

NOTICE TO SHAREHOLDERS OF

NORDEA 1 – African Equity Fund

AND

NORDEA 1 – Emerging Markets Focus Equity Fund

It is brought to the attention of the shareholders of Nordea 1 – African Equity Fund and Nordea 1 – Emerging Markets Focus Equity Fund that the board of directors of Nordea 1, SICAV (the “**Board of Directors**”) has decided to merge the assets and liabilities of Nordea 1 – African Equity Fund (the “**Merging Sub-Fund**”) with the assets and liabilities of Nordea 1 – Emerging Markets Focus Equity Fund (the “**Receiving Sub-Fund**”) and together with the Merging Sub-Fund to be referred to as the “**Sub-Funds**”).

The Sub-Funds are both Sub-Funds of Nordea 1, SICAV, a Luxembourg-based undertaking for collective investment in transferable securities authorised by the Luxembourg supervisory authority under Part I of the law of 17 December 2010, on undertakings for collective investment, as amended (the “**2010 Law**”).

The merger will be the operation whereby the Merging Sub-Fund on being dissolved, without going into liquidation, will transfer its assets and liabilities on the effective date of the merger as defined in section 8.1. of this shareholders’ notice (the “**Effective Date**”) to the Receiving Sub-Fund.

The intention of the Board of Directors is to merge the Merging Sub-Fund with the Receiving Sub-Fund on the Effective Date by way of merger in accordance with the definition of “merger” in article 1 (20) (a) of the 2010 Law and as further described in Article 76 (1) of the 2010 Law 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 section 4.1. of this shareholders’ notice, or, as the case may be, to the depository of Nordea 1, SICAV, *i.e.* J.P. Morgan Bank Luxembourg S.A. (the “**Depository**”);
- ii. the shareholders of the relevant class of shares of the Merging Sub-Fund become shareholders of the relevant class of shares of the Receiving Sub-Fund as described in section 5.2. of this shareholders’ notice; and
- iii. the Merging Sub-Fund will cease to exist on the Effective Date.

Without prejudice to notice requirements and free redemption/conversion rights, the implementation of the merger is not subject to the prior approval of the shareholders.

The present notice provides appropriate and accurate information on the proposed merger to the respective shareholders so as to enable them to make an informed judgement of the impact of the merger on their investment.

1. Context and justification of the merger

- 1.1. The reason for the merger is that the level of assets of the Merging Sub-Fund is at a level where the Merging Sub-Fund may no longer be managed in an economically optimal manner.
- 1.2. 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.
- 1.3. By merging the Merging Sub-Fund into the Receiving Sub-Fund, the shareholders should get exposure to a more modern and diversified sub-fund, with a larger potential for performance.
- 1.4. The Receiving Sub-Fund follows a Nordea in-house managed driven emerging markets equity strategy that has proven successful in terms of performance and asset gathering. The Receiving Sub-Fund had a 5 star rating in Morningstar on 31 December 2017. For these reasons, we believe the interests of shareholders will be better served if the Merging Sub-Fund was merged with the Receiving Sub-Fund.

2. Expected impact of the merger on the shareholders of the Merging Sub-Fund

- 2.1. On the Effective Date, shareholders in the Merging Sub-Fund will receive new shares in accordance with the terms set out in section 5.2. of this Shareholders' notice and become shareholders in the relevant class of shares of the Receiving Sub-Fund.
- 2.2. The Merging Sub-Fund and the Receiving Sub-Fund have the same risk and reward profile, i.e. they both have a synthetic risk and reward indicator ("SRRI") of 6. Both Sub-Funds are actively managed. The investment objective and policy of the Merging Sub-Fund and the Receiving Sub-Fund are further disclosed in Appendix I.
- 2.3. The Merging Sub-Fund mainly invests in equity and equity related securities issued by companies which are domiciled or exercise the predominant part of their economic activity in Africa, including companies listed on African Stock Exchanges. The Sub-Fund has no official benchmark. Due to the structure of the African equity markets, up to 50% of the Sub-Fund's assets are normally invested in South African equities.
- 2.4. The Receiving Sub-Fund invests in equity and equity related securities issued by companies which are domiciled or exercise the predominant part of their economic activity in emerging markets globally. Nordea 1 – Emerging Markets Focus Equity Fund is measured against the MSCI Emerging Markets – Net Total Return Index.
- 2.5. The Merging Sub-Fund generally invests in smaller market-cap equities whereas the Receiving Sub-Fund invests in larger market-cap equities. Both Sub-Funds have a tilt towards core-growth equities.
- 2.6. Nordea 1 - African Equity Fund focuses on African equities (with a high concentration in South African equities), whereas Nordea 1 – Emerging Markets Focus Equity Fund is more geographically diversified as it invests across emerging markets globally. Normally at least 60 % of the assets of Nordea 1 – Emerging Markets Focus Equity Fund are invested in China, India, South Korea and Taiwan. The African stock market only counts for around 8% of the MSCI Emerging Markets – Net Total Return Index. Sector-wise, both Sub-Funds diversify their investments broadly. The largest difference is that Nordea 1 – African Equity Fund normally has a high concentration in Financials (the largest sector within the Sub-Fund's investment universe) whereas Nordea 1 – Emerging

