AILIS
Société d'investissement à capital variable
28, boulevard de Kockelscheuer
L-1821 Luxembourg
RCS Luxembourg number: B215916
(the **"Fund")**

NOTICE TO THE SHAREHOLDERS

Luxembourg, 25th February 2025

The board of directors (the "**Board of Directors**") of the Fund has decided to proceed with the merger of the sub-fund **AILIS MUZINICH TARGET 2025** (the "**Absorbed Sub-Fund**") into the sub-fund **FONDITALIA ENHANCED YIELD SHORT TERM** (the "**Absorbing Sub-Fund**"), a sub-fund of Fonditalia (the "**Absorbing Fund**") in conformity with article 1 (20) and Chapter 8 of the law of December 17, 2010 on undertakings for collective investment, as amended, (hereinafter the "**Law**"), article 19 of the Fund's articles of incorporation (the "**Articles of Incorporation**") and articles 4 and 22 of the Absorbing Fund's management regulations (the "**Management Regulations**").

The Absorbing Fund is organized as a mutual fund (fonds commun de placement) managed by FIDEURAM ASSET MANAGEMENT (IRELAND) dac (the "**Management Company**") , having its registered office at International House, 3 Harbourmaster Place, IFSC, Dublin 1, D01 K8F1 IRELAND and qualifies as *fonds commun de placement* organised as an umbrella fund pursuant to the Law.

Both the Absorbing Fund and the Fund have appointed the Management Company as their management company within the meaning of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) ("Directive 2009/65/EC").

The present notice provides appropriate and accurate information on the proposed Merger (as defined below) so as to enable shareholders to make an informed judgement of the impact of the Merger on their investment.

1) <u>Merger type</u>

The Absorbing Sub-Fund will absorb the Absorbed Sub-Fund according to these draft terms of Merger. The merger procedure will be in compliance with article 1 (20) a) of the Law and Chapter 8 of the Law and in accordance with the prospectus of the Fund (the "**Prospectus**").

The Absorbed Sub-Fund will be dissolved without going into liquidation and all its assets and liabilities will be transferred on the Effective Date (as defined below) to the Absorbing Sub-Fund in exchange for the issuing to its shareholders of new units of the Absorbing Sub-Fund (the "**Merger**").

2) <u>Reasoning of Merger</u>

The reasons for the Merger are the following:

(i) the Absorbed Sub-Fund had a pre-defined period of five (5) years ending on January 20, 2025 as described in its investment policy. As this period has ended, a progressive investment is now being sought to consolidate the performance as described in the Prospectus with reference to the Post-Investment Period;

(ii) the economic rationalization of the products range with the aim of offering shareholders of the Absorbed Sub-Fund (no longer attractive for potential investors as its pre-defined period ended on January 20, 2020) the benefit of investing in a ESG Promotion Strategy sub-fund offering a potential of future growth leading to an enhanced optimization of costs and seeking to deliver an attractive level of income;

(iii) similarity of the investment universe in terms of some asset classes of the underlying investments of the Absorbed Sub-Fund and the Absorbing Sub-Fund;

(iv) similarity of the risk profile of the Absorbed Sub-Fund and the Absorbing Sub-Fund;

(v) the Merger will increase the assets under management of the Absorbing Sub-Fund and will therefore apportion the costs on a wider pool of assets.

In light of the above, the board of directors of the Management Company and the Board of Directors of the Fund are of the opinion that the decision to undertake the Merger is in the best interests of the unitholders respectively shareholders of both sub-funds.

Due to these reasons and in accordance with the investment policy of the Absorbed Sub-Fund, the Articles of Incorporation, the Management Regulations and article 66 (4) of the Law, the board of directors of the Management Company and the Board of Directors of the Fund are competent to resolve on the Merger.

The modalities of the Merger, which have been approved by the board of directors of the Management Company and the Board of Directors of the Fund, are described below.

3) <u>Impact on unitholders and comparison between the Absorbed Sub-Fund and the Absorbing Sub-Fund</u>

The impact on the shareholders of the Absorbed Sub-Fund is fully described in the notice to be sent to the concerned shareholders duly in advance of the Effective Date (as defined below).

Such impact may be described as follows:

Upon the Effective Date, shareholders who have not requested redemption or conversion of their shares in the Absorbed Sub-Fund will receive units of the Absorbing Sub-Fund, as further detailed below and in accordance with the Prospectus. The shareholders of the Absorbed Sub-Fund will thus become unitholders of the Absorbing Sub-Fund and upon the Effective Date will be bound by the terms and conditions of the prospectus applicable to the Absorbing Sub-Fund and shall be able to exercise their rights as unitholders of the Absorbing Sub-Fund.

Shareholders are advised that the Absorbing Fund is a *fonds commun de placement*. As such, Shareholders who accept to participate in the Merger will become unitholders of the Absorbing Fund.

The constitutive documents of the Absorbing Fund do not foresee that unitholders have voting rights.

The Merger will have no impact neither on the investment policy, risk profile nor on the fee structure of the Absorbing Sub-Fund. The impact of the Merger will only consist of an increase of assets under management.

