Norron SICAV
Société d'Investissement à Capital Variable
33, rue de Gasperich
L-5826 Hesperange
RCS Luxembourg B 158534
(the "**Fund**" or the "**Company**")

Notice to Shareholders of
Norron SICAV – Alpha and
Norron SICAV – Target

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16 July 2021, Luxembourg

1- INTRODUCTION

We would like to thank you for the trust you have placed in us. We are honoured to count you among the shareholders of Norron SICAV (the "**Fund**").

We hereby contact you in your capacity as shareholders of the sub-funds Norron SICAV – Alpha and Norron SICAV – Target (the "**Sub-Funds**"). We would like to hereby inform you that the Board of Directors of the Fund has resolved to merge (the "**Merger**") the assets and liabilities of these two Sub-Funds.

In this Merger, as further explained in this notice:

- If you are a shareholder of Norron SICAV – Alpha you will obtain shares in Norron SICAV – Target.

- If you are a shareholder of Norron SICAV - Target you will not be impacted.

This notice is issued and sent to you to provide appropriate and accurate information on the merger to enable you to make an informed judgement of the impact of the Merger on your investment. **The Merger may impact your tax situation. Shareholders in the Funds are advised to consult their professional advisers in relation to the legal, financial and tax implications of the Merger under the laws of the countries of their nationality, residence, domicile or incorporation.**

Without prejudice to notice requirements and free redemption/conversion rights, the Merger will be processed automatically, and it is not subject to your prior approval or consent.

Should you disagree with the proposed Merger, you have a right to request the redemption of the shares you own free of charge as further detailed in this notice.

The Merger will take place on 27 August 2021 (the "**Effective Date**").

2- SCOPE OF THE MERGER

The Fund, which includes both merging Sub-Funds, is a Luxembourg-based undertaking for collective investment in transferable securities authorised by the Luxembourg Financial Supervisory Authority (the "**CSSF**") under Part I of the law of 17 December 2010, on undertakings for collective investment, as amended (the "**Law of 2010**").

The Board of Directors has resolved to Merger the assets and liabilities of Norron SICAV – Alpha (the "**Merging Sub-Fund**") with the assets and liabilities of Norron SICAV - Target (the "**Receiving Sub-Fund**").

For the purpose of this merger, the terms of merger have been issued in accordance with the applicable provisions under the UCITS Directive and the Law of 2010 and approved by the CSSF.

3- Type of Merger

The Merger will be the operation whereby (i) the Merging Sub-Fund will transfer its assets and liabilities to the Receiving Sub-Fund; and (ii) the Merging Sub-Fund will to be dissolved, without going into liquidation, on the 27 August 2021 (the "**Effective Date**").

The Merger shall be performed in accordance with the definition of "merger" set out in article 1 (20) (a) of the Law of 2010 and as further described in Article 76 (1) of the Law of 2010 as follows:

i. all the assets and liabilities of the Merging Sub-Fund shall be transferred to the Receiving Sub-Fund, as further described in these common terms of merger;

ii. the shareholders of the relevant class of shares of the Merging Sub-Fund shall become shareholders of the relevant class of shares of the Receiving Sub-Fund as described in these common terms of merger; and

iii. the Merging Sub-Fund will cease to exist on the Effective Date.

4- Background and Rationale

The reason for the Merger is that the level of assets of the Merging Sub-Fund are at a level where the Merging Sub-Fund may no longer be managed in a financially sound manner. The Board of Directors of the Fund believes that that the Merging Sub-Fund has limited prospects for growth which could make continued operations inefficient.

By Merging the Merging Sub-Fund into the Receiving Sub-Fund, the combined estimated values, together with the potential for new investments in the Receiving Sub-Fund should provide the benefit of greater fund size and therefore, economies of scale, with the expectation that this should enable relatively lower costs in the future compared to the total net asset value.

In addition by Merging the Merging Sub-Fund into the Receiving Sub-Fund, the shareholders of the Merging Sub-Fund will also benefit from an investment alternative that combines different strategies in both the Nordic equity and fixed income markets, an absolute return strategy. The Merging Sub-Funds are both suitable for investors seeking to achieve exposure to the Nordic market and they are both managed by the same investment team.

