

SIDERA FUNDS SICAV

Société d'investissement à capital variable

Registered office: 2-4 rue Eugène Ruppert, L-2453, Luxembourg
RCS Luxembourg B 201846
(the "Fund")

Notice to Shareholders of:

SIDERA FUNDS – BALANCED GROWTH

(the "Receiving Sub-Fund")

IMPORTANT:

**THIS LETTER REQUIRES YOUR IMMEDIATE ATTENTION.
IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENT OF THIS LETTER,
YOU SHOULD SEEK INDEPENDENT PROFESSIONAL ADVICE.**

10 May 2022

Dear Shareholders,

The board of directors of the Fund (the "**Board**") has decided to proceed to a Merger by absorption (the "**Merger**") of SIDERA FUNDS – EQUITY GLOBAL LEADERS (the "**Merging Sub-Fund**") into SIDERA FUNDS – BALANCED GROWTH (the "**Receiving Sub-Fund**") in compliance with article 1(20)(a) of the law of 17 December 2010 on undertakings for collective investment as amended. The Merger shall become effective on **17 June 2022** (the "**Effective Date**").

This notice describes the implications of the contemplated Merger. Please contact your financial advisor if you have any questions on the content of this notice. The Merger may impact your tax situation. Shareholders should contact their tax advisor for specific tax advice in relation to the Merger.

Capitalized terms not defined herein have the same meaning as in the prospectus of the Fund (the "**Prospectus**").

1. Background and rationale for the Merger

As of 1 April 2022, the assets under management amount to approximately EUR 366,470,736 with respect to the Merging Sub-Fund and EUR 99,739,552 with respect to the Receiving Sub-Fund.

The Merging Sub-Fund's assets under management are concentrated in the "B Acc" class of shares and the prospective shareholders show interests in other investment products.

In order to exploit the economies of scale while using a solution with lower risk and offering shareholders the opportunity to remain invested in an attractive strategy, the Board considers that it is in the best interest of the Merging Entities and of the relevant shareholders to merge the Merging Sub-Fund into the Receiving Sub-Fund.

The Merger will also result in better economies of scale in the long term and greater levels of operational efficiency, both of which should lead to longer term cost savings for shareholders of the Merging Sub-Fund and of the Receiving Sub-Fund. Moreover, higher levels of operational efficiency will likely be realised as a consequence of reduced operational and administrative costs.

Rather than liquidating the Merging Sub-Fund, which would incur in liquidation costs and have potential tax consequences for its shareholders, the Board believes that it is in the best interests of the shareholders of the Merging Sub-Fund to merge the Merging Sub-Fund into the Receiving Sub-Fund.

For the shareholders of the Receiving Sub-Fund, the Merger will not have any foreseeable impact

2. Summary of the Merger

- (a) The Merger shall become effective and final between the Receiving Sub-Fund and the Merging Sub-Fund and vis-à-vis third parties on the Effective Date.
- (b) On the Effective Date, all assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund.
- (c) No general meeting of shareholders shall be convened in order to approve the Merger and shareholders are not required to vote on the Merger.
- (d) Shareholders of the Receiving Sub-Fund who do not agree with the Merger have the right to request, prior to 10 June 2022 the redemption of their shares without redemption charges (other than charges retained by the Receiving Sub-Fund to meet disinvestment costs). Please see the section **Error! Reference source not found. (Error! Reference source not found.)** below.
- (e) Subscriptions, redemptions and/or conversions of shares of the Receiving Sub-Fund will be suspended as indicated under section **Error! Reference source not found. (Error! Reference source not found.)** below.
- (f) Other procedural aspects of the Merger are set out in section **Error! Reference source not found. (Error! Reference source not found.)** below.
- (g) The Merger has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”).
- (h) The timetable below summarises the key steps of the Merger:

Notice sent to shareholders	10 May 2022
Suspension of dealings in the Receiving Sub-Fund	13 June 2022
End of current accounting period of the Receiving Sub-Fund	13 June 2022
Valuation of the Receiving Sub-Fund and Merging Sub-Fund	16 June 2022
Calculation of share exchange ratio	16 June 2022
Effective Date	17 June 2022

3. **Impact of the Merger on the shareholders of the Receiving Sub-Fund**

For the shareholders of the Receiving Sub-Fund, the merger will not have any foreseeable impact.

