DYNASTY SICAV
Société anonyme - société d'investissement à capital variable
Registered office:
33A, Avenue J.F. Kennedy
L - 1855 Luxembourg, Grand-Duchy of Luxembourg
R.C.S. Luxembourg Number: B 188656
(the "**Fund**")

LETTER TO SHAREHOLDERS OF THE SUB-FUNDS DYNASTY HIGH YIELD 2026 AND DYNASTY EURO YIELD

Luxembourg, March 18th, 2022

Dear Shareholder,

The board of directors of the Fund (the "**Board**") has decided to merge the sub-fund Dynasty High Yield 2026 (the "**Merging Sub-Fund**") into the sub-fund Dynasty Euro Yield (the "**Receiving Sub-Fund**") (together the "**Sub-Funds**").

The purpose of this letter is to describe the merger by acquisition of the Merging Sub-Fund into the Receiving Sub-Fund (the "**Merger**") which will become effective on April 28th , 2022 (the "**Effective Date**").

The Merger will be carried out in accordance with the terms of article 1 (20) a) and articles 65 to 76 of the law of 17 December 2010 on undertakings for collective investment, as amended.

1. REASONS FOR AND ADVANTAGES OF THE MERGER

The Merger is proposed given the reduction in the assets under management of the Merging Sub-Fund and the increase of its ongoing charges as a consequence of this reduction.

The Merger aims to achieve enhanced operational efficiency for the Merging Sub-Fund and rationalise the Fund's offer. The expected benefits of the Merger transaction include larger economies of scale that could ultimately result in a drop in the percentage of fixed costs linked to the amount of assets under management, which could be a benefit to the shareholders.

The enhanced operational efficiency will be achieved by combining administrative and operational expenses related to the Sub-Funds.

The Board considers that the Merger will provide the following advantages to the shareholders:

- allowing enhancement to research and investment capabilities in a larger and more diversified sub-fund;
- triggering economies of scale with a positive impact on the operating structure and costs of the Receiving Sub-Fund; and
- leading, in the medium/long run, to an overall reduction of administrative costs as the assets under management grow. The reduction in administrative expenses will directly improve the performance of the Receiving Sub-Fund.

2. COMPARISON OF THE FEATURES OF THE MERGING SUB-FUND AND THE RECEIVING SUB-FUND AND IMPACT FOR SHAREHOLDERS

The Sub-Funds have the Euro as base currency and aim to provide positive returns through the selection of a portfolio of fixed income asset classes, markets and fixed income financial instruments. Nevertheless, the Merging Sub-Fund has different investment policy and risk profile compared to the Receiving Sub-Fund as specified in Annex I.

Risk profile

With respect to the sub-fund High Yield 2026, there will be a slight increase in the risk and reward indicator. The Receiving Sub-Fund has a Synthetic Risk-Reward Indicator ("**SRRI**") of 4 on a scale of 7 and the Merging Sub-Fund has a SRRI of 3 on a scale of 7, as mentioned in their Key Investor Information Documents.

Fees and expenses

There will be no increase in the level of the management fees paid by each share class of the Merging Sub-Fund, as further described in Annex I.

A variable management fee is charged for the Merging Sub-Fund while the Receiving Sub-Fund does not charge any performance fee.

The operating fees of the Receiving Sub-Fund are expected to be the same as those of the Merging Sub-Fund.

A comparison between the fees applicable to the Merging Sub-Fund and the Receiving Sub-Fund is made in Annex I.

Investment advisor

Compagnie de Banque Privée Quilvest S.A. (CBP Quilvest S.A.) acts as investment advisor of the Receiving Sub-Fund. Its role is to:

1. advise the management company as to the allocation of the assets of the Receiving Sub-Fund, including in particular overall risk positioning, allocation to credit ratings and the overall level of investment and hedging strategy based on the level of risk tolerance that the advisor considers appropriate;
2. advise the management company on interest rate risk.