The synthetic risk indicator ("**SRI**") of the Absorbing Sub-Fund is [2] (two), it is the same SRI of the Absorbed Sub-Fund [2] (two)

The Management Fees of the Absorbed Sub-Fund during the principal investment period was 1% while the Management Fees of the Absorbing Sub-Fund slightly is higher at 1.10%.

The Investment Manager of the Absorbing Sub-Fund and the Absorbed Sub-Fund is Muzinich & Co Limited.

The Sub-Investment Manager of the Absorbing Sub-Fund is Muzinich & Co Inc (USA) while the Absorbed Sub-Fund has no Sub-Investment Manager.

A comparison between the Absorbed Sub-Fund and the Absorbing Sub-Fund's investment policies and main characteristics is provided in the table under Appendix I.

The differences between the Absorbed Sub-Fund and the Absorbing Sub-Fund are highlighted in the said table.

The main differences between the investment policy of both the Absorbed Sub-Fund and the Absorbing Sub-Fund are:

- the Absorbed Sub-Fund is suitable for investors who search medium term investments while the Absorbing Sub-Fund is suitable for investors who search short-term investments with a moderate risk exposition linked to the variation of the yield curve;
- the Absorbing Sub-Fund qualifies as an ESG Promotion Strategy sub-fund (Article 8 SFDR) and the Investment Manager considers ESG factors in its investment process, where the Absorbed Sub-Fund qualifies as an Article 6 SFDR financial product ;
- the Absorbed Sub-Fund may invest no more than 50% of its net assets in instruments issued by entities located in emerging markets, while this percentage is 20% in the Absorbing Sub-Fund;
- the Absorbed Sub-Fund may invest up to 80% of its net asset value in non-investment grade instruments, when the Absorbing Sub-Fund may invest no more than 40% of its net assets in assets rated below investment grade (minimum B3/B-) and no more than 10% in unrated debt securities;
- the Absorbed Sub-Fund may invest up to 10% of its net assets in distressed or in default securities, when the Absorbing Sub-Fund will not directly invest in distressed securities, nor in default securities but may have an exposure to such securities of up to 10% of its net assets under certain prescribed circumstances described in the investment policy;
- the Absorbed Sub-Fund may invest no more than 10% of its net asset value (cumulatively) in asset backed securities ("ABS") and mortgage-backed securities ("MBS"), when this percentage is 5% in the Absorbing Sub-Fund;
- the Absorbed Sub-Fund may invest no more than 10% of its net asset value in contingent convertible securities ("CoCos"), when this percentage is 5% in the Absorbing Sub-Fund;

For a complete description of the respective investment objectives and policies and related risks of the Absorbed Sub-Fund and the Absorbing Sub-Fund, please refer to the prospectuses, Articles/ management regulations of the Absorbing Fund and the attached Packaged Retail and Insurance-based Investment Products Key Investor Information Document ("**PRIIPs KID**") of the Absorbing Sub-Fund (**Appendix II**). Shareholders of the Absorbed Sub-Fund will be invited to carefully read the attached PRIIPs KID of the Absorbing Sub-Fund.

The Absorbed Sub-Fund is registered in the same jurisdictions for marketing to the public as the Absorbing Sub-Fund.

4) Risk of performance dilution / portfolio rebalancing

The portfolio of the Absorbed Sub-Fund will not be liquidated upon the Merger but will be transferred to the Absorbing Sub-Fund before the Effective Date (as defined below).

During the period preceding the Merger, the Absorbed Sub-Fund is being managed in line with its Post Investment Period investment policy, i.e. making progressive investments seeking to consolidate the achieved performance.

A 10 (business) day rebalancing window before the effective date (as defined below) is granted in order to align the absorbed portfolio with the absorbing one.

A proportion of the portfolio of the Absorbed Sub-Fund may be held in cash which will be transferred to the Absorbing Sub-Fund on the Effective Date.

Any transaction costs associated with the rebalancing of the Absorbed Sub-Fund portfolio will be borne by the Absorbed Sub-Fund.

The implementation of this strategy should minimize the impact of performance dilution.
The cash transferred by the Absorbed Sub-Fund on the Effective Date will be invested over the following ten (10) business days according to the investment policy of the Absorbing Sub-Fund.

The assets and liabilities of the Absorbed Sub-Fund will be transferred to the Absorbing Sub-Fund in the most effective and efficient manner.

5) Effective Date

The effective date of the Merger ("**Effective Date**") shall be April 4, 2025 or any other later date decided by the Management Company, Board of Directors of the Fund and notified to shareholders.

In order to ensure a swift Merger procedure, shares of the Absorbed Sub-Fund and units of the Absorbing Sub-Fund can be redeemed or converted free of charges until 2.00 p.m. Luxembourg time on March 28, 2025.

Subscriptions in the Absorbed Sub-Fund are not possible as it is closed for subscriptions.

Subscriptions and redemptions for units of the Absorbing Sub-Fund will not be suspended in view of the Merger.