For these reasons, the Board of Directors concludes the interests of shareholders will be better served by Merging the Merging Sub-Fund with the Receiving Sub-Fund.

5- <u>Expected Impact on the Shareholders</u>

The main key features of the Merging Sub-Fund to that of the Receiving Sub-Fund are as follows:

Merging Sub-Fund	**Receiving Sub-Fund**
<u>Investment Objective and Policy</u> The investment objective of the Sub-Fund is to generate active returns by investing a minimum of 90% of its total net assets in equities that are listed in the Nordic Region (Sweden, Finland, Norway, Denmark, Iceland) and hedging against the market risks incurred by the long positions held in the Sub-Fund with the help of financial derivative instruments (which includes but is not restricted to futures, forwards, total return swaps or equity OTC derivatives instruments). The Sub-Fund is actively managed without reference to a benchmark. The Sub-Fund may invest up to 10 percent of its total net assets in Nordic fixed income securities, money market instruments, cash and Cash Equivalents. Exposure to financial indices will comply with the diversification rules set out in Article 43 of the Law and the investment restrictions mentioned under the section Investment Restrictions, III. a) and b) above. The Sub-Fund may also invest in other Sub-Funds of the Fund subject to the provisions set out in item 1 d) in the section "Investment Restrictions". In addition to this, the Sub-Fund may use financial derivative instruments to hedge its cash exposure to Swedish kronor.	<u>Investment Objective and Policy</u> The Sub-Fund's objective is to achieve a stable return over time, combined with low volatility, in the range of 6-9 percent per year, regardless of the direction of capital markets. To be able to achieve the investment objective, the Sub-Fund will apply a combination of different strategies, in both the Nordic equity and fixed income markets. Equity exposure may be achieved through direct investments in equities, equity related derivative instruments and other equity related instruments, including swaps and convertible bonds, participation notes and equity linked notes. To hedge the equity exposure, the Sub-Fund will have short positions in equities through different derivative instruments, including swaps, total return swaps as well as equity and index related derivative instruments. As part of the fixed income strategy, the Sub-Fund will also be allowed to invest in fixed income securities (in particular but not limited to corporate bonds), fixed income related derivative instruments and money market instruments, cash and Cash Equivalents. Equity exposure will be hedged in various proportions and the fixed income part of the Sub-Fund will take up a large part of the investment activities. The Sub-Fund is actively managed without reference to a benchmark.

The Sub-Fund does not make use of any securities financing transactions within the meaning of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse. Total Return Swaps: The Sub-Fund will enter into Total Return Swap transactions or other financial derivative instruments with similar characteristics to gain or reduce exposure to a reference asset as well as to hedge the existing long positions or exposures. Maximum and expected proportion The expected proportion of assets under management that can be subject to TRS is 1% of the assets under management of the Sub-Fund (expressed as the sum of the absolute amount of the unrealised results) while the maximum proportion shall not exceed 20% of the assets under management of the Sub-Fund (expressed as the sum of absolute amount of the unrealised results). For any avoidance of doubt, diversification rules under the Law shall apply to the underlying exposure of TRS. Specification of how assets subject are safe-kept Assets subject to Total Return Swaps are safe-kept by the Depositary. Disclosure of policy on profit-sharing The Sub-Fund is entitled to receive 100% (no profit-sharing agreement) of the revenues earned from the Total Return Swap transactions.	For hedging purposes and to enhance investment returns, the Sub-Fund may also have exposure to short positions through cash-settled derivative instruments. The Sub-Fund's long positions will at all times be sufficiently liquid to cover any obligations arising from its short positions. The Sub-Fund does not make use of any securities financing transactions within the meaning of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse. The Prospectus will be updated accordingly prior to the use of any such instruments or techniques. The Sub-Fund may not invest in aggregate more than 10% of its net assets in units of UCITS or UCIs. The Sub-Fund may also invest in other Sub-Funds of the Fund subject to the provisions set out in item 1 d) in the section "Investment Restrictions". The Sub-Fund will enter into unfunded Total Return Swap transactions or other financial derivative instruments with similar characteristics, within the meaning of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse, to hedge the existing long positions or exposures. The expected proportion of assets under management that can be subject to unfunded TRS is 50% of the assets under management