Dealing procedures

The subscription, redemption and conversion procedures of the Merging Sub-Fund are the same as those of the Receiving Sub-Fund.

Variable management fees

The following steps will be undertaken with respect to the variable management fees (where applicable):

For the Merging Sub-Fund, the variable management fees will be accrued until the Effective Date. On the Effective Date, the variable management fees of the Merging Sub-Fund will be "crystallised" and will be paid at the end of the performance period.

The exchange / conversion ratio (as will be further described hereafter) will be calculated on the basis of the net asset value of the Merging Sub-Fund after deduction of the variable management fees which will be accrued until the Effective Date.

Please refer to Annex I for a full comparison of the features of the Merging Sub-Fund and the Receiving Sub-Fund.

3. SHAREHOLDERS RIGHTS

On the Effective Date, shareholders of the Merging Sub-Fund will receive a number of shares of the corresponding share class of the Receiving Sub-Fund (as detailed in the table below) based on the exchange ratio described under section 5. "Terms and Procedure":

Dynasty High Yield 2026 - Current share class	**Dynasty Dynasty Euro Yield - New share class**
Class A EUR – LU1073011352	Class A EUR – LU2360089242
Class A USD – LU1586707801	Class A USD – LU2440451206
Class A CHF – LU2167606032	Class A CHF – LU2440451388
Class B EUR – LU1073013564	Class B EUR – LU2360090091
Class B CHF – LU2167606388	Class B CHF – LU2440791643
Class D EUR – LU1280365120	Class D EUR – LU2360090174

For the avoidance of doubt, you will continue to benefit from the general safeguards applicable to UCITS as you will remain invested in the same Fund.

After the Merger, all shareholders may continue to request redemption of their shares on any valuation day as defined in the prospectus of the Fund (the "**Prospectus**").

Should you not agree with the Merger, you may request the redemption or conversion of your shares into the remaining sub-funds of the Fund free of charge (subject to fulfillment of the relevant sub-fund/share class access conditions in accordance with the terms of the Prospectus) provided that your request is received by 4 p.m. (Luxembourg time) on April 25 2022 at the latest. Redemption requests received by that time will be dealt with on the NAV day of April 26, 2022.

Redemption or conversion instructions received after 4 p.m. (Luxembourg time) on April 25, 2022 will be dealt with on the NAV day following the Effective Date in the Receiving Sub-Fund.

If you are in any doubt as to the action to be taken, you should consult your investment adviser.

4. REBALANCING OF THE PORTFOLIO AND TREATMENT OF ACCRUED INCOME

Before the Effective Date, the Board intends to adjust the portfolio of assets of the Merging Sub-Fund to align it with the Receiving Sub-Fund's portfolio in order to enable the Merger to be carried out more efficiently. The portfolio of assets of the Merging Sub-Fund will be adjusted from April 20th 2022 until April 25th 2022 (the "**Adjustment Period**"). The costs of rebalancing the Merging Sub-Fund's portfolio will be borne by the Merging Sub-Fund. Shareholders should note that during the Adjustment Period the Merging Sub-Fund, since its portfolio is being realigned to reflect the portfolio of the Receiving Sub-Fund, may deviate from its investment objective as defined in the Prospectus.

Any accruals in the Merging Sub-Fund at the time of the Merger will be included in the calculation of its final asset value and such accruals will be accounted for on an ongoing basis after the Merger in the net asset value per share calculations in the Receiving Sub-Fund.

5. TERMS AND PROCEDURE

On the Effective Date, the Merging Sub-Fund will transfer all its assets and liabilities to the Receiving Sub-Fund and the Merging Sub-Fund will cease to exist.

Considering the Merger, the Board has resolved that no new subscriptions or conversion in the Merging Sub-Fund will be accepted from April 20, 2022.

