

NOTICE OF MERGER TO SHAREHOLDERS OF

NORDEA 1 – Stable Equity Long/Short Fund – Euro Hedged

AND

NORDEA 1 – Alpha 10 MA Fund

It is brought to the attention of the shareholders of Nordea 1 – Stable Equity Long/Short Fund – Euro Hedged and Nordea 1 – Alpha 10 MA Fund that the board of directors of Nordea 1, SICAV (the “**Board of Directors**”) has decided to merge Nordea 1 – Stable Equity Long/Short Fund – Euro Hedged (the “**Merging Sub-Fund**”) with Nordea 1 – Alpha 10 MA Fund (the “**Receiving Sub-Fund**”) (the “**Merger**”).

*The Merging Sub-Fund together with the Receiving Sub-Fund are hereinafter to be referred as the “**Merging Sub-Funds**” whereas Nordea 1, SICAV is to be referred to as the “**Company**” or “**Nordea 1**”.*

The Merger shall become effective on **28 September 2018** (the “**Effective Date**”).

On the Effective Date, all assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund. The Merging Sub-Fund will cease to exist as a result of the Merger and thereby will be dissolved on the Effective Date without going into liquidation.

Shareholders who agree with the changes proposed in this notice do not need to take any action.

Shareholders of the Merging Sub-Funds who do not agree with the Merger have the right to request the redemption or conversion of their shares in shares of the same or another share class of another sub-fund of the Company, not involved in the Merger, free of charges (with the exception of any charge other than those retained to meet disinvestment costs (as the case may be)) as further described below.

Decision must be effected by 19 September 2018 before 3.30 p.m. and no charge will apply.

This notice describes the implications of the Merger and must be read carefully. The Merger may impact your tax situation. Shareholders in the Merging Sub-Fund are advised to consult their professional advisers as to the legal, financial and tax implications of the Merger under the laws of the countries of their nationality, residence, domicile or incorporation.

Capitalized terms not defined herein have the same meaning as in the prospectus of the Company

1. Reason for the merger and key information

- 1.1. The Merging Sub-Fund is based on a range of investments strategies but limited to the equity universe, including exposures to companies with relatively stable fundamentals that have been out of favour for a long period.
- 1.2. By merging the Merging Sub-Fund into the Receiving Sub-Fund the shareholders of the Merging Sub-Fund will get access to a more diversified and larger range of investment strategies within multiple asset classes in a fund with the same medium risk profile but currently with a slightly higher synthetic risk and reward indicator (“**SRRI**”) (5 vs. 4) and an expected larger potential for performance in changing market environments.
- 1.3. There is a large degree similarity between the two sub-funds in term of a medium risk profile, high use of derivatives, fund type and return objective.
- 1.4. However the largest difference is that the Receiving Sub-Fund has a larger degree of diversification across investment strategies spread on multiple asset classes while the Merging Sub-Fund investment strategies are concentrated on companies with relatively stable fundamentals.
- 1.5. The merger should in general 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.
- 1.6. The Receiving Sub-Fund follows a Nordea in-house actively managed multi asset strategy implemented in the “Alpha Fund Family”, that has proven successful in terms of performance and asset gathering. Currently the Receiving Sub-Fund has the highest rating (5) with Lipper when it comes to Total and Consistent Return based on a 3 years horizon.
- 1.7. The base currency of both Sub-Funds is EUR.
- 1.8. The investment objective and policy of the Merging Sub-Fund and the Receiving Sub-Fund are further disclosed in Appendix I and must be read carefully.
- 1.9. The fees for the Receiving Sub-Fund are at the same level as to the fees of the Merging Sub-Fund, as set out in Appendix I under section “Fees charged to the Merging Sub-Fund and Fees charged to the Receiving Sub-Fund”.

2. Impact of the merger on the shareholders

- 2.1. The Merger will be binding on all the shareholders of the Merging Sub-Fund who have not exercised their right to request the redemption or conversion of their shares under the conditions and within the timeframe set out below.
- 2.2. On the Effective Date, shareholders in the Merging Sub-Fund will receive new shares in the share class of the Receiving Sub-fund as described under 3. below.
- 2.3. On implementation of the Merger, shareholders in the Receiving Sub-Fund will continue to hold the same 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 fee structure of the Receiving Sub-Fund and will result neither in changes to the articles of association or prospectus (with the exception of the removal of the Merging Sub-Fund from the prospectus) of Nordea 1 nor in changes to the key investor information documents (the “KIIDs”) of the Receiving Sub-Fund.
- 2.4. On implementation of the Merger, the aggregate net asset value of the Receiving Sub-Fund will increase as a result of the transfer to it of the Merging Sub-Fund’s assets and liabilities.
- 2.5. The procedures that apply to matters such as dealing, subscription, redemption, switching and transferring of shares and method of calculating the net asset value, are the same in the Merging Sub-Fund and the Receiving Sub-Fund. The Merging Sub-Fund and the Receiving Sub-Fund have such other features as further disclosed in Appendix 1.
- 2.6. Any legal, advisory or administrative costs associated with the preparation and the completion of the Merger shall be borne by Nordea Investment Funds S.A. (the “**Management Company**”).