Markets Focus Equity Fund has a high concentration in Information Technology (which is a very small sector on the African stock market).

- 2.7. Both Sub-Funds have similar stock specific concentration risk (normally 55-65 holdings).
- 2.8. In practice, the use of derivatives is negligible for both Sub-Funds.
- 2.9. Overall, it can be expected that the change of risk for shareholders in the Merging Sub-Fund will be slightly reduced, as a consequence of the merger, due to the more diversified investment in terms of geography and currency allocation in the Receiving Sub-Fund.
- 2.10. The base currency of the Merging Sub-Fund is EUR. The base currency of the Receiving Sub-Fund is USD.
- 2.11. The fees for the Receiving Sub-Fund are lower than the fees of the Merging Sub-Fund, as set out in Appendix I, for the benefit of the shareholders in the Merging Sub-Fund.
- 2.12. 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.
- 2.13. 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.
- 2.14. The merger will be notified in writing to the shareholders in the Merging Sub-Fund and in the Receiving Sub-Fund in accordance with the 2010 Law. Shareholders in the merging Sub-Fund and in the Receiving Sub-Fund will have the right to request without any charge other than those retained to meet disinvestment costs (as the case may be), the redemption or conversion of their shares, during a period as set out in section 10.2.
- 2.15. Any legal, advisory or administrative costs associated with the preparation and the completion of the merger shall be borne by the management company.

3. Expected impact of the merger on the shareholders of the Receiving Sub-Fund

- 3.1. 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 fee structure of the Receiving Sub-Fund and will result neither in changes to the articles of association or prospectus of Nordea 1, SICAV, nor in changes to the key investor information documents (the “**KIIDs**”) of the Receiving Sub-Fund.
- 3.2. 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.
- 3.3. Any legal, advisory or administrative costs associated with the preparation and the completion of the merger shall be borne by the management company.

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

4.1. 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.

4.2. 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 corporate bonds according to the Receiving Sub-Fund's investment policy.

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

5.1. On the business day prior to the Effective Date, the management company of Nordea 1, SICAV, i.e. Nordea Investment Funds S.A. (the "Management Company") will calculate the net asset value per share class and determine the exchange ratio.

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

Nordea 1 –African Equity Fund	Nordea 1 – Emerging Markets Focus Equity Fund
BI-EUR	BI-EUR
BP-SEK	BP-SEK
BP-NOK	BP-NOK
BP-EUR	BP-EUR
E-EUR	E-EUR
E-PLN	E-PLN

5.3. The Depositary shall issue a confirmation, in accordance with the requirements of article 70 of the 2010 Law 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 2010 Law.

6. Calculation method of the exchange ratio

6.1. The number of new shares in the Receiving Sub-Fund to be issued to each shareholder will be calculated using an exchange 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, calculated in accordance with sections 5.1 and 5.2 above. The relevant shares in the Merging Sub-Fund will then be cancelled.

6.2. 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.

6.3. 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.

6.4. 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.

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

7. Risk of dilution of the performance

7.1. The proposed merger being a merger whereby the Merging Sub-Fund will be 100% invested in cash, 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.

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

8. Effective date of the merger

8.1. The Effective Date shall be on 13 June 2018, or such other date as may be determined by the Board of Directors. The Effective Date is notified to the shareholders in each of the Merging Sub-Fund and the Receiving Sub-Fund in writing.

9. Rules applicable to the transfer of assets and the issue of new shares

9.1. The Management Company shall put in place, or procure the putting in place, of all necessary instructions to deliver and/or transfer, or procure the delivery and/or transfer to the Depositary, or to its order, the cash position of the Merging Sub-Fund.