On the Effective Date, shareholders of the Merging Sub-Fund who have not requested the redemption or conversion of their shares will receive a number of shares of the corresponding share class of the Receiving Sub-Fund (as detailed in the table in section 3. "Shareholders rights" above) based on the net asset value per share of their existing share class calculated on the Effective Date. The valuation of their holding in shares of the Receiving Sub-Fund will be the same as that of the shares the shareholders held in the Merging Sub-Fund on the Effective Date.

Shares in the Merging Sub-Fund will be exchanged in accordance with the accounting procedures and the conversion ratio calculated on the Effective Date.

Upon implementation of the Merger, the issue of shares in the Receiving Sub-Fund in exchange for shares of the Merging Sub-Fund will not be subject to any charge. For information on costs, please refer to section 6. "Costs of the Merger" below.

6. COSTS OF THE MERGER

All legal, advisory, audit, operational and administrative costs associated with the preparation and the completion of the Merger will be borne by the management company of the Fund.

Any expenses or stamp duty or financial transaction taxes linked to the transfer of net assets of the Merging Sub-Fund as a result of the Merger will be borne by the Merging Sub-Fund.

You should consult your own professional advisers as to the tax implications of the Merger under the laws of the country of your nationality, residence, domicile or incorporation.

7. AVAILABILITY OF DOCUMENTS

The following documents are available from the registered office of the Fund, upon request, free of charge:

- common draft terms of the Merger,
- the latest Prospectus,
- copies of the approved statutory auditor’s and depositary’s Merger reports.

A copy of the relevant Key Investor Information Document of the Receiving Sub-Fund is attached and the shareholders are advised to consult it.

For further queries, you may contact the registered office of the Fund or your usual local representative.

Yours faithfully,

Signed by

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For and on behalf of the Board

ANNEX I

COMPARISON OF KEY FEATURES OF DYNASTY HIGH YIELD 2026 AND DYNASTY EURO YIELD

	MERGING SUB-FUND	RECEIVING SUB-FUND
Name	**Dynasty High Yield 2026**	**Dynasty Euro Yield**
Base Currency	Euro	Euro
Investment advisor	None	Compagnie de Banque Privée Quilvest S.A. (CBP Quilvest S.A.)
Investment Objective and Policy	1.1. The investment objective of the Sub-Fund is to provide positive returns over medium to long term, through the selection and holding until maturity of the Sub-Fund on 31 December 2026 of a portfolio of fixed income asset classes, markets and fixed income financial instruments. 1.2. The Sub-Fund is actively managed and is not managed in reference to a benchmark. 1.3. The Sub-Fund does not offer any form of guarantee with respect to investment performance and no form of capital protection applies. 1.4. On 1 October 2026 at the latest, investors will be notified of the decision taken by the Board of Directors as regards to the merger, dissolution or transformation of the Sub-Fund after 31 December 2026. 2.1. The investment policy of the Sub-Fund consists in holding a portfolio of fixed income securities until the maturity of the Sub-Fund on 31 December 2026. Such securities will have, at the time of their acquisition, an attractive yield, taking into account the creditworthiness of their issuer. The maturity or early reimbursement dates (call and put) of the fixed income securities held in portfolio will	1.1. The investment objective of the Sub-Fund is to provide positive returns over medium term, through the selection of a portfolio of fixed income asset classes, markets and fixed income financial instruments offering an attractive yield considering the issuer's credit risk. 1.2. The Sub-Fund is actively managed and is not managed in reference to a benchmark. 1.3. The Sub-Fund does not offer any form of guarantee with respect to investment performance and no form of capital protection applies. 2.1. The investment policy of the Sub-Fund consists in holding a portfolio of corporate fixed income securities. Such securities will have, at the time of their acquisition, an attractive yield, taking into account the creditworthiness of their issuer. The Sub-Fund's average interest rate sensitivity (duration) will range between 0 and 8 years. Investments in High Yield or non-rated bonds will be possible up to 60% of the net assets of the Sub-Fund, as further described below. **As from April 15 2022**, investments in High Yield

