

## NOTICE TO SHAREHOLDERS

**Nordea 1- Emerging Market Bond Opportunities Fund**  
**and**  
**Nordea 1 – Emerging Stars Bond Fund**

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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 Market Bond Opportunities Fund (the “**Merging Fund**”) with Nordea 1 – Emerging Stars Bond 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 1 June 2022 (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 switch of their shares free of charge, following the redemption and switch processes detailed in the prospectus, from the date of this notice until before 15:30 CET on 23 May 2022, 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.**

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## 1. Reasons for the Merger

- 1.1 The Board of Directors considers that the Merging Fund has limited prospects for growth.
- 1.2 Through the Merger, shareholders will benefit from investment into a fund with considerably higher assets under management and which 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 (“**SFDR**”).
- 1.3 Consequently, the Board of Directors believes that the Merger is in line with shareholders’ best interests.

## 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 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 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 (“**SRRI**s”) as provided below.

Merging Fund				Receiving Fund			
Share class	ISIN	Ongoing charges	SRRI	Share class	ISIN	Ongoing charges	SRRI
BI-USD	LU0772919204	0,93%	5	BI-USD	LU1915689829	0,69%	4
BI-EUR	LU0772918735	0,93%	4	BI-EUR	LU1915689662	0,69%	4
BP-USD	LU0772920129	1,54%	5	BP-USD	LU1915689316	1,20%	4
BP-EUR	LU0772919543	1,54%	4	BP-EUR	LU1915689233	1,20%	4
E-USD	LU0772920558	2,29%	5	E-USD	LU1915690165	1,94%	4
E-EUR	LU0772920392	2,29%	4	E-EUR	LU1915690082	1,94%	4
HB-SEK	LU1548767075	1,54%	5	HB-SEK	LU1917587575	1,19%	4
HBI-SEK	LU0772922091	0,93%	5	HBI-SEK	LU1935333291	0,69%	4
HBI-NOK	LU0772921879	0,93%	5	HBI-NOK	LU1935333374	0,68%	4

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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 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 Please see section 4 for details concerning any impact on the Merging Fund's portfolio.

2.5 The key similarities between the Merging Fund and the Receiving Fund are set out in Appendix I to this notice. There are notably the following key similarities between the Merging Fund and Receiving Fund :

- Largely similar investment objectives, policies and strategies, with both Funds mainly investing in emerging market bonds and other debt securities denominated in hard currencies (such as USD and EUR) or in local currencies;
- Both Funds may invest directly in Chinese debt securities traded on the China Interbank Bond Market or Bond Connect;
- Both Funds have global diversified emerging market bond benchmarks;
- Both Funds have a base currency of USD;
- Both Funds have an investment holding period of 5 years;
- The BI-EUR, BP-EUR and E-EUR share classes in both Funds have an SRRI of 4;
- The portfolio management is carried out by the same management team at Nordea Investment Management AB for both Funds;

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.

2.7 Details of main differences between the Merging Fund and the Receiving Fund are disclosed in Appendix I. In terms of key differences, the following should be highlighted :

- The Receiving Fund is promoting ESG characteristics as per Article 8 of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**") and invests according to the Stars investment strategy, which includes a commitment to apply the Nordea Asset Management ("**NAM**") proprietary ESG model to analyse and select investments that epitomize the ESG characteristics of the fund;
- The Merging Fund is in essence managed according to an Emerging Market Blend Bond Strategy, meaning it normally invests about 50/50 in emerging market hard currency bonds and emerging market local currency bonds. The Receiving Fund is in essence managed according to an Emerging Market Hard Currency Bond Strategy whereby it does invest to some extent in local currency bonds, but not as much as the Merging Fund;
- The BI-USD, BP-USD and E-USD and the hedged NOK and SEK share classes have an SRRI of 5 in the Merging Fund, whereas the equivalent share classes in the Receiving Fund have an SRRI of 4;
- The Receiving Fund calculates its global risk exposure using the Relative VaR method, whereas the Merging Fund uses the Commitment approach. The Receiving Fund may be

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highly leveraged due to its potential extensive use financial derivatives to implement the investment policy and achieve its target risk profile;

- The management fees for I, P and E share classes as well as the ongoing charges are lower in the Receiving Fund than in the Merging Fund.

### 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 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.

### 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 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 before 15:30 CET on 23 May 2022. At or after 15:30 CET on 23 May 2022 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 to shares of the same or another share class of another fund of the Company, not involved in the Merger, free of charge from the date of this notice until before 15:30 CET on 23 May 2022. At or after 15:30 CET on the 23 May 2022, 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 subject to transaction fees charged by local intermediaries, which are independent from the Company and the management company, Nordea Investment Funds S.A. (the “**Management Company**”).