9.2. In order to provide the investment manager of the Receiving Sub-Fund better capacity to manage the inflow of cash from the Merging Sub-Fund and in order to benefit the shareholders by providing necessary market exposure as of the Effective Date, the investment manager of the Receiving Sub-Fund may, after the exchange ratio is calculated on the business day prior to the Effective Date, but no earlier than 4 p.m., place part or all of the cash to be received from the Merging Sub-Fund. Such placements shall be taken into account for the Net Asset Value of the Receiving Sub-Fund to be calculated on the Effective Date.

9.3. As consideration for the transfer to the Depositary of the Receiving Sub-Fund of the assets and liabilities under section 9.1. above, the Management Company shall calculate and determine the number of new shares to be allocated to shareholders and shall issue such new shares to each of the shareholders on the register of shareholders of the Merging Sub-Fund as provided by the Management Company. The number of new shares (fractions to four decimal places) to be issued to each

shareholder with effect on the Effective Date will be calculated using the exchange ratio calculated under section 5 above.

10. Procedural aspects

10.1. Shares of the Merging Sub-Fund can be subscribed until 3.30 p.m. Luxembourg time on 4 June 2018. After 3.30 p.m. Luxembourg time on 4 June 2018 the possibility to subscribe for shares in the Merging Sub-Fund will be suspended.

10.2. 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 Nordea 1, SICAV and the Management Company, from 4 May 2018 until 3.30 p.m. Luxembourg time on 4 June 2018. After 3.30 p.m. Luxembourg time on 4 June 2018 the possibility to redeem or convert shares in the Merging Sub-Fund will be suspended.

10.3. 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 4 May 2018 until 3.30 p.m. Luxembourg time on 4 June 2018.

10.4. All costs related to the merger shall be borne by the Management Company.

11. Role of the auditor

11.1. In compliance with article 71 (1) of the 2010 Law, the Merging Sub-Fund shall entrust an auditor to validate the criteria adopted for valuation of the assets and, as the case may be, the liabilities (as set out in sections 5.1. and 5.2. above) and the calculation method of the exchange ratio as well as the actual exchange ratio (as set out in Sections 5.2. and 5.3. above) on the date for calculating the exchange ratio, as referred to in article 75 (1) of the 2010 Law.

11.2. A copy of the report(s) of the auditors will be made available on request and free of charge to the participants of both the Merging Sub-Fund and the Receiving Sub-Fund as well as to the Luxembourg regulator (Commission de Surveillance du Secteur Financier, the "CSSF").

12. Key investor information documents

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 which are also available on www.nordea.lu.

We would like to draw your attention to the importance of reading carefully the KIIDs of the Receiving Sub-Fund.

13. 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.

The shareholders of the Merging Sub-Fund who have not redeemed or converted their shares will, as of the Effective Date 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 exchange ratio calculated in accordance with Sections 5.1 and 5.2 above.

14. 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.

Yours faithfully

On behalf of the Board of Directors

On 3 May 2018

Appendix I

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

<p>Nordea 1 – African Equity Fund (“Merging Sub-Fund”)</p>	<p>Nordea 1 – Emerging Markets Focus Equity Fund (“Receiving Sub-Fund”)</p>
<p>Investment objective and policy</p> <p>The Sub-Fund’s objective is to provide shareholders with long-term capital appreciation.</p> <p>Within the investment restriction limits listed below, the Sub-Fund will invest its assets in companies regardless of their size or the industry sector they operate in.</p> <p>The Sub-Fund invests at least three-fourths of its total assets (excluding cash) in equity related securities issued by companies which are domiciled or exercise the predominant part of their economic activity in Africa, including companies listed on African Stock Exchanges.</p> <p>The Sub-Fund will be exposed to other currencies than the base currency through investments and/or cash holdings.</p> <p>The Sub-Fund may use derivatives to achieve an efficient portfolio management or with the aim of reducing risk. A derivative is a financial instrument which derives its value from the value of an underlying asset.</p> <p>The use of derivatives is not cost or risk-free.</p> <p>The Sub-Fund may take part in a securities lending program.</p> <p>Any investor may redeem its shares in the Sub-Fund on demand, on a daily basis.</p> <p>The Sub-Fund does not compare its performance against any reference index. It may freely select the securities that it will invest in.</p>	<p>Investment objective and policy</p> <p>The Sub-Fund’s objective is to provide shareholders with long-term capital appreciation.</p> <p>The Sub-Fund invests in companies that are undervalued in relation to their ability to generate cash flow over the long term.</p> <p>The Sub-Fund invests at least three-fourths of its total assets (excluding cash) in equity related securities issued by companies which are domiciled or exercise the predominant part of their economic activity in emerging markets.</p> <p>Emerging markets include countries located in Latin America, Eastern Europe, Asia, Africa or the Middle East.</p> <p>The Sub-Fund may invest up to 25 % of its total assets (excluding cash) in China A-Shares via Stock Connect.</p> <p>The Sub-Fund will be exposed to other currencies than the base currency through investments and /or cash holdings.</p> <p>The Sub-Fund may use derivatives to achieve an efficient portfolio management or with the aim of reducing risk and/or generating additional capital or income. A derivative is a financial instrument which derives its value from the value of an underlying asset. The use of derivatives is not cost or risk-free.</p> <p>The Sub-Fund may take part in a securities lending program.</p> <p>Any investor may redeem its shares in the Sub-</p>

