

## NOTICE TO THE SHAREHOLDERS OF NEW MILLENNIUM SICAV (the Company)

Luxembourg, 14<sup>th</sup> August 2018

Dear Shareholders,

The board of Directors (“Board”) of NEW MILLENNIUM SICAV (the “Company”) wishes to inform you, in your capacity as shareholder of the Company, of a series of changes regarding certain Sub-Funds and the Prospectus

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### Contingency Plan

On pag. 55 of the Prospectus a reference has been made to the “*contingency plan*” put in place by the Management Company of the Company, in compliance with the Benchmark Regulation.

### Change of benchmarks

With reference to the Sub funds:

- NEW MILLENNIUM World Equity Atlantic Focus
- NEW MILLENNIUM Augustum High Quality Bonds
- NEW MILLENNIUM Augustum Corporate Bond
- NEW MILLENNIUM Evergreen Global High Yield Bond
- NEW MILLENNIUM Augustum Market Timing

the index “**LZ73TREU**” (Bloomberg Barclays 1 Month Euribor Swap Index TR) has been replaced by the index “**LS01TREU**” (Bloomberg Barclays 3 Months Euribor Swap Index TR Eur), due to the disposal and substitution, carried out by the administrator of the index.

### Rating Agency

A fourth rating agency (DBRS), has been added within the Prospectus to the list of possible rating agencies to be used as reference for issuer risk.

### Sub fund NEW MILLENNIUM Euro Bond Short term : change of the method of calculating VaR

For a better performance of the risk management activity it has been decided to replace the “Relative” VaR approach by the “Absolute” VaR approach based on a market standard model with the following features:

- one-tailed confidence interval of 99%;
- holding period of 1 month (20 business days);
- Montecarlo calculation.

## Sub fund NEW MILLENNIUM World Equity Atlantic Focus

The closing of the initial public offering has been postponed from 30 June 2018 until 31 October 2018.

## Amendments to the Investment Policies of the Sub-funds NEW MILLENNIUM SICAV AUGUSTUM ITALIAN DIVERSIFIED and NEW MILLENNIUM PIR BILANCIATO SISTEMA ITALIA

NEW MILLENNIUM AUGUSTUM ITALIAN DIVERSIFIED BOND	
Present	Future
<p>The investment policy has been updated to respect the position of the circular of the Italian “Agenzia delle entrate”, dated February 2018 as follows: The net assets of this Sub-Fund are invested in debt securities, such as fixed and floating rates bonds and deposits with banks.</p> <p>The sub fund’s units are included among eligible investments that shall be held in a “Piano Individuale di Risparmio a lungo termine” PIR under the Italian Budget Law (Law No 232 of 11 December 2016).</p> <p><i>The fund shall invest at least 70% of the portfolio in financial instruments issued by companies not engaged in real estate business, which are resident in Italy, or in an EU or EEA Member State and have a permanent establishment in Italy. At least 30% of these financial instruments, which corresponds to 21% of the fund’s total net assets, shall be issued by companies which are not listed in the FTSE MIB index or in any other equivalent indices (Text applicable until 31<sup>st</sup> of March 2018).</i> The fund shall invest at least 70% of the portfolio in financial instruments issued by companies resident in Italy, or in an EU or EEA Member State and have a permanent establishment in Italy. At least 30% of these financial instruments, which corresponds to 21% of the fund’s total net assets, shall be issued</p>	<p>The net assets of this Sub-Fund are invested in debt securities, such as fixed and floating rates bonds and deposits with banks.</p> <p>The sub fund’s units are included among eligible investments that shall be held in a “Piano Individuale di Risparmio a lungo termine” PIR under the Italian Budget Law (Law No 232 of 11 December 2016 – PIR Law).</p> <p><del><i>The fund shall invest at least 70% of the portfolio in financial instruments issued by companies not engaged in real estate business, which are resident in Italy, or in an EU or EEA Member State and have a permanent establishment in Italy. At least 30% of these financial instruments, which corresponds to 21% of the fund’s total net assets, shall be issued by companies which are not listed in the FTSE MIB index or in any other equivalent indices (Text applicable until 31<sup>st</sup> of March 2018).</i></del></p> <p>The fund shall invest at least 70% (“qualified investments” as per the PIR Law) of the portfolio in financial instruments issued by companies resident in Italy, or in an EU or EEA Member State and have a permanent establishment in Italy. At least 30% of these financial instruments, which corresponds to 21% of the fund’s total net assets, shall be issued by companies which are not listed</p>

by companies which are not listed in the FTSE MIB index or in any other equivalent indices (Text applicable effective as 1<sup>st</sup> of April 2018).

The fund cannot invest more than 10% of the portfolio in financial instruments issued by the same company, or companies belonging to the same group, or in a cash deposit.

