YELLOW FUNDS SICAV
Société Anonyme qualifying as a
Société d'Investissement à Capital Variable
60, avenue J.F. Kennedy, L – 1855 Luxembourg
R.C.S. Luxembourg B 175534
(the "**Fund**")

Notice to Shareholders:

YELLOW FUNDS SICAV – Cedola by Mediobanca SGR

(the "**Merging 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.

18 May 2020

Dear Shareholders,

In compliance with article 14 of the restated articles of association dated 10 October 2018 of the Fund (the "**Articles**"), the board of directors of the Fund (the "**Board of Directors**") has decided to merge the Merging Sub-Fund with "**YELLOW FUNDS SICAV – Difesa by Mediobanca SGR**", another sub-fund of the Fund (the "**Receiving Sub-Fund**") in compliance with article 1(20)(a) of the law of 17 December 2010 on undertakings for collective investment as amended (the "**2010 Law**"). The Fund has designated Mediobanca Management Company S.A. with registered office at 2 boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg as management company of the Fund (the "**Management Company**").

The merger shall become effective on 26 June 2020 (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 prospectus of the Fund.

1. Background and rationale for the merger

The Board has decided, in the best interest of the shareholders of the Merging Sub-Fund and the Receiving Sub-Fund respectively, to merge the Merging Sub-Fund into the Receiving Sub-Fund to increase the size of the managed portfolio, to allow for an expected higher adjusted return / risk ratio, and, accordingly, to lower expected fees and to allow for greater diversification.

In light of the assets under management of the Merging Entities combined, whereas for some of them are particularly small, the Board considers it opportune to merge the Merging Sub-Fund in the Receiving Sub-Fund to achieve the objective stated in the foregoing paragraph.

In light of the compatibility of the investment objective, strategy, target assets and risk profile of the Merging Sub-Fund and the Receiving Sub-Fund, the Board 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 and Receiving Sub-Fund's shareholders, as stated earlier.

Further, the Board acknowledges that objectives set in the preceding paragraph justify the application of the slightly higher management fees of the Receiving Sub-Fund, in consideration of the commercial and strategic advantages the shareholders of the Merging Sub-Fund will benefit from.

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 holding shares of the Merging Sub-Fund on the Effective Date will automatically be issued shares of the Receiving Sub-Fund in exchange for their shares of the Merging Sub-Fund, in accordance with the relevant share exchange ratios and participate in the results of the respective Receiving Sub-Fund as from such date. Shareholders will receive a confirmation note of their holding in the Receiving Sub-Fund as soon as practicable after the Effective Date. For more detailed information please see section 4 (*Rights of shareholders in relation to the merger*) below.

(v) Subscriptions, redemptions and/or conversions of shares of the Merging Sub-Fund will still be possible until 18 June 2020 (close of business) and will then be suspended as indicated under section 5 (*Procedural aspects*) below.

(vi) Other procedural aspects of the merger are set out in section 5 (*Procedural aspects*) below.

(vii) The merger has been approved by the *Commission de Surveillance du Secteur Financier* (the **"CSSF"**).

(viii) The timetable below summarises the key steps of the merger.

Notice sent to shareholders	18 May 2020
Dealings closed in the Merging Sub-Fund and in the Receiving Sub-Fund at close of business	18 June 2020 COB
Suspension of dealings in the Merging Sub-Fund and in the Receiving Sub-Fund	18 June 2020 COB – 25 June 2020
End of current accounting period of the Merging Sub-Fund and of the Receiving Sub-Fund	30 June 2020
Valuation of Merging Sub-Fund and Receiving Sub-Fund	25 June 2020
Calculation of share exchange ratios	26 June 2020 (based on a NAV dated on 25 June 2020)
Effective Date	26 June 2020

2. Impact of the merger on the shareholders of the Merging Sub-Fund

The main characteristics of the Receiving Sub-Fund, as described in the prospectus of the Fund and in the key investor information document ("**KIID**") of the Receiving Sub-Fund and of the Merging Sub-Fund are shown below.

Shareholders are informed that the classes of shares in the Receiving Sub-Fund which shareholders will receive will be registered for distribution in the same countries than the classes of shares previously held in the Merging Sub-Fund by said shareholder.

Shareholders of the Merging Sub-Fund should carefully read the description of the Receiving Sub-Fund in the prospectus of the Fund and in the KIID of the Receiving Sub-Fund before making any decision in relation to the merger.

