

## Nordea Asset Allocation Fund

562, rue de Neudorf  
L-2220 Luxembourg

### NOTICE TO UNIT HOLDERS

Dear Unit holder,

The Board of Directors of Nordea Investment Funds S.A (the "**Management Company**") hereby informs you as unit holder of Nordea Asset Allocation Fund (the "**Fund**") about certain changes in relation to the Fund which will enter into force on 18 March 2016:

#### Changes to the Prospectus of the Fund

- 1) In chapter 1. "Terms and definitions used in this prospectus" - several new definitions such as: "Accumulating Units", "AIF", "Asia", "Cut-off Time", "DAC", "Debt Securities", "Depository", "Derivatives", "Exchange Traded Fund ("ETF")", "Financial Derivatives Instruments", "Law of 17 December 2010", "Law of 12 July 2013", "Principal Distributor", "Public Authorities", "Rating Agency", "Regulation S", "Regulation S Securities", "Rule 144A Securities", "Securities Act", "Total Net Asset Value", "UCITS Directive", "U.S. Person" have been added;
- 2) In chapter 2. "Introduction", it is clarified that Units of the Fund shall be not be offered or sold to *ultimate beneficial owners* which are U.S. Persons; information relating to the "CRS", the Common Reporting and Due Diligence Standard developed by the OECD in order to introduce a global standard for the automatic exchange of financial account information and to the "DAC", the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU relating to the mandatory automatic exchange of information in the field of taxation have been inserted and the specific risk warning relating to the Russian market has been removed.
- 3) In chapter 3. "Management and Administration", the composition of the Board of Directors of the Management Company has been updated: Allan Polack left the Board on 12 February 2015 and Snorre Storset left the Board on 28 October 2015. Ninni Franceschi has been co-opted as new Board Member on 28 October 2015;
- 4) New chapter 8. "Dealing of Units" has been added to define rules and further clarifications on market timing, excessive trading, postponement of dealing in units, restrictions on subscriptions and conversions and mandatory repurchase of units in case of U.S. Persons investing in units;
- 5) Chapter 9. "Issue of Units" (previously chapter 8), Chapter 10. "Redemption of Units" (previously chapter 9) and Chapter 11. "Conversion of Units" (previously chapter 10) of the Prospectus now provide further information on the form of subscription, redemption and conversion requests and subsequent subscription requests;
- 6) In Chapter 9. "Issue of Units" (previously chapter 8), it is now clarified that:
  - the Management Company does not accept third party payments,
  - payments should preferably be made by bank transfer and in the currency of the subscribed Units; if payment is made in another currency, the Administrative Agent will make an exchange transaction at market conditions and at the expense of the investor before execution of the Subscription. This exchange transaction could lead to a postponement of the allotment of Units;
  - payment by cheque will not be accepted; and that

