

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 enter into force on 23 August 2016, unless a different date is defined for individual changes hereafter, for the purpose of including in the Prospectus, among others, the changes summarised below.

- **All Sub-funds**
 - The sections "Fees charged to the Investor", "Fees charged by local intermediaries", "Fees charged to the Sub-fund" and "Total Expense Ratio (TER)" are moved from each Sub-fund to Chapter 17 "Fees and Expenses".
 - The section "Uncertainty Considerations" is removed from each Sub-fund and replaced with a generic list of uncertainty considerations in the beginning of Chapter 4 "The Sub-funds of the Company", applicable to all Sub-funds.
 - The recommended investment horizon as set out in section "Profile of the typical Investor" under each Sub-fund is removed for each Sub-fund. Investors are invited to consult the Key Investor Information Document for this information.
- **African Equity Fund, Global Climate and Environment Fund (former Climate and Environment Equity Fund), Emerging Consumer Fund, Emerging Markets Focus Equity Fund, Emerging Stars Equity Fund, Global Portfolio Fund, Global Real Estate Fund, Global Stable Equity Fund - Euro Hedged, Global Stable Equity Fund, Latin American Equity Fund, North American All Cap Fund, Norwegian Equity Fund, Stable Emerging Markets Equity Fund**
The possibility to use derivatives for the purpose of efficient portfolio management is introduced for these Sub-funds.
- **African Equity Fund, Asian Focus Equity Fund, Chinese Equity Fund, Global Climate and Environment Fund (former Climate and Environment Equity Fund), Emerging Consumer Fund, Emerging Markets Focus Equity Fund, Emerging Markets Small Cap Fund, Emerging Stars Equity Fund, European Value Fund, Global Ideas Equity Fund, Global Dividend Fund, Global Opportunity Fund, Global Small Cap Fund, Global Stable Equity - Euro Hedged, Global Stable Equity Fund, Indian Equity Fund, Latin American Equity Fund, North American Small Cap Fund, North American Value Fund, Stable Emerging Markets Equity Fund**
For these Sub-funds, the minimum investment limit of two-thirds into equities is increased to three-fourths.
- **African Equity Fund, Asian Focus Equity Fund, Chinese Equity Fund, Global Climate and Environment Fund (former Climate and Environment Equity Fund), Danish Bond Fund, Emerging Consumer Fund, Emerging Market Blend Bond Fund, Emerging Market Bond Fund, Emerging Market Corporate Bond Fund, Emerging Market Hard Currency Bond Fund, Emerging Market Local Debt Fund, Emerging Market Local Debt Fund Plus, Emerging Markets Focus Equity Fund, Emerging Stars Equity Fund, European Corporate Bond Fund, European Corporate Bond Fund Plus, European Cross Credit Fund, European Diversified Corporate Bond Fund, European Financial Debt Fund, European Focus Equity Fund, European High Yield Bond Fund, European High Yield Bond Fund II, European Small and Mid Cap Equity Fund, European Value Fund, Global Bond Fund, Global High Yield Bond Fund, Global Ideas Equity Fund, Global Dividend Fund, Global Opportunity Fund, Global Real Estate Fund, Global Short Duration Bond Fund, Global Stable Equity Fund - Euro Hedged, Global Stable Equity Fund, Global Stars Equity Fund, Indian Equity Fund, International High Yield Bond Fund - USD Hedged, Latin American Equity Fund, Low Duration US High Yield Bond Fund, Nordic Corporate Bond Fund - Euro Hedged, Nordic Equity Fund, Nordic Equity Small Cap Fund, Nordic Ideas Equity Fund, North American All Cap Fund, North American High Yield Bond Fund, North American Value Fund, Norwegian Bond Fund, Norwegian Equity Fund, Renminbi High Yield Bond Fund, Stable Emerging Markets Equity Fund, Stable Equity Long/Short Fund - Euro Hedged, Swedish Bond Fund, Unconstrained Bond Fund - USD Hedged, US Core Plus Bond Fund, US Corporate Bond Fund, US High Yield Bond Fund**
The specification that these Sub-funds may invest in "other Transferable Securities" is removed from the "Eligible assets and investment policy" section of each Sub-fund and replaced with a statement in the initial paragraphs of Chapter 4 of the Prospectus (applicable to all Sub-funds) according to which each Sub-fund may invest in such assets as set out in Chapter 8.I.A of the Prospectus (including other Transferable Securities). Thus, this adjustment does not aim at changing the Sub-funds' possibility to invest in "other Transferable Securities".
- **African Equity Fund, Alpha 15, Asian Focus Equity Fund, Global Climate and Environment Fund (former Climate and Environment Equity Fund), Emerging Consumer Fund, Emerging Stars Equity Fund, European Focus Equity Fund, European Small and Mid Cap Equity Fund, European Value Fund, GBP Diversified Return Fund, Global Ideas Equity Fund, Global Dividend Fund, Global Opportunity Fund, Global Real Estate Fund, Global Short Duration Bond Fund, Global Small Cap Fund, Global Stable Equity Fund - Euro Hedged, Global Stable Equity Fund, Global Stars Equity Fund, Indian Equity Fund, Nordic Equity Fund, Nordic Equity Small Cap Fund, Nordic Ideas Equity Fund, Nordic Stars Equity Fund, North American All Cap Fund, North American Small Cap Fund, North American Value Fund, Norwegian Equity Fund, Stable Emerging Markets Equity Fund, Stable Equity Long/Short Fund - Euro Hedged, Stable Return Fund**

