

Banque De Luxembourg
Securities Settlement Department
55 rue des Scillas
L-2529 Luxembourg

Luxembourg, 08. October 2010

Soft Close of Nordea 1 - European High Yield Bond Fund

Dear Shareholder,

Over the past years, the Nordea 1 - European High Yield Bond Fund has succeeded in building up a strong track record by strictly following its long-term investment approach that focuses on rigorous bottom-up credit selection, as well as disciplined downside risk management. Owing to performance and strong inflows, the Sub-Fund's size has increased to more than 1.45 bn Euro since 2002.

Our priority in managing money is to protect the investments of our existing shareholders and to serve our customers by ensuring that the Nordea 1 - European High Yield Bond Fund's management team can continue to execute their successful approach without compromise. As the growth of the Sub-Fund's size threatens the level of performance shareholders have come to expect from the Sub-Fund, Nordea believes it has a duty to act in order to slow the flow of money into the Sub-Fund. We have now reached the stage where we have decided to implement a soft close for the Nordea 1 - European High Yield Bond Fund.

Background

Since Nordea and Capital Four Management A/S initiated the sub-sub-investment management relationship for the Nordea 1 - European High Yield Fund, we have continuously monitored the fund's capacity limit in line with market developments. In order to assess the capacity limit, we have looked at the growth dynamics of the investment universe, access to new deals & relationship with syndication desks, individual issuer exposure, and market expert comments & opinions on a maximum size for European HY managers.

The Nordea 1 - European High Yield Bond Fund has outperformed its benchmark in 7 of the last 8 years and is top quartile ranked on 1, 3, 5 years (and since inception) and has obtained a Lipper Fund Award in 2010 in several European countries for its 3year performance record.

We want to be able to maintain the level of alpha consistent with the investment process and our shareholders to continue to benefit from investment opportunities found in the European High Yield Market.

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Investment Funds

Action

In the best interests of the Sub-Fund's existing shareholders so that they may continue to benefit from the Sub-Fund's strong performance and to stem the flow of capital from potential investors who are not already shareholders in the Sub-Fund, we have decided that with effect from 11 October 2010 no **new** shareholders will be accepted into the Sub-Fund. Nevertheless, existing shareholders of Nordea 1 – European High Yield Bond Fund will still be able to continue adding to their holdings.

Further notice of any change in the current status will be communicated to you.

With a view to safeguarding the interests of existing shareholders, who can continue to contribute to the fund, and to halt the flow of new money, the fund will not be marketed to **new** distributors and **new** institutional clients.

Investment alternatives

Nordea offers a select range of funds aimed at meeting a client's investment needs. For further information, please contact your Account/Sales Manager or visit www.nordea.lu.

Going forward our aim remains the same: to serve our customers, to manage money according to the same principles we have always used and to continue to build our track record in the forthcoming years.

Yours sincerely,

Board of Directors of **Nordea 1, SICAV**

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Investment Funds

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