

NOTICE OF MERGER TO SHAREHOLDERS OF

NORDEA 1 – Heracles Long/Short MI Fund

AND

NORDEA 1 – Alpha 15 MA Fund

It is brought to the attention of the shareholders of Nordea 1 – Heracles Long/Short MI Fund and Nordea 1 – Alpha 15 MA Fund that the board of directors of Nordea 1, SICAV (the “**Board of Directors**”) has decided to merge Nordea 1 – Heracles Long/Short MI Fund (the “**Merging Fund**”) with Nordea 1 – Alpha 15 MA Fund (the “**Receiving Fund**”) (the “**Merger**”).

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

The Merger shall become effective on **20 June 2019** (the “**Effective Date**”).

On the Effective Date, all assets and liabilities of the Merging Fund will be transferred to the Receiving Fund. The Merging 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 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 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 taken by **11 June 2019 before 3.30 p.m.**

This notice describes the implications of the Merger and must be read carefully. **The Merger may impact your tax situation. Shareholders in the Merging 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 impacts

1.1. Reasons

The size of the Merging Fund has declined over the past years to the level of only EUR 34 million as of end February and the Board of Directors believes it has limited prospects for growth.

1.2. Similarities

There is a large degree similarity between the two Merging Funds in terms of risk budget, high use of derivatives, fund type and return objective.

Both Funds have got a synthetic risk and reward indicator (“**SRRI**”) of **6** and offer absolute return strategies without a benchmark.

The base currency of both Funds is EUR.

1.3. Differences

The largest difference is that the Merging Fund is currently managed by Metzler Asset Management GmbH (hereinafter the “**Investment manager**”) whereas the Receiving Fund is managed by Nordea Investment Management A.B. Thus, the investment process is different.

The Receiving Fund has a large degree of diversification across a broad range of investment strategies spread on several asset classes and investment instruments. The Merging Fund’s strategy is categorised as a managed futures strategy.

The investment objective and policy of the Merging Fund and the Receiving Fund are further disclosed in appendix I.

The Merging Fund and the Receiving Fund have such other features as further disclosed in appendix I.

1.4. Potential Benefits

On implementation of the Merger, the aggregate net asset value of the Receiving Fund will increase as a result of the transfer to it of the Merging Fund’s assets and liabilities.

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.

The Merger gives the shareholders the benefit of investing in a fund that has the prospect of stronger growth in assets in the future.

The Receiving 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 Fund strategy has the highest rating (5) with Lipper when it comes to Total and Consistent Return based on a 3 years horizon.

1.5. Fees

The management fee payable to the Management Company are identical in the Merging and the Receiving Fund as further disclosed in the appendix I.

On top of the management fee, the Management Company is entitled to a performance fee to be passed on to the Investment manager. The Receiving Fund is not subject to any performance fee.

The Receiving Fund's ongoing fees are at the same level as to the ones of the Merging Fund.

All the above mentioned fee are further disclosed in the appendix I that we invite you to read thoroughly and carefully.

1.6. Legal impact of the Merger

1.6.1. On the shareholders in the Merging Fund

The Merger will be binding on all the shareholders of the Merging 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 in paragraph 2. below.

On the Effective Date, shareholders of the Merging Fund who have not exercised their right, will thus become shareholders of the Receiving Fund and receive new shares in the share class of the Receiving Fund as further described below :

Merging Fund	Ongoing Charges	Receiving Fund	Ongoing Charges
AI – EUR	1.41%	AI – EUR	1.40%*
AP – EUR	2.31%	AP- EUR	2.32 %
BI – EUR	1.40%	BI – EUR	1.40 %
BP – EUR	2.31%	BP – EUR	2.33 %
E – EUR	3.05%	E-EUR	3.07%
HB – CHF	2.31%	HB – CHF	2.34%*
HB – NOK	2.30%	HB NOK	2.34%
HBI – USD	1.39%	HBI USD	1.43%
X-EUR	0.60 %	BI – EUR	1.40 %

*Ongoing charges are not available for these newly issued share classes and are based on historical ongoing charges of similar share classes.

The issue of new shares in the Receiving Fund in exchange for shares of the Merging Fund will not be subject to any charge.

1.6.2. On the shareholders in the Receiving Fund

On implementation of the Merger, shareholders in the Receiving Fund will continue to hold the same shares in the Receiving 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 Fund and will result neither in changes to the articles of association or prospectus (with the exception of the removal of the Merging Fund from the prospectus) of Nordea 1 nor in changes to the key investor information documents (the “**KIIDs**”) of the Receiving Fund.

1.6.3. On the shareholders in both Funds

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 Fund and the Receiving Fund.