The Receiving Sub-Fund and the Merging Sub-Fund are managed by the same investment manager, Mediobanca SGR S.p.a..

The merger will be binding on all the shareholders of the Merging 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 4 (*Rights of shareholders in relation to the merger*) below.

The shareholders of the Merging Sub-Fund will not have different rights after the merger. The fees they will bear will be slightly different as outlined in section 2 (g) below. The main features of both the Merging Sub-fund and the Receiving Sub-Fund are described above in this section 2.

The procedures that apply to matters such as dealing, subscription, redemption, conversion of shares and method of calculating the net asset value, are the same in the Merging Sub-Fund and the Receiving Sub-Fund.

Although no tax impact is foreseen, shareholders in the Merging Sub-Fund are advised to consult their own professional advisers as to the legal, financial and tax implications of the merger under the laws of the countries of their nationality, residence, domicile or incorporation.

The shareholders of the Merging Sub-Fund will not be adversely impacted by the merger.

(a) Investment objective and policy

	Merging Sub-Fund	Receiving Sub-Fund
Investment objective	The investment objective of the Sub-Fund is to provide investors with an adequate exposure to the global bond markets.	The Sub-Fund aims to be invested to a conservative risk profile and to deliver a total return, which is a combination of capital growth and income, commensurate with that level of risk. The risk management strategy may have a direct impact on the Sub-Fund's returns which may be limited by this strategy. The measure of risk is the annualised, equal-weighted volatility of the monthly portfolio returns over a rolling three year period.
Investment policy	The Sub-Fund mainly invests in fixed and floating rate instruments according to the principle of risk diversification. Such investments are issued by supranational, government, quasi government bodies or private borrowers headquartered in both OECD and non-OECD countries (hereinafter for the purposes of this section "Approved Instruments") and primarily shall have received a minimum rating of BBB- (minus) by Standard & Poor's or equivalent. The investments of the Sub-Fund can be denominated in any currency. The Sub-Fund may also invest in accordance with the terms of the present Prospectus, and on an ancillary basis, in other transferable securities, money market instruments, derivatives, including but not limited to options, warrants, futures, swaps, other equity derivatives traded either on a regulated market or OTC and forward transactions, time deposits and units in collective investment schemes. The Sub-Fund may also hold ancillary liquid assets. The Sub-Fund may not make use of securities financing transactions or	The Sub-Fund will seek to achieve the investment objective by having a flexible approach to asset allocation. This means that the Investment Manager of the Sub-Fund will actively manage the Sub-Fund exposures to a variety of asset classes and sectors as described further below, and adjust these tactically, as determined appropriate, to maintain a conservative level of risk. The main strategy which the Investment Manger intends to pursue in order to assist it in achieving the investment objective is a fundamental diversified growth strategy. These strategies are generally based on the assessment and analysis of the core characteristics of a country's or region's economic, monetary and risk environment, which is combine to a review of its corporate landscape (such as earnings, price valuations, business growth and operational efficiency), with the objective of increasing exposure to assets that present an investment opportunity and decreasing exposure to those with unfavourable prospects. The Sub-Fund may invest up to 10% of its net assets in UCITS and//or non-

	total return swaps subject to SFTR.	UCITS collective investment schemes which might be selected from funds managed or advised by the Investment Manager and/or its affiliates. The range of asset classes in which the Sub-Fund will invest include, but is not necessarily limited to, equity, government bonds, corporate bonds (investment grade and non-investment grade), commodity and real estate. It will also include alternative asset classes, often considered to include high yield bonds, emerging market sovereign bonds, emerging market corporate bonds and commodity assets. The Sub-Fund has no geographic, industry or market capitalization focus and has the ability to investment globally in the full spectrum of permitted investments. Within a conservative risk profile, the Sub-Fund typically expects to invest between 10% and 35% of its total assets in instruments providing exposure to equity, equity-related securities, real estate and commodities, with the remainder of the Sub-Fund's exposure in fixed income, fixed income-related securities, cash and alternatives as described earlier. Equity and equity-related securities typically include company stocks, units of undertaking for collective investments or exchange trade funds that are primarily investing in company stocks in developed and emerging markets. For the attainment of its objective, the undertaking for collective investments or exchange trade funds in which the Sub-Fund invest in may be allocated to and invested in mortgage backed securities (MBS), commercial mortgage backed securities (CMBS), asset backed securities (ABS) and securities equivalent in nature to such securities. Similarly, fixed income and fixed income related securities include bonds (issued by government or corporates in developed and emerging markets), units of undertaking for collective

