PARETO SICAV
Société d'Investissement à Capital Variable
33, rue de Gasperich
L-5826 Hesperange
RCS Luxembourg B 152 898
(the "**Fund**" or the "**Company**")

Notice to the shareholders of
PARETO SICAV – Pareto Nordic Alpha
(the "**Sub-Fund**")

Luxembourg, 21 April 2023

We hereby contact you in your capacity as shareholders of the **PARETO SICAV – Pareto Nordic Alpha** (the "**Merging Sub-Fund**"), concerning the merger of the Merging Sub-Fund into **PARETO SICAV – Pareto Nordic Equity** (the "**Receiving Sub-Fund**"), (the "**Merger**") which will be effective as of **31 May 2023** (the "**Effective Date**").

The Merging Sub-Fund together with the Receiving Sub-Fund are hereinafter to be referred to as the "**Merging Sub-Funds".**

The board of directors of the Merging Sub-Fund and the Receiving Sub-Fund prepared a common terms of merger proposal (the "**Common Terms of Merger**") which has been approved by the Luxembourg Supervisory Authority of the Financial Sector (*Commission de Surveillance du Secteur Financier*).

PARETO SICAV to which the Merging Sub-Fund and the Receiving Sub-Fund belong, is managed by FundRock Management Company S.A. (the "**Management Company**").

On the Effective Date, all assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund based on the latest net asset value per share for **30 May 2023**. The Merging Sub-Fund will cease to exist as a result of the Merger on the Effective Date.

Shareholders who agree with the changes proposed in this notice do not need to take any action.

Shareholders who do not agree with the Merger have the right to request the redemption of their shares free of charges (except for any charge retained to meet disinvestment costs (as the case may be)) until **22 May 2023**, as further described below.

This notice describes the implications of the Merger and must be read carefully. **The Merger may impact your tax situation**. **Shareholders in the Merging Sub-Fund are advised to consult their 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**.

1. Reasons for and potential benefits of the Merger

The Merging Sub-Fund has a multi-strategy investment approach with the objective to achieve a capital appreciation over the medium term target. The Merging Sub-Fund invests in listed equity securities and equity related securities in the Nordic region (Sweden, Finland, Denmark, Iceland and Norway) which promote environmental and/or social characteristics and which integrate sustainability into the investment process in a binding manner. The Merging Sub-Fund may also invest in fixed income instruments which have an investment grade rating and derivatives both for hedging and investment purposes.

The Receiving Sub-Fund has an equity long term investment approach which is a different but compatible with the Merging Sub-Fund's investment approach. The Receiving Sub-Fund offers shareholders a similar fund to the Merging Sub-Fund, focusing on the Nordic region (Norway, Sweden, Denmark, Finland and Iceland) which promote environmental and/or social characteristics and which integrate sustainability into the investment process in a binding manner, while ensuring a constant direct investment into equity participations of at least 51% of the Receiving Sub-Fund's net assets. The Receiving Sub-Fund aims to hold a diversified portfolio with no particular focus on an industrial sector or the market capitalisation of companies. Focusing on one Sub-Fund, instead of two, will enhance the Investment Manager's utilization of resources and thus increase expected return relative to the risk taken in the Receiving Sub-Fund. Additionally, although the fixed Investment Management fees in the Receiving Sub-Fund are higher than in the Merging Sub-Fund, the absence of performance-related Investment Management fees in the relevant Classes of Shares in the Receiving Sub-Fund is over time expected to make the total Investment Management fees in the Receiving Sub-Fund lower than in the Merging Sub-Fund. Upon review, the Board of the Company in consultation with Pareto Asset Management AS, the investment manager for the Merging Sub-Fund and the Receiving Sub-Fund, taking into consideration the current market environment and evaluating different alternatives for the Merging Sub-Fund, have concluded that the Merging Sub-Fund should be merged into the Receiving Sub-Fund in order to proceed to an economic rationalisation within the Fund.

The Merging Sub-Fund has approximately EUR 15 million under management as of 31 March 2023 while the Receiving Sub-Fund has approximately EUR 107 million under management as of the same date. The Receiving Sub-Fund has sufficient assets under management (AUM) to absorb the size of the Merging Sub-Fund.

