

**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**")

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

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Luxembourg, 21 April 2023

Dear Shareholder,

We wish to advise you that the Sub-Fund in which you are invested is due to receive assets from another sub-fund through a merger (the "**Merger**"). This Merger is not expected to have any impact on your investment. We have provided full details of this Merger below.

On 31 May 2023 (the "**Effective Date**"), **PARETO SICAV – Pareto Nordic Alpha** (the "**Merging Sub-Fund**"), a sub-fund of the Fund will merge into **PARETO SICAV – Pareto Nordic Equity** (the "**Receiving Sub-Fund**"). The Merger will not interrupt dealing in the Receiving Sub-Fund.

The decision to merge the sub-funds is taken by the board of directors of the Fund (the "**Board**").

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, has 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.

The Board of the Company has therefore decided, in accordance with Article 29 of the articles of incorporation of the Company (the “**Articles**”) and the provisions of the prospectus of the Company and in the interest of both funds’ shareholders, to merge the Merging Sub-Fund into the Receiving Sub-Fund.

This notice is required by Luxembourg law and is being sent to you for informational purposes only.

### **Impact on the Receiving Sub-Fund’s investment portfolio and performance**

The Receiving Sub-Fund will continue to be managed in line with its investment objective and strategy after the Merger. Prior to the Merger, the Merging Sub-Fund will dispose of any assets that are not in line with the Receiving Sub-Fund's investment portfolio or which cannot be held due to investment restrictions.

The Receiving Sub-Fund’s investment portfolio will not need to be rebalanced before or after the Merger. Consequently the Board does not foresee any material impact on the Receiving Sub-Fund’s investment portfolio or performance as a result of the merger.

### **Expenses and costs of the Merger**

All the expenses and costs incurred in the Merger will be borne by Pareto Asset Management AS, which is acting as investment manager for the Receiving Sub-Fund (the “**Investment Manager**”).

### **Effective date and rights of shareholders**

The merger will be implemented on 31 May 2023. As a shareholder in the Receiving Sub-Fund you have the right to redeem your holding or switch it into the same share class of one or more of the Company’s other sub-funds prior to the Merger.

If you do not wish to continue to hold shares in the Receiving Sub-Fund after the Merger you may at any time up to and including deal cut-off at 12:00 p.m. noon Luxembourg time on 22 May 2023 send your instructions to redeem or switch your shares for execution prior to the Merger. European Fund Administration S.A. (the “**EFA**”) will carry out your instructions free of charge in accordance with the provisions of the prospectus of the Company.

Please note that some distributors, paying agents, correspondent banks or similar agents may charge you transaction fees. Please also note that they might have a local deal cut-off which is earlier than the Receiving Sub-Fund's cut-off time in Luxembourg, and we recommend that you check with them to ensure that your instructions reach EFA before the deal cut-off given above.

Redemption and / or switching of shares may affect the tax status of your investment. We therefore recommend you to seek independent professional advice in these matters.

### **Exchange ratio and treatment of accrued income**

On the day before the Effective Date, the net assets and liabilities of the Merging Sub-Fund, including any accrued income, will be calculated in its final net asset value per share for each share class and shareholders in the Merging Sub-Fund will be issued shares of an equal amount by value of shares in the Receiving Sub-Fund at the net asset value per share calculated on the day before the Effective Date or at the initial issue price for the corresponding share class.

Thereafter accrued income will be accounted for on an on-going basis in the net asset value per share for each share class in the Receiving Sub-Fund. Any income accrued in the Receiving Sub-Fund prior to the Merger will not be affected.

**Further information**

Luxembourg law requires that an audit report validating the criteria adopted for valuation of the assets to be prepared by the Fund's approved statutory auditor in relation to the Merger. Such audit report will be available free of charge upon request from FundRock Management Company S.A., the management company of the Fund.

We hope that you will choose to remain invested in the Receiving Sub-Fund after the Merger.

Shareholders having any question relating to the above changes should not hesitate to contact their financial advisor or [post@paretoam.com](mailto:post@paretoam.com)

Yours sincerely,

The Board of Directors