Redemptions for shares of the Absorbed Sub-Fund will be suspended in view of the Merger from 2.00 p.m. Luxembourg time on March 28, to April 4, 2025

The date on which the unit exchange ratio is established will be April 4, 2025 ("**Exchange Ratio Date**").

Redemptions free of charge for shareholders of the Absorbed Sub-Fund and for the unitholders of the Absorbing Sub-Fund shall only be possible provided such redemption request is received by the Management Company, the Fund or STATE STREET BANK INTERNATIONAL GmbH, Luxembourg Branch from the date of publication of the notice to the shareholders for the involved Sub-Fund to March 28, 2025 at 2.00 p.m. Luxembourg time, at the latest.

6) Criteria adopted for the valuation of assets and liabilities / exchange ratio / issue of New Units

The assets of the Absorbed Sub-Fund and the Absorbing Sub-Fund will be valued in accordance with principles laid down in the Articles of Incorporation, management regulations of the Absorbing Fund and the prospectuses and in accordance with the valuation regulations and guidelines adopted by the board of directors of the Management Company and the Board of Directors of the Fund on the Effective Date.

The number of newly issued units (“**New Units**”) in the Absorbing Sub-Fund to shareholders of the Absorbed Sub-Fund will be determined on the basis of the exchange ratio corresponding to the respective net asset value **(“NAV”)** of the involved Sub-Funds. The exchange ratio will be equal to the NAV per share of each class of share prior to the Exchange Date Ratio of the Absorbed Sub-Fund divided by the NAV per unit of each class of unit prior to the Exchange Ratio Date of the Absorbing Sub-Fund.

The NAV per share/unit of the Sub-Funds on the Effective Date will not necessarily be the same. Therefore, while the overall value of the shareholders' holding will remain the same, shareholders may receive a different number of units in the corresponding class of units of the Absorbing Sub-Fund than they had previously held in the Absorbed Sub-Fund.

The number and value of New Units will be calculated as of the Effective Date and in accordance with the following formula:

$$A = \frac{(B \times C)}{D}$$

Where:

A is the number of New Units to be issued in Absorbing Sub-Fund;
B is the number of shares of the relevant class in the Absorbed Sub-Fund immediately prior to the Effective Date;
C is the NAV per share of the relevant class of the Absorbed Sub-Fund valued on the Effective Date;
D is the NAV per unit of the relevant class of the Absorbing Sub-Fund on the Effective Date.

The exchange ratio will be calculated as of the Exchange Ratio Date.

The board of directors of the Management Company on behalf of the Absorbing Fund and the Board of Directors of the Fund have appointed the approved statutory auditor, Ernst & Young, in line with article 71 of the Law to validate the valuation of assets and liabilities and the applicable exchange ratio.

On the Effective Date, the assets and liabilities of the Absorbed Sub-Fund will be contributed to the Absorbing Sub-Fund and the shareholders of the Absorbed Sub-Fund will receive a number of units of the Absorbing Sub-Fund, the total value of which will correspond to the total value of shares of the Absorbed Sub-Fund.

The outstanding liabilities generally comprise fees and expenses due but not paid, as reflected in the assets and liabilities of the Absorbed Sub-Fund. The Absorbed Sub-Fund will have accrued the sums required to cover known liabilities and any accrued income will be reflected in the net asset value of the respective units of the Absorbing Sub-Fund after the Effective Date. Any additional liabilities accruing after 2:00 p.m. (Luxembourg time) on the Effective Date will be borne by the Absorbing Sub-Fund and any asset received as from the Effective Date will be allocated to the Absorbing Sub-Fund.

The implementation and issue of New Units will be realized by way of book-entry in the involved Sub-Funds' accounts and unitholders' register as kept by the respective service provider of the Fund and Absorbing Fund on the Effective Date.

Newly issued unit classes in the Absorbing Sub-Fund will have the same characteristics and attributed rights as classes of units held in the Absorbed Sub-Fund, as per the below table.

Absorbed Sub-Fund Ailis Muzinich Target 2025		**Absorbing Sub-Fund** Fonditalia Enhanced Yield Short Term	
Absorbed share classes	**ISIN code**	**Absorbing unit classes**	**ISIN code**
AILIS MUZINICH Target 2025 Class R	LU2050620843	Fonditalia Enhanced Yield Short T. Class R	LU1618251315
AILIS MUZINICH Target 2025 Class S	LU2050620926	Fonditalia Enhanced Yield Short T. Class S	LU1618251661
AILIS MUZINICH Target 2025 Class I	LU2050621817	Fonditalia Enhanced Yield Short T. Class T	LU2723579780
		Fonditalia Enhanced Yield Short T. Class TS	LU2723579863

The units of the Absorbed Sub-Fund will be cancelled and the Absorbed Sub-Fund shall cease to exist on the Effective Date.