The Sub-Fund may not invest in aggregate more than 10% of its net assets in units of UCITS or UCIs. The Sub-Fund may also invest in other Sub-Funds of the Fund subject to the provisions set out in item 1 d) in the section "Investment Restrictions".	of the Sub-Fund (expressed as the sum of the notionals) while the maximum proportion shall not exceed 100% of the assets under management of the Sub-Fund (expressed as the sum of the notionals). For any avoidance of doubt diversification rules applicable at the Sub-Fund level shall apply to the underlying assets of the TRS. The Sub-Fund will enter into unfunded TRS with European regulated financial institutions. When the Sub-Fund is the total return payer of the TRS (i.e. owns the reference asset of the TRS), the Depositary is entitled to perform its duties by ensuring the safe-keeping of the reference asset of the TRS. The Sub-Fund is entitled to receive 100% (no profit-sharing agreement) of the revenues earned from the Total Return Swap transactions. The Sub-Fund may enter into TRS on Nordic equity and published equity indices such as but not limited to MSCI and OMX (rebalanced twice a year).
<u>ESG Goals</u> Both Sub-Funds have the same ESG goals.	
<u>Risk Management Methodology</u> Commitment approach with maximum 300 % leverage ratio.	<u>Risk Management Methodology</u> Absolute VaR Approach with maximum 300% leverage ratio.
<u>Specific risk considerations for the Sub-Fund</u> The Sub-Fund’s risk profile may vary in accordance with the management team’s view on stock selection. Investment in the Sub-Fund carries a certain degree of risk, and investment should be regarded as long term in nature and is only	<u>Specific risk considerations for the Sub-Fund</u> Investors should note that the investment strategy of, and risks inherent to, the Sub-Fund are not typically encountered in traditional equity long-only positions. The Sub-Fund may use derivative instruments as part of its investment strategy. Such instruments are inherently volatile and the Sub-Fund could potentially be exposed to additional risks and

suitable for investors who understand the risks involved and who are able to withstand the loss of their invested capital. Investing in the Sub-Fund involves certain considerations in addition to the risks normally associated with making investments in securities. There can be no assurance that the Sub-Fund will achieve its investment objective. The value of Shares in the Sub-Fund may go down as well as up and there can be no assurance that on a redemption, or otherwise, investors will receive the amount originally invested. Under extreme market circumstances, some of the assets or derivative positions of the Sub-Fund may become difficult to unwind at a certain point in time and at a reasonable price. The Sub-Fund may lose money if counterparty does not fulfil its obligations to the Sub-Fund (e.g. not paying an agreed amount or not delivering securities as agreed). “Financial derivative instrument” is a generic name for instruments getting their return from underlying assets. The return of the financial derivative instrument depends on the return of the underlying asset, but small price changes in the underlying asset can result in large price changes of the derivative. OTC derivatives are private agreements between a fund and one or more counterparties. In general, those transactions are less subject to governmental regulation and supervision, compared to exchange traded derivatives. OTC derivatives carry higher counterparty and liquidity risks. Besides, the Sub-Fund may not be able to find	costs should the market move against it. The Sub-Fund may also use derivative instruments to take short positions on some investments. Should the value of such investments increase, it will have a negative effect in the Sub-Fund's value. In extreme market conditions, the Sub-Fund may be faced with theoretically unlimited losses. Such extreme market conditions could mean that investors could, in certain circumstances, face minimal or no returns or may even suffer a loss on such investments. Under extreme market circumstances, some of the assets or derivative positions of the Sub-Fund may become difficult to unwind at a certain point in time and at a reasonable price. The Sub-Fund may lose money if counterparty does not fulfil its obligations to the Sub-Fund (e.g. not paying an agreed amount or not delivering securities as agreed). “Financial derivative instrument” is a generic name for instruments getting their return from underlying assets. The return of the financial derivative instrument depends on the return of the underlying asset, but small price changes in the underlying asset can result in large price changes of the derivative. OTC derivatives are private agreements between a fund and one or more counterparties. In general, those transactions are less subject to governmental regulation and supervision, compared to exchange traded derivatives. OTC derivatives carry higher counterparty and liquidity risks. Besides, the Sub-Fund may not be able to find a comparable derivative to be able to offset a certain position.