The Merger will be binding on all the shareholders of the Receiving Sub-Fund who have not exercised their right to request the redemption of their shares, free of charge, within the timeframe set out in section 5 (*Rights of shareholders in relation to the Merger*) below.

4. **Criteria for valuation of assets and liabilities**

For the purpose of calculating the relevant share exchange ratio, the rules laid down in the Articles of Association and the Prospectus of the Receiving Sub-Fund for the calculation of the net asset value will apply to determine the value of the assets and liabilities of the Receiving Sub-Fund.

5. **Rights of shareholders in relation to the Merger**

Shareholders of the Receiving Sub-Fund not agreeing with the Merger will be given the possibility to request the redemption of their shares of the Receiving Sub-Fund at the applicable net asset value, without any redemption charges (other than charges retained by the Receiving Sub-Fund to meet disinvestment costs) during at least thirty (30) calendar days following the date of the present notice.

6. **Procedural aspects**

6.1 *No shareholder vote required*

No shareholder vote is required in order to carry out the Merger under article 40.1 of the Articles of Association of the Fund. Shareholders of the Receiving Sub-Fund not agreeing with the Merger may request the redemption of their shares as stated under section Error! Reference source not found. (*Error! Reference source not found.*) above prior to 10 June 2022.

6.2 *Suspension in dealings*

In order to implement the procedures needed for the Merger in an orderly and timely manner, the Board has decided that subscriptions for, conversion to or redemption of shares of all classes of the Receiving Sub-Fund will no longer be accepted or processed from 13 June 2022 until the Effective Date.

6.3 *Confirmation of Merger*

Each shareholder in the Receiving Sub-Fund will receive a notification confirming that the Merger has been carried out.

6.4 *Sub-Fund registrations*

The Merging Sub-Fund has been notified to market its shares in all Member States where the Receiving Sub-Fund is either authorised or has been notified to market its shares.

6.5 *Approval by competent authorities*

The Merger has been approved by the CSSF which is the competent authority supervising the Fund in Luxembourg.

7. **Costs of the Merger**

Arca Fondi SGR S.p.A., an Italian public limited company (società per azioni) with registered office is at Via Disciplini 3, 20123 Milan, Italy, acting as promotor of the Fund, will bear the legal, advisory and administrative costs and expenses associated with the preparation and completion of the Merger.

8. **Taxation**

The Merger of the Merging Sub-Fund into the Receiving Sub-Fund may have tax consequences for shareholders. Shareholders should consult their professional advisers about the consequences of this Merger on their individual tax position.

9. **Additional information**

9.1 *Merger reports*

Deloitte Audit S.à.r.l., the authorised auditor of the Fund in respect of the Merger, will prepare reports on the Merger which shall include a validation of the following items:

- 1) the criteria adopted for valuation of the assets and/or liabilities for the purposes of calculating the share exchange ratio;
- 2) the calculation method for determining the share exchange ratio; and
- 3) the final share exchange ratio.

The Merger report regarding items 1) and 2) above shall be made available at the registered office of the Fund on request and free of charge to the shareholders of the Receiving Sub-Fund and the CSSF shortly after the Merger.

9.2 *Additional documents available*

The following documents are available to the shareholders of the Receiving Sub-Fund at the registered office of the Fund on request and free of charge as from 10 May 2022:

- (a) the common draft terms of the Merger drawn-up by the Board containing detailed information on the Merger, including the calculation method of the share exchange ratio (the "**Common Draft Terms of the Merger**");
- (b) a statement by the depositary bank of the Receiving Fund confirming that they have verified compliance of the Common Draft Terms of the Merger with the terms of the law of 17 December 2010 on undertakings for collective investment and the Articles of Association;
- (c) the Prospectus; and
- (d) the KIID of the Receiving Sub-Fund.

Please contact your financial adviser or the registered office of the Fund if you have questions regarding this matter.

Yours faithfully,

The Board