

NOTICE OF MERGER TO SHAREHOLDERS OF

Nordea 1 – Emerging Markets Small Cap Fund and Nordea 1 – Emerging Wealth 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 Small Cap Fund (the “**Merging Fund**”) with Nordea 1 – Emerging Wealth 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 the 27th of August 2021 (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 charge, following the redemption and switch processes detailed in the prospectus, from the date of this notice until 15:30 on the 18th of August 2021, 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 advisors 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. It is expected that the Merging Fund has limited prospects for growth.
- 1.2. By adding assets to the Receiving Fund, the Merger should provide the benefit of greater fund size with the expectation that this should attract investors in the long-term. Consequently, the Board of Directors believes that the Merger is in line with the shareholders' best interests.
- 1.3. Through the Merger, shareholders of the Merging Fund will benefit from investments in a fund that promotes environmental, social and corporate governance characteristics ("**ESG Investments**") as per Article 8 of the Regulation 2019/2088 on Sustainability-Related Disclosures in the Financial Services Sector (the "**SFDR**").

2. Expected impact of the Merger on shareholders in the Merging Fund

- 2.1. Through the Merger, all assets and liabilities of the Merging Fund will be transferred to the Receiving Fund as of the Effective Date, and 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 below. 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 and the risk and reward indicators ("**SRRIs**") as provided below.

Merging Fund				Receiving Fund			
Share class	ISIN	Ongoing charges	SRRi	Share class	ISIN	Ongoing charges	SRRi
BC - EUR	LU0982400805	1.71%	6	BC - EUR	LU0841595498	1.35%	6
BF - EUR	LU2207567772	1.27%	6	BF - EUR	LU2293905977	1.14%	6
BI - EUR	LU0975278903	1.51%	6	BI - EUR	LU0390857398	1.14%	6
BP - EUR	LU0975279117	2.26%	6	BP - EUR	LU0390857471	1.90%	6
BP – SEK	LU0976012160	2.26%	6	BP – SEK	LU0390857638	1.90%	6
BP - USD	LU0975279208	2.26%	6	BP - USD	LU0533589858	1.90%	6
E - EUR	LU0975278739	3.01%	6	E – EUR	LU0390857711	2.64%	6
E – USD	LU0975278812	3.01%	6	E – USD	LU2338062693	2.64%	6

- 2.3. As explained in 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 in 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. The Merger will take place through a transfer of cash, and could hence imply a dilution in the performance of the Merging Fund's portfolio. Please see section 4 for further details.
- 2.5. The Funds are mainly similar in terms of having the same investment objective and have a synthetic risk and reward indicator ("SRRI") of 6. In addition, both Funds mainly invest in equities of companies in emerging markets.
- 2.6. The procedures that apply to matters such as dealing, subscription, redemption, switching and transferring of shares and the method for calculating the net asset value, are the same in the Merging Fund and the Receiving Fund.
- 2.7. The Merging Fund mainly invests in small cap companies while the Receiving Fund mainly invests in large cap companies.
- 2.8. The Merging Fund is managed by TimesSquare Capital Management LLC. and the Receiving Fund is managed by GW&K Investment Management LLC.
- 2.9. The base currency of the Merging Fund is USD while the base currency of the Receiving Fund is EUR. This changes the foreign exchange risk that the merging shareholders are exposed to from USD to EUR. As shown in the table at section 2.2 above, merging shareholders of USD denominated share classes in the merging fund will become shareholders of unhedged USD share classes of the receiving fund and will be exposed to the EUR/USD foreign exchange risk. Merging shareholders of EUR denominated share classes will become shareholders of EUR share classes of the receiving fund and will no longer be exposed to the EUR/USD foreign exchange risk. Merging shareholders of share classes in SEK will cease to be exposed to USD/SEK foreign exchange risk and instead be exposed to EUR/SEK foreign exchange risk.
- 2.10. The Merging Fund applies baseline safeguards in line with Article 6 of the SFDR while the Receiving Fund, in addition to the application of baseline safeguards, promotes ESG Investments as per Article 8 of the SFDR, as also mentioned above in Section 1.3.
- 2.11. The key similarities and differences between the Merging Fund and the Receiving Fund are further set out in Appendix I to this notice.

3. Expected impact of the Merger on the shareholders in 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 the 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. The Merger will take place through a transfer of cash, and could hence imply a dilution in the performance of the Receiving Fund. Please see section 4 for further details.

4. Expected portfolio impact

- 4.1. The holdings in the Merging Fund will be sold and transferred to the Receiving Fund in cash on the Effective Date. The sale of assets prior to the Effective Date may affect the portfolio and performance

of the Merging Fund. As a consequence, the Merging Fund will not be compliant with its investment objective, investment policy and investment restrictions during the five business days preceding the Effective Date.

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, redeemed and switched to shares of the same or another share class of another fund of the Company, not involved in the Merger until 15:30 CET on the 18th of August 2021. At or after 15:30 CET on the 18th of August 2021 the possibility to subscribe, redeem and switch shares in the Merging Fund will be suspended until the Effective Date.

5.2. Shareholders of the Receiving Fund will not be impacted by the suspension of subscriptions, redemptions and switches in the Merging Fund.

5.3. Shares of both Funds can be redeemed or switched free of charge from the date of this notice until 15:30 CET on the 18th of August 2021. At or after 15:30 CET on the 18th of August the possibility to redeem or switch shares free of charge will be suspended.

5.4. The right to redeem and switch shares free of charge, 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, Nordea Investment Funds S.A. (the "**Management Company**").

