of the assets and, where applicable, the liabilities on the date for calculating the exchange ratio (as referred to in Article 47(1) of the UCITS Directive) of shares in the Merging Sub-Fund into shares of the Receiving Sub-Fund**

For the purpose of the Merger, the value of the assets of the Merging Sub-Fund will be calculated at the valuation point immediately prior to the Effective Time by State Street Fund Services (Ireland) Limited as administrator of the Company (the “**Administrator**”) in accordance with the relevant provisions of the constitutional document of the Company, which value will be validated

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by Deloitte, the auditors of the Company (the "**Auditor**"). The Auditor will validate (I) the criteria adopted for the valuation of the assets and liabilities as at the Effective Time; and (II) the calculation method of the exchange ratio (referred to below) as well as the actual exchange ratio determined at the Effective Time.

The first valuation point of the Receiving Sub-Fund after the Merger will be on 13 July 2021.

## **5. The calculation method of the exchange ratio**

5.1 At the Effective Time, Shareholders holding Silver Class shares and/or fractions of Silver Class shares will receive Class R shares of the Receiving Sub-Fund, Shareholders holding Class I shares and/or fractions Class I shares will receive Class I shares of the Receiving Sub-Fund, Shareholders holding Class I Dis shares and/or fractions of Class I Dis shares will receive Class I Dis shares of the Receiving Sub-Fund, Shareholders holding Prestige Class shares and/or fractions of Prestige Class shares will receive Class R shares of the Receiving Sub-Fund, Shareholders holding Class Classic A shares and/or fractions of Class Classic A shares will receive Class Classic A shares of the Receiving Sub-Fund and Shareholders holding Class Classic B shares and/or fractions of Class Classic B shares will receive Class Classic B shares of the Receiving Sub-Fund. Subject to and in accordance with Clause 5.2 below, Shareholders will receive Shares in the Receiving Sub-Fund equal in value to their shares in the Merging Sub-Fund immediately prior to the Effective Time.

5.2 The number of shares in the Receiving Sub-Fund to be issued to Shareholders in the Merging Sub-Fund shall be determined by the Administrator in accordance with the following formula:

$$S = \frac{(R \times NAV \times ER) \times (1-T)}{SP}$$

where:-

- S = the number of shares in the Receiving Sub-Fund that will be issued;
- R = the number of shares held by the Shareholder in the Merging Sub-Fund immediately prior to the Effective Time;
- NAV= the last net asset value per share of the relevant class in the Merging Sub-Fund as at the Valuation Point on the relevant Dealing Day prior to the Effective Time;
- ER= the currency conversion factor (if any) as determined by the Administrator;
- SP= the net asset value per share (or initial offer price, as applicable) of the relevant share class in the Receiving Sub-Fund, on the relevant dealing day;
- T = any taxation which may be payable by persons beneficially entitled to shares

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in any jurisdiction and which the Manager or its agents on behalf of the Company are legally obliged to withhold.

- 5.3 Fractions of shares in the Receiving Sub-Fund may be issued where any part of the value of shares in the Merging Sub-Fund represents less than the initial issue price for one share of the relevant share class in the Receiving Sub-Fund, provided however, that fractions shall not be less than 0.001 of a share.
- 5.4 Since shares in the Receiving Sub-Fund will be issued to Shareholders in the Merging Sub-Fund at the net asset value per share (or initial offer price, as applicable) of the relevant share class in the Receiving Sub-Fund as set out in Clause 4.2 above, this may result in the number of shares held in the Receiving Sub-Fund being different to the number of shares held by Shareholders in the Merging Sub-Fund.

## **6. *Effective time and date of the Merger***

The effective time and date of the Merger is 23:59PM (Irish time) on 12 July 2021 or such later time and date as the Directors and the directors of the Company shall agree as being the effective time and date of the Merger and as shall be notified to Shareholders (the “**Effective Time**”).

## **7. *The rules applicable, respectively, to the transfer of assets and liabilities and the exchange of shares relating to the Merging Sub-Fund and shares relating to the Receiving Sub-Fund***

### ***Rules relating to the Merging Sub-Fund***

As at the Effective Time, shares in the Receiving Sub-Fund will be issued to Shareholders in exchange for the transfer by the Merging Sub-Fund by way of a contribution in kind to the Receiving Sub-Fund of the investments, cash and all other assets and liabilities of the Merging Sub-Fund held by or on behalf of the Merging Sub-Fund as at the Effective Time, which assets and liabilities will be held by the Depositary on behalf of the Receiving Sub-Fund. The assets and liabilities of the Merging Sub-Fund will be valued in accordance with Clause 4 above.

### ***Rules relating to the Receiving Sub-Fund***

The Company, acting on behalf of the Receiving Sub-fund, is entitled to receive securities or other investments as part of a the Merger in consideration for shares in the Receiving Sub-Fund in accordance with the Memorandum and Articles of Association of the Company.