According to Chapter 8.I.C “Units of Open-Ended Companies” of the Prospectus, none of the Sub-funds of the Company may invest more than 10% of its Total Assets in UCITS and/or other open-ended UCIs, including open-ended ETFs. This limit is currently also included in the “Eligible assets and investment policy” for the above Sub-funds. To avoid duplication of information, the limit is removed from each of the above Sub-funds, but kept in Chapter 8.I.C. Hence, this adjustment does not aim at changing the Sub-funds’ eligible asset and investment policy.

- **Alpha 15**
The list of the most common instruments used to implement the Sub-fund’s investment strategies is updated by inclusion of a reference to Debt Securities and inclusion of a reference to Money Market Instruments, including commercial papers and certificates of deposits. It is also clarified that in relation to Debt Securities, a maximum of 20% of the net assets of this Sub-fund may be invested in a total combination of mortgage-backed securities and asset-backed securities.
- **Asian Focus Equity Fund, Global Dividend Fund, Global Stable Equity Fund – Euro Hedged, Global Stable Equity Fund**
The information that Investors should be aware that because of the investment strategy applied by these Sub-funds, significant differences between the development of the Sub-fund and that of the market (as defined by the reference index) may occur and may be prevalent for an extended period of time, have been removed from the section “Profile of the typical Investor” for these Sub-funds.
- **Chinese Equity Fund**
The specification that this Sub-fund may invest “up to 10% of its Total Assets in UCITS and/or other open-ended UCIs, including open-ended ETFs, investing in Greater China and in, inter alia, China A-Shares” is removed from the “Eligible assets and investment policy” section of this Sub-fund and replaced with a statement in the initial paragraphs of Chapter 4 of the Prospectus (applicable to all Sub-funds) according to which each Sub-fund may invest in such assets as set out in Chapter 8.I.A of the Prospectus (including UCITS and/or other open-ended UCIs, including open-ended ETFs). In addition, the 10% limit also follows from Chapter 8.I.C of the Prospectus. Thus, this adjustment does not aim at changing the Sub-fund’s investment policy.
- **Climate and Environment Equity Fund**
This Sub-fund’s name changes to “*Global Climate and Environment Fund*”.
- **Danish Mortgage Bond Fund**
The following information is removed from the “Eligible assets and investment policy” section of this Sub-fund: “This Sub-fund may invest up to 25% of the Total Assets in convertible bonds and other equity-linked Debt Securities.”
- **Emerging Market Local Debt Fund**
The following wording is removed from the section “Investment objective” of this Sub-fund: “This Sub-fund uses its reference index as a benchmark for investment purposes.” Furthermore, the following information is added in section “Eligible assets and investment policy”: “The Sub-fund may invest up to 10% of its Total Assets in asset backed securities.”
- **Emerging Markets Focus Equity Fund, Emerging Markets Small Cap Fund**
The specification that these Sub-funds may invest “up to 10% of its Total Assets in UCITS, and/or other open-ended UCIs, including open-ended ETFs, investing in securities of companies active in the Emerging Markets” is removed from the “Eligible assets and investment policy” section of these Sub-funds and replaced with a statement in the initial paragraphs of Chapter 4 of the Prospectus (applicable to all Sub-funds) according to which each Sub-fund may invest in such assets as set out in Chapter 8.I.A of the Prospectus (including UCITS and/or other open-ended UCIs, including open-ended ETFs). In addition, the 10% limit also follows from Chapter 8.I.C of the Prospectus. Thus, this adjustment does not aim at changing the Sub-funds’ investment policies.
- **Emerging Markets Small Cap Fund**