3. Share classes conversion table and ongoing charges

The share classes of the Merging Sub-Fund will be merged into the share classes of the Receiving Sub-Fund as follows:

Merging Sub-Fund		Receiving Sub-Fund	
AP – EUR	1.99%	AP – EUR	1.99%
BI – DKK	1.19%	BI – DKK	1.19%
BI - EUR	1.19%	BI - EUR	1.18 %
BI - USD	1.19%	HBI - USD	1.20 %
BP - EUR	1.99%	BP - EUR	1.99 %
BP - USD	1.99%	HB - USD	2.01 %
E - EUR	2.74%	E - EUR	2.73%

HB - NOK	1.99%	HB - NOK	1.99%
HB - SEK	1.99%	HB - SEK	1.99 %
HB - USD	1.99%	HB - USD	2.01%
HBI - NOK	1.18%	HBI - NOK	1.19%
HE - PLN	2.75%	HE - PLN	2.76%
HX - SEK	0.06%	HX - SEK	0.07%
X - EUR	0.06%	X - EUR	0.07%
Y - DKK	0.06%	Y - DKK	0.07%
Y - EUR	0.06%	Y - EUR	0.06%

To the shareholders of Nordea 1 – Stable Equity Long/Short Fund – Euro Hedged – BP USD and Shareholder in Nordea 1 – Stable Equity Long/Short Fund – Euro Hedged – BI USD

You will be merged into share classes with hedging features meaning that the receiving share classes seek to hedge most of the exchange rate risk between the base currency (EUR) of the receiving sub fund and the share class currency (USD).

4. Suspension in dealings

- 4.1. Shares of the Merging Sub-Fund can be subscribed from 13 August 2018 until 19 September 2018 before 3.30 p.m. After 3.30 p.m. Luxembourg time on 19 September 2018 the possibility to subscribe for shares in the Merging Sub-Fund will be suspended.
- 4.2. Shares of the Merging Sub-Fund can be redeemed or converted free of 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 Management Company, from 13 August 2018 until 19 September 2018 before 3.30 p.m.. After 3.30 p.m. Luxembourg time on 19 September 2018 the possibility to redeem or convert shares in the Merging Sub-Fund will be suspended.
- 4.3. Shares of the Receiving Sub-Fund can be redeemed or converted free of 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 Nordea 1, SICAV and the Management Company from 13 August 2018 until 19 September 2018 before 3.30 p.m.

5. Rebalancing of the portfolio of the Merging Sub-Fund and the Receiving Sub-Fund before or after the merger

- 5.1. During the last week preceding the Merger, **the portfolio of the Merging Sub-Fund will be invested in cash**, so that it is expected that the Merging Sub-Fund will transfer to the Receiving Sub-Fund **cash positions only**.

5.2. The Merger will not have any material impact on the portfolio of the Receiving Sub-Fund and it is not intended to undertake any rebalancing on the portfolio of the Receiving Sub-Fund before or after the Merger. The Merger will result in an inflow of cash into the Receiving Sub-Fund. The cash will subsequently be invested in the most common instruments used by the Receiving Sub-Fund being inter alia equity related securities, debt securities and money market instruments, directly or via the use of derivatives according to the Receiving Sub-Fund's investment policy.

6. Criteria adopted for valuation of the assets and liabilities in order to calculate the exchange ratio

6.1. On the business day prior to the Effective Date, the Management Company will determine the exchange ratio.

6.2. The rules lay down in the articles of incorporation and the prospectus of Nordea 1 for the calculation of the net asset value will apply to determine the value of the assets and liabilities of the Merging Sub-Funds for the purpose of calculating the exchange ratio.

7. Calculation method of the exchange ratio

7.1. The number of new shares in the Receiving Sub-Fund to be issued to each shareholder will be calculated using the exchange ratio calculated on the basis of the net asset value of the shares of the Merging Sub-Funds. The relevant shares in the Merging Sub-Fund will then be cancelled.

