

Nordea 2, SICAV

Société d'Investissement à Capital Variable
R.C.S. Luxembourg B 205880
562, rue de Neudorf, L-2220 Luxembourg

NOTICE TO SHAREHOLDERS

The shareholders (the “Shareholders”) of Nordea 2, 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 21 November 2018:

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

Changes relevant for certain Shareholders only

Name change to existing Sub-funds	
Currently	From the effective date
Nordea 2 – US Constrained Corporate Bond	Nordea 2 – US Corporate Enhanced Bond Fund

Changes to existing Sub-funds	
Nordea 2 – Balanced Growth Target Date Fund	The Derivatives section now specifies that the derivatives may also be used in order to apply efficient portfolio management techniques.
Nordea 2 – Emerging Markets Aksjer Etisk	Henceforth the Prospectus mentions that the Sub-fund compares its performance against the MSCI Emerging Markets Net Return Index.
Nordea 2 – Global Opportunity Equity Fund – NOK Hedged	Henceforth the Prospectus mentions that the Sub-fund compares its performance against the MSCI All Country World Net Return Index.
Nordea 2 – LCR Optimised Danish Mortgage Bond Fund – EUR Hedged	Henceforth the Prospectus mentions that the Sub-fund compares its performance against a synthetic reference index composed of 70% Nordea Danish Mortgage Callable Hedged (EUR) and 30% Bloomberg Barclays Series-E Denmark Government 1-3 Yr Bond Index EUR Hedged.
Nordea 2 – US Constrained Corporate Bond	The objective and investment policy paragraph has been changed from “The Sub-fund’s objective is to preserve the Shareholder’s capital and provide a return exceeding the average return of the US investment grade corporate bond market.” to “The Sub-fund’s objective is to prudently invest the Shareholder’s capital”.

Sub-funds that will be removed from the Prospectus

Nordea 2 – European Enhanced Value Fund	Nordea 2 – Global Asset Allocation Target Fund 2
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Changes relevant for all Shareholders

GENERAL

- The updated Prospectus reflects regulatory updates, clarifications, minor formatting and editorial changes.
- Further to new regulatory requirements the following definitions have been added : “Benchmark Regulation”, “General Data Protection Regulation (“GDPR”)”, “Institutional Investors” “MiFID II” “Personal Data”, “Reference Index”. The China interbank bond market, an OTC market outside the Shanghai and Shenzhen stock exchanges is now defined as CIBM. Finally the Prospectus now includes a new definition of the Valuation Day.
- Henceforth and in accordance with the revised law relating to commercial companies of 10 August 2016, the annual general meetings will not anymore be held at a fixed date stated in the Articles of Incorporation of the Company BUT will be held within six months from the end of the financial year. The date and place of the meeting will be announced in a convening notice.
- The paragraph relating to “US Persons” has been replaced by a new paragraph “Investment restrictions applying to US Persons”.
- A notice relating to GDPR and the new Benchmark Regulation has been included.
- 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.

SHARE-CLASSES

Separate Net Asset Value per Share Class

- Clarification has been provided on the fact that a separate Net Asset Value per Share Class, which may differ as a consequence of one or several of those variable factors, will be calculated for each Share Class.

New Share Class Definitions

The definition of the following share classes have been updated or added and shall henceforth be read as follows:

<p>C-Shares (updated to clarify the conditions of application) C-Shares are available to both Private and Institutional Investors. To Private Investors these Shares can only be offered by distribution partners rendering portfolio management and/or investment advice on an independent basis. They are also eligible for and accessible through distribution partners in countries where the receipt and retention of inducements is regulatory prohibited as well as for distribution partners rendering non-independent investment advice and which, according to individual fee arrangements with their clients are not allowed to receive and retain any commissions (for distribution partners in the European Union these services are defined by MiFID II). Furthermore, the Management Company does not remit any commission-based payments for these Shares even in case the financial intermediaries or distribution partners are not legally prohibited from receiving such payments.</p>	<p>Q-Shares (updated to clarify the eligibility conditions) Q-Shares are available to both Private and Institutional clients of, and investing through an account with Nordea Bank Abp or its subsidiaries and branches</p> <p>Z-Shares (re-engineered to become a seeding Share Class) Z-Shares are available to Institutional Investors at the discretion of the Management Company and, in principle, reserved for Investors who are willing to seed newly launched Sub-funds. Minimum investment and holding amounts and target asset size will be determined by the Management Company.</p> <p>R-Shares (added) R-Shares are available to Institutional Investors at the discretion of the Management Company.</p>
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<p>The Management Company may decide at any time to accept subscriptions, conversions and redemptions from financial intermediaries or distribution partners, or alike, that, by law or regulation, are ineligible to, or do not wish to receive commission- based payments or alike.</p> <p>No more Minimum Investment Amount is required.</p>	
<p>Y-Shares (updated) Y-Shares are available at the discretion of the Management Company to Institutional Investors being:</p> <ul style="list-style-type: none"> - Specialised Investment Funds (governed by the Law of 13 February 2007) or UCIs that have appointed Nordea Investment Funds S.A. as Management Company or Alternative Investment Fund Manager; or - UCIs that have appointed a Nordea entity as management company. - Other entities belonging to the Nordea Group, for strategic purposes. 	<p>X-Shares (updated to clarify the eligibility conditions) X-Shares are available at the discretion of the Management Company to Institutional Investors, who, as a minimum requirement</p> <ul style="list-style-type: none"> (i) meet the minimum account maintenance or qualification requirements established from time to time; (ii) maintain the X-Shares on a safe custody account in the name of the Shareholders at the Administrative Agent exclusively for said X-Shares investment and such account is subject to a separate charging structure whereby all or part of the fees, normally charged to the Share Class and expressed in the Net Asset Value per Share, are administratively levied and collected by the Management Company directly from the Shareholder; and (iii) who, as a result of point (ii) above, conclude a written agreement with the Management Company, prior to the Shareholder's initial subscription into such Share Class, in which the relevant fees and charging procedure are agreed between the Shareholder and the Management Company. The Company and/or the Administrative Agent reserve the right to refuse a subscription if a relevant written agreement is not validly concluded between the Shareholder and the Management Company at the time the subscription is received.
<p>It has been clarified that Share Classes with prefix "J" are in principle restricted to Institutional Investors residents of Denmark, Finland, Norway and Sweden.</p> <p>Share Classes with prefix "L" will be eligible for annual interim distributions as decided by the Board of Directors and distributions due on these shares will be paid in cash and will, in principle, be made to Shareholders in the currency of the relevant Share Class.</p>	<p>It has been clarified that Share Classes with prefix "M" are in principle restricted to residents of Hong Kong and Singapore.</p> <p>For the Share Classes with prefix "H" – Currency Hedged Share Classes it is clarified that the Company may use, inter alia, foreign exchange forwards or non-deliverable foreign exchange forwards to perform the currency hedging activity.</p>

SHARE DEALING

- **Cut-off time:** it is clarified that all Shareholders are bound to place their orders **before** the applicable cut-off time.
- **Subscription Payment**
It has been clarified that Payments shall be made by bank transfer and in the reference currency of the relevant Share Class, except where the reference currency is a non-deliverable currency. In such case, payments shall be made in the Base Currency of the Sub-fund.
- **Settlement of Subscription**
This paragraph has been reworded as follow:
Upon acceptance of a Subscription request, all Shares shall be allotted immediately after the Subscription payment has been made readily available on the relevant Valuation Day at the latest.
For Subscriptions made by Institutional Investors, the allotment of Shares is conditional upon Subscription payment within a previously agreed period in principle not exceeding 3 (three) Business

Days from the relevant Valuation Day on which the Subscription has been accepted. The agreed period for Subscription payments may, in case of currency holidays, exceptionally exceed 3 (three) Business Days from the above mentioned date.

If timely payment has not been received within the settlement period, the Subscription may lapse and be cancelled at the cost of the Investor or the Investor's financial intermediary.

Failure to make payment on the agreed payment date may result in the Company bringing an action against the defaulting Investor or the Investor's financial intermediary or deducting any costs or losses incurred by the Company or the Administrative Agent against any existing holding of the Investor in the Company.

In all cases, any confirmation of transaction and any money returnable to the Investor will be held on behalf of the Administrative Agent without payment of interest pending receipt of the remittance.

- **Redemption settlement:** it is now clarified that all Redemption requests will be processed at the Net Asset Value of the said Shares.

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.

Neither the Company nor the Management Company is responsible for any delays or charges incurred at any receiving bank or settlement system.

Redemption proceeds will only be paid in the reference currency of the relevant Share Class, except where the reference currency is a non-deliverable currency. In such cases, redemption proceeds will be paid in the Base Currency of the Sub-fund.

Shareholders should note that any Redemption of Shares by the Company will take place at a price that may be higher or lower than the original acquisition amount.

- **Settlement of Conversion:** 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 in exceptional circumstances, for example, if the liquidity of a Sub fund is not sufficient to enable the payment to be made..