2. Key features – similarities and differences

2.1. Structuring of the portfolios

2.1.1. Investment objective, policy and approach

The investment objective and policy of the Merging Sub-Fund and the Receiving Sub-Fund may differ but remain compatible:

	PARETO SICAV – Pareto Nordic Alpha	PARETO SICAV – Pareto Nordic Equity
Investment objective	The objective of the Sub-Fund is to achieve capital appreciation over the medium term.	The investment objective of the Sub-Fund is to achieve the highest possible long-term return, relative to the risk taken by the Sub-Fund.
Investment policy	The Sub-Fund offers investors the opportunity to participate in an investment product focusing on deriving its return primarily from listed equity securities and equity related securities in the Nordic region (Sweden, Finland, Denmark, Iceland and Norway) which promote environmental and/or social characteristics and which integrate sustainability into the investment process in a binding manner.	The Sub-Fund seeks to achieve its investment objective by investing primarily in equities listed on a stock exchange or other regulated market in the Nordic region (Norway, Sweden, Denmark, Finland and Iceland) which promote environmental and/or social characteristics and which integrate sustainability into the investment process in a binding manner, while ensuring a constant direct investment into equity

	The Sub-Fund may also invest in fixed income instruments which have an investment grade rating and derivatives both for hedging and investment purposes. Although the primary geographic focus will be the Nordic region, the Sub-Fund may also invest in Western Europe and the US. Any such direct investments listed outside of the Nordic region would be expected to range between 5% to 15% of the NAV of the Sub-Fund. The Sub-Fund will use an investment strategy relying on short and/or long positions and/or a combination of equity and fixed income markets. The strategy for allocating the Sub-Fund's investments will be based on the Investment Manager's assessment of the markets for asset classes in respect of which the Sub-Fund seeks to obtain exposure. The Sub-Fund will seek to achieve its objective regardless the market conditions.	participations of at least 51% of the Sub-Fund's net assets. The Sub-Fund aims to hold a diversified portfolio with no particular focus on an industrial sector or the market capitalisation of companies. The Sub-Fund is actively managed. This means that investment decisions are taken on the basis of fundamental analysis. Important selection criteria for the Sub-Fund's investments are a sound business model, a dividend policy in accordance with its balance sheet, earnings power and prospects of profitable growth, and skilful management. The Sub-Fund does not invest its assets in asset-backed securities (ABS'), mortgage-backed securities (MBS'), contingent convertible bonds (Coco's) or structured fixed-income products. The Sub-Fund may invest up to 20% of its assets in fixed income instruments which consists primarily in sovereign bonds and to a lesser extent in convertible bonds.
Investment Approach	The global exposure of the Sub-Fund will be monitored by using the absolute Value at Risk methodology. The monthly VaR will not exceed 20% of the NAV. The Sub-Fund's expected level of leverage will be determined using the sum of notionals approach which relies on the Financial Derivative Instruments held by the Sub-Fund. In respect of financial derivative instruments which do not have a notional value, the calculation will be based on the market value of the equivalent position in the underlying assets. Based on this methodology,	The global exposure of the Sub-Fund will be measured and monitored according to the commitment approach methodology.

	leverage shall not exceed 200 % of the NAV of the Sub-Fund. The Sub-Fund will utilise a Long/Short investment strategy involving long or short positions or a combination of both. The Investment Manager will seek to obtain exposure which it believes will appreciate (long) and sell exposure it believes will depreciate (short). Short exposure will only be achieved synthetically through the use of Financial Derivative Instruments. In this way the Investment Manager believes that it should be able to generate a positive return for the Shareholders regardless of which direction the general equity market is going. In assessing the optimal way to seek to obtain the investment objective, the Investment Manager will rely on the following elements: degree of inefficient pricing, partly a result of liquidity and research intensity, degree of the Investment Manager's knowledge of industry sectors as well as geographical and cultural aspects, in particular the Investment Manager's expertise in the Nordic region. Use of equities, equity –related and fixed income instruments In endeavouring to achieve its investment objective, the Sub-Fund will seek to obtain direct and indirect exposure to equity and equity related securities such as preferred stocks, warrants and convertible bonds, which may have equity linked notes, of large and medium capitalised issuers.	

