

Nordea 1, SICAV

Société d'Investissement à Capital Variable
R.C.S. Luxembourg B 31442
562, rue de Neudorf, L-2220 Luxembourg

NOTICE TO SHAREHOLDERS

The shareholders (the “Shareholders”) of Nordea 1, SICAV (the “Company”) are hereby informed that a new prospectus of the Company (the “Prospectus”) will be issued for the purpose of including, among others, the following changes effective 19 November 2018:

Prospectus changes relevant to the Shareholders of Nordea 1 – Renminbi High Yield Bond Fund:

The Sub-fund name will change to **Nordea 1 – Renminbi Bond Fund** and will be re-engineered to focus on investment into the broader Renminbi bond market, rather than on the Renminbi high yield bond market. The Sub-fund’s leverage and risk exposure is unchanged.

Prospectus changes relevant to the Shareholders of Nordea 1 – Unconstrained Bond Fund - USD Hedged:

The objectives and investment policy section of the Sub-fund has been made clearer by incorporating the ratings section.

Prospectus changes relevant to the Shareholders of Nordea 1 – US Total Return Bond Fund:

There is currently insufficient clarity in the market as to how Regulation (EU) 2017/2402 (the “**Securitisation Regulation**”) will impact EU-domiciled investment funds. In order to mitigate a situation where investment in privately issued mortgage-backed securities is restricted or prohibited under the Securitisation Regulation, the minimum proportion of shares that shall be invested in such securities (being, either i) issued, guaranteed, or secured by a collateral guaranteed, by the Government of the United States of America or any of its agencies, instrumentalities or sponsored corporations; or ii) consisting of privately issued mortgage-backed securities that must be rated at least AA-/Aa3 (or equivalent) by a Rating Agency or any other nationally recognized statistical rating organization in the US (“NRSRO”), or that are considered of comparable credit quality by the investment manager) has been reduced from 50% to 30%.

Prospectus changes relevant to the Shareholders of Nordea 1 – US Bond Opportunities Fund:

There is currently insufficient clarity in the market as to how the Securitisation Regulation will impact EU-domiciled investment funds. In order to mitigate a situation where investment in privately issued mortgage-backed securities is restricted or prohibited under the Securitisation Regulation, the minimum proportion of shares that shall be invested in such securities (being, either i) issued, guaranteed, or secured by a collateral guaranteed, by the Government of the United States of America or any of its agencies, instrumentalities or sponsored corporations; or ii) consisting of privately issued mortgage-backed securities that must be rated at least AA-/Aa3 (or equivalent) by a Rating Agency or any other nationally recognised statistical rating organization in the US (“NRSRO”), or that are considered of comparable credit quality by the investment manager) has been reduced from 35% to 20%.

Prospectus changes relevant to the Shareholders of Nordea 1 – North American All Cap Fund:

The Sub-fund will change its name to **Nordea 1 – North American Stars Equity Fund** and will be re-engineered into an internally-managed Nordea ‘Stars’ product with an ESG focus. The Sub-fund’s investment policy has been amended to clarify that it will invest its assets with a particular focus on the companies’ ability to comply with international standards for environmental, social and corporate governance and will invest in companies that are undervalued in relation to their ability to generate cash flow over the long term. The Sub-fund may use derivative instruments as part of its investment strategy, for example, in order to provide the possibility to use futures for increasing or reducing exposure cheaply and quickly in case of large flows. The Sub-fund’s leverage and risk exposure is unchanged.

Prospectus changes relevant to the Shareholders of Nordea 1 – Global Climate Environment Fund:

In order to ensure a consistent approach among global thematic funds, the Sub-fund’s objective and investment policy section now includes the following text: *“The Sub-fund invests its assets with a particular focus on companies operating in alternative energy resource efficiency and environment protection.”*

Prospectus changes relevant to the Shareholders of Nordea 1 – Alpha 7 MA Fund, Nordea 1 – Alpha 10 MA Fund and Nordea 1 – Alpha 15 MA Fund:

It is clarified that:

- The descriptions of the volatility ranges have been made clearer in the objective and investment policies of all three Sub-funds.
- All three Alpha Sub-funds may use derivative instruments in order to apply efficient portfolio management techniques.

Prospectus changes relevant to the Shareholders of Nordea 1 - GBP Diversified Return Fund and Nordea 1 – Stable Return Fund:

It is clarified that the Sub-funds may use derivative instruments in order to apply efficient portfolio management techniques.

Prospectus changes relevant to the Shareholders of Nordea 1 – Danish Kroner Reserve, Nordea 1 – Norwegian Kroner Reserve, Nordea 1 – Swedish Kroner Reserve:

In Regulation (EU) 2017/1131 (the Money Market Funds Regulation), the phrase “preserve capital” will be indicative of a Money Market Fund. Equally, the word “Reserve” may indicate that the Sub-funds’ use as a cash reserve and potential Money Market Fund. In order to avoid misunderstandings, the following amendments have been made:

- The wording *“The Sub-fund’s objective is to preserve the shareholder’s capital...”*, whenever it is mentioned in the Sub-funds’ objective and investment policy section, is changed to *“The Sub-fund’s objective is to prudently invest the Shareholder’s capital...”*.
- The Sub-funds’ names will change, respectively, to **Nordea 1 – Danish Short-Term Bond Fund, Nordea 1 – Norwegian Short-Term Bond Fund, and Nordea 1 – Swedish Short-Term Bond Fund**.
- The objective and investment policies of the Sub-funds are amended in order to clarify that the sub-funds are normal bond funds which may invest in Debt Securities with residual maturity exceeding 2 years.

