

PARVEST

SICAV under Luxembourg law – UCITS class
 Registered Office: 33, rue de Gasperich, L-5826 Hesperange
 Luxembourg Trade and Companies Register No. B 33.363

PARWORLD

SICAV under Luxembourg law – UCITS class
 Registered Office: 33, rue de Gasperich, L-5826 Hesperange
 Luxembourg Trade and Companies Register No. B 77.384

MERGER NOTICE TO SHAREHOLDERS
“PARVEST MULTI-STRATEGY MEDIUM VOL”
“PARVEST MULTI-STRATEGY MEDIUM VOL (USD)”
“PARWORLD MULTI-STRATEGY HIGH VOL”
MERGING SUB-FUNDS
“PARVEST CROSS ASSET ABSOLUTE RETURN”
RECEIVING SUB-FUND
MERGER EFFECTIVE ON 1ST APRIL 2016 (OTD)

The Boards of Directors of PARVEST and PARWORLD (the Companies) decide, in accordance with the provisions of Article 32 of the Articles of Association of the Companies and the Chapter 8 of the Luxembourg Law of 17 December 2010 concerning UCI (the Law), to merge the Merging Sub-funds into the Receiving sub-funds, in accordance with Article 1, point 20), a) of the Law.

Merging Sub-funds				Receiving PARVEST Sub-fund			
ISIN code	Sub-fund	Class	Main Currency	Sub-fund	Class	Main Currency	ISIN
LU0662593408	PARVEST Multi-Strategy Medium Vol	Classic-CAP	EUR	Cross Asset Absolute Return	Classic-CAP	EUR	LU1270631846
LU0662593408	PARVEST Multi-Strategy Medium Vol	Classic-CAP Valued in GBP	EUR	Cross Asset Absolute Return	Classic-CAP Valued in GBP	EUR	LU1270631846
LU0662593663	PARVEST Multi-Strategy Medium Vol	I-CAP	EUR	Cross Asset Absolute Return	I-CAP	EUR	LU1270632570
LU0347703281	PARVEST Multi-Strategy Medium Vol (USD)	Classic-CAP ⁽¹⁾	USD	Cross Asset Absolute Return	Classic RH USD-CAP	USD	LU1270632067
LU0347703364	PARVEST Multi-Strategy Medium Vol (USD)	Classic-DIS ^{(1), (2)}	USD	Cross Asset Absolute Return	Classic RH USD-CAP	USD	LU1270632067
LU0347704099	PARVEST Multi-Strategy Medium Vol (USD)	Classic EUR-CAP	EUR	Cross Asset Absolute Return	Classic-CAP	EUR	LU1270631846
LU0347703877	PARVEST Multi-Strategy Medium Vol (USD)	N-CAP ^{(1), (3)}	USD	Cross Asset Absolute Return	Classic RH USD-CAP	USD	LU1270632067
LU0347703950	PARVEST Multi-Strategy Medium Vol (USD)	Privilege- CAP ^{(1), (4)}	USD	Cross Asset Absolute Return	Classic RH USD-CAP	USD	LU1270632067
LU0347703448	PARVEST Multi-Strategy Medium Vol (USD)	I-CAP ⁽¹⁾	USD	Cross Asset Absolute Return	I RH USD-CAP	USD	LU1270632737
LU0774752736	PARWORLD Multi-Strategy High Vol	Classic-CAP	EUR	Cross Asset Absolute Return	Classic-CAP	EUR	LU1270631846
LU0564299138	PARWORLD Multi-Strategy High Vol	I-CAP	EUR	Cross Asset Absolute Return	I-CAP	EUR	LU1270632570

- ⁽¹⁾ Holders of non-hedged shares will receive shares which aim to hedging the portfolio return from EUR to USD
⁽²⁾ Holders of shares which aim to pay annual dividend will receive shares which retain their income to reinvest it.
⁽³⁾ No distribution fee nor exit cost but an entry cost of maximum 3% into the Receiving Class
⁽⁴⁾ Management fee of 1.25% in the Receiving Class, higher than in the Merging Class (0.65%)

1) Effective date of the Merger

The Merger will be effective on Friday 1st April 2016 (Order Trade Date - OTD).

