

NOTICE OF MERGER TO SHAREHOLDERS OF

Nordea 1 – Emerging Markets Focus Equity Fund

and

Nordea 1 – Emerging Stars Equity Fund

We would like to inform you that the board of directors of Nordea 1, SICAV (the “**Board of Directors**”) has decided to merge Nordea 1 – Emerging Markets Focus Equity Fund (the “**Merging Fund**”) with Nordea 1 – Emerging Stars Equity Fund (the “**Receiving Fund**”) (the “**Merger**”).

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

The Merger shall become effective on 4 June 2020 (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 will thereby 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 switch of their shares free of charges from the date of this notice until before 15h30 CET on 26 May 2020, as further described below in section 5.

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

1. Reasons for the Merger

- 1.1. The Merging Fund has been less successful in gathering assets than expected. Whereby the assets under management in the Receiving Fund are significantly higher than in the Merging Fund, the Merger should provide the benefit of greater fund size with the expectation that this should attract investors in the long-term.
- 1.2. By merging the Merging Fund into the Receiving Fund, the shareholders of the Merging Fund will get access to investments in assets with a particular focus on companies' ability to comply with international environmental, social and corporate governance standards ("ESG Investments").

2. Expected impact on shareholders of the Merging Fund

- 2.1. Through the Merger, all assets and liabilities of the Merging Fund will be transferred to the Receiving Fund and as of the Effective Date the Merging Fund will cease to exist without going into liquidation.
- 2.2. The Merger will be binding on all shareholders who have not exercised their right to request the redemption or switch of shares under the conditions and within the timeframe set out in section 5. On the Effective Date, shareholders of the Merging Fund who have not exercised their right to redeem or switch shares will become shareholders in the Receiving Fund and thereby receive shares in the corresponding share class in the Receiving Fund with the ongoing charges provided below.

Merging Fund			Receiving Fund		
Share class	ISIN	Ongoing charges	Share class	ISIN	Ongoing charges
EMFEF - BP - USD	LU0772938923	1.89%	ESEF - BP - USD	LU0602539602	1.84%
EMFEF - BP - EUR	LU0772938410	1.89%	ESEF - BP - EUR	LU0602539867	1.84%
EMFEF - BP - NOK	LU0772938683	1.89%	ESEF - BP - NOK	LU0602540014	1.84%
EMFEF - BP - SEK	LU0772938840	1.89%	ESEF - BP - SEK	LU0602540527	1.84%
EMFEF - E - USD	LU0772939228	2.65%	ESEF - E - USD	LU0705251279	2.60%
EMFEF - E - EUR	LU0772939061	2.65%	ESEF - E - EUR	LU0602538620	2.60%
EMFEF - E - PLN	LU0772939145	2.65%	ESEF - E - PLN	LU2023383131	2.60%
EMFEF - BI - USD	LU0772938253	1.12%	ESEF - BI - USD	LU0602539354	0.95%
EMFEF - BI - EUR	LU0772937792	1.12%	ESEF - BI - EUR	LU0602539271	0.95%
EMFEF - BI - DKK	LU0772937529	1.12%	ESEF - BI - DKK	LU2123292661	0.95%

- 2.3. In accordance with section 6, 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 of the Merging Fund may receive a different number of new shares in the Receiving Fund than the number of shares they held in the Merging Fund.

- 2.4. Please see section 4.1 for details on any impact on the Merging Fund's portfolio.
- 2.5. The main similarities and differences between the Merging Fund and the Receiving Fund are set out in Appendix I to this notice. Notably, there is a large degree of similarity between the Funds in terms of, inter alia, risk and reward indicator ("SRRI") of 6, investment manager, benchmark for performance comparison and base currency. The main difference consists of the Receiving Fund's focus on ESG Investments.
- 2.6. 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.