- **Hard / Soft closure** Definitions of Soft closure and Hard closure have been inserted and it is clarified that in relation thereto a notification will be displayed on the website www.nordea.lu and if applicable on other Nordea websites, and will be updated according to the status of the said Shares or Sub-funds.

NET ASSET VALUE:

The paragraph relating to the **determination of the value of the assets** of each Share Class of each Sub-fund has been simplified. Henceforth, the value of the assets of each Share Class of each Sub-fund shall be determined as follows:

- Securities and Money Market Instruments admitted for official listing on a stock exchange or traded in another Regulated Market within Europe, North or South America, Asia, Australia, New Zealand or Africa, which operates regularly and is recognised and open to the public are valued on the basis of the last available price at the time when the valuation is carried out. If the same security or Money Market Instrument is quoted on different markets, the quotation of the main market for this security or Money Market Instrument will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be done in good faith by the Board of Directors or its delegate with a view to establishing the probable bid price for such securities;
- Unlisted securities or unlisted Money Market Instruments are valued on the base of their probable bid price as determined in good faith by the Board of Directors or its delegate;
- Liquid assets are valued at their nominal value plus accrued interest;
- Units/shares of UCITS authorised according to the UCITS Directive, and/or other assimilated UCI will be valued at their last available net asset value;

- Derivatives are valued at market value.

The main method applied to, Collateralised Debt Obligations (“CDOs”) and Collateralised Loans Obligations (“CLOs”), among others, is to use a third party vendor like IDC, Markit or Pricing Direct which is specialized in valuing these instruments. Alternatively market maker prices can be used.

In the event that it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, the Board of Directors or their delegate shall be entitled to use other generally recognised valuation principles which can be examined by an auditor, in order to reach a proper valuation of the Total Assets of each Sub-fund. This explicitly includes the application in distressed markets of adjustments in the NAV valuation to reflect the high volatility, the fast moving prices of securities and the distressed liquidity in the relevant markets.

It is also clarified that **the swinging single pricing methodology** will be applied for the relevant Sub-fund by adjusting upwards or downwards its Net Asset Value by an amount, relating to the cost of market dealing for that Sub-fund.

Henceforth the Board of Directors or their delegate will be authorized to **suspend the Net Asset Value of the shares**: “on any Business Day(s), when a lower portion of the Sub-fund’s assets than the portion defined as substantial by the Board of Directors, cannot be traded due to a full or partial closure or other restrictions or suspensions on a relevant market.

INVESTMENT RESTRICTIONS

The table for the expected and maximum proportion of the Total Net Asset Value which may be subject to securities lending and borrowing transactions, for each Sub-fund has been updated as follows for the existing Sub-funds:

Sub-fund	Expected level (in % of Total Net Asset Value)	Maximum level (in % of Total Net Asset Value)
Balanced Growth Target Date Fund	2	100
Emerging Markets Aksjer Etisk	4	100
Emerging Markets Enhanced Equity Fund	2	100
European Enhanced Equity Fund	0	100
Global Asset Allocation Target Date Fund 1	0	100
Global Enhanced Equity Fund	1	100
Global Enhanced Small Cap Fund	7	100
Global Opportunity Equity Fund – NOK Hedged	0	100
Japanese Enhanced Equity Fund	0	100
LCR Optimised Danish Mortgage Bond Fund – EUR Hedged	0	0
Stable Emerging Markets Aksjer Etisk	0	100
Swedish Enhanced Equity Fund	4	100
US Corporate Enhanced Bond Fund	0	100

The disclosure on the use of Swaps by the Company has been clarified.

The section Ethical screening has been removed. Under section “Socially responsible investment “the Prospectus now emphasises the attention paid by the Company to environmental, social and governance

issues and the fact that the Company follows the Principles for Responsible Investment (PRI) so that environmental and social responsibility and corporate governance practices are integrated in the Company's investment operations.

SPECIAL RISK CONSIDERATION

The following risk warnings have been added:

- Specific Risks related to Investments in Danish covered bonds;
- Risks associated with investments via CIBM and Bond Connect.

In addition, the risk warning regarding risks associated with Currency Hedged Share Classes has been updated, and the risk warning regarding investments in Danish mortgage bonds has been deleted.

FEES AND EXPENSES

The redemption and conversion fees have been removed.

It is clarified that a Subscription Fee may be charged to Investors upon Subscription for Shares. Such Subscription Fee may be charged by the respective distributor or sales agent. Such Subscription Fee is calculated as a percentage of the Net Investment Amount and depends on the Share Class and the Sub-fund into which the Subscription is made.