7) <u>Figures comparison of the Absorbed Sub-Fund and the Absorbing Sub-Fund as January 20, 2025</u>

<u>Absorbed Sub-Fund:</u>

Name Sub-Fund	**AuM (million EUR)**	**Range of direct or indirect investments**
AILIS MUZINICH TARGET 2025	100.343125	BOND 98.70% CASH 1.30%

<u>Absorbing Sub-Fund:</u>

Name Sub-Fund	AuM (million EUR)	Range of direct or indirect investment
FONDITALIA ENHANCED YIELD SHORT TERM	107.667067	BOND 97% CASH 3%

8) Costs of the Merger

All administrative, legal and where applicable advisory costs in relation with the Merger will be borne by the Management Company, FIDEURAM ASSET MANAGEMENT (IRELAND) dac.

The depositary bank of the Fund and Absorbing Fund has been mandated to verify the conformity of the elements listed in article 69 (1), items a), f) and g) pursuant to article 70 of the Law.

If you are not in agreement with the changes described above, you may request the redemption of your shares free of any redemption charges from the date of the publication of the notice until 2.00 p.m. Luxembourg time on March 28, 2025.

Please be aware that the Merger may create a chargeable tax event in your country of tax residence. Your tax position may change as a result of the Merger under the tax laws in the country of your nationality, residence, domicile or incorporation and we strongly suggest seeking advice from your financial advisor to ensure that the Absorbing Sub-fund, in which you will become a unitholder, is in line with your requirements and situation.

Further information pertaining to the Merger (including the latest version of the Prospectus and the relevant PRIIPs KID) will be available at the registered office of the Management Company as well as on the website of the Management Company (www.fideuramireland.ie).

A copy of the reports of the approved statutory auditor of the Fund and Absorbing Fund relating to the Merger is available upon request and free of charge to the shareholders of the Absorbed Sub-Fund and the unitholders of the Absorbing Sub-Fund at the registered office of the Fund and Absorbing Fund.

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Appendix I

Key features between the Absorbed Sub-Fund and the Absorbing Sub-Fund

The differences between the Absorbed Sub-Fund and the Absorbing Sub-Fund's investment policies and characteristics are highlighted in the table below.

	AILIS MUZINICH TARGET 2025 **(Absorbed Sub-Fund)**	FONDITALIA ENHANCED YIELD SHORT TERM **(Absorbing Sub-Fund)**
Investment policy	The MUZINICH Target 2025 Sub-fund, expressed in Euro, will be characterised by three separate phases: (i) an initial subscription period running from 01/11/2019 to 20/01/2020 (the "Initial Subscription Period"); (ii) a period of approximately five years after the Initial Subscription Period during which the Sub-fund will pursue its main investment objective (the "Principal Investment Period"); and (iii) a period subsequent to the Principal Investment Period (the "Post-Investment Period"). The Sub-fund has been designed for subscribers investing in the Sub-fund during the Initial Subscription Period and maintaining the investment until the end of the Principal Investment Period. During the Initial Subscription Period, the Sub-fund will hold 100% of its net assets in cash, denominated in Euro. The investment objective is to generate positive total returns, over the Principal Investment Period, measured in Euro. However, a positive performance is not guaranteed and while the Sub-fund aims to achieve positive return in all market conditions, it may not always achieve this objective. The return forecasts may differ if the investor does not intend to hold the investment until the end of the Principal Investment Period. The Sub-fund will seek to achieve its investment objective by investing in a diversified portfolio, primarily consisting of fixed income securities issued by corporations, other non-government issuers, governments and government related issuers located in both developed and emerging markets and denominated in global currencies. The fixed income securities acquired by the Sub-fund will have an expected effective maturity of up to 6 years, measured from the start of the Principal Investment Period. The legal maturity of acquired fixed income securities may exceed 6 years.	**FONDITALIA ENHANCED YIELD SHORT TERM**, expressed in EURO, seeks to protect capital and generate attractive returns which exceed those available from similar duration Benchmark Government Bonds. The Investment Manager seeks to meet its objective through the construction of a prudently managed portfolio of corporate bonds with attractive risk and reward characteristics, as well as an average investment grade rating. The Investment Manager generally targets an average duration to worst of no more than two (2) years; but, due to market conditions, the average duration to worst may at times be as high as three (3) years. The Sub-fund primarily invests in corporate debt securities (including fixed and floating rate notes and bonds, contingent convertible securities) or in US and European treasury bonds, and US and European agency bonds, which are publicly traded on recognised exchanges. The Sub-fund maintains an average investment grade Moody's or Standard & Poor's rating (or as deemed equivalent by the Investment Manager) of at least Baa3 or BBB-, respectively, and will at all times invest at least 60% of its net assets in investment grade bonds (including money market instruments). No more than 40% of the Sub-fund's net assets may be rated below investment grade, and the minimum permissible rating of a security will be B3/B- by at least one rating agency (or as deemed equivalent by the Investment Manager). The Sub-fund will not invest more than 10% of its net assets in unrated debt securities. The credit quality is measured by the internal valuation model implemented by the Investment Manager. The Sub-fund will not invest in distressed securities nor in default securities. Some "CCC" rated securities may be considered as distressed securities. If a