a comparable derivative to be able to offset a certain position. Although exchange traded derivatives are generally considered as less risky than OTC derivatives, there is still the risk that the securities exchange or commodities contract market suspends or limits the trading in derivatives or in their underlying assets. Leverage is typical for trading in financial derivative instruments. Investment in derivative transactions may potentially result in losses greater than the amount invested for those transactions.	Although exchange traded derivatives are generally considered as less risky than OTC derivatives, there is still the risk that the securities exchange or commodities contract market suspends or limits the trading in derivatives or in their underlying assets. Leverage is typical for trading in financial derivative instruments. Investment in derivative transactions may potentially result in losses greater than the amount invested for those transactions.
<u>Profile of the typical investor</u> The Sub-Fund is investing in Nordic Equities that are hedged with the help of the Financial Derivative Instruments (which includes but is not restricted to futures, forwards, and total return swaps or equity OTC derivatives instruments). The Sub-Fund’s ambition is to maximize the return of the stock selection process within the management team. The Sub-Fund is aiming investors seeking exposure to the Nordic equity markets in general and appreciates the long term effects of the active approach that is synonymous with the investment style of the management team. Active management for us means large deviation from any benchmark when it comes to position size. The general portfolio turnover of the Sub-Fund could also be high, due to trading activities. The single purpose of the active management approach is to deliver a competitive alpha.	<u>Profile of the typical investor</u> The Sub-Fund is a Multi Strategy Fund with an absolute return profile. The Sub-Fund’s ambition is to deliver absolute returns regardless of the general direction of the Nordic Capital Markets. The Sub-Fund is aimed at investors who seek a blend of exposure to Nordic Corporations, both in the form of equity participation and credit exposure through fixed income securities (in particular but not limited to corporate bonds). The Sub-Fund will carry a risk that is considerable lower than the volatility of the Nordic Stock Markets. The return of the Sub-Fund is generated from a selection of investments in fixed income instruments, corporate bonds as well as the equity markets. The Sub-Fund’s return may therefore have a high or low correlation with the return of the Nordic Equity Markets. The Sub-Fund may also carry a positive as well as a negative net exposure to the equity market.
<u>The Investment Manager Fee</u>	<u>The Investment Manager Fee</u>

The Investment Manager will receive from all Classes of Shares, except for Class M Shares, an investment management fee, accrued daily and payable monthly in arrears, not exceeding 0.80% per annum of the net assets of the Sub-Fund attributable to each Class.	The Investment Manager will receive for all Classes of Shares an investment management fee, accrued daily and payable monthly in arrears, not exceeding 1.00% per annum of the net assets of the Sub-Fund attributable to each Class.
<u>Performance Fee</u> The Investment Manager is entitled to receive, from the net assets of the Classes of Shares of both Sub-Funds as listed below, a performance based incentive fee up to 20%.	
<u>Infrastructure Fee, Central Administration Agent Fee and Depositary Fee</u> The Infrastructure Fee, Central Administration Agent Fee and Depositary Fee are the same for both Sub-Funds	
<u>Portfolio Manager</u> Both Sub-Funds are managed by the same portfolio team at Norron AB.	
<u>Reference Currency</u> The reference currency of both Sub-Funds is the SEK	
<u>Subscription, Redemption, NAV Calculation</u> The procedures that apply to matters such as dealing, subscription, redemption, conversation and transferring of shares, method of calculating the net asset value are the same in both Sub-Funds. Historically the net asset value of the Receiving Sub-Fund has had higher fluctuations than the Merging Sub-Fund.	

On the Effective Date, shareholders in the Merging Sub-Fund will receive new shares in accordance with these common terms of merger and become shareholders in the relevant class of shares of the Receiving Sub-Fund.

The Merger will be binding on all the shareholders of the Merging Sub-Fund who have not exercised their right to request the redemption of their shares, free of charge, within the timeframe set out below.