The fund cannot invest in financial instruments issued by companies which are not resident in countries that allow an adequate exchange of information with Italy.

Up to 30% of the total net assets may be invested in:

- Italian Government Bond
- Bond issued by non-Italian issuers, both Government and corporate

Non-investment grade and not-rated investments are allowed but they will not exceed 49% of the net asset value. Regarding the non-investment grade instruments the minimum rating will be B-

However, under exceptional circumstances a maximum of 5% of the investments may be made in bonds with a minimum rating between C and CCC+.

Downgraded instruments that reach a rating between C and CCC+ shall also be taken into account for the purposes of calculating the above 5% limit.

The Sub-Fund may, under exceptional circumstances and where the securities have been subject to downgrade, maintain up to a maximum of 3% of the net asset in instruments with a minimum rating equal D.

The Sub-Fund cannot assume currency risk: the securities will be denominated in Euros or where they are denominated in other currencies, the currency risk will be hedged.

The use of financial derivatives instruments for investment purposes is allowed on the condition that the global exposure calculated through the "commitment approach", does not at any moment exceed 50% of the Sub-Fund's net asset value.

The expected leverage (calculated as a sum of notional) is not expected to exceed 150% while the expected leverage (calculated through the Commitment approach, as defined under ESMA

in the FTSE MIB index or in any other equivalent indices. (~~Text applicable effective as 1<sup>st</sup> of April 2018~~).

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The fund cannot invest in financial instruments issued by companies which are not resident in countries that allow an adequate exchange of information with Italy.

Up to 30% ("**free investments**" as per the PIR Law) of the total net assets may be invested in:

- Italian Government Bond
- Bond issued by non-Italian issuers, both Government and corporate
- **Derivatives for hedging purposes**

Non-investment grade and not-rated investments are allowed but they will not exceed 49% of the net asset value. Regarding the non-investment grade instruments the minimum rating will be B-

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**The use of financial derivatives instruments for investment purposes is not allowed; hedging derivatives will be included in the "free investments" quota as per the PIR Law.**

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guidelines 10/788) is not expected to exceed 50%.

Higher level of leverage may occur under certain circumstances.

Within the defined limits and in order to achieve a more efficient portfolio management, the Sub-Fund may invest in credit derivative instruments, including credit default swaps and credit spread derivatives, both for hedging the credit risk specific to some issuers present in the portfolio and for selling protection through the use of CDS, and thus acquire a specific credit position.

The use of credit derivatives instruments for investment purposes may not exceed 15% of the Sub-Fund net assets.

The Sub-Fund will not invest more than 10% of its net assets in UCITS and/or UCIs which have, however, Investment limits consistent with the Sub-Fund.

~~that the global exposure calculated through the "commitment approach", does not at any moment exceed 50% of the Sub-Fund's net asset value.~~

The expected leverage (calculated as a sum of notional) is not expected to exceed ~~150~~ 100% while the expected leverage (calculated through the Commitment approach, as defined under ESMA guidelines 10/788) is not expected to exceed ~~50~~ 10%.

Higher level of leverage may occur under certain circumstances.

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## Profile of the typical investor

### Present

The fund's units are included among eligible investments that shall be held in a "Piano Individuale di Risparmio a lungo termine" (PIR), under the Italian 2017 Budget Law (Law No 232 of 11 December 2016). Accordingly, the investor can take advantage of tax benefits envisaged by the mentioned law only if all requirements provided in that law are satisfied.

The sub fund target market covers all the typology of investors.

Given the sub fund main features, it cannot be excluded that a loss may occur even if never it will exceed the invested amount. The medium/long term growth objectives are consistent with the investment policy, even with