2) Background to and rationale for the Merger

The “Multi-Strategy” sub-funds, have high running costs, which are difficult to be cushioned, because of the weakness of their assets and this is weighs on performances.

The proposed merger would achieve a much larger asset size to lower the breakeven point, dampening the aforesaid fixed costs over a larger base of assets which should generate mechanically a performance surplus.

The objective also is, for the shareholders of the “PARWORLD Multi-Strategy High Vol” sub-fund, to reduce the OCR and the volatility to decrease the risks and to increase the performances.

Warning:

- Past results are not an indicator or guarantee of future results.
- There is no guarantee that this objective would be achieved.

3) Impact of the Merger on Merging Shareholders

- The last subscription and redemption orders in the Merging sub-funds will be accepted until the cut-off time on Thursday 22 March 2016. Orders received after these cut-off times will be rejected.
- The shareholders of the Merging sub-funds become shareholders of the Receiving sub-fund.
- As any merger, this operation may involve a risk of performance dilution.
- The Merging sub-funds are dissolved without liquidation by transferring all of their assets and liabilities into the Receiving sub-fund. The Merging sub-funds cease to exist at the effective date of the merger.

4) Impact of the Merger on Receiving Shareholders

- To facilitate the merger operation, subscription, conversion and redemption orders in the Receiving sub-fund received after the cut-off time on Wednesday 30 March 2016 will be suspended and treated on the NAV of Friday 1st April 2016 (Order Trade Date - OTD) calculated on Monday 4 April 2016. NAV of Thursday 31 March 2016 (OTD) will not be calculated.
- The merger will have no other impact for the shareholders of the Receiving sub-fund.

5) Organisation of the exchange of shares

The Merging holders will receive, in the Receiving sub-fund, a number of new shares calculated by multiplying the number of shares they held in the Merging classes by the exchange ratio.

The exchange ratios will be calculated on Thursday 31 March by dividing the net asset value (NAV) per share of the Merging classes by the corresponding NAV per share of the Receiving classes, based on the valuation of the underlying assets set on Wednesday 30 March 2016.

At the date of this document, the Receiving classes are active. If it will not be the case anymore at the date of the calculation of the exchange ratio, their NAV will be set at 100.00 in its reference currency.

The criteria adopted for valuation of the assets and, where applicable, the liabilities on the date for calculating the exchange ratio will be the same as those used for the NAV calculation as described in the chapter “Net Asset Value” of the Book I of the prospectus of the Company.

Registered shareholders will receive registered shares.

Bearer Shareholders will receive bearer shares.

Since 18 February 2016, physical bearer shares are cancelled. The cash equivalent of such cancelled shares has been deposited with the Luxembourg *Caisse de consignation*. The reimbursement of this cash may be requested by shareholders who can prove their ownership.

No balancing cash adjustment will be paid for the fraction of the Receiving share attributed beyond the third decimal.

6) Material differences between Merging and Receiving sub-funds

The differences between the Merging and Receiving sub-funds are the following:

features	“PARVEST Multi-Strategy Medium Vol” “PARVEST Multi-Strategy Medium Vol (USD)” “PARWORLD Multi-Strategy High Vol” Merging sub-funds	“PARVEST Cross Asset Absolute Return” Receiving sub-fund
Investment objective	Increase the value of its assets over the medium term.	Increase the value of its assets over the medium term. This absolute return diversified sub-fund targets volatility of approximately 700 basis points measured using the annualized standard deviation of returns. This should be understood to be neither a guarantee that this will be achieved nor a forward-looking statement limiting expected risk.
Investment policy	In order to achieve this objective, the sub-fund may invest directly in transferable securities, money market instruments, shares or units issued by UCITS or other UCIs cash and financial derivative instruments. Financial derivative instruments invested in consist of OTC derivatives such as swaps, forwards and/or financial derivative instruments traded on regulated markets such as options and futures in order to be exposed to most liquid interest rate markets (such as but not limited to Bund, Euribor, T-Note, ...) and main equity markets (such as but not limited to Eurostoxx 50, Standard and Poor's 500, Nikkei 225...).	To achieve this objective, the sub-fund is actively managed through a portfolio of transferable securities, money market instruments, shares or units issued by UCITS or other UCIs, cash and financial derivative instruments on world markets by means of a varied selection of dynamic asset allocation strategies. The use of derivatives is an integral part of the investment policy and strategy of the sub-fund. The sub-fund may apply a varied selection of dynamic asset allocation strategies with an absolute performance objective in order to achieve the volatility target of 7%The sub-fund may apply a selection of dynamic asset allocation strategies with an absolute performance objective under a volatility constraint.
	The sub-fund may apply a varied selection of dynamic asset allocation strategies with an absolute performance objective in order to achieve the volatility target of 7% (PARVEST Medium Vol), 13% (PARWORLD High Vol). The sub-fund will not invest more than 10% of its net assets in shares or units issued by UCITS or other UCIs.	