		investments or exchange trade funds that are primarily investing in bonds. Real estate and commodity exposures will be achieved indirectly, via purchasing units of collective investment schemes or exchange traded fund authorised as UCITS, as well as FDIs on commodities indices. Examples of commodity FDIs are provided in the section entitled “Financial derivative instruments”. FDI's indices will not exceed 10% of the net assets. There can be no guarantee that the Sub-Fund will attain a conservative level of risk at all times, especially during periods of unusually high or low market volatility, nor that the Sub-Fund will maintain an exposure of 10% to 35% of its total assets in instruments providing exposure to equity, equity-related securities, real estate and commodities. The Sub-Fund will however gain investment exposures primarily via investment in units of undertaking for collective investments and exchange traded funds, which means that the Sub-Fund will not seek to have direct exposure to transferable securities such as company stocks, bonds issued by a government or corporate entity. Efficient portfolio management: Efficient portfolio management transactions relating to the assets of the Sub-Fund may be entered into by the Investment Manager with one of the following aims: (a) a reduction of risk (including currency exposure risk); (b) a reduction of cost (with no increase or minimal increase in risk); and (c) generation of additional capital or income for the Sub-Fund with a level of risk consistent with the risk profile of the Sub-Fund. In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realized in a cost-effective way.

		The Sub-Fund will neither make use of securities financing transactions (i.e. (i) repurchase transactions, (ii) securities or commodities lending and securities or commodities borrowing, (iii) buy-sell back transactions or sell-buy back transactions, and (iv) margin lending transactions) nor of total return swaps. Financial derivative instruments: As described in the investment policy, the Sub-Fund may invest in financial derivatives nstruments (“FDIs”) for investment and/or hedging purposes. It is anticipated that the Sub-Fund will be able to have a long or short exposure to equities through the use of FDIs. The FDIs used by the Sub-Fund will consist of exchange traded FDIs only and may include: currency forwards, equity index futures, bond futures and commodity futures. Currency forwards: The Investment Manager may employ currency forwards as a means of gaining long or short exposure to particular currency for the purpose of hedging the foreign exchange exposure of the assets of a Sub-Fund in order to mitigate the impact of fluctuations in the relevant exchange rates. However, a Sub-Fund may have currency exposure which is reflective of the global markets into which it is investing. Equity index futures: The Investment Manager may enter into equity index futures as a means of gaining long or short exposure to equity indices as part of implementing the Sub-Fund’s investment policy. It may also enter into futures contract to hedge against changes in the values of securities held by the Sub-Fund or markets to which the Sub-Fund is exposed. Bond futures: The Investment Manager may enter

		into developed sovereign bond futures as a means of gaining long or short exposure to developed countries national debt issuance, as part of implementing the Sub-Fund's investment policy. The Investment Manager may enter into bond futures contracts as a means to hedge against changes in the values of securities held by the Sub-Fund or markets to which the Sub-Fund is exposed. Commodity futures: The Investment Manager may enter into commodity index futures as a means of gaining long or short exposure to commodity indices as part of implementing the Sub-Fund's investment policy. It may also enter into futures contract to hedge against changes in the values of securities held by the Sub-Fund or markets to which the Sub-Fund is exposed. Equity indices: Indices which the Sub-Fund may gain exposure to, through the use of equity index futures could include, without necessarily being limited to, the S&P500, the FTSE 100, the FTSE 250, the TOPIX and the EuroStoxx indices. The S&P500 is widely regarded as a gauge of large capitalization US equities and includes 500 companies, capturing 80% of available market capitalization. Information on this index may be found at http://www.spindices.com/indices/equity/sp-500. The FTSE 100 comprises the 100 most highly capitalised blue chip companies listed on London Stock Exchange. It is used extensively as a basis for investment products, such as derivatives and exchange-traded funds. The FTSE 250 comprises mid-capitalised companies not covered by the FTSE 100, and represents approximately 15% of UK market capitalisation.