3. Expected impact on shareholders of the Receiving Fund

- 3.1. On implementation of the Merger, shareholders in the Receiving Fund will continue to hold the same shares as before and there will be no change in the rights attaching to such shares. 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 of the Company, nor in changes to the key investor information documents (the "KIIDs") of the Receiving Fund.
- 3.2. On implementation of the Merger, the aggregate net asset value of the Receiving Fund will increase as a result of the transfer of the Merging Fund's assets and liabilities.
- 3.3. Please see section 4.2 for details on the impact on the portfolio of the Receiving Fund.

4. Expected portfolio impact

- 4.1. Some of the assets to be transferred from the Merging Fund to the Receiving Fund are already compliant with the investment policy of the Receiving Fund. A few days before the Effective Date, holdings that are not aligned with the Receiving Fund's investment policy, will be sold and transferred to the Receiving Fund in cash on the Effective Date. This may affect the portfolio and performance of the Merging Fund.
- 4.2. The cash that is expected to be transferred from the Merging Fund to the Receiving Fund, shall be invested in accordance with the Receiving Fund's investment policy. It is not expected that any rebalancing of the portfolio of the Receiving Fund will take place, neither before or after the Effective Date.

5. Suspension in dealings

- 5.1. Shares of the Merging Fund can be subscribed until 26 May 2020 before 15h30 CET. As from 15h30 CET on 26 May 2020, the possibility to subscribe for shares in the Merging Fund will be suspended.
- 5.2. The shareholders of the Receiving Fund will not be impacted by the suspension of subscriptions in the Merging Fund.
- 5.3. Shares of both Funds can be redeemed or switched to shares of the same or another share class of another fund of the Company, not involved in the Merger, free of charges, from the

date of this notice until before 15h30 CET on 26 May 2020. At or after 15h30 CET on 26 May 2020 the possibility to redeem or switch shares free of charges will be suspended.

5.4. The right to redeem and switch shares free of charges, for shareholders of both Funds, may be restricted by transaction fees charged by local intermediaries, which are independent from the Company and the management company (the “**Management Company**”).

6. Valuation and exchange ratio

6.1. On 3 June 2020, the Management Company will calculate the net asset value per share class and determine the exchange ratio.

6.2. For the calculation of the exchange ratio, the rules for the calculation of the net asset value, laid down in the articles of incorporation and the prospectus of the Company, will apply to determine the value of the assets and liabilities of the Funds.

6.3. 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 Funds. The shares of the Merging Fund will then be cancelled.

6.4. 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 relevant 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.

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

6.6. Any accrued income in the Merging Fund will be included in the final net asset value of the Merging Fund and accounted for in the net asset value of the relevant share classes of the Receiving Fund after the Effective Date.

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

7. Additional documents available

7.1. Shareholders of the Merging Fund are invited to carefully read the relevant KIIDs of the Receiving Fund and the relevant prospectus before making any decision in relation to the Merger. The KIIDs and the prospectus are available free of charges at nordea.lu and at the registered office of the Company upon request.

7.2. 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, is available free of charges upon request at the registered office of the Company.

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 with respect to the tax impact of the contemplated Merger.

10. Additional information

Shareholders having any question relating to the above should contact their financial advisor or the Client Relationship Services at the Management Company through: +352 27 86 51 00.