	The Sub-Fund may seek direct and indirect exposure to fixed income, debt and debt related securities, in particular when the Investment Manager considers that the markets for these securities look favourable compared to equity securities. The Sub-Fund may, directly or indirectly, invest in fixed income and debt and debt related securities which may be issued by corporate and/or sovereign issuers (such as government securities, bonds, municipal, state, local authority and supranational issues, commercial paper, debentures and certificates of deposit) which may offer fixed or floating interest rates, and which will be rated investment grade by a rating agency (or which if not rated are considered to be equivalent in the opinion of the Investment Manager). Use of Financial Derivative Instruments (FDIs) Exchange traded and Over the Counter Financial Derivative instruments may be used both for investment and hedging purposes. FDIs may include futures, forwards, options, swaps, contracts for difference (CFDs), Credit Default Swaps (CDS), convertible bonds, warrants as well as other FDIs the Investment Manager considers appropriate for the Sub-Fund.	Use of Financial Derivative Instruments (FDIs) The Sub-Fund may use financial derivative instruments (FDI's) such as FX swaps for hedging against unfavourable foreign exchange market movements. Equity index futures and/or equity options might also be used for hedging against unfavourable equity risk movements. The purpose of investing in derivatives will not be to achieve leverage; however, transactions in FDIs may leverage the Sub-Fund due to the leverage inherent in such instruments. This may result in a higher level of volatility than would be the case if the Sub-Fund did not invest in FDIs. In some circumstances, transactions in FDIs may result in a lower level of volatility than would be the case if the Sub-Fund did not invest in FDIs.

	The Sub-Fund does currently neither make use of securities financing transactions nor enter into total return swaps or instruments with similar characteristics and as such the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 is not applicable. The Prospectus will be updated accordingly prior to the use of any such techniques or instruments. The Sub-Fund may also invest up to 10% in other Sub-Funds of the Fund as well as other UCITS or UCIs. The Sub-Fund may also hold and invest in ancillary liquid assets, such as bank deposits and money market instruments and securities, including but not limited to short-term fixed income instruments, certificates of deposit, promissory notes, commercial paper, floating rate notes, medium term notes, bankers acceptances and any other short term instrument which the Investment Manager believes to be of appropriate credit quality as further outlined below. The Investment Manager may, depending on its tactical viewpoint and perception of investment opportunities for the Sub-Fund, increase or decrease the level of investment by the Sub-Fund in ancillary liquid assets. There is no maximum or minimum amount of liquidity that the Sub-Fund may hold at any one time but it is expected that such investments may generally comprise 10% to 30% of the NAV of the Sub-Fund.	The Sub-Fund does currently neither make use of securities financing transactions nor enter into total return swaps or instruments with similar characteristics and as such the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 is not applicable. The Prospectus will be updated accordingly prior to the use of any such techniques or instruments. The Sub-Fund may also invest up to 10% of its assets in other Sub-Funds of the Fund as well as other UCITS or UCIs with a similar investment policy as the Sub-Fund. The Sub-Fund's total exposure from investments in FDIs shall not exceed the Sub-Fund's Net Asset Value. The Sub-Fund may also invest in liquid assets on an ancillary basis. From time to time, a maximum of 20% of the Sub-Fund's net assets might be invested in liquid assets. Those assets might either be cash deposits or money market instruments.

Profile of typical investor	The Sub-Fund may be appropriate for investors who: • have an investment horizon of at least 5 years; • seek capital appreciation over the long term; • do not seek current income from their investment; • are willing to take on the increased risk associated with the investment.	The Sub-Fund may be appropriate for investors who: • have an investment horizon of at least 5 years; • seek capital appreciation over the long term; • do not seek current income from their investment; • are willing to take on the increased risk associated with the investment.
The synthetic risk and reward indicator (SRRI)	7	6
Cut-off time/order processing	Shares are available for subscription on each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent by no later than 12.00 noon (Luxembourg time). Applications so received will be dealt with on the basis of the Net Asset Value per Share of that Valuation Day calculated on the next following Business Day with the last available closing prices of such Valuation Day. Subscription proceeds must be received by the Depositary on an account of the Sub-Fund within two (2) Business Days after the relevant Valuation Day. Applications for Shares received by the Registrar and Transfer Agent after 12.00 noon (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.	Shares are available for subscription on each Valuation Day. Applications for Shares must be received by the Registrar and Transfer Agent by no later than 12.00 noon (Luxembourg time). Applications so received will be dealt with on the basis of the Net Asset Value per Share of that Valuation Day calculated on the next following Business Day with the last available closing prices of such Valuation Day. Subscription proceeds must be received by the Depositary on an account of the Sub-Fund within two (2) Business Days after the relevant Valuation Day. Applications for Shares received by the Registrar and Transfer Agent after 12.00 noon (Luxembourg time) will be dealt with on the basis of the Net Asset Value per Share of the next Valuation Day.

2.1.2.Classes of shares and currency

The reference currency of the Merging Sub-Fund and the Receiving Sub-Fund is Norwegian Krona (NOK).