		Information on these indices may be found at http://www.ftse.com/Indices/UK_Indices/index.jsp. The TOPIX is the Tokyo Stock Price Index. It is an important stock market index for the Tokyo Stock Exchange in Japan, tracking all domestic companies of the exchange's First Section. It counts over 1,500 companies. More information on this index may be found at http://www.tse.or.jp/english/market/topix. The EuroStoxx is Europe's blue-chip index for the Eurozone, providing a Blue-chip representation of sector leaders in the European Union. Additional information on this index may be found at http://www.stoxx.com. Commodity indices: Indices which the Sub-Fund may gain exposure to, through the use of commodity index futures could include, without necessarily being limited to, the West Texas Intermediate Price (WTI), the London Gold Market and the S&P-GSCI Commodity Indices. West Texas Intermediate (WTI), also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. Additional information can be found on http://www.cmegroup.com/trading/energy/crude-oil/light-sweet-crude.html. The London Gold Market, also known as the London Bullion Market, is a worldwide recognized gauge of gold prices. This includes the majority of the gold-holding central banks, private sector investors, mining companies, producers, refiners and fabricators. More information can be found at http://www.lbma.org.uk. The S&P-GSCI Commodity Indices are widely tracked indices and recognized as a leading measure of general price movements and inflation in the world economy. The indices – representing market beta are designed to be investable by

		including the most liquid commodity futures, and provides diversification with low correlations to other asset classes. Further information is available at https://us.spindices.com/performance-overview/commodities/sp-gsci. Asset-backed securities / mortgage-backed securities: The Sub-Fund may gain exposure in asset-backed securities / mortgage-backed securities indirectly, via purchasing units of collective investment schemes or exchange traded fund authorised as UCITS. Asset-backed securities ("ABS") An asset-backed security is a generic term for a debt security issued by corporations or other entities (including public or local authorities) backed or collateralised by the income stream from an underlying pool of assets. The underlying assets typically include loans, leases or receivables (such as credit card debt, automobile loans and student loans). An asset-backed security is usually issued in a number of different classes with varying characteristics depending on the riskiness of the underlying assets assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate. The higher the risk contained in the class, the more the asset-backed security pays by way of income. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. ABS and MBS are often exposed to extension risk (where obligations on the underlying assets are not paid on time) and prepayment risks (where obligations on the underlying assets are paid earlier than expected), these risks may have a substantial impact on the timing and size of the cashflows paid by the securities and

		may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets. Mortgage-backed securities ("MBS") A mortgage-backed security is a generic term for a debt security backed or collateralised by the income stream from an underlying pool of commercial and/or residential mortgages. This type of security is commonly used to redirect the interest and principal payments from the pool of mortgages to investors. A mortgage-backed security is normally issued in a number of different classes with varying characteristics depending on the riskiness of the underlying mortgages assessed by reference to their credit quality and term and can be issued at a fixed or a floating rate of securities. The higher the risk contained in the class, the more the mortgage-backed security pays by way of income.

Shareholders are advised to read the prospectus of the Fund and the KIID of the Receiving Sub-Fund for a full description of the Receiving Sub-Fund's investment objective and policy.

(b) Profile of typical investor

The investor profiles of the Merging Sub-Fund and the Receiving Sub-Fund are identical.

Given the Fund's investment objectives and policies as described in the prospectus of the Fund, investment in the Fund may be appropriate for investors who seek to invest in short term, fixed income securities or equity securities and who seek capital growth over the long-term. Investors should not seek regular income distributions and should accept the risks associated with this type of investment, as set out in the section "Risk factors" of the prospectus of the Fund and can withstand volatility in the value of their Shares.

	Merging Sub-Fund	**Receiving Sub-Fund**
Specific recommendation in the KIID	This Sub-Fund may not be appropriate for investors who plan to withdraw their money in the short-medium term (2-4	This Sub-Fund may not be appropriate for short-term investment

	years)	

(c) Classes of shares and currency

The tables below show only the active share classes of the Merging Sub-Fund including their currencies, the corresponding share classes of the Receiving Sub-Fund and the ISIN numbers of the corresponding share classes in the Receiving Sub-Fund.

Please refer to the prospectus of the Merging Sub-Fund and/or the Receiving Sub-Fund for a list of all share classes.

The reference currency of the Merging Sub-Fund and the Receiving Sub-Fund is the Euro.

The share classes of the Receiving Sub-Fund shall keep the ISIN numbers.

