

Mediobanca SICAV
Société Anonyme qualifying as
Société d'Investissement à Capital Variable
60, avenue J.F. Kennedy, L -1855 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg B 65834
(the "**Receiving UCITS**")

Notice to Shareholders:

"MEDIOBANCA SICAV: MEDIOBANCA EURO RATES TOTAL RETURN", a sub-fund of the
Receiving UCITS
(the "**Receiving Sub-Fund**")

IMPORTANT:
THIS LETTER REQUIRES YOUR IMMEDIATE ATTENTION.
IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENT OF THIS LETTER,
YOU SHOULD SEEK INDEPENDENT PROFESSIONAL ADVICE.

24 April 2024

Dear Shareholders,

In compliance with article 29 of the articles of association of the Receiving UCITS (the "**Articles**"), the board of directors of the Receiving UCITS (the "**Board**") has decided to merge "Palladium FCP: Megatrend Protection 90" (the "**Merging Sub-Fund**"), a sub-fund of Palladium FCP, a mutual fund under the laws of the Grand Duchy of Luxembourg, qualifying as an undertaking for collective investments in transferable securities pursuant to part I of the law of 17 December 2010 relating to undertakings for collective investment, as amended (the "**2010 Law**"), having its registered office at 2, Boulevard de la Foire L-1528 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Company Register under number K 1320 (the "**Merging UCITS**") and managed by Mediobanca Management Company S.A. (the "**Management Company**"), into the Receiving Sub-Fund in compliance with article 1(20)(a) of the law of the 2010 Law.

The Merging Sub-Fund and the Receiving Sub-Fund will hereinafter be together referred to as the "**Merging Entities**".

The merger shall become effective on 31 May 2024 (the "**Effective Date**").

This notice describes the implications of the contemplated merger. Please contact your financial advisor if you have any questions on the content of this notice. The merger may impact your tax situation. Shareholders should contact their tax advisor for specific tax advice in relation to the merger.

Capitalized terms not defined herein have the same meaning as in the prospectuses of the Receiving UCITS and Merging UCITS of the Receiving UCITS.

1. Background and rationale for the merger

The Board and the board of directors of the Management Company on behalf of the Merging UCITS (the "**Boards**") have decided, in the best interest of the unitholders and shareholders, to merge the Merging Sub-Fund into the Receiving Sub-Fund.

The Merging Sub-Fund has lost attractiveness on the market and the actual level of total expense ratio is much higher than the total expense ratio of the Receiving Sub-Fund. On the other hand, the Receiving Sub-Fund is the sub-fund managed by the same Management Company and delegated investment manager. Moreover, considering the high level of asset under management of the Receiving Sub-Fund, the merger will decrease the total expense ratio of the Receiving Sub-Fund benefitting its shareholders.

The Boards strongly believes in the synergies to be created by this merger, including, but not limited to, more efficient management thereby benefiting the Merging Sub-Fund’s shareholders and Receiving Sub-Fund’s unitholders, as stated earlier.

2. Summary of the merger

- (i) The merger shall become effective and final between the Merging Sub-Fund and the Receiving Sub-Fund and *vis-à-vis* third parties on the Effective Date.
- (ii) On the Effective Date, all assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund. The Merging Sub-Fund will cease to exist as a result of the merger and thereby will be dissolved on the Effective Date without going into liquidation.
- (iii) No general meeting of shareholders shall be convened in order to approve the merger and shareholders are not required to vote on the merger.
- (iv) Shareholders of the Receiving Sub-Fund who do not agree with the merger have the right to request, prior to 24 May 2024 the redemption of their shares, without redemption charges (other than charges retained by the Receiving Sub-Fund to meet disinvestment costs). Please see section 5 (*Rights of shareholders in relation to the merger*) below;
- (v) Other procedural aspects of the merger are set out in section 6 (*Procedural aspects*) below.
- (vi) The merger has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”).
- (vii) The timetable below summarises the key steps of the merger.

Notice sent to shareholders	24.04.2024
End of current accounting period of the Receiving Sub-Fund	30.06.2024
Valuation of Receiving Sub-Fund	30.05.2024
Calculation of exchange ratios	31.05.2024 (based on a NAV calculated on 31.05.2024)
Effective Date	31.05.2024

3. Impact of the merger on the shareholders of the Receiving Sub-Fund

No changes will be made to the investment objective and policy or other terms of the Receiving Sub-Fund as a result of the merger.