	MERGING SUB-FUND	RECEIVING SUB-FUND
	not exceed the maturity of the Sub-Fund by more of one year (i.e. 31 December 2027). 2.2. The Sub-Fund will invest up to one hundred percent (100%) of its net assets in fixed income securities mainly denominated in Euro and mainly issued by European issuers, such as: 2.2.1. Standard bonds; 2.2.2. Convertible bonds or similar fixed income instruments; 2.2.3. Perpetual bonds with an early redemption (call or put) date before 31 December 2027; 2.2.4. Money Market Instruments having a rating of at least "BBB-" (Standard & Poor's) or any equivalent rating granted by a recognised rating agency. 2.3. The Sub-Fund may invest up to 10% of its net assets in equities (as a result (or not) of the conversion or restricting of bonds or similar fixed income instruments), warrants, futures, listed options and OTC derivatives. 2.4. Standard bonds as well as convertible bonds will not have a minimum rating at the time of their acquisition. Exposure to High Yield or unrated bonds will therefore be possible up to 100% of the net assets of the Sub-Fund. 2.5. The Sub-Fund may invest up to 10% of its net assets in UCITS compliant with the Directive 2009/65/EC. The investment objective of such UCITS shall be compatible with that of the Sub-Fund. Under such circumstances, the Sub-Fund may only invest in UCITS themselves investing in fixed income instruments and/or Money Market Instruments. Such UCITS may be managed by the Management Company. 2.6. Derivatives instruments may only be used in the	or non-rated bonds will be possible up to 100% of the net assets of the Sub-Fund. 2.2. The Sub-Fund will invest up to one hundred percent (100%) of its net assets in fixed income securities, such as: 2.2.1. Standard bonds (Senior and Subordinated); 2.2.2. Convertible bonds or similar fixed income instruments; 2.2.3. **Until April 27 2022**: Money Market Instruments having a rating of at least "BBB-" (Standard & Poors) or any equivalent rating granted by a recognised rating agency; 2.2.4. **As from April 28 2022**: Money Market Instruments including Negotiable Debt Instruments (NDI); 2.3. **Until April 27 2022**: The Sub-Fund may invest up to 10% of its net assets in perpetual bonds, futures, listed options and OTC derivatives. 2.4. **As from April 28 2022**: The Sub-Fund may invest up to 20% of its net assets in perpetual bonds, futures, listed options and OTC derivatives. 2.5. The fixed income securities are only denominated in Euro and issued by international (both European and Non-European) issuers. 2.6. **Until April 27 2022**: Standard bonds as well as convertible bonds may have no minimum rating at the time of their acquisition. At least 40% of the net assets of the Sub-Fund will be invested in bonds with a rating above BB- according to the credit analysis of the Management Company. Investments in High Yield or non-rated bonds will therefore be possible up to 60% of the net assets of the Sub-Fund. 2.7. **As from April 28 2022**: Securities may have no minimum rating at the time of their acquisition. Investments in High Yield or

