

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Megatrend Protection 90

a sub-fund of **PALLADIUM FCP**

**Class C Capitalisation EUR (LU1275303516)**

Megatrend Protection 90 is authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

This product is managed by Mediobanca Management Company SA., a member of the Mediobanca Group, which is authorised in Luxembourg and supervised by the Commission de Surveillance du Secteur Financier (CSSF). For more information on this product, please refer to [www.mediobancamanagementcompany.com/en/palladium-fcp](http://www.mediobancamanagementcompany.com/en/palladium-fcp) or call +352 27 02 99 21.

**Accurate as of: 2 January 2023**

**You are about to purchase a product that is not simple and may be difficult to understand.**

## What is this product?

### Type

This product is an investment fund.

### Objectives

**Investment objective** The Sub-Fund seeks to achieve capital appreciation whilst offering a protection equal to at least 90% of the highest NAV reached in the last twelve months rolling after 15 January 2021 (the "Protected NAV").

**Investment policies** In case the Net Asset Value decreases to the Protected NAV, the Net Asset Value might decrease further in the following days by the daily accruing of pro rata fees to a maximum amount equal to the annual fees, as defined in section 8 of the prospectus in part B chapter I. This means that investors will not lose more than 10% before fees are deducted. The Sub-Fund gives exposure to the performance of a multi-asset basket (the "Basket Portfolio") consisting of:

- a portfolio of securities and other assets whose composition is determined from time to time by the Management Company (the "Assets Component") and
- an exposure to an effective overnight interest rate for the Euro (the "Cash Component"), allocated in accordance with a volatility control strategy. The overnight interest rate used for the Cash Component will be the Effective Overnight Index Average Eonia minus a fixed spread.

Assets Component and Cash Component are rebalanced with the aim to control the volatility risk of the Basket Portfolio. The Assets Component consists of a portfolio with exposure to equities, bonds, commodities, and other assets, including Exchange Traded Funds (ETFs) that are listed or traded mainly on the markets in North America and Europe. The composition of the Assets Component and the weight between the Assets Component and the Cash Component is determined from time to time by the Investment Manager using systematic mechanisms and discretionary investment choices in order to maintain a volatility of the Basket Portfolio up to 10.00% p.a.. The Sub-Fund will gain exposure to the Basket Portfolio which consists of the Assets Component and the Cash Component indirectly through one or more TRS with an Approved Counterparty. The monthly performance of the Basket Portfolio might be limited at 5.0% ("Capped Performance Level") of the level of the Basket Portfolio on the last Business Day of the previous month, as determined from time to time by the Investment Manager.

Total return swaps are entered into for investment purposes only.

The protection offered is under the form of a Put Option and there is no additional formal guarantee to ensure the contemplated protection. The Sub-Fund will terminate on the Business Day following the expiry of the put option ("Maturity Date") that provided the protection. The Sub-Fund will endeavor to extend the maturity of the put option periodically. If the

put option can no longer be extended, the Unit Holders will be informed about the expected Maturity Date of the Sub-Fund (at least three (3) months prior to such date).

**Recommendation:** this Sub-Fund may not be appropriate for investors who plan to withdraw their money in the short/medium term (2-4 years).

Minimum Initial Investment: 1 000 EUR.

Minimum Subsequent Investment: None.

The Sub-Fund is denominated in EUR.

**Benchmark uses** The Fund is actively managed without reference to any benchmark.

**Redemption and Dealing** The Sub-Fund is open-ended which means that it may, at any business day on the request of the unitholders, redeem its units at prices based on the applicable net asset value per unit.

The Net Asset Value ("NAV") of the Sub-Fund will be determined on each Business Day in Luxembourg ("Valuation Day"). The redemption requests will be closed at 4.00 p.m. CET ("cut off time") in Luxembourg on the Business Day preceding the relevant Valuation Day.

**Distribution Policy** Income arising from the Sub-Fund is being reinvested.

### Intended retail investor

This Fund is suitable for retail investors who can accept medium term losses. This Fund may not be appropriate for investors who plan to withdraw their money within 4 years. The Fund is designed to be used only as one component of several in a diversified investment portfolio. Investors should consider carefully the proportion of their portfolio invested into this Fund.

### Terms of the PRIIP

There is no maturity date on this Product. The manufacturer is entitled to terminate the PRIIP unilaterally under the specific circumstances foreseen by the applicable law.

### Practical information

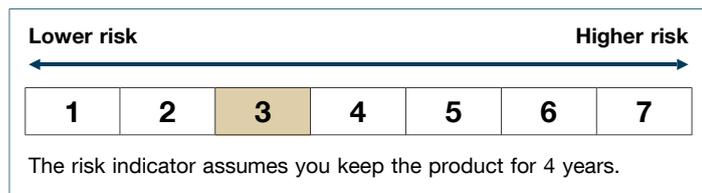
**Depository** BNP Paribas, Luxembourg Branch

**Further information** Depository: BNP Paribas, Luxembourg Branch  
Further information and availability of the prices: Further information about this fund, including the prospectus, latest annual report and any subsequent half-yearly report, are available in English language, free of charge, from the registered office of Mediobanca Management Company S.A. (2, Boulevard de la Foire - L1528 Luxembourg) or at webpage <https://www.mediobancamanagementcompany.com/en/palladium-fcp>

The latest price of the shares is also available at <https://www.mediobancamanagementcompany.com/en/palladium-fcp>

## What are the risks and what could I get in return?

### Risks



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will

lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 3 out of 7, which is a medium-low risk class.