The merger will be binding on all the shareholders of the Receiving Sub-Fund who have not exercised their right to request the redemption of their shares, free of charge, within the timeframe set out in section 5 (*Rights of shareholders in relation to the merger*) below.

A rebalancing of 100% of the Merging Sub-Fund's portfolio will be carried out after the merger. The rebalancing will be done within a few days after the Effective Date. The impact of the rebalancing after merger will be equal to 0.002%. The expected costs associated with the rebalancing are estimated to five thousand Euro (5.000 EUR). These costs will be supported by all the shareholders of the Receiving Sub-Fund post-merger.

No further rebalancing of the investment portfolio of the Receiving Sub-Fund will take place before or after the merger.

4. Criteria for valuation of assets and liabilities

For the purpose of calculating the relevant exchange ratios, the rules laid down in the Articles and the prospectuses of the Merging UCITS and the Receiving UCITS for the calculation of the net asset value will apply to determine the value of the assets and liabilities of the Receiving Sub-Fund.

5. Rights of shareholders in relation to the merger

No shareholder vote is required in order to carry out the merger under article 29 of the Articles.

Shareholders of the Receiving Sub-Fund not agreeing with the merger will be given the possibility to request the redemption of their shares of the Receiving Sub-Fund at the applicable net asset value, without any redemption charges (other than charges retained by the Receiving Sub-Fund to meet disinvestment costs) during at least thirty (30) calendar days following the date of the present notice.

6. Procedural aspects

6.1 Suspensions in dealings

The Board has decided that the subscription for, redemptions of and conversion of shares of the Receiving Sub-Fund will not be suspended and, thus, they will be pro-cessed as usual.

6.2 Confirmation of merger

Each shareholder in the Merging Sub-Fund will receive a notification confirming (i) that the merger has been carried out and (ii) the number of shares of the corresponding class of shares of the Receiving Sub-Fund that they hold after the merger.

6.3 Publications

The merger and its Effective Date shall be published before the Effective Date. This information shall also be made publicly available, when regulatory mandatory, in other jurisdictions where shares of the Receiving Sub-Fund are distributed.

6.4 Approval by competent authorities

The merger has been approved by the CSSF which is the competent authority supervising the Receiving UCITS in Luxembourg.

7. Costs of the merger

The Management Company will bear the legal, advisory and administrative costs and expenses associated with the preparation and completion of the merger.

8. Taxation

The merger of the Merging Sub-Fund into the Receiving Sub-Fund may have tax consequences. Investors should consult their professional advisers about the consequences of this merger on their individual tax position.

9. Additional information

9.1 *Merger reports*

Ernst & Young, the authorised auditor of the Receiving UCITS in respect of the merger, will prepare a report on the merger which shall include a validation of the following items as set out in section 9.3. (c):

- 1) the criteria adopted for valuation of the assets and/or liabilities for the purposes of calculating the exchange ratios; and
- 2) the calculation method for determining the exchange ratios.

9.2 The exchange ratio for each share will be calculated on the Effective Date and an auditor report will be drawn up.

9.3 *Additional documents available*

The following documents are available to the shareholders of the Receiving Sub-Fund at the registered office of the Receiving UCITS on request and free of charge as from 01 June 2024.

- (a) the common draft terms of the merger drawn-up by the Board containing detailed information on the merger, including the calculation method of the exchange ratios (the "**Common Draft Terms of Merger**");
- (b) a statement by the depositary bank of the Receiving UCITS confirming that they have verified compliance of the Common Draft Terms of the Merger with the terms of the 2010 Law and the Articles;
- (c) a copy of the report prepared by Ernst & Young, to validate the conditions foreseen in article 71(1) items a) and c) of the 2010 Law;
- (d) the prospectus of the Receiving UCITS; and
- (e) the PRIIPs-KID of the Receiving Sub-Fund.

Please contact your financial adviser or the registered office of the Receiving UCITS if you have questions regarding this matter.

Yours faithfully,

The Board