	The Sub-fund may invest up to 80% of its net asset value in non-investment grade instruments. The Sub-fund may invest in distressed securities or in default securities up to 10% of its net assets. Securities will be deemed non-investment grade if, at the time of purchase, they are classified below "BBB-" or equivalent and above or equal to "CCC" or equivalent based on rating agencies or equivalent defined on the basis of the internal valuation model implemented by the Investment Manager. Some "CCC" rated securities may be considered as distressed securities. If a security eligible for the Sub-fund is rated "CCC", the Investment Manager will perform an analysis in order to determine if such security is a distressed security, if so the Investment Manager will ensure that the investment limit in such security will be respected. In case of downgrade of an existing investment or other events leading to qualify a security of the Sub-fund as distressed or default, the Investment Manager will analyse the situation in the best interest of the Company in order to take actions. Actions may include without limitation selling the security at low value. In any event the Management Company shall ensure that the investment restrictions concerning exposure in distressed and / or default securities shall be complied with in such situation. The Sub-fund will aim to maintain a portfolio minimum average rating of "B" or equivalent, (where the portfolio average rating is the market weighted sum of the individual security ratings, which does not include cash), based on the rating agencies or equivalent rating defined on the basis of the internal valuation model implemented by the Investment Manager. Although there are no particular geographic investment limits, the Sub-fund may invest no more than 50% of its net asset value in instruments issued by entities located in emerging markets. The Sub-fund may invest no more than 10% of its net asset value in UCITS and/or other UCIs that invest primarily in fixed income instruments issued by corporations, other nongovernment issuers, governments and government related issuers located in both developed and emerging markets and denominated in global currencies.	security eligible for the Sub-fund is rated "CCC", the Investment Manager will perform an analysis in order to determine if such security is a distressed security, if so, the Management Company will ensure that the investment limit in such security will be respected. In case of downgrade of an existing investment or other events leading to qualify a security of the Sub-fund as distressed or default, the Investment Manager will analyse the situation in the best interest of the unitholders of the Sub-fund in order to take actions. Actions may include without limitation selling the security at low value. In any event the Management Company shall ensure that distressed and / or default securities held by the Sub-fund shall not exceed 10% of its net asset value. At times, the Sub-fund may also invest in asset-backed securities (ABS) and mortgage-backed securities (MBS) but such investments (if any) will be limited to a total of 5% of the Sub-fund's nets assets and are not expected to form a material part of the portfolio. The Sub-fund's investment portfolio will be diversified as to issuer and industry, with no single corporate issuer comprising more than 3% of the Sub-fund net assets. The Sub-fund has no geographic limitation. The Sub-fund may invest up to 10% of its net assets in debt securities issued by Mainland China issuers through Bond Connect program. Although there are no particular geographic investment limits, the net direct and indirect exposure to instruments issued by entities located in emerging markets will not be more that 20% of the Sub-fund's net assets. The Investment Manager will not actively purchase equities in pursuit of the Sub-fund's investment objective. However, in the event that an asset held by the Sub-fund is subsequently restructured by an issuer, the Sub-fund may become a recipient of, and hold, equities in such issuer. Such equities (if any) will be limited and are not expected to form a material part of the portfolio. The Sub-fund may utilise futures, options, credit default swaps (only to buy protection), interest rate swaps and forward currency contracts, solely for hedging purposes and/or to protect against exchange risks.

	The Sub-fund may invest no more than 10% of its net asset value (cumulatively) in ABS and MBS and no more than 10% of its net asset value in CoCos. During the Principal Investment Period the Sub-fund may also buy money-market instruments up to 10% of its net assets. The holding of ancillary liquid assets (cash and deposits at sight (such as cash held in current accounts)) is limited to 10% of the net assets of the Sub-Fund. Under exceptionally unfavourable market conditions and on a temporary basis, this limit may be increased up to 100% of its net assets, if justified in the interest of the investors. The Sub-fund is actively managed. The Sub-fund is not managed in reference to a benchmark. The maturity date of the debt securities held by the Sub-fund may change over time, according to investment targets and specific market developments approaching the end of the Initial Subscription Period. In normal market conditions, the Investment Manager expects to hold a low turnover portfolio. The Sub-fund may invest without limitation in instruments denominated in currencies other than the reference currency (EUR). The Sub-fund may use strategies to hedge developed market currency risks, in relation to currencies different from the EURO. In aggregate, and accounting for active currency positions as described in the previous paragraph, the non-EURO currency exposure will not exceed 15% of the Sub-fund's net assets. During all periods, (i) in respect of investments held in currencies different from the Euro, the Investment Manager will normally use strategies to hedge currency risks, and (ii) Investment Manager may make use of exchange traded and over-the-counter options, futures, credit default swaps and other derivatives for investment and/or hedging purposes. Securities lending: Maximum portion of assets that can be subject to securities lending: 70% Expected portion of assets that will be subject to securities lending: 40%	The Sub-fund will not use financial derivative instruments for investment purposes nor for speculative purposes. Details of any forward currency transactions entered into by the Investment Manager on behalf of the Sub-fund will be set-out in the periodic reports relating to the Sub-fund. The Sub-fund will not speculate on interest rate fluctuations. The Sub-fund may invest up to 5% of its net assets in broken convertible bonds (being a convertible bond where the underlying stock trades far below its conversion price, causing it to act as a bond given that there is a very low probability that it will reach the convertible price before maturity). The Sub-fund may invest up to 5% of its net assets in contingent convertible bonds. The Sub-fund will not be leveraged as a result of an investment in contingent convertible securities or broken convertible bonds. The Sub-fund may invest up to 10% of its nets assets in UCITS and other UCIs (including exchanged traded funds ("ETFs")), with similar investment policies to the Sub-fund. The Sub-fund may invest in ETFs for the purpose of gaining indirect exposure to debt securities, as detailed above. It is intended that the ETFs in which the Fund may invest will be listed on a recognized exchange, and will be domiciled in, or have exposure to Europe and/or North America. The Sub-fund will not invest more than 20% of its net assets in cash and deposits at sight (such as cash held in current accounts) for ancillary liquidity purposes in normal market conditions. Under exceptionally unfavourable market conditions and on a temporary basis, this limit may be breached, if justified in the interest of the investors. The Sub-fund is actively managed. The Sub-fund is not managed in reference to a benchmark. The Sub-fund has been categorized as an ESG Promotion Strategy Sub-fund, as promoting, among other characteristics environmental and social characteristics, which are a binding component, for the assets selection and investment decision-making process, and the companies in which the Sub-fund shall invest in need to follow good governance practices, in accordance with article 8 of the SFDR.