This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the capacity of Mediobanca Management Company SA. to pay you.

Beside the risks included in the risk indicator, other risks may affect the fund performance. Please refer to the fund prospectus, available free of charge at <https://www.mediobancamanagementcompany.com/en/palladium-fcp>

### Performance scenarios

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

**What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.**

**The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product over the last 10 years. Markets could develop very differently in the future.**

The stress scenario shows what you might get back in extreme market circumstances.

**Unfavourable:** this type of scenario occurred for an investment between 2020 and 2022.

**Moderate:** this type of scenario occurred for an investment between 2015 and 2019.

**Favourable:** this type of scenario occurred for an investment between 2012 and 2016.

Recommended holding period		4 years	
Example Investment		10,000 EUR	
Scenarios		if you exit after 1 year	if you exit after 4 years (recommended holding period)
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress	What you might get back after costs Average return each year	6,467 EUR -35.3%	6,925 EUR -8.8%
Unfavourable	What you might get back after costs Average return each year	8,681 EUR -13.2%	8,470 EUR -4.1%
Moderate	What you might get back after costs Average return each year	9,747 EUR -2.5%	9,577 EUR -1.1%
Favourable	What you might get back after costs Average return each year	11,520 EUR 15.2%	11,628 EUR 3.8%

## What happens if Mediobanca Management Company SA. is unable to pay out?

The investment objective of the Sub-Fund is to achieve capital appreciation whilst offering a protection, through a put option with Morgan Stanley as counterparty, to at least 90% of the highest Net Asset Value reached in the twelve (12) months rolling after 15 January 2021 (the "Protected NAV"). The protection does not foresee any derogation.

## What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

### Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- in the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario,

■ 10,000 EUR is invested.

Example Investment 10,000 EUR	if you exit after 1 year	if you exit after 4 years (recommended holding period)
<b>Total Costs</b>	<b>523 EUR</b>	<b>1,209 EUR</b>
<b>Annual cost impact*</b>	<b>5.2%</b>	<b>3.0%</b>

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 1.9% before costs and -1.1% after costs.

### Composition of costs

One-off costs upon entry or exit		Annual cost impact if you exit after 1 year
<b>Entry costs</b>	3.00% of the amount you pay in when entering this investment.	300 EUR
<b>Exit costs</b>	0.00%, we do not charge an exit fee for this product, but the person selling you the product may do so.	0 EUR
Ongoing costs taken each year		
<b>Management fees and other administrative or operating costs</b>	2.00% of the value of your investment per year. An all-in fee of 2% for Class C Units includes all costs at charge of the Fund.	200 EUR
<b>Transaction costs</b>	0.23% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	23 EUR
Incidental costs taken under specific conditions		
<b>Performance fees</b>	There is no performance fee for this product.	0 EUR

### How long should I hold it and can I take money out early?

#### Recommended holding period: 4 years

This product is designed for longer term investments; you should be prepared to stay invested for at least 4 years. However, you can redeem your investment without penalty at any time during this period, or hold the investment longer. Redemptions are possible on every working day; it will take 2 working days for you to be paid. The price for the day, reflecting the actual value of the fund, is set each day at noon, and published on our website <https://www.mediobancamanagementcompany.com/en/palladium-fcp>

### How can I complain?

If you have any complaints about the Company, the KID or the conduct of the manufacturer, you can refer to the "Contacts" section of the Manager's website [www.mediobancamanagementcompany.com](http://www.mediobancamanagementcompany.com) or you may lodge your complaint in one of the following ways:

- You can contact our client management team via email: [Compliance-Risk@mediobancamanagementcompany.com](mailto:Compliance-Risk@mediobancamanagementcompany.com)
- You can write to the attention of the Complaints Handling Officer at Mediobanca Management Company SA, 2, Boulevard de la Foire 1528 - Luxembourg

### Other relevant information

**Cost, performance and risk** The cost, performance and risk calculations included in this key information document follow the methodology prescribed by EU rules. Note that the performance scenarios calculated above are derived exclusively from the past performance of the Company's share price and that past performance is not a guide to future returns. Therefore, your investment may be at risk and you may not get back the returns illustrated.

Investors should not base their investment decisions solely upon the scenarios shown.

**Performance scenarios** You can find previous performance scenarios updated on a monthly basis at Company's website <https://www.mediobancamanagementcompany.com/en/palladium-fcp>.

**Past performance** You can find the past performance over the last 6 years from our website <https://www.mediobancamanagementcompany.com/en/palladium-fcp>.

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