AVIS DE SOCIÉTÉ

Eurobank Fund
Management Company (Luxembourg) S.A.

Société anonyme
5, rue Jean Monnet, L-2180 Luxembourg
(the "**Management Company**")

**NOTICE TO UNIT HOLDERS OF (LF) ABSOLUTE RETURN II FUND
(THE "MERGING SUB-FUND") AND (LF) ABSOLUTE RETURN FUND (THE "RECEIVING SUB-FUND")**

Sub-Funds of (LF),
a mutual investment fund organised under the laws
of the Grand-Duchy of Luxembourg

The Board of Directors of the Management Company has decided by Resolution dated April 3, 2013 to merge (LF) Absolute Return II Fund by contribution of all its assets and liabilities, with effect on May 24, 2013 (the "Effective Date"), into (LF) Absolute Return Fund. This merger is aiming at rationalizing the existing range of products and creating scope for investment efficiencies.

The following table presents the differences between the Merging Sub-Fund and the Receiving Sub-Fund as of the date of the merger:

Sub-Fund	**Merging Sub-Fund** (LF) Absolute Return II Fund	**Receiving Sub-Fund** (LF) Absolute Return Fund
Investment objective and policy	Invest its assets primarily in transferable debt securities (including fixed and variable interest rate securities) such as government and corporate bonds, but also in equities, admitted to an Official Listing or dealt in on Regulated Markets. The Sub-Fund could also use (buy or sell) futures/swaps/options on equity indices, interest rate, bonds and foreign exchange worldwide. The Sub-Fund may also gain credit exposure to specific issuers through the use of credit derivatives such as credit default swaps. The Investment Manager will manage the Sub-Fund's assets with a view of low volatility of returns for the Sub-Fund; the realised volatility is expected to be close to 4% annualised.	Invest its assets mainly in transferable debt securities (including fixed and variable interest rate securities) such as government and corporate bonds but also in equities, admitted to an Official Listing or dealt in on Regulated Markets. The Sub-Fund could also use (buy or sell) futures/swaps/options on equity indices and interest rate, bonds and foreign exchange worldwide. The Sub-Fund may also gain credit exposure to specific issuers through the use of credit derivatives such as credit default swaps and options on such credit default swaps and to foreign exchange through the purchase of foreign exchange futures contracts. The Investment Manager will manage the Sub-Fund's assets with a view of medium volatility of returns for the Sub-Fund; the volatility is expected to be close to 5% annualised.
Risk factors	While the Sub-Fund's investment strategies are designed to limit the downside risk, other risks associated mainly with the debt securities part of the Sub-Fund are not the subject of particular risk avoidance (debtor risk of an issuer of the instruments of the debt securities component, transfer, counterparty and settlement risk of securities transactions). In addition, transactions in futures/swaps/options carry a high degree of risk, since these transactions are "leveraged" or "geared". A relatively small market movement may have a proportionately larger impact, which may work for or against the investor. Finally, credit derivatives entail risks of losses due to default (or some other "credit event") of specific issuer(s) identified in the transaction documentation. The Investment Manager will target a medium volatility of returns for the Sub-Fund. The volatility is expected to be close to 4% annualised. The calculation methodology for the global exposure is the absolute VaR. The level of leverage is not expected to exceed 300%. The method selected for leverage computation is based on the sum of the notionals.	The main risk factors specific to this Sub-Fund are market and credit risks. These are explicitly described in the Investment Objective and are related to the fact the investor could potentially lose part of the capital invested. While the Sub-Fund's investment strategies are designed to limit the downside risk, other risks associated mainly with the debt securities part of the Sub-Fund are not the subject of particular risk avoidance (debtor risk of an issuer of the instruments of the debt securities component, transfer, counterparty and settlement risk of securities transactions). In addition, transactions in futures/swaps/options carry a high degree of risk, since these transactions are "leveraged" or "geared". A relatively small market movement may have a proportionately larger impact, which may work for or against the investor. Finally, credit derivatives entail risks of losses due to default (or some other "credit event") of specific issuer(s) identified in the transaction documentation. The Investment Manager will target a medium volatility of returns for the Sub-Fund. The volatility is expected to be close to 5% annualised. The calculation methodology for the global exposure is the absolute VaR. The level of leverage is not expected to exceed 300%. The method selected for leverage computation is based on the sum of the notionals.
Investor profile	Suitable for investors with long term horizon, seeking capital appreciation and prepared to accept risk to their capital with generally lower volatility than that of a pure equity fund.	Suitable for investors with a long term horizon, who are seeking capital appreciation and are prepared to accept medium risk to their capital.
Performance fee	In addition to the annual Management Fee, the Management Company will be entitled to a Performance Fee, calculated and accrued on each Valuation Day and paid on a quarterly basis, provided that the Net Asset Value per Unit before Performance Fee is higher than the Target Net Asset Value per Unit. The Target Net Asset Value per Unit corresponds to the previous quarter end Net Asset Value per Unit multiplied by (1 + the Benchmark). The Benchmark is based on the calculated Weighted Average ECB rate + 200bps, prevailing within the period (i.e. quarterly) and prorated over the period considered. The Management Company will only be entitled to a Performance Fee if the quarter end Net Asset Value per Unit before Performance Fee is higher than any previous quarter end Net Asset Value per Unit on the basis of which a Performance Fee was paid (a "historical highest"). The Performance Fee will be equal to 20% of the difference between the Net Asset Value per Unit before Performance Fee and the Target Net Asset Value per Unit multiplied by the average number of Units outstanding on each Valuation Day since the beginning of the quarter. Payment of a Performance Fee may be due at the end of a quarter although the Benchmark has not been outperformed since last payment of a Performance Fee if (i) the quarter end Net Asset Value per Unit before Performance Fee outperforms the Benchmark over the quarter considered and (ii) the quarter end Net Asset Value per Unit corresponds to a "historical highest" as defined above.	In addition to the annual Management Fee, the Management Company will be entitled to a Performance Fee, calculated and accrued on each Valuation Day and paid on a quarterly basis, provided that the Net Asset Value per Unit before Performance Fee is higher than the Target Net Asset Value per Unit. The Target Net Asset Value per Unit corresponds to the previous quarter end Net Asset Value per Unit multiplied by (1 + the Benchmark). The Benchmark is based on the calculated Weighted Average ECB rate + 250bps, prevailing within the period (i.e. quarterly) and prorated over the period considered. The Management Company will only be entitled to a Performance Fee if the quarter end Net Asset Value per Unit before Performance Fee is higher than any previous quarter end Net Asset Value per Unit on the basis of which a Performance Fee was paid (a "historical highest"). The Performance Fee will be equal to 20% of the difference between the Net Asset Value per Unit before Performance Fee and the Target Net Asset Value per Unit multiplied by the average number of Units outstanding on each Valuation Day since the beginning of the quarter. Payment of a Performance Fee may be due at the end of a quarter although the Benchmark has not been outperformed since last payment of a Performance Fee if (i) the quarter end Net Asset Value per Unit before Performance Fee outperforms the Benchmark over the quarter considered and (ii) the quarter end Net Asset Value per Unit corresponds to a "historical highest" as defined above.

