

**EFFICIENCY GROWTH FUND**

Investment Company with variable capital  
Registered office  
5, Allée Scheffer,  
L-2520 Luxembourg, Luxembourg RCS B 60 668  
(the "SICAV")

The Board of Directors of EFFICIENCY GROWTH FUND (hereafter the "Fund") wishes to inform the shareholders of the Sub-Fund EFFICIENCY GROWTH FUND- INCOME OPPORTUNITY as follows:

**EU General Data Protection Regulation**

The Data protection provision has been amended according to the EU General Data Protection Regulation.

**Central Administration, Registrar and Transfer Agent**

As per the fee schedule dated December 12, 2013, the following paragraph under Central Administration, Registrar and Transfer Agent has been changed by

"CACEIS Bank, Luxembourg Branch is entitled, in its capacity as Central Administration, Registrar and Transfer Agent, to receive a minimum annual fee per Sub-fund of EUR 24.000 for the calculation of a daily NAV respectively a variable fee calculated on the average net assets of each Sub-fund and payable monthly with a maximum of 0,12%. The fees and charges of the Central Administration, Registrar and Transfer Agent are borne by the Fund in accordance with common practice in Luxembourg"

This change will not increase the fee to be paid by the investors.

**EFFICIENCY GROWTH FUND – INCOME OPPORTUNITY / Objectives and investment policy**

The Sub-Fund will possibly invest in the following:

- indirectly in markets not located in OECD member states in accordance with the provisions mentioned into the art. 41 of the Law of 17 December 2010 on undertakings for collective investment and Règlement Grand Ducal 2008.
- via ADR / GDR / EDR in equities having as country of risk one of the following: Brazil, Hong-Kong, Taiwan, Qatar, UAE, Indonesia, South Africa, China. The investments in China will be up to 10% of the Sub-fund's assets and the maximum exposure via ADR/GDR/EDR will be up to 15%.
- in Large Cap companies listed on the Hong Kong stock exchange.
- up to 20% of the total Sub-fund's assets indirectly in ABS/MBS.

Considering the above changes, the board would like to inform you as below:

"Investments in China involve risks linked to restrictions imposed on foreign investors and counterparties, higher market volatility and the risk of lack of liquidity for some lines of the portfolio."

"Indirect Investments in ABS/MBS carry the risk of default of the underlying collateral. Moreover, the scheduled amortization plan is subject to a certain degree of uncertainty due to the uncertainty in the timing of the cash flows of the underlying collateral.

Liquidity may be limited during times of market stress.

Furthermore, the Sub-Fund may be due to the indirect investments in ABS/ MBS subject to other risks. Indeed, rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, a Sub-Fund that holds mortgage-related securities may exhibit additional volatility. This is known as extension risk.

In addition, mortgage-related securities are subject to prepayment risk.

When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of a invested target Fund because the target Fund will have to reinvest that money at the lower prevailing interest rates.

The value of some mortgage- or asset-backed securities may be particularly sensitive to changes in prevailing interest rates. Early repayment of principal on some mortgage-related securities may expose a Sub-Fund to a lower rate of return upon re-investment of principal. When interest rates rise, the value of a mortgage-related security generally will decline; however, when interest rates are declining, the value of mortgage-related securities with prepayment features may not increase as much as other fixed Income Securities.

The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may shorten or extend the effective maturity of the security beyond what was anticipated at the time of purchase. If unanticipated rates of prepayment on underlying mortgages increase the effective maturity of a mortgage-related security, the volatility of the security can be expected to increase. The value of these securities may fluctuate in response to the market's perception of the creditworthiness of the issuers.

Additionally, although mortgages and mortgage-related securities are generally supported by some form of government or private guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

The Sub-Fund is subject to risks linked to market, interest rates fluctuations and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur."

An updated version of the Prospectus of the Fund reflecting the above may be obtained, free of any charges, at the Registered Office of the Company at the Registered Office of the Management Company. These documents are also available at the website of the Management Company: <http://www.pharusmanco.lu> and at the website of the Fund: [www.pharusfunds.com](http://www.pharusfunds.com).

In light of the aforementioned change, shareholders may redeem their shares free of charge during one month.

Shareholders having any question relating to the above changes should not hesitate to contact their financial advisor or Pharus Management Lux S.A.

Luxembourg, 07.09 2018

The Board of Directors  
EFFICIENCY GROWTH FUND