The shareholders of the Merging Sub-Fund will receive the corresponding shares of the Receiving Sub-Fund as follows:

NORRON SICAV - Alpha	**NORRON SICAV – Target**
LU1354342997 SC SEK	**LU0580531472 RC SEK**
LU1354342641 RC SEK	**LU0580531472 RC SEK**

There is no SC class in the Receiving Sub-Fund. Consequently, the shareholders of the SC in the Merging Sub-Fund will become shareholders of the RC SEK share class of the Receiving Sub-Fund.

All shares in the share classes of the Merging Sub-Fund and Receiving Sub-Fund are accumulation shares.

For the shareholders in the Receiving Sub-Fund, the Merger will not have any foreseeable impact.

On implementation of the Merger, shareholders in the Receiving Sub-Fund will continue to hold the equivalent shares in the Receiving Sub-Fund as before and there will be no change in the rights attaching to such shares.

The implementation of the Merger will not affect the investment strategy, risk profile or fee structure of the Receiving Sub-Fund. The implementation of the Merger will result neither in changes to the articles of association or prospectus of Fund, nor in changes to the key investor information documents (the "**KIIDs**") of the Receiving Sub-Fund.

On implementation of the Merger, the assets and liabilities of the Receiving Sub-Fund will increase as a result of the transfer to it of the Merging Sub-Fund's assets and liabilities.

The Merger is not subject to the prior approval or consent of the shareholders of the Merging Sub-Funds.

The shareholders of the Merging Sub-Funds have the right to request, without any charge the redemption or conversation of their shares. This right is limited to a period of thirty (30) days.

The shareholders of the Merging Sub-Fund who have not redeemed or converted their shares will, as of the Effective Date will become shareholders of the Receiving Sub-Fund and their shares will be automatically converted into shares of the Receiving Sub-Fund on the basis of the merger ratio calculated in accordance with these common terms of merger.

The shareholders of the Merging Sub-Funds have the right to obtain access to and review the documentation related to the Merger. For this effect, a copy of the following documents will be made available on request and free of charge to the shareholders of the Merging Sub-Funds at the Management Company's registered office during normal office hours:

I.) Common Terms of the Merger;
II.) The prospectus of the Fund;

III.) The KIIDS of the Receiving Sub-Fund;
IV.) The recent financial reports of the Fund;
V.) The Depositary confirmation; and
VI.) Audit report

6- Valuation and Merger Ratio

For the purpose of calculating the merger ratio, the rules laid down in the articles of association and the prospectus of the Fund for the calculation of the net asset value will apply to determine the value of asset and liabilities of the Merging Sub-Funds.

The number of new shares in the Receiving Sub-Fund to be issued to each shareholder of the Merging Sub-Fund will be calculated on the Effective Date using a merger ratio calculated on the basis of the net asset value of the shares of the Merging Sub-Fund and of the shares in the Receiving Sub-Fund. The relevant shares in the Merging Sub-Fund will then be cancelled on the Effective Date without going into liquidation.

The merger ratio will be calculated as follows:

I. The net asset value per share of the relevant class of shares of the Merging Sub-Fund is divided by the net asset value per share of the relevant class of shares in the Receiving Sub-Fund.

II. The applicable net asset value per share of the Merging Sub-Fund and the net asset value per share of the Receiving Sub-Fund will be those having both been determined on the business day prior to the Effective Date.

The issue of new shares in the Receiving Sub-Fund in exchange for shares of the Merging Sub-Fund will not be subject to any charge.

In accordance with the above provisions, the net asset value per share in the Merging Sub-Funds will not necessarily be the same. Therefore, shareholders in the Merging Sub-Fund may receive a different number of new shares in the Receiving Sub-Fund than the number of shares they had previously held in the Merging Sub-Fund. The overall value of their holding will remain the same.

No cash payment shall be made to shareholders in exchange for the shares.

7- Effective Date

The Merger shall be effective on 27 August 2021(the “**Effective Date**”).

As from the Effective Date, the Merging Sub-Fund will cease to exist.

