

10 April 2019

State Street Global Advisors

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Notification of Consequences under a No-Deal Scenario / Communication to Per-Se Professional Clients in Accordance with the CONSOB Communication No. 7 of March 26th 2019

Dear Sirs,

On March 25, 2019, in view of the continuing uncertainty over the ratification by the United Kingdom of Great Britain and Northern Ireland (together “UK”) of the agreement for withdrawal from the Treaty on European Union adopted by the European Council on November 25, 2018 (the “Withdrawal Agreement”), the Italian Government published the Decree Law No. 22 (the “Decree”) in which determinations for the permissibility of the continuation of financial services from UK firms towards Italian clients were made.

The stipulations of the Decree have implications for the contractual relationship between State Street Global Advisors Limited (“SSGA Ltd.”) and you as our client.

We would like to inform you of these implications with this letter as a follow up to our previous Brexit – related communication dated 13th December 2018.

Kindly note, that the stipulations of the Decree will only apply in case of a so-called “Hard Brexit”, i.e. a scenario where the UK leaves the EU without conclusion of a Withdrawal Agreement.

According to Art. 3, paragraph 3 of the Decree, “investment firms based in the UK that, at the date of withdrawal, provide investment services and activities, with or without ancillary services, in Italy under the freedom to provide services, may continue to perform the same activities [...] with regard to [...] professional clients (art. 6, paragraph 2-quinquies, letter a) and paragraph 2-sexies, letter a) of the Consolidated Law on Finance), until the adoption of a decision of the European Commission in accordance with article 47, paragraph 1 of Regulation (EU) no. 600/2014 [on equivalence of UK regulation with EU regulation with respect to prudential and business conduct requirements] [...], and in any case not beyond the transitional period which ends after 18 months of the withdrawal date [...].”

SSGA Ltd. has classified you as a professional client in the meaning of the above; this means, that SSGA Ltd. is allowed and will continue, for the time being, the provision of portfolio management services under the Investment Management Agreement post withdrawal date.

Pursuant to the Decree, SSGA would also be able to continue the provision of portfolio management services in Italy indefinitely after the transitional period subject to obtaining an Italian license.

SSGA Ltd. is currently examining the possibility to apply for such license. According to the Decree, SSGA Ltd. will have to notify CONSOB as well as you as our client within 6 months of the withdrawal date of the decision taken in this respect.

Should SSGA Ltd. decide not to apply for an Italian portfolio management license, the Investment Management Agreement would have to be wound down within 12 months of the withdrawal date.

We will inform you as soon as the above mentioned decision has been taken by SSGA Ltd.

Furthermore, we would like to assure you that after the withdrawal date SSGA Ltd. will remain a member of the UK investor protection scheme (the Financial Services Compensation Scheme, "FSCS"), and the FSCS will continue to extend to client relationships between UK firms and EU clients to the same extent as before withdrawal date (cf. <https://www.fca.org.uk/consumers/how-brexit-could-affect-you>).

Kind regards

State Street Global Advisors Limited