7.2. The exchange ratio will be calculated as follows:

- 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.
- 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.

7.3. In accordance with the above provisions, the net asset value per share in the Merging Sub-Fund and the net asset value per share in the Receiving Sub-fund will not necessarily be the same. Therefore, while the overall value of their holding will remain the same, 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.

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

8. Risk of dilution of the performance

8.1. The proposed merger being a merger whereby the Merging Sub-Fund will be 100% invested in cash shortly prior to the Effective Date, a single operation will take place. On the Effective Date, the Merging Sub-Fund will transfer this cash position to the Receiving Sub-Fund. Therefore, there will be no dilution of the performance.

8.2. The shareholders of the Merging Sub-Fund will be transferred to the corresponding class of shares of the Receiving Sub-Fund.

9. Additional documents available

Nordea

The following documents are available to the shareholders of the Merging Sub-Funds at the registered office of the Company on request and free of charge:

- A copy of the report of the auditor validating the criteria adopted for valuation of the assets and, as the case may be, the liabilities and the calculation method of the exchange ratio as well as the exchange ratio);
- The prospectus of the Company; and;
- the KIID of the Merging Sub-Funds.

The attention of the shareholders of the Merging Sub-Fund is drawn to the importance of reading the KIID of the Receiving Sub-Fund before making any decision in relation to the Merger. The KIIDs of the Receiving Sub-Fund are also available on www.nordea.lu .

10. Costs of the Merger

The Management Company will bear the legal, advisory and administrative costs and expenses associated with the preparation and completion of the Merger.

11. Tax

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

12. Additional information

Shareholders having any question relating to the above changes should not hesitate to contact their financial advisor or the Management Company: Nordea Investment Funds S.A., Client Relationship Services at the following telephone number: +352 43 39 50 - 1 or the UK facilities agent, Nordea Bank AB, London Branch, its principal place of business being 5 Aldermanbury Square, London, EC2V 7AZ.

Yours faithfully

On behalf of the Board of Directors

13 August 2018

Key features of the Merging Sub-Fund and of the Receiving Sub-Fund

The Merging Sub-Fund	The Receiving Sub-Fund
<p>Investment objective and policy</p> <p>The Merging Sub-fund's objective is to provide Shareholders with a long term capital appreciation that has a relatively low correlation with the returns of the equity markets.</p> <p>The Merging Sub-fund employs different equity strategies in order to provide positive returns whilst maintaining a negative correlation to the equity market. The universe of potential equity strategies used for the Merging Sub-fund includes, but is not limited to, the Low Risk Anomaly Strategy and the Momentum Strategy. The Low Risk Anomaly Strategy targets companies with stable fundamentals and a risk premium that is higher than justified by the companies' systematic market risk. In the second step the systematic market risk is then eliminated by shortening equity indices. The Momentum Strategy is used to provide downside protection by shortening equity futures in market environments where the risk aversion is deemed to be high. The strategies are implemented using direct investments in equities, through Derivatives, or, to a limited extent by investing in Exchange Traded Funds. Based on leverage, the Merging Sub-fund seeks to maximise its long term return without exceeding its volatility target. This volatility target may change over time.</p>	<p>Investment objective and policy</p> <p>The Sub-fund's objective is to maximise its total return taking the Sub-fund's targeted volatility into consideration.</p> <p>The Sub-fund's investment strategy can broadly be defined as a multi-strategy, or diversified risk premia approach. The Sub-fund's exposure to the different risk premia or strategies and sub-strategies, is based on the results of a continuous bottom-up valuation, combined with a focus on short-term market behaviour across asset classes and risk factors.</p> <p>The Sub-fund's overall expected volatility is typically around 7% in normal market conditions and 10% during adverse market conditions, where 10% is seen as tail volatility typically used in the risk budgeting. The specific risks of the different strategies invested into will be managed through a dynamic risk-budgeting process. This allows the Sub-fund to follow combinations of strategies with both higher as well as lower individual volatility. The investment strategies aim to have overall low correlations.</p> <p>The portfolio will typically not have any constant bias towards a particular investment strategy or risk factor. For shorter periods of time, the portfolio can however be exposed to more concentrated effects from directional and particular risk premia strategies. In the medium term the strength of diversification of the different strategies provides downside protection..</p>
<p>Eligible assets</p> <p>The Merging Sub-fund invests globally and a minimum of two-thirds of its Total Assets in Equity Related Securities. The Merging Sub-fund may be exposed to other currencies than the Base Currency through investments and/or cash holdings. In the Merging Subfund, the majority of all currency exposures are hedged to the Base Currency.</p>	<p>Eligible assets</p> <p>Without limiting the Receiving Sub-Fund from investing into any further eligible instruments, the most common instruments used to implement the aforementioned strategies will be:</p> <ul style="list-style-type: none"> • Transferable Securities (mainly Equity Related