8- Procedural Aspects

As above-mentioned, the Merger of the Merging Sub-Funds shall take place on the Effective Date. On this date, the assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund, shares of the Receiving Fund will be issued to the shareholders of the Merging Sub-Fund and the shares of the Merging Sub-Fund will be cancelled.

Any accrued income in the Merging Fund will be included in the final net asset value of the Merging Fund and accounted for in the net asset value of the relevant share classes of the Receiving Fund after the Effective Date.

There will be no accumulated performance fee of the Merging Sub-Fund prior to the Merger due to the negative performance of the Merging Sub-Fund . The performance fee of the Receiving Fund will be calculated in accordance with the terms of the prospectus.

Any request for the subscription of the Merging Sub-Fund and any request free of charge for the redemption or conversation of shares of the Merging Sub-Funds will be accepted prior to the Effective Date as follows:

I. Subscription in shares of the Merging Sub-Fund will be suspended from the date of the notice of the Merger to shareholders.

II. Shares of the Merging Sub-Funds can be redeemed or converted, free of charges from the date of the notice of the Merger to shareholders until 2.00 pm (Luxembourg time) on 20 August 2021.

III. After cut-off time at 2:00 p.m (Luxembourg time) on 20 August 2021 the possibility to redeem or convert shares in the Merging Sub-Fund will be suspended.

IV. There is no suspension of the subscriptions in the Receiving Sub-Fund.

9- Rebalancing of the Portfolio

During the last five (5) business days preceding the Effective Date, the portfolio of the Merging Sub-Fund may be invested more than normal in cash. As a consequence, the Merging Sub-Fund will not be compliant with its investment objective and investment restrictions (including but not limited to rules for portfolio diversification, risk diversification and cash) stipulated in the prospectus during the last five (5) business days preceding the Effective Date.

The Merger will not have any material impact on the portfolio of the Receiving Sub-Fund, and it is not intended to undertake any material rebalancing on the portfolio of the Receiving Sub-Fund The Merger will result in an inflow of cash and certain securities held by the Merging Sub-Fund into the Receiving Sub-Fund. The cash will subsequently be invested in accordance with the Receiving Sub-Fund’s investment policy and the received securities held by the Merging Sub-Fund will also comply with the Receiving Sub-Fund’s investment policy.

10- Cost of the Merger

Shareholders will not bear the legal, advisory and administrative costs, including transaction costs, and expenses associated with the preparation and completion of the Merger.

11- Auditor's Merger Report

In compliance with article 71 (1) of the Law of 2010, the Merging Sub-Fund shall entrust the Auditor of the Fund to validate the criteria adopted for valuation of the assets and, as the case may be, the liabilities and the calculation method of the merger ratio as well as the actual merger ratio (as set out in accordance with these common terms of merger) on the date for calculating the merger ratio, as referred to in article 75 (1) of the Law of 2010.

A copy of the report(s) of the auditors will be made available on request and free of charge to the shareholders of the Merging Sub-Funds, as well as to the CSSF.

12- DEPOSITORY CONFIRMATION

The Depositary shall issue a confirmation, in accordance with the requirements of article 70 of the Law of 2010 confirming that it has verified the type of merger and the UCITS involved, the Effective Date and that the rules applicable, respectively, to the transfer of the assets and liabilities and exchange of shares as set out herein are in accordance with the requirements of the Law of 2010.

13- KIIDs

The shareholders of the Merging Sub-Fund are invited to consult the KIIDs of the Receiving Sub-Fund which are available at the registered office of the Management Company and on:

https://fundinfo.fundrock.com/NorronSICAV/Key%20Investor%20Information%20Documents/

The attention of the shareholder of the Merging Sub-Fund is drawn to the importance of reading carefully the KIIDs of the Receiving Sub-Fund.

14- ADDITIONAL INFORMATION

Shareholders having any question relating to the above changes will be advised not to hesitate to contact their financial advisor or the Management Company.

15- TAX

The shareholders of the Merging Sub-Fund are invited to consult their own tax advisors in respect to the tax impact of the Merger.

If you have any questions about the content of this letter, please contact your financial advisor.

Yours faithfully,