Name	Classes of shares	ISIN	Distribution Policy	Hedged
Merging Sub-Fund	C	LU1069037940	Distribution	No
Receiving Sub-Fund	C	LU1069038674 LU1069038591	Distribution and capitalisation	No

(d) Risk and reward profile

Name	Classes of shares	SRRI
Merging Sub-Fund	C	3
Receiving Sub-Fund	C	3

(e) Distribution policy

Please refer to Section "Distribution Policy" in the prospectus of the Fund for common distribution policy applicable to the Merging Entities.

Merging Sub-Fund	Receiving Sub-Fund
The Board of Directors intends to distribute an annual dividend that will reflect the increase of consumer price index ex tobacco on the reference period plus 0.5%. Annual dividends may be declared separately at the annual general meeting of shareholders. The level of distribution may exceed the expected net income. Therefore, investors should be aware that distributions to shareholders may include a certain element of capital which, to the	With reference to the Shares issued on a distribution basis, the Board of Directors will determine the periodical dividend per share and the period of distribution. The amount of the periodical distribution can not exceed the total value of the income, earnings, dividends and capital gains received by the Sub-Fund in the relevant period and arising from the investment holdings.

extent that this element is higher than the capital appreciation of the Company, will reduce the net asset value of the relevant Share Class.		Capitalisation classes of shares are not entitled to distributions, but the proceeds will be reinvested into the class of shares.	
Classes of shares	**Categories of shares**	**Classes of shares**	**Categories of shares**
C Class	A	C Class	A and B

(f) Minimum initial investment and minimum subsequent investment

Merging Sub-Fund		**Receiving Sub-Fund**	
Minimum initial investment			
Classes of shares		**Classes of shares**	
C Class	None	C Class	None
Minimum subsequent investment			
Classes of shares		**Classes of shares**	
C Class	None	C Class	None

(g) Fees and expenses

Please refer to Section “Charges and Expenses” in the prospectus of the Fund for common fees applicable to the Merging Entities.

Merging Sub-Fund		**Receiving Sub-Fund**	
An investment management fee is payable to the Management Company in compensation for the performance of the investment management function. Such a fee is, payable quarterly and calculated on the average of the net assets of the Sub-Fund for the relevant quarter. The distributor(s) is authorized to retain a sales charge calculated on the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day. The investment management fee and sales charge applied to each Class of Shares are reported in the following table:			
Classes of shares		**Classes of shares**	
C Class	0.9% per annum	C Class	1.675% per annum
Sales charges			
Classes of shares		**Classes of shares**	
C Class	Up to a maximum of 3%	C Class	Up to a maximum of 3%
N/A		As for investments in a UCITS or other UCIs linked to the Sub-Fund as described above, total management fees charged to the Sub-Fund as well as to each UCITS or other	

	UCIs concerned may not exceed 3% for shares “C” and shares “I” of the Net Asset Value of the Sub-Fund. In its annual report, the Fund shall indicate the maximum proportion of management fees both to the Sub-Fund itself and to the UCITS and/or UCIs in which it invests.
Performance fee	
No performance fee is applicable	No performance fee is applicable
Redemption fee	
All classes of shares	**All classes of shares**
If on any Valuation Day redemption requests pursuant to Article 8 of the articles and conversion requests pursuant to article 9 of the Articles relate to more than 10% of the Shares in issue in a specific Sub-Fund or in case of a strong volatility of the market or markets on which a specific Sub-Fund is investing, the Board of Directors may decide that part or all of such requests for redemption or conversion will be deferred for such period as the Board of Directors considers to be in the best interests of the Sub-Fund, but normally not exceeding 30 days. In any such case, an exit fee of maximum 1% of the Net Asset Value per Share of the relevant Sub-Fund may be charged to the shareholders making a redemption or conversion request to cover the corresponding costs of sales of the underlying portfolio. The rate of such exit fee will be the same for all shareholders having requested the redemption or conversion of their shares on the same Valuation Day. The exit fee shall revert to the Sub-Fund from which the redemption or conversion was effected. On the next Valuation Day following such period, these redemption and conversion requests will be met in priority to later requests.	If on any Valuation Day redemption requests pursuant to article 8 of the Articles and conversion requests pursuant to article 9 of the Articles relate to more than 10% of the Shares in issue in a specific Sub-Fund or in case of a strong volatility of the market or markets on which a specific Sub-Fund is investing, the Board of Directors may decide that part or all of such requests for redemption or conversion will be deferred for such period as the Board of Directors considers to be in the best interests of the Sub-Fund, but normally not exceeding 30 days. In any such case, an exit fee of maximum 1% of the Net Asset Value per Share of the relevant Sub-Fund may be charged to the shareholders making a redemption or conversion request to cover the corresponding costs of sales of the underlying portfolio. The rate of such exit fee will be the same for all shareholders having requested the redemption or conversion of their shares on the same Valuation Day. The exit fee shall revert to the Sub-Fund from which the redemption or conversion was effected. On the next Valuation Day following such period, these redemption and conversion requests will be met in priority to later requests.
Conversion fee	
No conversion fee is applicable.	No conversion fee is applicable.