	<p>Securities and Debt Securities),</p> <ul style="list-style-type: none"> • Money Market Instruments, including commercial papers and certificates of deposits, • Derivatives, such as contract for differences, credit default swaps, futures on indices and individual equities, and forwards (including non-deliverable forwards) on currencies. • UCITS and/ or open-ended UCIs, including open-ended ETFs. <p>The Receiving Sub-Fund may invest up to 20% of its net assets in a total combination of mortgage-backed securities and asset backed securities.</p> <p>The Receiving Sub-Fund can take on both, long and short positions. The Receiving Sub-Fund will not borrow securities or cash to create leverage. Any short exposure will only be achieved via the use of Derivatives.</p> <p>Depending on the instruments used to implement the investment strategies, the Receiving Sub-Fund could have variable level of cash. It is not to be excluded that, in the case that the large majority of long positions are achieved via the use of Derivatives, the level of cash increases up to 100% of the Receiving Sub-Fund's net assets. The Investment Manager will allocate the cash across currencies worldwide in accordance with his convictions. Cash may as well be required to cover margin calls and collateral requirements.</p> <p>The Receiving Sub-Fund may be exposed to other currencies than the Base Currency through investments and/or cash holdings. The Receiving Sub-Fund will use this currency exposure actively in the investment strategy</p>
<p>Index</p> <p>The Merging Sub-Fund has no reference index</p>	<p>Index</p> <p>The Receiving Sub-Fund has no reference index</p>

<p>Derivatives</p> <p>The Merging Sub-fund may use Derivatives as part of the investment strategy, for hedging purposes, or in order to apply efficient portfolio management techniques.</p> <p>The use of derivatives is not cost or risk-free.</p>	<p>Derivatives</p> <p>The Receiving Sub-Fund may use Derivatives as part of the investment strategy, or for hedging purposes.</p> <p>The use of derivatives is not cost or risk-free.</p>												
<p>Leverage</p> <p>The Merging Sub-fund is leveraged, which means that the market value of the underlying securities, currencies and other instruments in the Merging Sub-fund's portfolio of assets and Derivatives may be larger than the Merging Sub-fund's net asset value. Leverage techniques may amplify the risks of adverse market movements or failed investment strategies.</p> <p>The actual level of leverage may deviate (i.e. moderate increase or decrease) from the expected level described in the prospectus depending on the strategies applied by the Investment Manager, which might directly affect the use of Derivatives.</p> <table border="1" data-bbox="156 1339 702 1702"> <thead> <tr> <th>Method applied for measuring the Global Exposure</th> <th>Expected level of leverage (in % of NAV) as sum-of-notional</th> <th>Expected level of leverage (in % of NAV) under commitment approach</th> </tr> </thead> <tbody> <tr> <td>Absolute Value-at-Risk</td> <td>450%</td> <td>350%</td> </tr> </tbody> </table> <p>The Merging Sub-Fund may achieve the expected level of leverage through the use of Derivatives, such as to create exposure to individual security positions through CFD, or for the purpose of lowering the correlation of the targeted long-term capital appreciation</p>	Method applied for measuring the Global Exposure	Expected level of leverage (in % of NAV) as sum-of-notional	Expected level of leverage (in % of NAV) under commitment approach	Absolute Value-at-Risk	450%	350%	<p>Leverage</p> <p>The actual level of leverage may deviate (i.e. moderate increase or decrease) from the expected level described in the prospectus depending on the strategies applied by the Investment Manager, which might directly affect the use of Derivatives.</p> <p>The actual level of leverage of the Receiving Sub-Fund may however deviate significantly from the expected level of leverage disclosed (i.e. strong increase or decrease) in order to obtain the Receiving Sub-Fund 's targeted risk and return profiles depending on the volatility: in periods of low volatility, the gross exposure may be higher than in periods of high volatility, in order for the investment to remain within the risk and return targets</p> <table border="1" data-bbox="738 1339 1300 1702"> <thead> <tr> <th>Method applied for measuring the Global Exposure</th> <th>Expected level of leverage (in % of NAV) as sum-of-notional</th> <th>Expected level of leverage (in % of NAV) under commitment approach</th> </tr> </thead> <tbody> <tr> <td>Absolute Value-at-Risk</td> <td>650%</td> <td>650%</td> </tr> </tbody> </table> <p>Provided by the investment policy of the Receiving Sub-Fund, the expected level of leverage cannot be assigned to one specific investment strategy.</p>	Method applied for measuring the Global Exposure	Expected level of leverage (in % of NAV) as sum-of-notional	Expected level of leverage (in % of NAV) under commitment approach	Absolute Value-at-Risk	650%	650%
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<p>with the returns of the equity markets.</p> <p>Investors must be aware that the Merging Sub-Fund might carry greater investment risk than other investment funds, due to the use of Derivatives and the related higher level of leverage</p>	<p>Investors must be aware that the Receiving Sub-Fund might carry greater investment risk than other investment funds, due to the use of Derivatives and the related higher level of leverage.</p>
<p>Profile of the typical investor</p> <p>The Merging Sub-Fund is suitable for the Investor who is prepared to take the higher risks associated with investments in the equity markets and with the use of leverage techniques in order to maximise the return. Thus, the Investor should have experience with volatile products and be able to accept significant temporary losses.</p>	<p>Profile of the typical investor</p> <p>The Receiving Sub-Fund is suitable for the Investor who is prepared to take the higher risks associated with investments in financial instruments in order to maximise the return. Thus, the Investor should have experience with volatile products and be able to accept significant temporary losses.</p>
<p>Risks</p> <p>The risk and reward profile indicator measures the risk of price fluctuations in the Merging Sub-Fund based on the last 5 years volatility and places the Merging Sub-Fund in category 4. This means that the purchase of units in the Merging Sub-Fund is connected to medium risk of such fluctuations.</p>	<p>Risks</p> <p>The risk and reward profile indicator measures the risk of price fluctuations in the Receiving Sub-Fund based on the last 5 years volatility and places the Receiving Sub-Fund in category 5. This means that the purchase of units in the Sub-Fund is connected to medium risk of such fluctuations.</p>
<p>Specific risks</p> <p>Following risks are materially relevant to the UCITS but are not adequately captured by the synthetic indicator and may cause additional loss:</p> <ul style="list-style-type: none"> – counterparty risk – derivatives risk – event risk – liquidity risk 	<p>Specific risks</p> <p>Following risks are materially relevant to the UCITS but are not adequately captured by the synthetic indicator and may cause additional loss:</p> <ul style="list-style-type: none"> – counterparty risk – credit risk – derivatives risk – event risk – liquidity risk
<p>Base currency</p>	<p>Base currency</p>