Prospectus changes relevant to the following Sub-funds:

Nordea 1 – Alpha 10 MA Fund
Nordea 1 – Alpha 15 MA Fund
Nordea 1 – Alpha 7 MA Fund
Nordea 1 – Asian Focus Equity Fund
Nordea 1 – Chinese Equity Fund
Nordea 1 – European Long Short Equity Fund
Nordea 1 – Emerging Consumer Fund
Nordea 1 – Emerging Market Focus Equity Fund
Nordea 1 – Emerging Markets Small Cap Fund
Nordea 1 – Emerging Stars Equity Fund
Nordea 1 – European Focus Equity Fund
Nordea 1 – European Small and Mid Cap Equity Fund
Nordea 1 – European Stars Equity Fund
Nordea 1 – European Value Fund
Nordea 1 – GBP Diversified Return Fund
Nordea 1 – Global Climate and Environment Fund
Nordea 1 – Global Disruption Fund
Nordea 1 – Global Dividend Fund
Nordea 1 – Global Gender Diversity Fund
Nordea 1 – Global Ideas Equity Fund
Nordea 1 – Global Impact Themes Fund
Nordea 1 – Global Listed Infrastructure Fund
Nordea 1 – Global Long Short Equity Fund - USD Hedged
Nordea 1 – Global Opportunity Fund
Nordea 1 – Global Portfolio Fund
Nordea 1 – Global Small Cap Fund
Nordea 1 – Global Stable Equity Fund
Nordea 1 – Global Stable Equity Fund - Euro Hedged
Nordea 1 – Global Stars Equity Fund
Nordea 1 – Indian Equity Fund
Nordea 1 – Latin American Equity Fund
Nordea 1 – Nordic Equity Fund
Nordea 1 – Nordic Equity Small Cap Fund
Nordea 1 – Nordic Ideas Equity Fund
Nordea 1 – Nordic Stars Equity Fund
Nordea 1 – North American All Cap Fund
Nordea 1 – North American Small Cap Fund
Nordea 1 – North American Value Fund
Nordea 1 – Norwegian Equity Fund
Nordea 1 – Stable Emerging Markets Equity Fund
Nordea 1 – Stable Return Fund
Nordea 1 – Stars Long Short Equity Fund

Shareholders are informed that the listed Sub-funds may benefit from partial tax relief on taxable income derived from their investment into funds under the condition that the funds qualify either as "mixed funds" or "equity funds" in accordance with the German Investment Tax Act 2018. Please refer to the enclosed Appendix 1, which will be attached to the new November 2018 Prospectus.

Prospectus changes relevant to the Shareholders of Nordea 1 – Global Long Short Equity Fund – USD Hedged and Nordea 1 – Heracles Long/Short MI Fund:

It is clarified that these Sub-funds may use index rate benchmarks such as the EURIBOR or LIBOR to calculate performance fees within the meaning given in Regulation (EU) 2016/1011 (the

“**Benchmark Regulation**”). Pursuant to the Benchmark Regulation, we have included the following disclosures under chapter 3 of the new Prospectus:

- i. Benchmark administrators located in the EU whose indices are used by the Company benefit from transitional provisions under the Benchmark Regulation and accordingly may not yet appear on the Register, and updated information in relation to whether a benchmark is included in the Register will be disclosed once available.
- ii. The Management Company maintains a written plan setting out the actions that will be taken in the event of said interest rate benchmarks materially changing or ceasing to be provided, and this written plan is available upon request and free of charge at the registered office of the Management Company.

Prospectus changes relevant to the Shareholders of all Sub-funds:

- The following definitions have been added:
“Benchmark Regulation”, “General Data Protection Regulation (“GDPR”)” and “Personal Data”.
- The updated Prospectus will reflect regulatory updates, clarifications, minor formatting and editorial changes.
- 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.
- It has been clarified that the settlement date for conversion is in principle the third Business Day after the date of acceptance of the Conversion (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, for example, due to currency holidays or on any Business Day when the Net Asset Value of the relevant Sub-fund is not calculated in accordance with the definition of a Valuation Day.
- It is further clarified that the Prospectus will be updated in case of any material change to the use of financial derivative instruments, including any securities financing transaction and total return swaps, under Regulation EU 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse, or under any other applicable law, regulation and administrative practice.
- The type of assets eligible to total return swaps is in line with the eligible investments of each Sub-fund and in compliance with the investment policy and objective of the Sub-fund.
- 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.
- The composition of the board and the conducting officers of Nordea Investment Funds S.A. have been updated, subject to the approval of the Luxembourg regulatory authority (the “**CSSF**”).

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 Management Company. Such instruction must be received in writing by Nordea Investment Funds S.A. (as Administrative Agent) at the below address by 16 November 2018, 15:30 CET at the latest.

The updated version of the Prospectus dated November 2018 may be obtained, free of any charges, at the Registered Office of the Company or at Nordea Investment Funds S.A. at 562, rue de Neudorf, L-2220

Nordea

Luxembourg, Grand Duchy of Luxembourg, and on the website www.nordea.lu, as soon as the CSSF has issued the visa-stamped official Prospectus or, if available, on local Nordea websites.

Capitalized terms in this notice shall have the meaning ascribed to them in the Prospectus unless the context otherwise requires.

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, 12 October 2018
The Board of Directors of Nordea 1, SICAV