	MERGING SUB-FUND	RECEIVING SUB-FUND
	context of hedging the Sub-Funds assets against the interest rate risk and the foreign exchange risk. The commitment resulting from such transactions and contracts may not exceed the Sub-Funds assets. 2.7. The global exposure of derivatives and other positions in the portfolio will be measured using the commitment approach. 2.8. The selection of fixed income instruments will essentially depend on the analysis of their issuer's creditworthiness, based on a thorough analysis of its solvability. The Management Company will check that the risk taken is adequately remunerated by ensuring that the actuarial yield of the securities selected is attractive taking into account the issuer's creditworthiness. The Management Company will therefore analyse the bond's credit spread by comparing it to existing similar instruments and/or to the price of the corresponding Credit Default Swap. If unavailable, the spread will be compared to that of instruments issued by issuers of the same economic and/or geographical sector. 2.9. The Management Company relies on its own credit analysis to assess the credit quality of the fixed income securities. 2.10. Furthermore, in case of adverse bond market conditions this Sub-Fund may temporarily be fully invested in cash and Money Market Instruments in order to protect the Shareholders' interests.	non-rated securities will therefore be possible up to 100% of the net assets of the Sub-Fund. 2.8. Investments in instruments qualifying as distressed securities at the time of purchase are limited to 10% of the Sub-Fund's net assets. 2.9. In the event that an issuer's credit rating is downgraded, the issuer's credit standing will immediately be assessed and appropriate actions for any specific instrument of the relevant issuer within the Sub-Fund may be taken. These actions could include selling the underlying holdings or retaining the holdings to maturity depending on the specific characteristics of the instrument; in either event, the decision will be based on what is in the best interest of the Shareholders of the Sub-Fund. In case of a rating downgrade of any debt securities that the Sub-Fund may have invested in, the Sub-Fund could also be exposed to distressed securities. In this case, the Management Company will take reasonable efforts so that this exposure will not exceed 10% of the Sub-Fund's net assets and that the distressed securities are liquidated in the best interests of shareholders. 2.10. The Sub-Fund may invest up to 10% of its net assets in UCITS compliant with the Directive 2009/65/EC within the limits set above. The investment objective of such UCITS shall be compatible with that of the Sub-Fund. Under such circumstances, the Sub-Fund may only invest in UCITS themselves investing in fixed income instruments and/or Money Market Instruments. Such UCITS may be managed by the Management Company. 2.11. The Sub-Fund may invest up to 10% of its net assets in contingent convertible bonds ("Cocos"). 2.12. The average equity sensitivity (delta) of the Sub-Fund from

	MERGING SUB-FUND	RECEIVING SUB-FUND
		its exposure to convertible bonds will be below 10%. 2.13. Derivative instruments may only be used in the context of hedging the Sub-Fund's assets against the interest and credit risk. The commitment resulting from such transactions and contracts may not exceed the Sub-Fund's assets. 2.14. The global exposure of derivatives and other positions in the portfolio will be measured using the commitment approach. 2.15. The selection of fixed income instruments will essentially depend on the analysis of their issuer's creditworthiness, based on a thorough analysis of their solvability. The Management Company will check that the risk taken is adequately remunerated by ensuring that the actuarial yield of the securities selected is attractive taking into account the issuer's creditworthiness. 2.16. **As from April 28 2022**: Furthermore, in case of adverse bond market conditions this Sub-Fund may temporarily be fully invested in cash and Money Market Instruments in order to protect the Shareholders' interests. 2.17. The Management Company relies on its own credit analysis to assess the credit quality of the fixed income securities. 2.18. Any single issuer may not represent more than 10% of the net assets of the Sub-Fund.
Type of Investor	Class A EUR (offered to all investors) Class A USD (offered to all investors) Class A CHF (offered to all investors) Class B EUR (offered to institutional investors) Class B CHF (offered to institutional investors) Class D EUR (offered to institutional investors)	Class A EUR (offered to all investors) Class A USD (offered to all investors) Class A CHF (offered to all investors) Class B EUR (offered to institutional investors) Class B CHF (offered to institutional investors) Class D EUR (offered to all investors)
Synthetic Risk Reward Indicator	3	4