	The Sub-fund will not enter into total return swaps nor in repurchase or reverse repurchase agreements. The Sub-fund has a pre-defined period of 5 years (ending 20/01/2025). Once the terms of 5 years have expired (21/01/2025), there will be progressive investment seeking to consolidate the performance achieved. Therefore, in the months following the end of the Principal Investment Period, the board of directors of the Management Company will decide to incorporate this Sub-fund into another sub-fund promoted and/or managed by companies of the group to which the Management Company belongs or of another UCITS or to liquidate it or reformulate its investment policy in the best interests of the shareholders. Consequently, in the weeks preceding the end of the Principal Investment Period, the shareholders will receive a notice advising them of the decision of the board of directors in this respect. Investors should be aware that cash deposits held in Euro and Euro denominated money market funds may offer negative yields. As a result of the Sub-fund holding such assets during the Initial Subscription Period, the Principal Investment Period and the Post Investment Period, the net asset value of the Sub-fund at the end of such period may be less than the net asset value at the beginning of such period.	More information relating to the environmental and social characteristics of the Sub-fund is provided in the Appendix to the Prospectus in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288. Securities lending: • Maximum portion of assets that can be subject to securities lending: 70%. • Expected portion of assets that will be subject to securities lending: 40%.
Profile of the typical investor:	The Sub-fund is suitable for investors who search medium term investments. The investor must be able to accept a certain volatility and the possibility of losing part of the invested amount.	This Sub-fund is suitable for investors who search short-term investments with a moderate risk exposition linked to the variation of the yield curve. The investor seeks a relatively safe investment but understands that his investment is not guaranteed against a possible loss.
Reference currency	EUR	EUR
Valuation Day	Any Business Day in Luxembourg	Any Business Day in Luxembourg
SFDR categorisation	Art. 6	Art. 8
Benchmark	The Sub-fund is actively managed. The Sub-fund is not managed in reference to a benchmark.	The Sub-fund is actively managed. The Sub-fund is not managed in reference to a benchmark.
Investment Manager	Muzinich & Co Limited 8, Hanover Street London W1S 1YQ UNITED KINGDOM	Muzinich & Co Limited 8, Hanover Street London W1S 1YQ UNITED KINGDOM
Sub-Investment Manager(s)	/	Muzinich & Co Inc. (USA) 450 Park Avenue 10022-2692 New York UNITED STATES OF AMERICA

Share/Unit Classes	Classes I, R and S	Classes R, S, T, TS
Management fees	**For R and S share classes:** - **1,00%** (during the "Principal Investment Period" running from 21/01/2020 to 20/01/2025) **- 0,80%** (after the end of the "Principal Investment Period" from 21/01/2025) **For I share class:** - 0.40%	**For R and S share classes:** - up to 1,10% **For T and TS share classes** - up to 0,45%
Placement fee	Class R and S: A placement fee applied at the end of the Initial Subscription Period equals to 2,00% of the initial Net Asset Value per unit/share multiplied by the number of resulting units/shares being issued; it is levied on the Sub-fund's assets collected as formation expenses and is amortised over the next 5 years. Class I: N/A	N/A
Administrative fee	N/A	N/A
Performance fees	N/A	N/A
Total Return Swaps (TRS)	N/A	N/A
Securities lending	• Maximum portion of assets that can be subject to securities lending: 70% • Expected portion of assets that will be subject to securities lending: 40%	• Maximum portion of assets that can be subject to securities lending: 70%. • Expected portion of assets that will be subject to securities lending: 40%.
Ongoing charges	N/A	N/A
SRI	4 (four)	2 (two)
Global Exposure Determination Methodology	Commitment approach	Commitment approach

