

Pareto SICAV
société d'investissement à capital variable
33, rue de Gasperich
L-5826 Hesperange
Grand-Duchy of Luxembourg
RCS Luxembourg B 152 898
(the "Company")

**Notice to the shareholders of
PARETO SICAV – PARETO NORDIC CROSS CREDIT
(the "Sub-Fund")**

30 January 2020

Dear Shareholder,

The board of directors of the Company (the "Board of Directors") would like to inform the shareholders of the Sub-Fund that in accordance with the provisions of the articles of incorporation and the prospectus of the Company, they have decided to approve the merger of the Norwegian fund Pareto Hoyrente (the "Merging Fund") into the sub-fund by way of absorption (the "Merger").

This Merger will be done in accordance with article 1, (20) a) and Chapter 8 of the Luxembourg law of 17 December 2010 (the "Law"), as amended.

This notice describes the Merger between the Merging Fund and the Sub-Fund. The Merging Fund and the Sub-Fund shall together be referred to as the "Funds".

The Board of Directors approved the Merger following a review of the Funds which identified some overlap between the investment policies and the Board of Directors believes that consolidating similar strategies will facilitate furthermore growth in assets of the Sub-Fund.

The Merger has been approved by the Norwegian financial supervisory authority, Finanstilsynet, and the Luxembourg financial supervisory authority, Commission de Surveillance du Secteur Financier.

1. GENERAL INFORMATION

The Merging Fund is a common stand-alone fund, managed by Pareto Asset Management AS and set up as an undertaking for collective investments in transferable securities (UCITS) under the laws of Norway, authorised in Norway by the Norwegian financial supervisory authority Finanstilsynet.

Pareto Asset Management AS is acting as investment manager for both Funds.

2. BACKGROUND AND RATIONALE OF THE PROPOSED MERGER

The Board of Directors and Pareto Asset Management AS, the Management Company of the Merging Fund, believe that the proposed Merger will provide more efficient portfolio management of the Funds, as the two Funds currently follow a similar investment policy. In addition, it is expected that the Merging Fund will benefit from the

enhanced distribution channels available through the Company which may enable the Sub-Fund to increase its assets under management.

It is not expected that the Merger will have any negative consequences for the shareholders of the Sub-Fund and the Board of Directors believes that the shareholders of the Sub-Fund will benefit from the increased assets under management following the Merger.

This Merger:

- will not affect the value of your fund investment.
- will involve no costs or tax consequences for you.
- will not change the Sub-Fund's objectives, investment policy or investment strategy.
- will not cause any change in fees for the Sub-Fund.
- will not change the risk profile of the Sub-Fund.
- will not have any effect on the Sub-Fund's composition of assets.

3. TIMETABLE AND DATE OF THE PROPOSED MERGER

The Merger shall become effective and final between the Funds as of 9 March 2020 (the "Effective Date").

The Merger will take place in accordance with the timetable detailed below:

- | | | |
|-------|--|-----------------|
| (i) | Documentation sent to shareholders of the Merging and Sub-Fund | 30 January 2020 |
| (ii) | Calculation of the exchange ratio | 6 March 2020 |
| (iii) | Effective Date | 9 March 2020 |

This Merger, which will be effective as of 9 March 2020 (the "Effective Date"), subject to the approval of the unitholders of the Merging Sub-Fund, has been approved by the Board of Directors which is of the opinion that the Merger will be in the best interests of the shareholders of the Sub-Fund for the reasons detailed above. Should the unitholders of the Merging Sub-Fund not approve the Merger, the Merger will not take place and shareholders of the Sub-Fund will be informed accordingly by way of a separate notice.

The Merger will take place by contributing all of the outstanding assets and liabilities of the Merging Sub-Fund to the Sub-Fund as of the Effective Date.

Beyond the above mentioned benefits, the Board of Directors does not expect there to be any impact on you as existing shareholders of the Sub-Fund, and existing share classes will continue to remain in place. If you desire, you may redeem your shares free of charge until the relevant cut-off time on 2 March 2020, or on any date thereafter in accordance with the provisions of the current prospectus of the Company, at 12.00 p.m. (CET).

Any legal, advisory and administrative costs and expenses associated with the preparation and completion of the Merger will be borne by Pareto Asset management AS, the investment manager of the Sub-Fund.

4. HOW TO GET MORE INFORMATION

If you have questions, or if you would like to obtain the report of the independent auditor of the Company and full details about the Merging Sub-Fund, please contact your local representative.

Yours sincerely,

The Board of Directors of Pareto SICAV