Shareholders in the share classes of the Merging Sub-Fund will be eligible to receive shares in the share class of the Receiving Sub-Fund opposite the share class in the table below:

PARETO SICAV – Pareto Nordic Alpha	ISIN Code	PARETO SICAV – Pareto Nordic Equity	ISIN code
A NOK	LU1471696044	B NOK	LU1653072675
B NOK	LU1471697281	C NOK	LU1653072832

The Fund is established as a variable capital umbrella investment company with limited liability and segregated liability between sub-funds. Following the Merger, the shareholder's rights will continue to derive from the Articles of the Fund and Luxembourg company law.

2.1.3.Fees and Expenses

	PARETO SICAV – Pareto Nordic Alpha	PARETO SICAV – Pareto Nordic Equity
Management Company and Administration Fee Rate	The Management Company will receive a maximum fee of 0.08% per annum calculated on the Net Asset Value of the Sub-Fund(s) on each Valuation Day for the provision of its services. This fee is payable monthly in arrears. The Management Company shall further receive a fee in line with market practice in Luxembourg, out of the net assets of the Fund, for the services of Domiciliary Agent. In addition, the Management Company will receive a fee with a maximum of EUR 3,700.- per Share-Class, out of the net assets of the Sub-Fund. The Administrator, Registrar and Transfer and Domiciliary Agent shall also be entitled to reimbursement of all reasonable out-of-pocket expenses relating to the services thereto.	The Management Company will receive a maximum fee of 0.08% per annum calculated on the Net Asset Value of the Sub-Fund(s) on each Valuation Day for the provision of its services. This fee is payable monthly in arrears. The Management Company shall further receive a fee in line with market practice in Luxembourg, out of the net assets of the Fund, for the services of Domiciliary Agent. In addition, the Management Company will receive a fee with a maximum of EUR 3,700.- per Share-Class, out of the net assets of the Sub-Fund. The Administrator, Registrar and Transfer and Domiciliary Agent shall also be entitled to reimbursement of all reasonable out-of-pocket expenses relating to the services thereto.

Investment Management Fee Rate	1.5% p.a. for Class A NOK of the Sub-Fund's Net Asset Value	1.60% p.a. for Class B NOK of the Sub-Fund's Net Asset Value
	0.95% p.a. for Class B NOK of the Sub-Fund's Net Asset Value	1.25% p.a. for Class C NOK of the Sub-Fund's Net Asset Value
Performance Fee Rate	20% above 2% cumulative hurdle with High Water Mark	N/A
Performance Fee Mechanism	High Water Mark + Hurdle	N/A
Investment management fees of other UCIs or UCITS (excluding any performance fees)	It may be in total up to 1% of the Sub-Fund's Net Asset Value	It may be in total up to 1% of the Sub-Fund's Net Asset Value
Minimum Initial Investment and Holding Amount	Class A NOK: N/A	Class B NOK: N/A
	Class B NOK: 10 million NOK	Class C NOK: 20 million NOK
Subscription Charge	Up to 3%	Up to 1%
Redemption Charge	Up to 0.2%	Up to 0.5%

Due to the negative performance of the Merging Sub-Fund and the huge distance from the High Water Mark, no crystallisation of the performance fee calculation will be made in the Merging Sub-Fund. There will be no calculation of a performance fee in the Receiving Sub-Fund.

PARETO SICAV – Pareto Nordic Alpha	Ongoing charges	PARETO SICAV – Pareto Nordic Equity	Ongoing charges
A NOK	1.70%	**B NOK**	1.76%
B NOK	1.15%	**C NOK**	1.42%

2.2. Sustainable Finance Disclosures Regulation (SFDR)

The Merging Sub-Fund and the Receiving Sub-Fund both qualify as Article 8 financial products under the Sustainable Finance Disclosures Regulation (the "SFDR").

2.3. Service Providers

The Fund is established as a UCITS pursuant to Part I of the 2010 Law and has also appointed FundRock Management Company S.A. as its external management company.

There will be no change to the entities providing administration and depositary services. The Management Company has delegated its central administration duties in relation to the administration, registrar and transfer agency of the Fund to European Fund Administration S.A., who therefore provides administrative, registrar and transfer agency services to the Fund.

Skandinaviska Enskilda Banken AB (publ), Luxembourg Branch provides depositary services in respect of the Fund.

Accordingly, Shareholders of the Merging Sub-Fund will not need to amend any standing instructions they have set up for the payment and receipt of money for subscriptions and redemptions.