All the other features of the Receiving Sub-Fund that are not mentioned above are the same as in the Merging Sub-Fund.

The Board of Directors of the Management Company has decided not to apply the Performance Fee for the Merging Sub-Fund. Furthermore, the merger will be treated as a subscription in kind by the unit holders of the Merging Sub-Fund in the Receiving Sub-Fund and no loss carry forward will be taken into account in the Performance Fee calculation of the Receiving Sub-Fund.

All features of the Receiving Sub-Fund will remain identical after the Effective Date and there is no material impact of this merger on the unit holders of the Receiving Sub-Fund. In particular:

- the portfolios of the Merging Sub-Fund and the Receiving sub-Fund being quite similar, the merger will be achieved through transfer of liquidities, securities and instruments, without considering any portfolio rebalancing either before or after the Effective Date of the merger;
- the merger should not affect the management of the Receiving Sub-Fund's portfolio.

All costs related to the above merger will be borne by the Management Company.

On May 24, 2013, the Receiving Sub-Fund will allocate to each unit holder in the Merging Sub-Fund a total number of units of the same class, rounded to the nearest thousandth of a unit. This total number of units shall be calculated by multiplying the number of units each unit holder holds in the Merging Sub-Fund by the exchange ratio as described hereafter.

The exchange ratio will be calculated on May 23, 2013 by dividing the net asset value per unit of the relevant class in the Merging Sub-Fund calculated on May 23, 2013 by the net asset value per unit of the same class in the Receiving Sub-Fund calculated on the same day.

Subscriptions in and/ or conversions into the Merging Sub-Fund will not be accepted as from publication of the present notice to the unitholders.

As from publication date of the present notice, unit holders of the Receiving Sub-Fund and/or the Merging Sub-Fund who do not approve the above merger will have the possibility to redeem or convert their units free of charge until May 14, 2013.

Redemption or conversion requests shall be addressed to the distributor in accordance with the provisions of the prospectus of (LF).

The following documents are available free of charge at the registered office of the Management Company:

- the Common Terms of Merger;
- the latest version of the Prospectus of (LF);
- the latest versions of the Key Investor Information Documents of (LF);
- the latest version of the Management Regulations;
- the latest audited financial statements of (LF);
- the report prepared by the independent auditor appointed by the Management Company to validate the conditions foreseen in Article 71 (1), items (a) to (c) of the Luxembourg law of 17 December 2010;
- the certificate related to the merger issued by the depository of (LF) in compliance with Article 70 of the Luxembourg law of 17 December 2010.

Luxembourg, April 3, 2013

The Board of Directors