Yours faithfully

On behalf of the Board of Directors

24 April 2020

Appendix I

Key features of the Merging Fund and of the Receiving Fund

The Merging Fund	The Receiving Fund
<p>Objective The Merging Fund's objective is to provide shareholders with investment growth in the long term.</p>	<p>Objective The Receiving Fund's objective is to provide shareholders with investment growth in the long term.</p>
<p>Investment policy The Merging Fund mainly invests in equities of companies in emerging markets. Specifically, the Merging Fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in emerging markets. The Merging Fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated: -China A-shares: 25% The Merging Fund will be exposed (through investments or cash) to other currencies than the base currency.</p>	<p>Investment policy The Receiving Fund mainly invests in equities of companies in emerging markets. Specifically, the Receiving Fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in emerging markets. The Receiving Fund may invest in, or be exposed to, the following instruments up to the percentage of total net assets indicated: -China A-shares: 25% The Receiving Fund will be exposed (through investments or cash) to other currencies than the base currency.</p>
<p>Strategy In actively managing the Merging Fund's portfolio, the management team selects companies that appear to offer superior growth prospects and investment characteristics.</p>	<p>Strategy In actively managing the Receiving Fund's portfolio, the management team selects companies with a particular focus on their ability to comply with international standards for environmental, social and corporate governance, and to offer superior growth prospects and investment characteristics.</p>
<p>Benchmark MSCI Emerging Markets Net Return Index. For performance comparison only.</p>	<p>Benchmark MSCI Emerging Markets Net Return Index. For performance comparison only.</p>
<p>Derivatives and techniques The Merging Fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains.</p>	<p>Derivatives and techniques The Receiving Fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains.</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. The Merging Fund may appeal to investors who: -Are looking for investment growth -Are interested in exposure to emerging equity markets</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. The Receiving Fund may appeal to investors who: -Are looking for investment growth with a responsible investment approach -Are interested in exposure to emerging equity markets</p>
<p>Risk considerations Read the “Risk Descriptions” section in the prospectus carefully before investing in the Merging Fund, with special attention to the following:</p> <ul style="list-style-type: none"> • Country risk – China • Currency • Depositary receipt • Derivatives • Emerging and frontier markets • Equity • Securities handling • Taxation <p>SRRI: 6</p> <p>Global exposure calculation: Commitment</p>	<p>Risk considerations Read the “Risk Descriptions” section in the prospectus carefully before investing in the Receiving Fund, with special attention to the following:</p> <ul style="list-style-type: none"> • Country risk – China • Currency • Depositary receipt • Derivatives • Emerging and frontier markets • Equity • Securities handling • Taxation <p>SRRI: 6</p> <p>Global exposure calculation: Commitment</p>
<p>Investment manager: Nordea Investment Management AB</p>	<p>Investment manager: Nordea Investment Management AB</p>
<p>Base currency: USD</p>	<p>Base currency: USD</p>
<p>Fees charged to the Merging Fund</p> <p>Management fee The management fee payable by the Merging Fund out of its assets to the Management Company is 1.50% p.a. for P- and E-shares, 0.95% for C-shares and 0.85% for I-shares.</p> <p>Performance fee None</p>	<p>Fees charged to the Receiving Fund</p> <p>Management fee The management fee payable by the Receiving Fund out of its assets to the Management Company is 1.50% p.a. for P- and E-shares, 0.85% for C-shares and 0.75% for I-shares.</p> <p>Performance fee None</p>

Depository fee

The maximum annual fee payable to the depository will not exceed 0,125% of the net asset value of the Merging Fund, plus any VAT if applicable. Reasonable expenses incurred by the Depository or by other banks and financial institutions to whom safekeeping of the assets of Nordea 1, SICAV is entrusted are additional to the depository fee.

Administrative Fee

The Merging Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the Administrative Agent.

Distribution fee

This fee is paid to the Management Company and in principle forwarded to the local distributor or intermediary. The fee is charged only on E shares and is 0.75% a year.

Entry and exit charges

Entry charges: None

Exit charges: None

Ongoing charges

Depository fee

The maximum annual fee payable to the depository will not exceed 0,125% of the net asset value of the Receiving Fund, plus any VAT if applicable. Reasonable expenses incurred by the Depository or by other banks and financial institutions to whom safekeeping of the assets of Nordea 1, SICAV is entrusted are additional to the depository fee.

Administrative fee

The Receiving Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the Administrative Agent.

Distribution fee

This fee is paid to the Management Company and in principle forwarded to the local distributor or intermediary. The fee is charged only on E shares and is 0.75% a year.

Entry and exit charges

Entry charges: None

Exit charges: None

Ongoing charges

Share class	ISIN	Ongoing charges	Share class	ISIN	Ongoing charges
EMFEF - BP - USD	LU0772938923	1.89%	ESEF - BP - USD	LU0602539602	1.84%
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