(h) Subscription, redemption and conversion of shares

The procedure of subscription, conversion and redemption for the Merging Entities are identical.

3. Criteria for valuation of assets and liabilities

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

4. Rights of shareholders in relation to the merger

Shareholders of the Merging Sub-Fund holding shares in the Merging Sub-Fund on the Effective Date will automatically be issued, in exchange for their shares in the Merging Sub-Fund, a number of shares of the corresponding share classes of the Receiving Sub-Fund equivalent to the number of shares held in the relevant share classes of the Merging Sub-Fund multiplied by the relevant share exchange ratios which shall be calculated for each class of shares on the basis of its respective net asset value as of the Effective Date.

Since the exchange ratio for each share will be calculated on the Effective Date, an auditor report will also be drawn up. You will receive a separate confirmation on the number of shares in the relevant share class of the Receiving Sub-Fund that you will receive in return for the number of shares in the relevant share class of the Merging Sub-Fund you currently hold once the share exchange ratio has been determined on the Effective Date.

No subscription fee will be levied within the Receiving Sub-Fund as a result of the merger.

Shareholders of the Merging Sub-Fund will acquire rights as shareholders of the Receiving Sub-Fund from the Effective Date and will thus participate in any increase in the net asset value of the corresponding Receiving Sub-Fund.

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

5. Procedural aspects

5.1 No shareholder vote required

No shareholder vote is required in order to carry out the merger under article 24 of the Articles. Shareholders of the Merging Sub-Fund not agreeing with the merger may request the redemption of their shares as stated under section 4 (*Rights of shareholders in relation to the merger*) above prior to 18 June 2020 (close of business).

5.2 Suspensions in dealings

In order to implement the procedures needed for the merger in an orderly and timely manner, the Board of Directors has decided that subscriptions for, redemptions of, and conversions of shares of the Merging Sub-Fund and the Receiving Sub-Fund, as well as conversions to or from the Merging Sub-Fund and the Receiving Sub-Fund, will no longer be accepted or processed as of 18 June 2020 COB until 25 June 2020.

5.3 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.

5.4 *Publications*

The merger and its Effective Date shall be published on the central electronic platform of the Grand Duchy of Luxembourg, the *Recueil électronique des sociétés et associations (RESA)*, before the Effective Date. This information shall also be made publicly available, when mandatory by applicable regulation, in other jurisdictions where shares of the Merging Sub-Fund is distributed.

5.5 *Approval by competent authorities*

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

6. Costs of the merger

The management company of the Fund, Mediobanca Management Company S.A., will bear the legal, advisory and administrative costs and expenses associated with the preparation and completion of the merger.

7. Taxation

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

8. Additional information

8.1 *Merger reports*

Ernst & Young, the authorised auditor of the Fund 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 8.2. (c):

1) the criteria adopted for valuation of the assets and/or liabilities for the purposes of calculating the share exchange ratios; and

2) the calculation method for determining the share exchange ratios.

The exchange ratio will be determined on the Effective Date.

8.2 *Additional documents available*

The following documents are available to the shareholders of the Merging Sub-Fund at the registered office of the Fund on request and free of charge as from 18 May 2020:

(a) the common draft terms of the merger drawn-up by the Board of Directors containing detailed information on the merger, including the calculation method of the share exchange ratios (the "**Common Draft Terms of Merger**");

(b) a statement by the depositary bank of the Fund 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 Fund; and

(e) the KIID of the Receiving Sub-Fund. The Board of Directors draws the attention of the shareholders of the Merging Sub-Fund to the importance of reading the KIID of the Receiving Sub-Fund before making any decision in relation to the merger.

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

Yours faithfully,

The Board of Directors