2. Suspension in dealings

For the shareholders in the Merging Fund

Shares of the Merging Fund can be subscribed **until 11 June 2019 before 3.30 p.m.** After 3.30 p.m. Luxembourg time on 11 June 2019 the possibility to subscribe for shares in the Merging Fund will be suspended.

Shares of the Merging 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, **until 11 June 2019 before 3.30 p.m.** After 3.30 p.m. Luxembourg time on 11 June 2019 the possibility to redeem or convert shares in the Merging Fund will be suspended.

For the shareholders in the Receiving Fund

The shareholders of the Receiving Fund are not be impacted by the suspension in dealings in the Merging Fund and thus Shares of the Receiving 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 during the whole merger process.

Shares of the Receiving Fund can be subscribed during the whole merger process.

3. Rebalancing of the portfolio of the Merging Fund and the Receiving Fund before or after the Merger

During the few days preceding the exchange ratio calculation day, the portfolio of the Merging Fund will be invested in cash, so that it is expected that the Merging Fund will transfer to the Receiving Fund cash positions only.

The Merger will not have any material impact on the portfolio of the Receiving Fund and it is not intended to undertake any rebalancing on the portfolio of the Receiving Fund before or after the Merger.

The Merger will result in an inflow of cash into the Receiving Fund. The cash will subsequently be invested in the most common instruments used by the Receiving Fund being inter alia equity related

securities, debt securities and money market instruments, directly or via the use of derivatives according to the Receiving Fund's investment policy.

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

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

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 Funds for the purpose of calculating the exchange ratio.

5. Calculation method of the exchange ratio

The number of new shares in the Receiving 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 Funds. The relevant shares in the Merging Fund will then be cancelled.

The exchange ratio will be calculated as follows:

- The net asset value per share of the relevant share class of the Merging Fund is divided by the net asset value per share of the corresponding share class in the Receiving Fund.
- The applicable net asset value per share of the Merging Fund and the net asset value per share of the Receiving 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 Fund in exchange for shares of the Merging Fund will not be subject to any charge.

In accordance with the above provisions, the net asset value per share in the Merging Fund and the net asset value per share in the Receiving Fund will not necessarily be the same. Therefore, while the overall value of their holding will remain the same, shareholders in the Merging Fund may receive a different number of new shares in the Receiving Fund than the number of shares they had previously held in the Merging Fund.

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

6. Risk of dilution of the performance

The proposed merger being a merger whereby the Merging 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 Fund will transfer this cash position to the Receiving Fund.

Therefore, there should be no dilution of the performance for the shareholders of the Receiving Fund.

7. Additional documents available

The following documents are available to the shareholders of the Merging 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 KIIDs of the Merging Funds.

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

8. 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.

9. Tax

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

10. 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.

Yours faithfully

On behalf of the Board of Directors

3 May 2019

Appendix I

Key features of the Merging Fund and of the Receiving Fund

The Merging Fund	The Receiving Fund
<p>Objective</p> <p>To provide shareholders with investment growth in the long term, while seeking a return that has a low correlation with the returns of the global markets (absolute return).</p>	<p>Objective</p> <p>To maximise shareholder return in the long term through a combination of income and investment growth (total return).</p> <p>The fund targets a volatility in the range of 10% to 15%, where 15% is seen as the tail volatility during adverse market conditions.</p>
<p>Benchmark: EURIBOR 1 Month. For performance fee calculation only.</p>	<p>Benchmark: None.</p>
<p>Investment policy</p> <p>The Merging Fund invests, mainly through futures, in various asset classes such as equities, bonds, money market instruments and currencies from anywhere in the world. Specifically, the Merging Fund may invest in equities and equity-related securities, debt securities and debt-related securities, money market instruments, and UCITS/UCIs, including exchange traded funds. The Merging Fund may invest in credit default swaps. The Merging Fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:</p> <ul style="list-style-type: none"> • asset-backed securities (ABSs): 20% <p>The Merging Fund may be exposed (through investments or cash) to other currencies than the base currency.</p>	<p>Investment policy</p> <p>The Receiving Fund mainly invests, directly or through derivatives, in various asset classes such as equities, bonds, money market instruments and currencies from anywhere in the world. Specifically, the Receiving Fund may invest in equities and equity-related securities, debt securities and debt-related securities, money market instruments, and UCITS/UCIs, including exchange traded funds. The Receiving Fund may invest in credit default swaps. The Receiving Fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:</p> <ul style="list-style-type: none"> • asset- and mortgage-backed securities (ABSs/MBSs): 20% <p>The Receiving Fund may be exposed (through investments or cash) to other currencies than the base currency.</p>
<p>Derivatives and techniques</p> <p>The Merging Fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains.</p>	<p>Derivatives and techniques:</p> <p>The Receiving Fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains.</p> <p>Usage (% of total assets) Total return swaps: expected 40%.</p>