Expected Leverage	<ul style="list-style-type: none"> • “PARVEST Multi-Strategy Medium Vol”: 6.00 (Absolute VaR) • “PARVEST Multi-Strategy Medium Vol (USD)”: 6.00 (Absolute VaR) • “PARWORLD Multi-Strategy High Vol”: 15.00 (Absolute VaR) 	6.00 (Absolute VaR)
Specific Market Risk	<ul style="list-style-type: none"> • Counterparty Risk • Derivatives Risk • Commodity Market Risk (Medium Vol only) • Emerging Markets Risk (High Vol only) • Risk related to Investments in some countries 	<ul style="list-style-type: none"> • Counterparty Risk • Operational & Custody Risk • Derivatives Risk • Commodity Market Risk • Emerging & New Frontiers Markets Risk • Risk related to Investments in some countries
SRRI	<ul style="list-style-type: none"> • “PARVEST Multi-Strategy Medium Vol”: 3 • “PARVEST Multi-Strategy Medium Vol (USD)”: 3 • “PARWORLD Multi-Strategy High Vol”: 4 	3
Summary of differences for: <ul style="list-style-type: none"> • Investment policies • Investment Strategies • Risk 	<p>“PARVEST Multi-Strategy Medium Vol / Medium Vol (USD)”: The investment policy and strategy, volatility, and risks for shareholders are the same in the Merging and Receiving sub-funds.</p> <p>“PARWORLD Multi-Strategy High Vol” The investment policy and strategy are the same in the Merging and Receiving sub-funds.</p> <p>The volatility of the Merging sub-fund (13%) and the expected leverage (15) are higher than those of the Receiving sub-fund (7% of volatility and expected leverage of 6.00). Thus the risk level of the Merging sub-fund (SRRI 4) is higher than the one (SRRI 3) of the Receiving sub-fund.</p>	
OCR including <ul style="list-style-type: none"> • Management Fee • Other Fee Performance Fee ⁽¹⁾	PARVEST: “Multi-Strategy Medium Vol / Medium Vol (USD) - Classic” 1.69% Maximum 1.30% Maximum 0.30% 15% with Eonia (Medium Vol) and Libor USD Overnight (Medium Vol (USD)) as hurdle rate	“PARVEST Cross Asset Absolute Return - Classic” 1.68% Maximum 1.25% Maximum 0.35% 15% with Eonia (Libor USD Overnight for the “RH USD” classes) as hurdle rate
Minimum Holding OCR including <ul style="list-style-type: none"> • Management Fee • Other Fee Performance Fee ⁽¹⁾	“PARWORLD Multi-Strategy High Vol - Classic” EUR 100.000,00 2.16% Maximum 1.30% Maximum 0.30% 20% with Eonia as hurdle rate	“PARVEST Cross Asset Absolute Return - Classic” none 1.68% Maximum 1.25% Maximum 0.35% 15% with Eonia (Libor USD Overnight for the “RH USD” classes) as hurdle rate
OCR including <ul style="list-style-type: none"> • Management Fee • Distribution Fee • Other Fee Performance Fee ⁽¹⁾	“PARVEST Multi-Strategy Medium Vol (USD)-N” 2.04% Maximum 1.30% Maximum 0.35% Maximum 0.30% 15% with Libor USD Overnight as hurdle rate	“PARVEST Cross Asset Absolute Return - Classic” 1.68% Maximum 1.25% NA Maximum 0.35% 15% with Libor USD Overnight as hurdle rate
OCR including <ul style="list-style-type: none"> • Management Fee • Other Fee Performance Fee ⁽¹⁾	“PARVEST Multi-Strategy Medium Vol (USD) - Privilege” 0.99% Maximum 0.65% Maximum 0.30% 15% with Libor USD Overnight as hurdle rate	“PARVEST Cross Asset Absolute Return - Classic” 1.68% Maximum 1.25% Maximum 0.35% 15% with Libor USD Overnight as hurdle rate
OCR including <ul style="list-style-type: none"> • Management Fee • Other Fee Performance Fee ⁽¹⁾	PARVEST: “Multi-Strategy Medium Vol / Medium Vol (USD) - I” 0.81% Maximum 0.55% Maximum 0.25% 15% with Eonia (Medium Vol) and Libor USD Overnight (Medium Vol (USD)) as hurdle rate	“PARVEST Cross Asset Absolute Return - I” 0.81% Maximum 0.50% Maximum 0.30% 15% with Eonia (Libor USD Overnight for the “RH USD” classes) as hurdle rate
Minimum holding for UCI OCR including <ul style="list-style-type: none"> • Management Fee • Other Fee Performance Fee ⁽¹⁾	“PARWORLD Multi-Strategy High Vol - I” EUR 10.000,00 1.07% Maximum 0.75% Maximum 0.30% 20% with Eonia as hurdle rate	“PARVEST Cross Asset Absolute Return - I” none 0.81% Maximum 0.50% Maximum 0.30% 15% with Eonia (Libor USD Overnight for the “RH USD” classes) as hurdle rate
NAV Cycle <ul style="list-style-type: none"> • Centralisation • Order Trade Day • NAV Calculation • Order Settlement Day 	“PARWORLD Multi-Strategy High Vol” 16:00 CET (STP orders), 12:00 CET (non STP orders), on the Valuation Day (D) Valuation Day (D) Day after the Valuation Day (D+1) Maximum three bank business days after the Valuation Day (D+3)	“PARVEST Cross Asset Absolute Return” 12:00 CET on the Valuation Day (D) Valuation Day (D) Day after the Valuation Day (D+1) Maximum three bank business days after the Valuation Day (D+3)