Appendix II

PRIIPs KID of the Absorbing Sub-Fund

Key Information Document

FIDEURAM ASSET MANAGEMENT IRELAND

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Fonditalia Enhanced Yield Short Term (ISIN LU1618251315-Class R)

PRODUCT

Product: Fonditalia Enhanced Yield Short Term - Class R
Manufacturer: Fideuram Asset Management (Ireland) dac
Website: www.fideuramassetmanagement.ie
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Competent Authority: Fideuram Asset Management (Ireland) dac is authorised in Ireland and regulated by Central Bank of Ireland as a Management Company as defined in Article 2(1), point (b), of Directive 2009/65/EC. This PRIIP is a Luxembourg UCITS managed by Fideuram Asset Management (Ireland) dac under the freedom to provide services in Luxembourg in accordance with Article 16 of Directive 2009/65/EC.
This key information document is valid as at 2024-05-31.

WHAT IS THE PRODUCT?

Type:
Mutual Investment Fund under Luxembourg Law governed by Part I of the Law of December 17, 2010.

Term:
This sub-fund is not subject to any fixed term.The Fund is established for an unlimited duration; it may be dissolved at any time with the mutual approval of the Management Company and the Depositary Bank.The Fund shall be liquidated in the cases provided for in Article 22 of the Law of December 17, 2010.The Management Company may decide to enter into liquidation the Sub-Fund in case of extraordinary events such as changes in the political, economical or monetary situation or when the net asset of the Sub-Fund is less than a minimum level for the Sub-Fund to be operated in an economically efficient manner, as further described in the Prospectus.

Objectives:
The Sub-Fund, expressed in EURO, seeks to protect capital and generate attractive returns which exceed those available from similar duration Benchmark Government Bonds.
The Sub-Fund seeks to meet its objective through the construction of a prudently managed portfolio of corporate bonds with attractive risk and reward characteristics, as well as an average investment grade rating.
The Sub-Fund generally targets an average duration to worst of no more than 2 years; but, due to market conditions, the average duration to worst may at times be as high as 3 years.
The sub-fund primarily invests in corporate debt securities (including fixed and floating rate notes and bonds, contingent convertible securities) or in US and European treasury bonds, and US and European agency bonds, which are publicly traded on recognised exchanges.
The sub-fund may invest its net assets as follows:
- at least 60% in investment grade bonds (including ancillary liquid assets).
- up to 40% of the sub-fund's net assets may be rated below investment grade, and the minimum permissible rating of a security will be B3/B- by at least one rating agency (or as deemed equivalent by the Investment Manager);
- up to 5% in ABS and MBS ;
- up to 10% in debt securities issued by Mainland China issuers through Bond Connect program.
- up to 5% of its net assets in broken convertible bonds (being a convertible bond where the underlying stock trades far below its conversion price, causing it to act as a bond)
- up to 5% in contingent convertible bonds.
- up to 10% in UCITS and other UCIs (including exchanged traded funds ("ETF")
- up to 20% in cash and deposits at sight for ancillary liquidity

The sub-fund's investment portfolio will be diversified as to issuer and industry, with no single corporate issuer comprising more than 3% of the sub-fund net assets. The sub-fund has no geographic limitation.
The Sub-Fund may use financial derivative instruments for the sole purpose of risk hedging.
The sub-fund is actively managed. The sub-fund is not managed in reference to a benchmark.
The sub-fund has been categorized as an ESG Promotion Strategy Sub-fund in accordance with article 8 of the SFDR.
This is a capitalization Unit-Class which reinvests all income generated by the Sub-Fund.
You may request to redeem the units held at any moment, in accordance with the Prospectus.

Intended Retail Investor:
The sub-fund is suitable for investors who look for medium term investments and have a preference for sustainable ESG strategies.The investor must be able to accept a certain volatility and the possibility of losing a part of the invested amount. This product is for investors who meet the conditions for accessing the product in question (see prospectus) with any level of knowledge and experience. Investors should understand the product risks and only invest if they can bear potentially substantial losses.

Depositary: STATE STREET BANK INTERNATIONAL GmbH, Luxembourg Branch. Copies in English of the latest annual and semi-annual reports, of the Prospectus, and of the Management Regulations may be obtained free of charge at any moment at the registered office of the Management Company, at the offices of STATE STREET BANK INTERNATIONAL GmbH, Luxembourg Branch, and of the Distributor. They are also available on the website www.fideuramireland.ie. The latest price of the unit is available every business day in Luxembourg at the offices of the Depositary and on the website www.fideuramireland.ie. The Remuneration policy is available on the website http://www.fideuramireland.ie/en/policy/. A paper copy of the summarized remuneration policy is available free of charge upon request. For information on Reg. 2019/2088 ("SFDR"), please refer to the "Sustainability" section on the website www.fideuramireland.ie. The Fund is subject to the Luxembourg tax legislation. Said legislation may have an impact on your personal tax position.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risk indicator

1	**2**	3	4	5	6	7

Lower risk — Higher risk

The risk indicator assumes you keep the product for a minimum of 4 years.
The actual risk can vary significantly if you cash in at an early stage and you may get back less.
You may not be able to sell your product easily or may have to sell at a price that significantly impacts on how much you get back. The redemption price may, depending on the evolution of the net asset value, be higher or lower than the paid issue price.

