FIDEURAM ASSET MANAGEMENT (IRELAND) dac
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MANAGEMENT COMPANY
of the Luxembourg Mutual Investment Fund
with multiple sub-funds

FONDITALIA
(the "**Fund**")

NOTICE TO THE UNITHOLDERS

Luxembourg, 25th February 2025

The board of directors (the "**Board of Directors**") of the Management Company has decided to proceed with the merger of the sub-fund **AILIS MUZINICH TARGET 2025** (the "**Absorbed Sub-Fund**"), a sub-fund of AILIS (the "**Absorbed Fund**") into the sub-fund **FONDITALIA ENHANCED YIELD SHORT TERM** (the "**Absorbing Sub-Fund**") (the "**Merger**"), in compliance with article 1 (20) a) and Chapter 8 of the law of 17 December 2010 on undertakings for collective investment, as amended (the "**Law**") and the Fund's management regulations (the "**Management Regulations**") and the prospectus of the Fund (the "**Prospectus**") with effect as of 4 April 2025 (the "**Effective Date**").

The Absorbed Fund is incorporated in the Grand Duchy of Luxembourg as a *société anonyme*, having its registered office at 28, boulevard de Kockelscheuer, L-1821 Luxembourg Luxembourg and qualifies as a *société d'investissement à capital variable* organised pursuant to Part I of the Law.

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

1) <u>Reasoning of the Merger</u>

The reasons for the Merger are the following:

(i) the Absorbed Sub-Fund had a pre-defined period of five (5) years ended 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 achieved as described in the prospectus with reference to the Post-Investment Period;

(ii) the economic rationalization of the product range with the aim of offering unitholders of the Absorbed Sub-Fund (no longer attractive for potential investors as its pre-defined period ended on January 20, 2025) the benefit of investing in an 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.

2) Impact on unitholders

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.

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 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).

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.

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.

3) Merger Procedure

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 "**New Units**"), the total value of which will correspond to the total value of shares of the Absorbed Sub-Fund.

The number of New Units allocated 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 as of the Effective Date.

As a consequence of the Merger, the shares of the Absorbed Sub-Fund will be cancelled and the Absorbed Sub-Fund shall cease to exist on the Effective Date.

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

In the event that the Effective Date is postponed due to unforeseen circumstances, shareholders will be informed accordingly.

All outstanding liabilities of the Absorbed Sub-Fund will be determined as of the Effective Date. Generally, these liabilities comprise fees and expenses which have accrued and are or 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.

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.

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).

The Board of Directors of the Management Company has 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. A copy of the reports of the approved statutory auditor of the Fund relating to the Merger is available upon request and free of charge at the registered office of the Fund.

FIDEURAM ASSET MANAGEMENT (IRELAND) dac acting on behalf of and for the account of Fonditalia

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 characterized 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. 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	**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 recognized 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 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.

	"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. 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 unfavorable 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.	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 utilize 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 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 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 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	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 unfavorable 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. 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%.

	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.	
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 categorisat	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
Manageme nt 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 amortized over the next 5 years. Class I: N/A	N/A
TR Swaps	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%.
SRI	2 (two)	2 (two)
Global Exposure Determinat ion Methodolo gy	Commitment approach	Commitment approach