

This document contains the key information that all investors should have relative to this fund.

It is not a promotional document.

The information found in this document, required by law, is intended to help investors understand the nature of this fund and the risks associated with it. It is recommended that it be read in full, so as to make an informed decision about whether it is opportune to invest.

Courtesy translation; Italian version shall prevail

ETICA BILANCIATO SISTEMA ETICA

Unit classes: I **ISIN code:** IT0004735186 **Assogestioni Category:** BALANCED

Open-ended mutual investment fund operating under Italian law falling under the scope of application of Directive 2009/65/EC.

Management Company (AMC): **Etica SGR S.p.A.**, member of the Banca Etica Group.

INVESTMENT POLICY AND OBJECTIVES

Objectives

The Fund aims to obtain a moderate increase in capital invested with respect for environmental, social and governance principles.

Investment policy

The fund invests in monetary and equity instruments and bonds.

For equity instruments from issuers with various levels of capitalisation, the fund invests with wide diversification of investments in different economic sectors, prevalently in regulated markets in Europe, North America and Japan.

Investments in equity financial instruments may be made up to a value of no more than 70% of the total net value of the fund.

For bonds, the fund invests in those issued by governments, supranational bodies and, residually, from companies, mainly in regulated markets in the Eurozone.

The value of financial instruments in foreign currencies may reach 100% of total fund assets. As a consequence, financial instruments in foreign currencies can be exposed to risks associated with changes in interest rates up to 100% of the total net value of the fund.

Rating: mainly investment grade.

The duration of the bond component is generally 5.5 years.

Exchange risk is actively managed.

The Fund has the right to use derivatives solely to cover portfolio risks. All financial instruments are selected after careful analysis of the issuers' social and environmental responsibility.

For a description of the criteria used, see paragraph 5 in Part B) of the Fund Rules.

Unit reimbursement

Investors may request partial or total reimbursement of the units held in the Fund on any business day.

Benchmark

Management of the Fund is inspired by a benchmark, consisting of the following indexes:

- 60% MSCI World Net Total Return (in Euro)
- 35% JP Morgan EMU
- 5% ICE BofAML Euro Treasury Bill Index

The Fund does not aim to replicate the composition of the benchmarks. Therefore, it also invests in financial instruments not found in these indexes or present in different proportions.

Degree of discretion relative to the benchmark: *significant*

Destination of profits

Profits achieved by the Fund are reinvested in the Fund's assets.

RISK AND RETURN PROFILE



The summary risk indicator classifies the Fund on a scale from 1 to 7 on the basis of the historical annual volatility of the Fund observed over the previous 5 years.

The Fund has been classified in category 5, as the variability of weekly returns over 5 years is between 10% and 15%.

Historic data used to calculate the summary risk indicator does not necessarily constitute a reliable indication of the future risk profile of the Fund. The risk/return category shown may change and the classification of the Fund may also change over time.

The lowest indicator category does not denote a risk-free investment. The Fund is exposed to risks not adequately shown in the summary risk indicator, listed below:

Credit risk

Risk that the issuer of a financial instrument does not comply, also partially, with its obligations to reimburse capital and pay interest.

EXPENSES

Expenses are used to cover the Fund's management expenses, including commercialisation and distribution costs.

These expenses reduce the potential returns from the investment.

One-time expenses withdrawn before or after investment	
Subscription expenses	Not envisaged
Reimbursement expenses	Not envisaged
Maximum percentage that can be withdrawn from capital prior to investment	
Expenses withdrawn from Fund in one year	
Ongoing charges	1.00%
Expenses withdrawn from the Fund based on certain specific conditions	
Performance fees	Not envisaged

Explanation of expenses and declaration of their importance

Ongoing charges, expressed on an annual basis, refer to expenses sustained by the Fund in the previous year concluding in December 2017; this amount may vary from one year to the next and excludes portfolio transaction costs.

Exemption from paying **fixed fees** is envisaged, with exception to the cost relating to the issue of each certificate, for which the amount is indicated in the Prospectus.

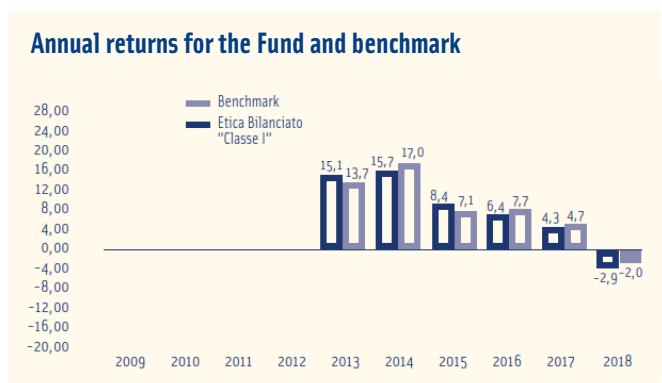
Subscription is exempt from entry and exit fees.

Optional subscription fees are envisaged for the customer, up to 0.1% of each amount paid, with the aim of creating a Fund to support initiatives financed through **microfinance** and **crowdfunding** in Italy.

For the actual amount of charges applying to the customer, the investor must contact their own consultant or distributor.

For more information on expenses, please see section C of Part I of the Fund Prospectus, available at www.eticasgr.com.

PAST RESULTS



The Fund has been in operation since 18.02.2003.

The diagram below shows past results for class I units in the Fund, which has been in operation since 02.02.2012.

In calculating past returns, subscription costs applying to the Investor are not included and neither is, as of 01 July 2011, taxation on results achieved by the Fund. Expenses applying to the Fund are included (e.g. management fees, Custodian payment).

Past return figures are calculated in Euro.

Past performance does not guarantee future results.

PRACTICAL INFORMATION

- **Custodian:** Banca Popolare di Sondrio – Società Cooperativa per azioni, with registered office in Sondrio, piazza Giuseppe Garibaldi 16.
- Additional information about the Fund, copies of the Fund Rules, the Prospectus, the last annual report and the interim report are available free of charge in Italian on the Management Company's website, www.eticasgr.it, as well as at the offices of the Company and its distributors. The Fund's accounting documents are also available at the Custodian.
- Fund units can be subscribed through a single payment or through Accumulation Plans.
The minimum single payment is € 500,000.00. For payments through Accumulation Plans, the minimum unitary amount is € 50.00 or a multiple of the same. For more information about subscription methods, please see the Fund Rules and the Prospectus.
- The individual value of the unit is calculated daily by the Management Company, except on days when the Italian stock market is closed and on Italian national holidays. In any case, the individual value of the unit relative to the last business day of every year is calculated, even if the Italian stock market is closed. The

individual value of the unit is published daily in the newspaper "Il Sole 24 Ore" and on the website www.eticasgr.com.

- The Fund is subject to Italian tax laws. These laws may affect the personal tax position of investors.
- Updated and detailed information on remuneration policies and practices and staff incentives, including criteria and methods used to calculate remuneration and other benefits and the entities responsible for determining remuneration and the assignment of other benefits, is available on the AMC's website. A paper copy or a copy on other media with the same information can be obtained by investors free of charge, upon request.

For more information, the investor may contact their consultant or distributor.

Etica SGR S.p.A can be held jointly liable exclusively on the basis of declarations contained in this document which are found to be misleading, imprecise or inconsistent with respect to the corresponding portions of the Fund Prospectus.

The Fund is authorised in Italy and regulated by the Bank of Italy and CONSOB.

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The Key Investor Information reported here is valid as of 01 July 2019.