6. Valuation and exchange ratio

6.1. On the 26th of August 2021, 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. 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.

6.6. 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 prospectus and the KIIDs (once available) can be found free of charge 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 charge 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

Professional and institutional shareholders having any question relating to the Merger should not hesitate to contact their usual professional advisor or intermediary or their local client services office via nordea.lu or at nordeafunds@nordea.com. Retail investors having any question relating to the Merger should contact their usual financial advisor.

Yours faithfully
On behalf of the Board of Directors
19 July 2021

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 small capitalisation equities of companies in emerging markets. Specifically, the 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 and whose market capitalisation (at the time of purchase) is between USD 100 million and USD 5 billion.</p>	<p>Investment policy The Receiving Fund mainly invests in equities of companies from anywhere in the world. Specifically, the fund invests at least 75% of total assets in equities and equity-related securities. The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated: • China A-shares: 25%.</p>
<p>Benchmark MSCI Emerging Markets Small Cap Index (Net Return).</p>	<p>Benchmark MSCI Emerging Markets Index (Net Return).</p>
<p>Derivatives and techniques The fund may use derivatives and other techniques for hedging (reducing risks), efficient portfolio management and to seek investment gains.</p>	<p>Derivatives and techniques The fund may use derivatives and other techniques for hedging (reducing risks), efficient portfolio management and to seek investment gains.</p>
<p>Suitability The fund is suitable for all types of investors through all distribution channels.</p> <p>Investor profile Investors who understand the risks of the fund and plan to invest for at least 5 years. The fund may appeal to investors who:</p> <ul style="list-style-type: none"> • are looking for investment growth • are interested in exposure to emerging equity markets 	<p>Suitability The fund is suitable for all types of investors through all distribution channels.</p> <p>Investor profile Investors who understand the risks of the fund and plan to invest for at least 5 years. The fund may appeal to investors who:</p> <ul style="list-style-type: none"> • are looking for investment growth • are interested in exposure to global equity markets
<p>Risk considerations</p> <ul style="list-style-type: none"> • Currency • Depositary receipt • Derivatives • Emerging and frontier markets • Equity • Securities handling • Small and mid-cap equity • Taxation 	<p>Risk considerations</p> <ul style="list-style-type: none"> • Country risk — China • Currency • Depositary receipt • Derivatives • Emerging and frontier markets • Equity • Securities handling • Taxation

Global exposure calculation: Commitment.	Global exposure calculation: Commitment
Investment manager: Nordea Investment Management AB.	Investment manager: Nordea Investment Management AB.
Sub-investment manager: TimesSquare Capital Management LLC.	Sub-investment manager: GW&K Investment Management LLC.
SFDR classification: The fund applies baseline ESG safeguards, in line with Article 6 of the SFDR. This means that norm-based screening and exclusions lists are applied for the fund's investments to ensure that the fund's portfolio meets a minimum ESG standard. Please see the prospectus for further information.	SFDR classification: The fund applies baseline ESG safeguards and promotes ESG characteristics as per Article 8 of the SFDR. This means that screenings are applied to ensure that underlying investments of the fund consistently represent the expected ESG characteristics. In addition, enhanced exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be damaging for the environment and/or the society at large, including tobacco companies and fossil fuel companies. The quality of governance is an integral part of the assessment of potential investments, which considers accountability, protection of shareholder/bondholder rights and long-term sustainable value creation. Furthermore, the fund adheres to NAM's Paris-aligned Fossil Fuel Policy. Please see the prospectus for further information.
Base currency: USD	Base currency: EUR
<p>Fees charged to the Merging Fund</p> <p>The Merging Fund shall bear the following fees:</p> <p>Management fee (maximum)</p> <p>The Management fee payable by the Merging Fund out of its assets to the Management Company is 0.95% for I and V share classes, 1.60% for P, Q, E and F share classes, 1.05% for C share classes and 0.95% for N share classes.</p> <p>Operational expenses (maximum)</p> <p>0.40% for P, Q, E, C, S, F and N share classes. 0.30% for D, I and V share classes. 0.25% for X and Z share classes. 0.15% for Y share classes.</p> <p>Performance fee</p> <p>None.</p> <p>Distribution fee</p> <p>0.75% for E share classes</p>	<p>Fees charged to the Receiving Fund</p> <p>The Receiving Fund shall bear the following fees:</p> <p>Management fee (maximum)</p> <p>The Management fee payable by the Receiving Fund out of its assets to the Management Company is: 0.85% for I and V shares. 1.50% for P, Q and E shares. 0.95% for C and F shares. 0.85% for N shares.</p> <p>Operational expenses (maximum)</p> <p>0.30% for P, Q, E, C, S, F and N share classes. 0.25% for D, I and V share classes. 0.20% for X and Z share classes. 0.10% for Y share classes.</p> <p>Performance fee</p> <p>None.</p> <p>Distribution fee</p> <p>0.75 for E share classes</p>

Entry and exit charges

Entry charge: None.

Exit charge: None.

Ongoing charges and SRRIs

Entry and exit charges

Entry charge: None.

Exit charge: None.

Ongoing charges and SRRIs

Share class	ISIN	Ongoing charges	SRR1	Share class	ISIN	Ongoing charges	SRR1
BC - EUR	LU0982400805	1.71%	6	BC - EUR	LU0841595498	1.35%	6
BF - EUR	LU2207567772	1.27%	6	BF - EUR	LU2293905977	1.14%	6
BI - EUR	LU0975278903	1.51%	6	BI - EUR	LU0390857398	1.14%	6
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