Deloitte Audit S à r.l. is the auditor of the Fund.

The personnel managing the investments of the Merging Sub-Fund will not change.

3. Impact of the Merger

3.1. Impact of the Merger on the shareholders in the Merging Sub-Fund

For the shareholders of the Merging Sub-Fund, the Merger will result in such shareholders being, from the Effective Date, shareholders of the Receiving Sub-Fund.

The Merger will be binding on all the shareholders of the Merging Sub-Fund who have not exercised their right to request the redemption or conversion of their shares, free of charge within the timeframe set out in Section 4 below.

No subscription fee will be levied within the Receiving Sub-Fund because of the Merger.

The notice to shareholders of the Merging Sub-Fund (attached hereto as Appendix 1) will include a detailed schedule of the key features of and any differences and similarities between the Merging Sub-Fund and Receiving Sub-Fund, summarising also the classes of shares in the Merging Sub-Fund and the corresponding new classes of shares in the Receiving Sub-Fund, and will notify them of their rights in relation to the implementation of the Merger.

Shareholders in the Merging Sub-Fund should consult their own professional advisers as to the tax implications of the Merger under the laws of the countries of their nationality, residence, domicile or incorporation.

Upon implementation of the Merger, the shares of the Merging Sub-Fund will be cancelled having effect on the Effective Date.

The issue of new shares in the Receiving Sub-Fund in exchange for shares of the Merging Sub-Fund will not be subject to any charge.

From the Effective Date, shareholders in the Merging Sub-Fund will be subject to the eligibility criteria stipulated in the prospectus of the Receiving Sub-Fund and may ***<u>not</u>*** be able to:

- convert shares into other sub-funds of the Fund; or
- transfer shares to another person who is not an eligible investor in the Fund.

The Merger is not expected to negatively impact the performance experienced by Shareholders.

The investment objective and policy of the Receiving Sub-Fund is different but compatible to that of the corresponding Merging Sub-Fund.

The Investment Manager of the Merging Sub-Fund and the Receiving Sub-Fund will bear the legal, advisory and/or administrative costs and expenses incurred in respect of the implementation of the Merger (besides the disinvestment costs).

As the Merger will be carried out in accordance with Chapter 8 of the 2010 Law, all the assets and liabilities of the Merging Sub-Fund will be contributed to the Receiving Sub-Fund.

Subject to the approval of the Board of Directors of the Fund, all outstanding assets and liabilities of the Merging Sub-Fund will be valued in accordance with the valuation principles contained in the Articles and Prospectus of the Fund on the date for calculating the exchange ratio referred to below.

All outstanding assets and liabilities and the net asset value of the Receiving Sub-Fund will be calculated in accordance with the valuation methodology of the Fund as set out in the Articles and Prospectus.

The net asset value of the Merging Sub-Fund and the Receiving Sub-Fund will be known on the Effective Date.

The depositary of the Amalgamations shall issue a confirmation, in accordance with the requirements of 2010 Law, that it has verified the type of merger and the sub-funds involved, the effective date and that the rules applicable, respectively, to the transfer of assets and exchange of shares as set out herein are in accordance with the requirements of the 2010 Law.

The Receiving Sub-Fund is established and currently has Shareholders. The Merger will not affect its existing Shareholders.

4. Timetable and Date of the proposed merger

The Merger shall become effective and final between the Sub-Funds as of **31 May 2023** (the "**Effective Date**").

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

- Last Net Asset Value on which redemptions are allowed: 22 May 2023
- Freeze period for redemptions before calculation of the applicable share exchange ratios: 23-29 May 2023
- Calculation of the exchange ratios: 31 May 2023
- Effective Date of the Merger: 31 May 2023

Shareholders participating in the Merger will receive new shares in the Receiving Sub-Fund in place of their existing shares on the Effective Date.

5. Suspension in dealings

5.1. For the shareholders in the Merging Sub-Fund

In order to implement the procedures required for the implementation of the Merger in an orderly and timely manner, the Board of directors has decided that the charges for the subscriptions for or conversions to shares of the Merging Sub-Fund are **suspended as of 21 April 2023**. Fees credited to the Merging Sub-Fund, if any, for anti-dilution purposes still can be charged. Subscriptions for, conversions to and redemptions of shares of the Merging Sub-Fund will not be suspended during the Merger process, except during the 5 business days period for the calculation of the relevant exchange ratios.