EUR	EUR
<p>Fees charged to the Merging Sub-Fund</p> <p>The Merging Sub-Fund shall bear the following fees:</p> <ol style="list-style-type: none"> 1. Management fee <p>The Management fee payable by the Merging Sub-Fund out of its assets to the Management Company is 1.70% p.a. for P and E Shares, 1.10% for C-shares and 1.00% for I-shares.</p> 2. Performance fee <p>Nil</p> 3. Depositary fee <p>The maximum annual fee payable to the Depositary will not exceed 0.125% of the net asset value of the Merging Sub-Fund, plus any VAT if applicable. Reasonable expenses incurred by the Depositary or by other banks and financial institutions to whom safekeeping of the assets of Nordea 1, SICAV is entrusted are additional to the Depositary fee.</p> 4. Administration fee <p>The Merging Sub-Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the Administrative Agent.</p> 5. Entry and Exit Charges : <p>Entry charges : Up to 5.00 %</p> <p>Exit charges : Up to 1.00 %</p> 	<p>Fees charged to the Receiving Sub-Fund</p> <p>The Receiving Sub-Fund shall bear the following fees:</p> <ol style="list-style-type: none"> 1. Management fee <p>The Management fee payable by the Receiving Sub-Fund out of its assets to the Management Company is 1.70% p.a. for P and E Shares, 1.10% for C-shares and 1.00% for I-shares.</p> 2. Performance fee <p>Nil</p> 3. Depositary fee <p>The maximum annual fee payable to the Depositary will not exceed 0.125% of the net asset value of the Receiving Sub-Fund, plus any VAT if applicable. Reasonable expenses incurred by the Depositary or by other banks and financial institutions to which safekeeping of the assets of Nordea 1, SICAV is entrusted are additional to the Depositary fee.</p> 4. Administration fee <p>The Receiving Sub-Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the Administrative Agent.</p> 5. Entry and Exit Charges : <p>Entry charges : Up to 5.00 %</p> <p>Exit charges : Up to 1.00 %</p>