	MERGING SUB-FUND	RECEIVING SUB-FUND
(SRRI)		
Reference Currency	▪ Class A EUR - denominated in EUR ▪ Class A USD - denominated in USD and hedged against foreign exchange risk of the USD versus the EUR ▪ Class A CHF - denominated in CHF and hedged against foreign exchange risk of the CHF versus the EUR ▪ Class B EUR - denominated in EUR ▪ Class B CHF - denominated in CHF and hedged against foreign exchange risk of the CHF versus the EUR ▪ Class D EUR - denominated in EUR	Class A EUR - denominated in EUR Class A USD - denominated in USD and hedged against foreign exchange risk of the USD versus the EUR Class A CHF - denominated in CHF and hedged against foreign exchange risk of the CHF versus the EUR Class B EUR - denominated in EUR Class B CHF - denominated in CHF and hedged against foreign exchange risk of the CHF versus the EUR Class D EUR - denominated in EUR
Frequency of NAV calculation	The NAV will be calculated each business day	The NAV will be calculated each business day
Policy of distribution	Accumulation for Class A EUR, Class A USD, Class A CHF, Class B EUR and Class B CHF Shares. Distribution for Class D EUR Shares	Accumulation for Class A EUR, Class B EUR. Distribution for Class D EUR Shares.
Minimum Initial Subscription Amount	Class A EUR: 100,- EUR Class A USD: 100,- USD Class A CHF: 100, CHF Class B EUR: 10.000,- EUR Class B CHF:10.000,-CHF Class D EUR: 10.000,- EUR With regard to the Class B EUR and Class B CHF, the Board of Directors may, at its sole discretion, waive or modify the minimum subscription amount.	Class A EUR: 100,- EUR Class A USD: 100,- USD Class A CHF: 100, CHF Class B EUR: 10.000,- EUR Class B CHF:10.000,-CHF Class D EUR: 100,- EUR
Management Fees	Class A EUR, Class A CHF and Class A USD: 0.80% p.a. Class B EUR, Class B CHF and Class D EUR: 0.40% p.a.	Class A EUR: 0.80% p.a. Class B EUR and Class D EUR: 0.40% p.a.

	MERGING SUB-FUND	RECEIVING SUB-FUND
Variable Management Fees	The performance fee payable to the Management Company is calculated and crystallised daily based on the Net Asset Value of the Sub-Fund. The performance fee is payable only if the following conditions are met cumulatively: 1) The performance of the Net Asset Value of the Sub-Fund must, calculated on a daily basis, exceed the performance of the Reference index value, as defined below, calculated on a daily basis. 2) If the Net Asset Value of the Sub-Fund on the Valuation Day before deduction of the performance fee is above the Reference index value, a performance fee will be payable as a percentage of the absolute performance of the Sub-Fund. The performance fee is calculated on the basis of the number of shares of the Sub-Fund in circulation on the Valuation Day. The comparison between the performance of the Net Asset Value and the performance of the Reference index is re-calculated for each financial year. If there is a fall in the Net Asset Value at the end of a particular fee period, this fall will not be carried forward to subsequent fee periods for the purposes of calculating the performance fee. The performance fee cannot be reimbursed if the Net Asset Value falls after payment of the performance fee. <u>Performance Fee in percentage (%)</u> - ten percent (10)%. <u>Reference index value: 5% per annum</u> The reference index value of 5% corresponds to the average gross yield to maturity of European corporate bonds	None

	MERGING SUB-FUND	RECEIVING SUB-FUND
	denominated in Euro with a BB Bloomberg Composite rating and with maturities in 2026 and 2027 as of 19/03/2020 (6%) minus the expected on going charges (1%). The performance fee is paid annually.	
Ongoing charges	Class A EUR: 1.49% Class A USD: 1.47% Class A CHF: 1.47% Class B EUR: 1.05% Class B CHF:1.02% Class D EUR: 1.04%	Class A EUR: 1.49% Class A USD: 1.47% Class A CHF: 1.47% Class B EUR: 1.05% Class B CHF: 1.02% Class D EUR: 1.04%
Subscription Fees	Up to 1% for Class A EUR, Class A CHF and Class A USD Shares.	Up to 1% for Class A EUR Shares, Class A CHF and Class A USD Shares.
Redemption Fees	No redemption fee	No redemption fee
Conversion Fees	N/A	N/A
Transaction Fee	Up to 0.10% per transaction.	Up to 0.10% per transaction.
Subscription and Redemption Orders	4 p.m. Luxembourg time, two (2) Business Days before the relevant Valuation Day.	4 p.m. Luxembourg time, two (2) Business Days before the relevant Valuation Day.

Additional risks

The following risks are specific to the Receiving Sub-fund:
Investment in instruments qualifying as distressed securities is subject to distressed strategies risk involving higher financial business risks.