Specific reasons, such as change restrictions or circumstances outside the control of the Depositary Bank, may render impossible the transfer of redemption amount in the country where the redemption is requested.
In case of mass redemptions, the Management Company may decide to suspend the redemptions until it has sold the necessary assets.
The summary risk indicator ("SRI") is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.
We have classified this product as class 2 out of 7, which is a low-risk class.
This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact the capacity of the fund to pay you.

Other risks materially relevant not included in the SRI: Credit Risk, Derivatives Risk, ESG Risk, Liquidity Risk, Operational risk,
This product does not include any protection from future market performance. Please refer to the 'Risk' section of the prospectus for more details.

Performance scenarios

Recommended minimum holding period: 4 years **Investment: 10 000 EUR** **Scenarios** **Scenarios Minimum: There is no minimum guaranteed return. You could lose some or all of your investment.**		**1 year**	**4 years** (recommended holding period)
Stress	**What you might get back after costs**	7 820 EUR	**7 810 EUR**
	Average return each year	- 21.8%	- 6%
Unfavourable	**What you might get back after costs**	8 950 EUR	**9 440 EUR**
	Average return each year	- 10.5%	- 1.4%
Moderate	**What you might get back after costs**	10 000 EUR	**10 310 EUR**
	Average return each year	0%	0.8%
Favourable	**What you might get back after costs**	11 500 EUR	**11 270 EUR**
	Average return each year	15%	3%

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.
The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the fund completed where applicable by that of its reference framework over the last 10 years. Markets could develop very differently in the future.
The stress scenario shows what you might get back in extreme market circumstances.
This type of scenario occurred for an investment between 2014 - 2024.
The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

WHAT HAPPENS IF FIDEURAM ASSET MANAGEMENT (IRELAND) DAC IS UNABLE TO PAY OUT?

There is no compensation or guarantees for investors in the event of the insolvency of the Management company. It is specified that each mutual investment fund constitutes an autonomous and separate asset in all respects from the assets of the Management company and from that of each investor as well as from any other assets managed by the same Management company. Furthermore, the Management company is liable exclusively for the obligations contracted on behalf of the sub-fund with the assets of the same fund. On those assets actions by creditors of the Management company or creditors of the depositary or sub-depositary are not permitted. The creditors of individual investors are permitted to take action only on the units/shares held by the individual investors. The Management company may in no case use, in its own interest or in the interest of third parties, the assets belonging to the managed funds.

WHAT ARE THE COSTS?

The person selling or advising this product may charge other costs, in which case this person will provide you with information about these costs, and should show you the impact that all costs will have on your investment over time.

Costs over Time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods:

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.

- EUR 10 000 is invested.

Investment: 10 000 EUR	If you exit after 1 year	If you exit after 4 years
Total Costs	248 EUR	**705 EUR**
Annual Cost Impact*	2.5%	1.7%

*This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 2.4% before costs and 0.8% after costs.

Composition of Costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	1.01% of the amount you pay in when entering this investment (including fixed fees)	101 EUR
Exit costs	0.05% of your investment before it is paid out to you (including fixed fees)	5 EUR
Ongoing costs		
Management fees and other administrative or operating costs	1.35% of the value of your investment per year. This amount is based on costs incurred for the custody, the administration and the management of the product.	136 EUR
Portfolio transaction costs	0.06% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	6 EUR
Incidental costs taken under specific conditions		
Performance Fee	There is no performance fee for this product.	N/A

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MY MONEY OUT EARLY?

Recommended minimum holding period: 4 years

The above mentioned period has been defined in accordance to the product characteristics. It is determined on the basis of the sub-fund's risk and reward profile. Your ideal holding period may be different from this minimum recommended holding period. If the holding period is shorter than the recommended minimum, this may have a negative impact on the sub-fund's risk and reward profile. We recommend that you discuss this with your advisor. You may request to redeem the units held at any moment, and on any business day, in accordance with the Prospectus. Any costs are shown under "Composition of costs" above.

HOW CAN I COMPLAIN?

Any complaints must be sent by the investor to Fideuram Asset Management (Ireland) DAC in writing and according to one of the following methods indicated: registered letter with return receipt; e-mail to the address: info@fideuramireland.com. Complaints are considered validly received by the Management Company if they contain at least the following information: identification details of the person submitting the complaint; reasons for the complaint, details of the economic damage; sign-off or other element allowing for the identification of the investor.Complaints can also be sent by the investor to the authorized Distributors in the countries where the units of the sub-fund are distributed.

OTHER RELEVANT INFORMATION

Alongside this document, we invite you to carefully consult the Prospectus on our website.
The past performances of this product can be found here (http://www.fideuramireland.ie/past-perf/LU1618251315_en). Please note that past performance is not indicative of future performance. It cannot provide a guarantee of returns that you will receive in the future.
The previous scenarios document for this product can be found here (http://www.fideuramireland.ie/previous-perf-scenarios/LU1618251315_en).