

# Nordea Dedicated Investment Fund, SICAV-FIS

Société d'Investissement à Capital Variable

R.C.S. Luxembourg B 150516

562, rue de Neudorf

L-2220 Luxembourg

## NOTICE TO SHAREHOLDERS

The shareholders (the “**Shareholders**“) of Nordea Dedicated Investment Fund, SICAV-FIS (the “**Company**“) are hereby informed that a new prospectus of the Company (the “**Prospectus**“) enters into force on 21 December 2018, unless a different date is defined for individual changes hereafter, for the purpose of including in the Prospectus, among others, the main changes summarised below. Any capitalized terms not defined herein shall have the meaning ascribed to them in the Prospectus.

### Changes relevant for all Shareholders

#### GENERAL

- The updated Prospectus reflects regulatory updates, clarifications, minor formatting and editorial changes.
- “Management Company” has been replaced throughout the Prospectus by “Alternative Investment Fund Manager”.
- Further to new regulatory requirements the following definitions have been added : “Benchmark Regulation”, “General Data Protection Regulation (“GDPR”)”, “Personal Data”, “PRIIPs Regulation” “Professional Investor” “Reference Index” “SEB”. The definition and any references to “Well Informed Investors” have been removed.
- The updated Prospectus reflects the merger of Nordea Bank AB (publ) (Nordea Sweden) into Nordea Bank Abp (Nordea Finland), with effect from 1 October 2018

#### ELIGIBLE SHAREHOLDERS

- Shares of the Company are now exclusively restricted to Professional Investors and, as a consequence, no key investor document for packaged retail and insurance-based investment products (PRIIPs KID) as defined in the Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products shall be issued.

#### DATE OF THE ANNUAL GENERAL MEETING

- Subject to the approval of the Shareholders at the extraordinary general meeting deciding upon the revision of the articles of incorporation of the Company, in application with the revised law relating to commercial companies of 10 August 2016, the annual general meetings will not be any more held at a fixed date stated in the articles of incorporation of the Company BUT will be held within six months from the end of the financial year. The date and place of the meeting will be announced in a convening notice.

#### NEW SHARE CLASSES DEFINITION

The definition of the following share classes have been updated or added and shall henceforth be read as follows:

##### **Z-Shares (updated)**

Z-Shares are available to Professional Investors at the discretion of the Alternative Investment Fund Manager, who are willing to seed newly launched Sub-funds. Minimum investment, holding amounts and target asset size will be determined by the Alternative Investment Fund Manager.

##### **X-Shares (updated)**

X-Shares are available at the discretion of the Alternative Investment Fund Manager, to Professional Investors who, as a minimum requirement:

- (i) meet the minimum account maintenance or qualification requirements established from time to time;
- (ii) maintain the X-Shares on a safe custody account in the name of the Administrative Agent exclusively for said X-Shares investment, and such account is subject to a separate charging structure whereby all or part of the fees,

#### **Nordea Dedicated Investment Fund, SICAV-FIS**

562, rue de Neudorf

P.O. Box 782

L-2017 Luxembourg

Tel + 352 43 39 50 – 1

Fax + 352 43 39 48

[nordeafunds@nordea.lu](mailto:nordeafunds@nordea.lu)

[www.nordea.lu](http://www.nordea.lu)

- normally charged to the Share Class and expressed in the Net Asset Value per Share, are administratively levied and collected by the Alternative Investment Fund Manager directly from the Shareholder; and
- (iii) as a result of point (ii) above, conclude a written agreement with the Alternative Investment Fund Manager, prior to the Shareholder's initial subscription into such Share Class, in which the relevant fees and charging procedure are agreed between the Shareholder and the Alternative Investment Fund Manager. The Company and/or the Administrative Agent reserve the right to refuse a subscription if a relevant written agreement is not validly concluded between the Shareholder and the Alternative Investment Fund Manager at the time the subscription is received.

## **Y-Shares (added)**

Y-Shares are available at the discretion of the Alternative Investment Fund Manager to Professional Investors being:

- (i) Specialised Investment Funds (governed by the Law of 13 February 2007) or UCIs that have appointed Nordea Investment Funds S.A. as Management Company or Alternative Investment Fund Manager; or
- (ii) UCIs that have appointed a Nordea entity as Management Company.
- (iii) Other entities belonging to the Nordea Group, for strategic purposes

No minimum investment amounts apply to the Y-Shares.

## **SHARE DEALING**

- Cut-off time: it is clarified that all Shareholders are bound to place their orders **before** the applicable cut-off time.
- The paragraphs "Settlement of redemption" and "Anti-money laundering" has been simplified without any material changes as such.
- It has been clarified that the settlement date for Redemption is, in principle, the third Business Day from the relevant Valuation Day on which the order has been accepted (without, however, exceeding 8 (eight) Business Days). The Board of Directors or its delegate may, however, decide to defer the settlement date to the next reasonably practicable Business Day in exceptional circumstances, for example, if the liquidity of a Sub-fund is not sufficient to enable the payment to be made.
- The paragraph "Restrictions on Subscriptions and Conversions" has been amended to clarify that the Board of Directors may, at any time, decide to close a Sub-fund or a Share Class and not to accept any further Subscriptions and Conversions into the relevant Sub-fund or Share Class i) from new Investors who have not yet already invested into the said Sub-fund or into the said Share Class ("Soft Closure") or (ii) from all any Investors ("Hard Closure").