The following information is removed from the “Eligible assets and investment policy” section of this Sub-fund: “In addition to the above, this Sub-fund may invest in other Transferable Securities denominated in various currencies and issued by domestic or foreign borrowers which do not meet the above-mentioned restriction. This last category includes companies with higher market capitalisation than USD 5 billion”. The information is replaced with a statement in the initial paragraphs of Chapter 4 of the Prospectus applicable to all Sub-funds according to which each Sub-fund may invest in such assets as set out in Chapter 8.I.A of this Prospectus (which include above mentioned securities). Hence, this adjustment does not aim at changing the Sub-fund’s ability to invest in the securities mentioned above.
- **Emerging Stars Equity Fund**
The following reference index for performance comparison is added to this sub-fund: “MSCI Emerging Markets Net Return Index.”
- **European Covered Bond Fund**
The specification that this Sub-fund may invest in “covered bonds globally”, and “government bonds, government agency and bonds issued by municipalities and supranational institutions” is removed from the “Eligible assets and investment policy” section of this Sub-fund and replaced with a statement in the initial paragraphs of Chapter 4 of the Prospectus applicable to all Sub-funds according to which each Sub-fund may invest in such assets as set out in Chapter 8.I.A of this Prospectus (which include above mentioned securities). Hence, this adjustment does not aim at changing the Sub-fund’s ability to invest in the securities mentioned above.

- European High Yield Bond Fund II**
For this Sub-fund, it is clarified in the “Eligible assets and investment policy” section that the minimum of two-thirds of its Total Assets shall be invested in High Yield Bonds, Contingent Convertible Bonds and credit default swaps, denominated in Euro or GBP (amendment underlined).
- Flexible Fixed Income Fund**
The investment objective of this Sub-fund is changed from:
“This Sub-fund objective is to offer to clients a diversified fixed income exposure to the bond markets globally while providing a return in excess of cash. The aim for the fund is to be market neutral over an investment cycle. The investment process is based on active asset allocation, both tactical and strategic, robust diversification across fixed income asset classes, and active currency management.”
to
“This Sub-fund aims to offer a robust diversification across fixed income asset classes and regions. Using active management, the Sub-fund aims to preserve capital and provide positive returns in excess of cash over an investment cycle. The objective is to build an unconstrained bond product, designed to address a constantly changing environment in the fixed income space, such as interest rates fall and rise as well as changes in credit spreads. The Sub-fund will use active currency management to mitigate risk without reducing the return expectancy.”
- Global High Yield Bond Fund**
The Sub-fund's reference index is changed from “Merrill Lynch Global High Yield Constrained Index” to “BoFA Merrill Lynch Developed Markets High Yield Constrained Index”.
- Global Portfolio Fund**
The specification that this Sub-fund may invest “up to 10% of its Total Assets in UCITS and/or other open-ended UCIs, including open-ended ETFs which directly or indirectly invest in equities” is removed from the “Eligible assets and investment policy” section of this Sub-fund and replaced with a statement in the initial paragraphs of Chapter 4 of the Prospectus (applicable to all Sub-funds) according to which each Sub-fund may invest in such assets as set out in Chapter 8.1.A of the Prospectus (including UCITS and/or other open-ended UCIs, including open-ended ETFs). In addition, the 10% limit also follows from Chapter 8.1.C of the Prospectus. Thus, this adjustment does not aim at changing the Sub-fund's investment policy.
- Global Short Duration Bond Fund**
- The Management Fee for the following Share Classes is increased:
 - P-Shares and E-Shares: from 0,50% to 0,60% of the NAV
 - C-Shares: from 0,35% to 0,40% of the NAV
 - I-Shares: from 0,25% to 0,30% of the NAV
- Furthermore, the methodology applied for measuring the Global Exposure is changed from commitment approach to absolute VaR approach with the following expected level of leverage:

Sub-fund	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 (*)
Global Short Duration Bond Fund	Absolute Value-at-Risk	300%	200%

- International High Yield Bond Fund - USD Hedged, North American High Yield Bond Fund, US Total Return Bond Fund**
The specification that these Sub-funds may invest “up to 10% of its Total Assets in open-ended ETFs” is removed from the “Eligible assets and investment policy” section of these Sub-funds and replaced with a statement in the initial paragraphs of Chapter 4 of the Prospectus (applicable to all Sub-funds) according to which each Sub-fund may invest in such assets as set out in Chapter 8.1.A of the Prospectus (including UCITS and/or other open-ended UCIs, including open-ended ETFs). In addition, the 10% limit also follows from Chapter 8.1.C of the Prospectus. Thus, this adjustment does not aim at changing the Sub-funds' investment policies.
- Latin American Equity Fund**
- The specification that this Sub-fund may invest “up to 10% of its Total Assets in open-ended ETFs that mainly invest in securities of companies active in Latin America” is removed from the “Eligible assets and investment policy” section of this Sub-fund and replaced with a statement in the initial paragraphs of Chapter 4 of the Prospectus (applicable to all Sub-funds) according to which each Sub-fund may invest in such assets as set out in Chapter 8.1.A of the Prospectus (including UCITS and/or other open-ended UCIs, including open-ended ETFs). In addition, the 10% limit also follows from Chapter 8.1.C of the Prospectus. Thus, this adjustment does not aim at changing the Sub-fund's investment policy.
- Furthermore, the Management Fee for this Sub-fund is lowered as follows:
 - P-Shares and E-Shares: from 1,85% to 1,60% of the NAV
- North American Small Cap Fund**
The following information is removed from the “Eligible assets and investment policy” section of this Sub-fund: “In addition to the above, this Sub-fund may invest in other Transferable Securities which do not meet the above-mentioned restriction. This last category includes companies with higher market capitalisation than USD 5 billion.” The information is replaced with a statement in

the initial paragraphs of Chapter 4 of the Prospectus applicable to all Sub-funds according to which each Sub-fund may invest in such assets as set out in Chapter 8.I.A of this Prospectus (which include above mentioned securities). Hence, this adjustment does not aim at changing the Sub-fund's ability to invest in the securities mentioned above.

- **Norwegian Equity Fund**

The "Eligible assets and investment policy" section of this Sub-fund is adjusted to clarify that the Sub-fund shall invest a minimum of three-fourths of its Total Assets in equities and Equity Related Securities issued by companies which are domiciled or publicly listed or exercise the predominant part of their economic activity in Norway (amendment underlined).

- **Stable Equity Long/Short Fund – Euro Hedged**

The investment policy of this Sub-fund is changed from:

"The Sub-fund seeks to have a long exposure to companies that have stable return patterns and stable fundamental characteristics (ex: stable development in earnings, dividends and cash flow) ("Stable Companies") in addition to an attractive valuation at the time of investment. Such long exposure is generated via direct investment in such equities or through the use of Derivatives or, to a limited extent, the investment in Exchange Traded Funds.