The Subscription Fee table has been updated as follows:

Share Classes	Sub-fund's Category*	Subscription Fee (as a % of the Net Investment Amount)
Private P, Q and C Shares	Equity Sub-funds	Up to 5%
	Balanced Sub-funds	Up to 1%
	Bond Sub-funds	Up to 3%
All other Shares	All Sub-funds	Nil

The Management Fee table summarizing fee payable by the Sub-funds to the Management Company has been updated as follows:

Sub-fund	P-Shares, E-Shares and Q-Shares	C-Shares	I-Shares	Z-Shares	Y-Shares/ X-Shares a	R-Shares
Nordea 2 - Balanced Growth Target Date Fund	Up to 0.75%	n/a	n/a	n/a	n/a	n/a
Nordea 2 - Emerging Markets Aksjer Etisk	Up to 1.50%	Up to 1.10%	Up to 1.00%	On application	Nil	On application
Nordea 2 - Emerging Markets Enhanced Equity Fund	Up to 0.80%	Up to 0.50%	Up to 0.40%	On application	Nil	0.2500%
Nordea 2 - European Enhanced Equity Fund	Up to 0.60%	Up to 0.40%	Up to 0.30%	On application	Nil	0.1500%
Nordea 2 - Global Asset Allocation Target Date Fund 1	Up to 0.80%	n/a	n/a	n/a	n/a	n/a
Nordea 2 - Global Enhanced Equity Fund	Up to 0.60%	Up to 0.40%	Up to 0.30%	On application	Nil	0.1500%
Nordea 2 - Global Enhanced Small Cap Fund	Up to 0.80%	Up to 0.50%	Up to 0.40%	On application	Nil	0.2500%
Nordea 2 - Global Opportunity Equity Fund – NOK Hedged	Up to 1.50%	Up to 0.95%	Up to 0.85%	On application	Nil	On application
Nordea 2 - Japanese Enhanced Equity Fund	Up to 0.60%	Up to 0.40%	Up to 0.30%	On application	Nil	0.1500%
Nordea 2 - LCR Optimised Danish Mortgage Bond Fund – EUR Hedged	Up to 0.40%	Up to 0.30%	Up to 0.20%	On application	Nil	On application

Sub-fund	P-Shares, E-Shares and Q-Shares	C-Shares	I-Shares	Z-Shares	Y-Shares/ X-Shares a	R-Shares
Nordea 2 - Stable Emerging Markets Aksjer Etisk	Up to 1.80%	Up to 1.10%	Up to 1.00%	On application	Nil	On application
Nordea 2 - Swedish Enhanced Equity Fund	Up to 0.60%	Up to 0.40%	Up to 0.30%	On application	Nil	On application
Nordea 2 - US Corporate Enhanced Bond Fund	Up to 0.70%	Up to 0.45%	Up to 0.35%	On application	Nil	On application

The depositary fee section has been amended to specify that the maximum annual fee payable to the Depositary **excludes any transaction charges.**

TAXATION OF THE COMPANY

The Shareholders are informed that with effect from 1 January 2018 the German Investment Tax Act (Investmentsteuergesetz) provides that a German taxable investor of a fund may qualify for a partial tax exemption in case an investment restriction at a certain level of investments in equities (25% for mixed funds and 51% for equity funds) is stated either in the Prospectus or in the Articles of Incorporation. Sub-funds qualifying for the "mixed fund" or "equity fund" status are disclosed in Appendix I to the Prospectus.

DISSOLUTION AND MERGER

The section of the Prospectus setting the rules for the dissolution, merger, division and reorganization has been entirely revised in order to be aligned with the amended Articles of Incorporation of the Company following the extraordinary general meeting of Shareholders on 17 May 2018.

REGISTERED OFFICE, BOARD OF DIRECTORS & REPRESENTATIVES, PAYING AGENT.

The section Registered office & Board of Directors has been amended to reflect changes in the composition of the Board of Directors of the Company and the Management Company subject to the approval of the Luxembourg regulatory authority (the "CSSF").

The list of Representatives and Paying Agents outside Luxembourg has been updated.

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 20 November 2018 before 15:30 CET at the latest.

An updated version of the Prospectus dated 21 November 2018 may be obtained, free of any charges, at the Registered Office of the Company or Nordea Investment Funds S.A. at 562, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg, and on the website www.nordea.lu, as soon as the Luxembourg regulatory authority has issued the visa-stamped Prospectus.

Shareholders having any question relating to the changes that will be included in the 21 November 2018 Prospectus 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, 22 October 2018
The Board of Directors of Nordea 2, SICAV