

**ITI Funds UCITS ETF SICAV**  
*Société d'Investissement à Capital Variable*  
20, boulevard Emmanuel Servais  
L-2535 Luxembourg  
Grand Duchy of Luxembourg  
R.C.S. Luxembourg : B 217005  
(the “**Company**”)

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**IMPORTANT INFORMATION TO THE INVESTORS**

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Luxembourg, July 21, 2023.

Dear Investor,

As you are aware the Company has currently two compartments, namely ITI Funds Russia RTS Equity UCITS ETF SICAV (the “**RTS Equity Compartment**”) and ITI Funds Russia-focused USD Eurobond UCITS ETF SICAV (the “**USD Eurobond Compartment**”). The RTS Equity Compartment is tracking the RTS Index (Bloomberg: RTSI\$) which is a capitalization-weighted composite index calculated based on major stocks listed on the Moscow Exchange (MOEX). The USD Eurobond Compartment is tracking ITI Funds Russia-focused USD Eurobond Index (Bloomberg: ITIEURBD) which is a market-price weighted bond index calculated based on prices of Russian sovereign and corporate issuers of USD denominated Eurobonds.

The determination of the net asset value of RTS Equity Compartment and USD Eurobond Compartment (together the **Compartments**) have been suspended in accordance with clause 12 of the Company’s articles of incorporation and clause 23 of its prospectus. The decision to suspend the determination of the net asset value was caused by the disruptions in the capital markets for Russian securities since Russia’s invasion of Ukraine.

The board of directors does not believe that the trading of Russian securities will return to normality in the close future and that consequently the Compartments will not be able to return to a normal operating. Therefore, the board recently convened several general meetings of shareholders of the Company to vote on the dissolution of the Company. These general meetings however failed to vote in favor of the dissolution of the Company for various reasons whereby the most important ones were the very low participation from the investors and the impossibility to collect powers of attorney from investors caused by the disruption in the communication between nominees. The board will reconvene in another general meeting for voting on the dissolution of the Company. The board is confident that most of the investors agree with its view that the strategies contemplated by the Compartments can no longer be implemented in the current circumstances and that the realistic option is to proceed with the dissolution of the Company. The board also reminds that the Company ceased to be in the going concern since the decision of suspending of the determination of the net asset value of the Compartments.

The Compartments are facing increased liquidity constraints. For RTS Equity Compartment, this is, amongst others, caused by the fact that dividends are no longer received by RTS Equity Compartment because of the disruptions in the bank flows. The board therefore believes that it is in the best interest for

RTS Equity Compartment to start dismantling the portfolios as soon as possible and before the holding of the general meeting of shareholders formally appointing the liquidator.

The investment manager will cease to track the RTS Index and the ITI Funds Russia-focused USD Eurobond Index respectively. Instead, the investment manager under the supervision of the management company will start selling the securities held by the Compartments, where possible and under the best available market conditions with a view to collect cash for covering on-going operating costs of the Company, but also for preparing distributions to the shareholders once the general meeting of shareholders decided to dissolve the Company.

For the RTS Index, it must also be noted that Standard & Poor's decided to terminate its global agreement with the Moscow Stock Exchange. The consequence of this termination is that any upcoming change in the composition of the RTS Index will no longer be communicated for RTS Equity Compartment. While the Board does not believe that there were recent changes in the composition of RTS Index, it is not excluded that changes may occur in the future. Entering a new license agreement for receiving this type of information is not a realistic option since it is contemplated that the Company will enter in liquidation.

For the ITI Funds Russia-focused USD Eurobond Index, an index calculation agreement is currently in place with Solactive. The Board however expects that this calculation agreement will most likely be terminated in the close future. If this case, ITI Funds Russia-focused USD Eurobond Index will no longer be calculated, and any tracking of this index becomes impossible.

Finally, the board notes that the disposal of Russian securities under the current circumstances is complex from a financial and legal perspective and the options are limited because of the low number of possible counterparties. The board also expects that the disposal of the securities will be time consuming and generally subject to essential discounts. Therefore, the board considers that it is in the best interest of the Company and its investors to take the sale opportunities when they become available (provided they obviously comply with legal and regulatory requirements).

If you have any questions, feel free to contact us by email on [info@itifunds.com](mailto:info@itifunds.com).

Yours sincerely,

The board of directors of the Company