Moreover, the Sub-fund seeks to have a short exposure to equity indices or individual stocks where the risk and return characteristics are deemed to be un-attractive by the portfolio manager at the time of investment. Such short exposures may be generated through the use of Derivatives and are deemed:

- to partially or entirely eliminate the market's systematic risk from the risk components that the Sub-fund is facing; and
- to increase the performance of the Sub-fund."

to

"The 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 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 future 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."

- **US Core Plus Bond Fund**

It is clarified that the asset backed securities which the Sub-fund can invest up to 20% of its Total Assets into, may include "Collateralised Loan Obligations (CLO's)".

- **US Total Return Bond Fund**

It is clarified that the asset-backed securities the Sub-fund may invest up to two-thirds of its Total Assets into, may include "Collateralised Loan Obligations".

- In Chapter 4. "The Sub-funds of the Company", it is clarified that each Sub-fund may invest in such assets as set out in Chapter 8.I.A of the Prospectus and shall comply with the general rules and restrictions set out in Chapter 8. Each Sub-fund's investment shall be made in line with its Investment Objective and shall comply with the investment policy and specific eligible assets provisions as set out for each Sub-fund in this Chapter.
- In Chapter 8. "Investment Restrictions", further information on securities lending, repurchase agreements transactions and total return swaps etc. are included. Furthermore, information on collateral is gathered in a new sub-section "Collateral Management".
- In Chapter 9. "Special Risk Considerations", further information on risks related to securities lending, repurchase agreements transactions, buy-sell back transactions and collateral management risks are included.
- In Chapter 10. "Management Company", it is clarified that a summary of the Remuneration Policy is available on www.nordea.lu and that the policy includes a description of how remuneration and benefits are calculated, the details of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, in case such committee has been established.
- In Chapter 13 "Depositary", information is included that the Depositary has delegated custody of the Company's assets held in Sweden to Nordea Bank AB (publ), assets held in Finland to Nordea Bank Finland Plc, assets held in Norway to Nordea Bank Norge ASA and assets held in Denmark to Nordea Bank Danmark A/S. Nordea Bank AB (publ), Nordea Bank Finland Plc, Nordea Bank Norge ASA and Nordea Bank Danmark A/S are part of the same group as the Management Company, and there may therefore be conflicts of interests between their various activities and their duties and obligations to the Company and its Shareholders. For information on how conflicts of interests are managed, please refer to section 10, "Management Company" of the Prospectus. Furthermore, the list of delegates of the Depositary is now available at www.nordea.lu in the "Download Centre".
- Chapter 17 has been renamed from "Expenses borne by the Company" to "Fees and Expenses" and information in the Prospectus about fees charged to the Investors / Shareholders and fees charged to the Company has been gathered in this Chapter. Furthermore, it is clarified that, as an exception to the general rule that the maximum annual fee payable to the Depositary shall not exceed 0,125% of the NAV of the relevant Sub-fund, the Depositary Fee for the African Equity Fund will not exceed 0,200%.
- Chapter 23. "Registered Office & Boards of Directors" takes into account, among others, that Nils Bolmstrand has resigned from the board of the Company and of the Management Company and that Ninni Franceschi has been appointed as new Board

Member of the Company and that Brian Stougård Jensen has been appointed as new Board Member of the Management Company.

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 redemption request must be submitted in accordance with the terms of the Prospectus and must be received by Nordea Bank S.A. (as Administrative Agent) at the below address by 22 August 2016, 15:30 CET at the latest.

An updated version of the Prospectus dated August 2016 may be obtained, free of any charges, at the Registered Office of the Company or Nordea Bank S.A. at 562, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg, and on the website www.nordea.lu, in the Download Centre, under the "KIID/Prospectus" section, as soon as the Luxembourg regulatory authority (the "CSSF") has issued the visa-stamped official Prospectus.

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, July 2016
The Board of Directors of Nordea 1, SICAV