<p>Strategy</p> <p>In actively managing the Merging Fund's portfolio, the management team uses long/short strategies across various asset classes. The team takes long positions to assets that it believes will rise in price and short positions to assets that it believes will decline in price. The team also manages currencies actively.</p>	<p>Strategy</p> <p>In actively managing the Receiving Fund's portfolio, the management team seeks exposure to various risk premia strategies that have little or no correlation with each other. The allocation between these strategies is based on continuous bottom-up valuations combined with a focus on short-term market behaviour across asset classes and risk factors. The team also takes both long and short positions and manages currencies actively.</p>
<p>Investment manager(s): Metzler Asset Management GmbH.</p> <p>Base currency: EUR.</p>	<p>Investment manager(s): Nordea Investment Management AB.</p> <p>Base currency: EUR.</p>
<p>Risk Considerations</p> <p>Read the "Risk Descriptions" section carefully before investing in the Merging Fund, with special attention to the following:</p> <ul style="list-style-type: none"> • ABS/MBS • Credit • Currency • Depositary receipt • Derivatives • Emerging and frontier markets • Equity • Hedging • Interest rate • Leverage • Prepayment and extension • Securities handling • Short position • Taxation 	<p>Risk Considerations:</p> <p>Read the "Risk Descriptions" section carefully before investing in the Receiving Fund, with special attention to the following:</p> <ul style="list-style-type: none"> • ABS/MBS • Credit • Currency • Depositary receipt • Derivatives • Emerging and frontier markets • Equity • Hedging • Interest rate • Leverage • Prepayment and extension • Securities handling • Short position • Taxation
<p>Global exposure calculation: Absolute VaR.</p>	<p>Global exposure calculation: Absolute VaR.</p>
<p>Expected leverage 1,100%</p>	<p>Expected leverage 900%</p>
<p>Investor Considerations</p> <p>Suitability The Merging Fund is suitable for all types of investors through all distribution channels.</p> <p>Investor profile Investors who understand the risks of the Merging Fund and plan to invest for at least 5 years.</p> <p>The Merging Fund may appeal to investors who:</p> <ul style="list-style-type: none"> • are looking for investment growth that has low correlation with global markets 	<p>Investor Considerations</p> <p>Suitability The Receiving Fund is suitable for all types of investors through all distribution channels.</p> <p>Investor profile Investors who understand the risks of the Receiving Fund and plan to invest for at least 5 years.</p> <p>The Receiving Fund may appeal to investors who:</p>

<ul style="list-style-type: none"> • are interested in exposure to multiple asset classes 	<ul style="list-style-type: none"> • are looking for a combination of investment growth and income within a targeted volatility range • are interested in exposure to multiple asset classes 						
<p>Fees charged to the Merging Fund</p> <p>The Merging Fund shall bear the following fees:</p> <p>1. Management fee</p> <p>The Management fee payable by the Merging Fund out of its assets to the Management Company is 2% for P and E Shares, 1.2 % for I-shares.</p> <p>Performance fee</p> <table border="1" data-bbox="223 828 710 1153"> <thead> <tr> <th>Share Classes</th> <th>Performance fee rate</th> </tr> </thead> <tbody> <tr> <td>Retail share classes</td> <td>20 %</td> </tr> <tr> <td>Institutional share Class I Shares</td> <td>15 %</td> </tr> </tbody> </table> <p>2. Depositary fee</p> <p>The maximum depositary fee, not including transaction costs, is 0.125% a year.</p> <p>3. Administration fee</p> <p>The Merging Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the Administrative Agent.</p> <p>4. Entry and Exit Charges :</p> <p>Entry charges : Up to 3.50 %</p> <p>Exit charges : None</p>	Share Classes	Performance fee rate	Retail share classes	20 %	Institutional share Class I Shares	15 %	<p>Fees charged to the Receiving Fund</p> <p>The Receiving Fund shall bear the following fees:</p> <p>1. Management fee</p> <p>The Management fee payable by the Receiving Fund out of its assets to the Management Company is 2% for P and E Shares, 1.2 % for I-shares.</p> <p>Performance fee</p> <p>Nil</p> <p>2. Depositary fee</p> <p>The maximum depositary fee, not including transaction costs, is 0.125% a year.</p> <p>3. Administration fee</p> <p>The Receiving Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the Administrative Agent.</p> <p>4. Entry and Exit Charges :</p> <p>Entry charges : Up to 5.00 %</p> <p>Exit charges : None</p>
Share Classes	Performance fee rate						
Retail share classes	20 %						
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