<p>The Sub-Fund is denominated in EUR.</p>	<p>Fund on demand, on a daily basis.</p> <p>While the Sub-Fund compares its performance against the MSCI Emerging Markets Index – Net Return Index it may freely select the securities that it will invest in.</p> <p>This share class is not distributing dividends. Income from investments is reinvested.</p> <p>The Sub-Fund is denominated in USD.</p>
<p>Profile of the typical investor</p> <p>This Sub-Fund may not be appropriate for investors who plan to withdraw their money within a period of 5 years.</p>	<p>Profile of the typical investor</p> <p>This Sub-Fund may not be appropriate for investors who plan to withdraw their money within a period of 5 years.</p>
<p>Risks</p> <p>The risk and reward profile indicator measures the risk of price fluctuations in the Sub-Fund based on the last 5 years volatility and places the Sub-Fund in category 6. This means that the purchase of units in the Sub-Fund is connected to high risk of such fluctuations</p>	<p>Risks</p> <p>The risk and reward profile indicator measures the risk of price fluctuations in the Sub-Fund based on the last 5 years volatility and places the Sub-Fund in category 6. This means that the purchase of units in the Sub-Fund is connected to high 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 – derivatives risk – event risk – liquidity risk – China related risk: investments in mainland China may involve a higher risk of financial loss, not least due to related operational and regulatory risks, when compared with countries generally regarded as being more developed.
<p>Base currency</p> <p>EUR</p>	<p>Base currency</p> <p>USD</p>

Fees charged to the Sub-Fund	Fees charged to the Sub-Fund																								
<p>The Sub-Fund shall bear the following fees:</p> <ol style="list-style-type: none"> Investment management fee <p>The investment management fee payable by the Sub-Fund to the Management Company is 1.95 % p.a. for P and E Shares.</p> Performance fee <p>Nil</p> Depositary fee <p>The maximum annual fee payable to the Depositary will not exceed 0,20% of the net asset value of the 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> Administration fee <p>The Sub-Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the Administrative Agent.</p> Ongoing charges <table border="1" data-bbox="225 1323 643 1740"> <tr><td>BI-EUR</td><td>1.81%</td></tr> <tr><td>BP-SEK</td><td>2.39%</td></tr> <tr><td>BP-NOK</td><td>2.39%</td></tr> <tr><td>BP-EUR</td><td>2.39%</td></tr> <tr><td>E-EUR</td><td>3.14%</td></tr> <tr><td>E-PLN</td><td>3.14%</td></tr> </table> 	BI-EUR	1.81%	BP-SEK	2.39%	BP-NOK	2.39%	BP-EUR	2.39%	E-EUR	3.14%	E-PLN	3.14%	<p>The Sub-Fund shall bear the following fees:</p> <ol style="list-style-type: none"> Investment management fee <p>The investment management fee payable by the Sub-Fund to the Management Company is 1.50% p.a. for P and E Shares.</p> Performance fee <p>Nil</p> Depositary fee <p>The maximum annual fee payable to the Depositary will not exceed 0,125% of the net asset value of the 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> Administration fee <p>The Sub-Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the Administrative Agent.</p> Ongoing charges <table border="1" data-bbox="826 1323 1225 1740"> <tr><td>BI-EUR</td><td>1.21%</td></tr> <tr><td>BP-SEK</td><td>1.82%</td></tr> <tr><td>BP-NOK</td><td>1.82%</td></tr> <tr><td>BP-EUR</td><td>1.82%</td></tr> <tr><td>E-EUR</td><td>2.55%</td></tr> <tr><td>E-PLN</td><td>2.55%</td></tr> </table> 	BI-EUR	1.21%	BP-SEK	1.82%	BP-NOK	1.82%	BP-EUR	1.82%	E-EUR	2.55%	E-PLN	2.55%
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