⁽¹⁾ The performance fee calculation will be effected until the last NAV (OTD 22 March 2016). If performance is observed, the performance fee will be crystallised and paid to the investment managers.

7) Tax Consequences

This merger will have no Luxembourg tax impact for Merging shareholders.

In accordance with the European Directive 2011/16 the Luxembourg authorities will report to the tax authorities in the state of residence of the Merging shareholders the total gross proceeds from the exchange of shares in application of this merger.

For more tax advice or information on possible tax consequences associated with this merger, it is recommended that shareholders contact their local tax advisor or authority.

8) Right to redeem the shares

Shareholders of the **Merging and Receiving sub-funds** who do not accept the merger may instruct redemption of their shares free of charge until the cut-off time, on Tuesday 22 March 2016.

Shareholders whose shares are held by a clearing house are advised to enquire about the specific terms applying to subscriptions, redemptions and conversions made via this type of Intermediary.

9) Other information

To avoid any investment breach due to the merger, and in the interest of the shareholders, the investment manager might need to rebalance the portfolio of the **Merging sub-funds** before the merger. Such rebalancing shall be compliant with the investment policy of the Receiving portfolio.

All expenses related to this merger will be borne by BNP Paribas Investment Partners Luxembourg, the Management Company except for the Audit costs which will be borne by the Merging sub-funds.

The merging operation will be validated by PricewaterhouseCoopers, Société Coopérative, the auditors of both Companies.

The merger ratios will be available on the website www.bnpparibas-ip.com as soon as they are known.

The Annual and Semi-Annual Report and the legal documents of the Company, as well as the KIIDs of the Merging and Receiving sub-funds, and the Custodian and the Auditor reports regarding this operation are available with the Management Company. The KIIDs of the Receiving sub-fund are also available on the website www.bnpparibas-ip.com where shareholders are invited to acquaint with them.

This notice will also be communicated to any potential investor before subscription

Please refer to the Prospectus of the Company for any term or expression not defined in this notice.