## **NET ASSET VALUE: valuation of debt securities**

- It is now stated that the Company will value other debt securities not traded in an organized market on the basis of valuations provided by dealers or by a pricing service, approved by the board and the AIFM, which uses information with respect to transactions in such securities, quotations from dealers, market transactions in comparable securities, various relationships between securities and yield to maturity in determining value.

## **RISK FACTORS**

This chapter has been renamed into "Risk" and now distinguishes between the liquidity and risk management functions on one hand and the risk factors on the other hand.

The risk warning titled "Special risk considerations regarding investments in Nordic Covered Bonds" has been renamed into "risk considerations regarding investments in Covered Bonds". After emphasizing that the majority of the covered bonds are backed by mortgage pools this risk warning focuses on the specificities of the Nordic covered bonds.

A risk warning concerning the risks associated with investments in loans and similar instrument has been added.

## **COLLATERAL MANAGEMENT**

The actual statement of requirements has been simplified and limited to the requirements applicable to the alternative investment funds with a focus on the re-use of collateral now worded as follow:

*"The Sub-funds may transfer or pledge to any counterparty cash collateral received for the benefit of the Sub-fund.*

*Non-cash collateral may be sold, re-invested or pledged subject to the maximum proportion of the total Net Asset Value which may be subject to repurchase transactions et al. (repurchase or reverse repurchase agreements, buy-sell back or sell-buy back transactions) for the Sub-funds".*

## **DEPOSITARY**

Further to the appointment of SEB as prime broker and sub-custody, this chapter has been amended to emphasize that in the context of the prime brokerage agreement with SEB, the Depositary discharges itself of liability in case of loss of financial instruments held in custody by SEB in accordance with Article 21 (12) and (13) of AIFMD.

## **PRIME BROKER**

Henceforth, one or several prime brokers may be appointed to provide certain brokerage and dealing services to the Company. A Chapter 14 "Prime Broker" has been therefore added.

## **FEES AND EXPENSES**

The subscription, redemption and conversion fees have been removed.

Moreover the Prospectus now indicated that all recurring expenses will be paid out of the assets of the relevant Sub-fund.

The depositary fee section has been amended to precise that the maximum annual fee payable to the Depositary excludes any transaction charges. Moreover the maximum annual fee payable to the Depositary has been raised from 0.02% to 0.05%.

A section "Prime Broker Fee" has been added stating that for each Sub-fund using a prime broker, the maximum annual fee payable to the prime broker, excluding any transaction charges, will not exceed 0.05 % of the Net Asset Value of each Sub-fund plus any VAT if applicable.

## **Section "Registered office, Boards of Directors, Daily Management"**

This section has been modified to reflect changes in the composition of the Board of Directors of the Company and the Alternative Investment Manager.

## **Changes relevant for certain shareholders only**

Nordea Dedicated Investment Fund, SICAV-FIS-X-Credit Fund	The Objective and investment policy of these sub-funds now states that their objective is <u>to prudently invest</u> the shareholder's capital and to provide a return on the investment, primarily consisting of interest income and long-term capital appreciation.
Nordea Dedicated Investment Fund, SICAV-FIS-US High Yield Bond Fund II	
Nordea Dedicated Investment Fund, SICAV-FIS-Institutional Cross Over Fund	
Nordea Dedicated Investment Fund, SICAV- FIS – US High Yield Bond Fund II	The Sub-fund now compares its performance against the ICE BOF AML US High Yield Master II Index (previously against Merrill Lynch US High Yield Master II Index).
Nordea Dedicated Investment Fund, SICAV- FIS – Nordic Rates Opportunity Fund	This Sub-fund uses EURIBOR to calculate performance fees Pursuant to the Benchmark Regulation, the Prospectus now includes disclosures relating to Benchmark Regulation under chapter 3.
	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), a company incorporated under the laws of Sweden, acting through its London branch at One Carter Lane, London EC4AV 5AN ("SEB or the Prime Broker") has been appointed as prime broker.  SEB will also act as sub-custodian of the Depositary.in respect of

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Fax + 352 43 39 48  
nordeafunds@nordea.lu  
[www.nordea.lu](http://www.nordea.lu)

	certain custody account of the Company opened pursuant to the prime brokerage agreement with SEB. In this context the Depository discharges itself of liability in case of loss of financial instruments held in custody by SEB.
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Shareholders who do not agree to the changes as described above may redeem their Shares free of any charges, with the exception of any local transaction fees that might be charged by local intermediaries on their own behalf and which are independent from the Company and the Alternative Investment Fund Manager. Such instruction must be received in writing by Nordea Investment Funds S.A. (as Administrative Agent) at the below address by 20 December before 15:30 CET at the latest.

An updated version of the Prospectus effective as of 21 December 2018 may be obtained, free of any charges, at the registered office of the Company at 562, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg, and on the website [www.nordea.lu](http://www.nordea.lu) or, if available, on local Nordea websites, in the download centre, as soon as the Luxembourg regulatory authority (the "CSSF") has issued the visa-stamped official Prospectus.

Shareholders having any question relating to the above changes should not hesitate to contact their financial advisor or Nordea Investment Funds S.A., Client Relationship Services, on telephone +352 43 39 50 - 1.

Luxembourg, 20 November 2018  
The Board of Directors of Nordea Dedicated Investment Fund, SICAV-FIS