Shares of the Merging Sub-Fund can be subscribed, converted or redeemed, less any local transaction fees that might be charged by independent local intermediaries **until 22 May 2023 12:00 p.m. noon Luxembourg time**. Afterwards the possibility to redeem shares in the Merging Sub-Fund will be suspended.

6. Rebalancing of the portfolio of the Merging Sub-Fund and the Receiving Sub-Fund before or after the Merger

The Merger is not intended to have any material impact on the portfolio of the Receiving Sub-Fund and it is not intended to undertake any rebalancing on the portfolio of the Merging Sub-Fund before and the portfolio of the Receiving Sub-Fund after the Merger.

7. Impact on the Performance

The Merger is not expected to negatively impact the performance experienced by Shareholders.

The Investment Manager of the Merging Sub-Fund and the Receiving Sub-Fund will bear the legal, advisory and/or administrative costs and expenses incurred in respect of the implementation of the Merger (besides the disinvestment costs).

8. Criteria adopted for valuation of the assets and liabilities in order to calculate the exchange ratio

Subject to the approval of the Board of Directors of the Fund, all outstanding assets and liabilities of the Merging Sub-Fund will be valued in accordance with the valuation principles contained in the Articles and Prospectus of the Fund on the date for calculating the exchange ratio referred to below.

All outstanding assets and liabilities and the net asset value of the Receiving Sub-Fund will be calculated in accordance with the valuation methodology of the Fund as set out in the Articles and Prospectus.

The merger between the Amalgamations will be effected by the absorption of the Merging Sub-Fund by the Receiving Sub-Fund whereby the assets and liabilities of the Merging Sub-Fund are transferred to the Receiving Sub-Fund by way of a contribution in kind of all its assets and liabilities into the Receiving Sub-Fund, in accordance with article 1(20) (a) of the 2010 Law.

The assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund on the Effective Date. Shareholders of the Merging Sub-Fund will receive new shares in the Receiving Sub-Fund in place of their existing shares in the Merging Sub-Fund on the Effective Date. Shareholders holding fractions of Shares in the Merging Sub-Fund will receive fractions of Shares in the Receiving Sub-Fund.

The approved statutory auditor of the Fund will be appointed and will validate, in accordance with Article 71 (1) of the 2010 Law, the following: (a) the criteria adopted for the valuation on the assets and where applicable, the liabilities of the Merging Sub-Fund on the date for calculating the Exchange Ratio and (b) the calculation method of the Exchange Ratio. The report will be made available on request and free of charge to shareholders and the CSSF at the registered office of the Management Company.

9. Method of calculation of the exchange ratios

The number of new shares in the Receiving Sub-Fund to be issued to each shareholder will be calculated using the exchange ratio. The relevant shares in the Merging Sub-Fund will then be cancelled.

The exchange ratio will be calculated as follows:

- European Fund Administration S.A. will calculate the net asset value per share class of the Merging Sub-Fund, the net asset value per share of the Receiving Sub-Fund and determine the exchange ratio.

- The exchange ratio per share will be based on the net asset value per share of the Merging Sub-Fund and the net asset value per share of the Receiving Sub-Fund both dated on the day before the Effective Date and will define the number of new shares to be issued to shareholders from the Merging Sub-Fund in the Receiving Sub-Fund.

- The net asset value per share of the relevant share classes of the Merging Sub-Fund will be divided by the net asset value per share of the Receiving Sub-Fund.

- The number of new shares in the Receiving Sub-Fund to be issued to each shareholder will be calculated using the exchange ratio.

- The relevant shares in the Merging Sub-Fund will then be cancelled.

- The issue of new shares in the Receiving Sub-Fund in exchange for shares of the Merging Sub-Fund will not be subject to any charge.

- No cash payment shall be made to shareholders in exchange for the shares as a result of the Merger.

10. Additional documents available

Shareholders have access to the following documents of the Merging Sub-Fund and the Receiving Sub-Fund at the registered office of the Management Company:

- a copy of the report of the auditor validating the criteria adopted for valuation of the assets;
- the prospectus; and
- the KIDs.

The attention of the shareholders of the Merging Sub-Fund is drawn to the importance of reading the KIDs of the Receiving Sub-Fund before making any decision in relation to the Merger. The KIDs of the Receiving Sub-Fund are also available on https://fundinfo.fundrock.com/Pareto/

11. Tax

The shareholders of the Merging Sub-Fund are invited to consult their own tax advisors in respect to the tax impact of the contemplated Merger.

12. Additional information

Shareholders having any question relating to the above changes should not hesitate to contact post@paretoam.com

Yours faithfully,

Board of Directors