### Future

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<p>potential value fluctuation; it can be considered however the consistency with other objectives, even more if combined with other financial instrument investments and therefore within a diversified portfolio.</p> <p>The investment should be considered in a medium-term time horizon (&lt; 5 years).</p>	<p>potential value fluctuation; it can be considered however the consistency with other objectives, even more if combined with other financial instrument investments and therefore within a diversified portfolio.</p> <p>The investment should be considered in a <b>medium</b> long-term time horizon (&lt;&gt;5 years).</p>
<p><b>NEW MILLENNIUM PIR BILANCIATO SISTEMA ITALIA</b></p>	
<p><b>Present</b></p>	<p><b>Future</b></p>
<p>The Sub-Fund is a moderate balanced fund, characterized by a focus on the Italian real economy and on the productive investments linked, also, to medium-small size companies, although applying appropriate limits and diversification parameters.</p> <p>The fund's units are included among eligible investments that shall be held in a "Piano Individuale di Risparmio a lungo termine" (PIR) under the Italian 2017 Budget Law (Law No 232 of 11 December 2016).</p> <p>The net assets are invested in debt securities and, up to 50% in equity-related securities, such as equities, warrants and convertible bonds.</p> <p>In details:</p> <ul style="list-style-type: none"> <li>At least 70% of the total net assets is invested in financial instruments issued by companies not engaged in real estate business, which are resident in Italy, or in an EU or EEA Member State and have a permanent establishment in Italy (Text applicable until 31st of March 2018). At least 70% of the total net assets is invested in financial instruments issued by companies resident in Italy, or in an EU or EEA Member State and have a permanent establishment in Italy (Text applicable effective as 1st of April 2018).</li> </ul> <p>At least 30% of these financial instruments, which corresponds to 21% of the sub fund's total net assets, shall be issued by companies which are not listed in the FTSE MIB index or</p>	<p>The Sub-Fund is a moderate balanced fund, characterized by a focus on the Italian real economy and on the productive investments linked, also, to medium-small size companies, although applying appropriate limits and diversification parameters.</p> <p>The fund's units are included among eligible investments that shall be held in a "Piano Individuale di Risparmio a lungo termine" (PIR) under the Italian 2017 Budget Law (Law No 232 of 11 December 2016 - <b>PIR Law</b>).</p> <p>The net assets are invested in debt securities and, up to 50% in equity-related securities, such as equities, warrants and convertible bonds.</p> <p>In details:</p> <ul style="list-style-type: none"> <li><del>At least 70% of the total net assets is invested in financial instruments issued by companies not engaged in real estate business, which are resident in Italy, or in an EU or EEA Member State and have a permanent establishment in Italy (Text applicable until 31st of March 2018).</del> At least 70% ("<b>qualified investments</b>" as per the <b>PIR Law</b>) of the total net assets is invested in financial instruments issued by companies resident in Italy, or in an EU or EEA Member State and have a permanent establishment in Italy (<del>Text applicable effective as 1st of April 2018</del>).</li> </ul> <p>At least 30% of these financial instruments, which corresponds to 21% of the sub fund's total net assets, shall be issued by companies which are not listed in the FTSE MIB index or in</p>

in any other equivalent indices of other regulated markets.

Investments in financial instruments issued by medium-small size issuers is allowed provided the compliance with the following limits:

- the exposure to issuers with capitalization below 500 M eur will not exceed 30% of the total net assets;
- the exposure to issuers with capitalization below 100 M eur will not exceed 10% of the total net assets.

The sub-fund cannot invest more than 10% of the portfolio in financial instruments issued by the same company, or companies belonging to the same group, or in cash deposits. Such limit is set at 4% in case of issuer with capitalization below 100 M eur.

The exposure to a single equity issue will not exceed 5% of the total net assets; such limit is set at 2% in case of issuer with capitalization below 100 M eur.

- Up to 30% (“free investments” as per the PIR Law) of the total net assets could be invested in:
  - Governative and supranational money market instruments and bonds, both fixed and floating rates, issued mainly by EU or G8 countries;
  - Equity and debt financial instruments issued by not Italian issuers, nor issuers with a permanent establishment in Italy.
  - Units of UCITS and/or UCIs with investment policies consistent with those of the sub-fund, with a limit of 10% of the total net assets.

The fund cannot invest in financial instruments issued by companies which are not resident in countries that allow an adequate exchange of information with Italy.

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The sub-fund cannot invest more than 10% of the portfolio in financial instruments issued by the same company, or companies belonging to the same group, or in cash deposits. Such limit is set at 4% in case of issuer with capitalization below 100 M eur.

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  - Equity and debt financial instruments issued by not Italian issuers, nor issuers with a permanent establishment in Italy.
  - Units of UCITS and/or UCIs with investment policies consistent with those of the sub-fund, with a limit of 10% of the total net assets.
  - **Derivatives for hedging purposes**

The fund cannot invest in financial instruments issued by companies which are not resident in countries that allow an adequate exchange of information with Italy.

The exposure to equity and debt asset class may dynamically change for tactical and strategical reasons, however always in compliance with the above limits.

The use of financial derivatives instruments for investment purposes is allowed on the condition that the net global exposure, calculated through the “commitment approach”, does not at any moment exceed 20% of the Sub-Fund’s net asset value. The expected leverage (calculated as a sum of notional) is not expected to exceed 100% while the expected leverage (calculated through the Commitment approach, as defined under ESMA guidelines 10/788) is not expected to exceed 10%. Higher level of leverage may occur under certain circumstances.

In order to mitigate potential currency risk, unhedged positions will not exceed 10% of the total net assets

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The updated Prospectus, dated September 2018 as well as the relevant Key Investor Information Documents (KIIDs) are available, free of charge, at the registered office of the Company and is also available on the website [www.newmillenniumsicav.com](http://www.newmillenniumsicav.com)