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- failure to make payment on the agreed payment date may result in the Management Company bringing an action against the defaulting investor or the investor's financial intermediary or deducting any costs or losses incurred by the Management Company or the Administrative Agent against any existing holding of the investor in the Fund.
- 7) In chapter 10. "Redemption of Units" (previously chapter 9) the settlement period for redemptions has changed from 3 to 8 Business Days;
  - 8) In chapter 14. "Charges and Expenses" (previously chapter 13): references to the fixed depositary and administrative agent fee paid in monthly arrears (by the Management Company) and references to the domiciliary agent services provided by Nordea Bank S.A. (previously referred as part of the Administrative Agent fees) have been removed;
  - 9) In chapter 15. "Duties and Responsibilities of Management and Administration" (previously chapter 14):
    - a new paragraph relating to "Conflicts of interests" has been added; the Management Company of the Fund will identify, prevent, manage and monitor such conflicts in order to prevent them from adversely affecting the interests of the Unit-holders;
    - details of the Management Company's remuneration policy are included, as per the Directive 2014/91/EU of 23 July 2014 on UCITS as regards depositary functions, remuneration policies and sanctions (the "**UCITS V Directive**");
    - information concerning the depositary is included, as per the UCITS V Directive;
  - 10) In chapter 18. "Amendment of the Management Regulations" (previously chapter 17): the Depositary no longer approves amendments of the Management Regulations, the depositary solely **acknowledges** the amendments;
  - 11) In chapter 19. "Duration, Liquidation and Merger" (previously chapter 18): agreement of the Depositary is no longer required if the Management Company decides to liquidate or to merge a Sub-fund; a **notification** of the Depositary is sufficient;
  - 12) In chapter 19. "Duration, Liquidation and Merger" (previously chapter 18): the threshold of SEK 20 million for liquidation of a Sub-fund and the threshold of SEK 25 million for merger of a Sub-fund have been removed; the Management Company may take such decisions in any event the Management Company thinks is in the interest of the Unit holders of the relevant Sub-fund.
  - 13) Chapter 20. "Taxation" (previously chapter 19) has been updated further to the entry into force of the DAC and the CRS on 1<sup>st</sup> January 2016;
  - 14) Chapter "21. Investment Restrictions" (previously chapter 20) has been restructured for the purpose of aligning the wording with other Nordea UCITS prospectuses. Furthermore, the following changes have been made (for the avoidance of doubt, these changes do not intend to change the investment policy or strategy of any of the Sub-funds):
    - Inclusion of new sections I.A(9) to (11) relating to respectively Rule 144A Securities, Regulation S Securities, and Debt Securities rated by a Rating Agency as eligible assets.
    - Inclusion of the amended wording in (cf underlined wording): "B. Each Sub-fund may however (2) Hold cash and equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Board of Directors considers this to be in the interest of the Unit-holders";
    - Clarification that "cross sub-funds investment" is allowed;

- Inclusion of the following wording in section I.E(7): “No Sub-fund may invest – as part of its general investment into Debt Securities – into asset-backed securities, inter alia mortgage-backed securities and pass-through securities, as long as not stated explicitly in the Sub-fund specific part of the Prospectus”;
  - Inclusion of further information on the global exposure relating to Derivatives;
  - Inclusion of a new section II “Use of Financial Derivative Instruments, D. Eligible Financial Derivatives Instruments” and further clarification relating to currency derivatives, contracts for differences (CFD) and permitted use of derivatives (for the avoidance of doubt, these changes do not intend to change the use of derivatives of any of the Sub-funds);
  - Inclusion of further information on other efficient portfolio management techniques and instruments (for the avoidance of doubt, these changes do not intend to change the use of efficient portfolio management techniques and instruments of any of the Sub-funds);
  - Inclusion of information relating to master feeder structures and ethical screening;
- 15) New chapter. “22. Special Risk Considerations” has been added for the purpose of providing more information on various risks connected with the Fund and its investments. This added information does not mean that the risk profile, investment objective or policy of any Sub-fund change;
- 16) In Chapter 23 “Net Asset Value” (previously chapter 21), it is now clarified that publication on Nordea website is possible in case of NAV suspension;
- 17) The descriptions of the investment objectives and policies of the Sub-funds in the appendices to the Prospectus have been simplified for clarity purposes; however, the scope of the investment objectives or policies has not been changed.

Unit holders who do not agree to the changes as described above may redeem their Units free of any charges (as per the Prospectus), 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 Fund and the Management Company. Such redemption request must be submitted in accordance with the terms of the Prospectus and must be received by 17 March 2016, 15:30 CET at the latest.

#### **I. More Information**

The above mentioned changes are reflected in the March 2016 version of the Prospectus effective as of 18 March 2016, which may be obtained, free of any charges, at the registered office of the Management Company at 562, rue de Neudorf, L-2220 Luxembourg, Grand Duchy of Luxembourg as soon as the Luxembourg regulatory authority (CSSF) has issued the official visa-stamped official Prospectus. Corresponding changes will be made to the management regulations of the Fund which also are available at the same address. These documents may also be obtained, free of any charges, at the offices of Nordea Funds Ltd, Swedish branch, Mäster Samuelsgatan 21, M541, 105 71 Stockholm, Sweden.

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

Unit holders 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, 16 February 2016

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The Board of Directors of Nordea Investment Funds S.A.

The Management Company  
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