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## 6. Valuation and exchange ratio

- 6.1 On 31 May 2022, 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(es) before making any decision in relation to the Merger. The prospectus(es) and the KIIDs (once available) can be found free of charge at [nordea.lu](http://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 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](http://nordea.lu) or at [nordeafunds@nordea.com](mailto: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

22 April 2022

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## Appendix I

### Key features of the Merging Fund and of the Receiving Fund

The Merging Fund	The Receiving Fund
<p><b>Objective</b> To provide shareholders with investment growth in the medium to long term</p>	<p><b>Objective</b> To provide shareholders with investment growth in the medium to long term.</p>
<p><b>Investment policy</b> The Merging Fund mainly invests in emerging market bonds.</p> <p>Specifically, the fund invests at least two thirds of total assets in debt securities that are denominated in hard currencies (such as USD and EUR) or in local currencies.</p> <p>These securities are issued by public authorities, or by companies that are domiciled or conduct the majority of their business, in emerging markets. The fund may invest directly in Chinese debt securities traded on the China Interbank Bond Market or Bond Connect.</p> <p>The fund may be exposed (through investments or cash) to other currencies than the base currency.</p>	<p><b>Investment policy</b> The Receiving Fund mainly invests in emerging market bonds.</p> <p>Specifically, the fund invests at least two thirds of total assets in debt securities that are denominated in hard currencies (such as USD and EUR) or in local currencies.</p> <p>These securities are issued by public authorities or quasi-sovereign issuers, or by companies that are domiciled or conduct the majority of their business, in emerging markets. The fund may invest directly in Chinese debt securities traded on the China Interbank Bond Market or Bond Connect.</p> <p>The fund may be exposed (through investments or cash) to other currencies than the base currency</p>
<p><b>SFDR related information</b></p> <p>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.</p>	<p><b>SFDR related information</b></p> <p>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.</p>

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	<p>The fund also adheres to NAM's Paris-aligned Fossil Fuel Policy.</p> <p>Furthermore, the fund invests according to the Stars investment strategy which includes a commitment to apply the NAM proprietary ESG model to analyse and select investments that epitomize the ESG characteristics of the fund.</p> <p>Please see the prospectus for further information.</p>
<p><b>Benchmark</b> 50% JP EMBI GD (USD) and 50% JP GBI-EM GD (USD). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.</p>	<p><b>Benchmark</b> JP Morgan Emerging Markets Bond Index Global Diversified. For performance comparison and risk monitoring only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.</p>
<p><b>Derivatives and techniques</b> The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section "Derivatives the funds can use".</p> <p>Usage of TRSs including CFDs: None expected usage of techniques and instruments: None expected</p>	<p><b>Derivatives and techniques</b> The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See section "Derivatives the funds can use".</p> <p>Usage of TRSs including CFDs: None expected Techniques and instruments Usage: None expected</p>
<p><b>Suitability</b> The fund is suitable for all types of investors through all distribution channels.</p> <p><b>Investor profile</b> 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"> <li>• are looking for investment growth</li> <li>• are interested in exposure to emerging bond markets</li> </ul>	<p><b>Suitability</b> The fund is suitable for all types of investors through all distribution channels.</p> <p><b>Investor profile</b> 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"> <li>• are looking for income and investment growth with a responsible investment approach</li> <li>• are interested in exposure to emerging bond markets</li> </ul>



<p><b>Risk considerations</b></p> <p>Read the “Risk Descriptions” section carefully before investing in the fund, with special attention to the following:</p> <ul style="list-style-type: none"> <li>• ABS/MBS</li> <li>• Country risk – China</li> <li>• Credit</li> <li>• Currency</li> <li>• Derivatives</li> <li>• Emerging and frontier markets</li> <li>• Interest rate</li> <li>• Liquidity</li> <li>• Prepayment and extension</li> <li>• Securities handling</li> <li>• Taxation</li> </ul>	<p><b>Risk considerations</b></p> <p>Read the “Risk Descriptions” section carefully before investing in the fund, with special attention to the following:</p> <ul style="list-style-type: none"> <li>• ABS/MBS</li> <li>• Country risk – China</li> <li>• Credit</li> <li>• Currency</li> <li>• Derivatives</li> <li>• Emerging and frontier markets</li> <li>• Interest rate</li> <li>• Leverage</li> <li>• Liquidity</li> <li>• Prepayment and extension</li> <li>• Securities handling</li> <li>• Taxation</li> </ul>
<p><b>SRRI:</b> Please see section 2.2. above.</p>	<p><b>SRRI:</b> Please see section 2.2. above.</p>
<p><b>Global exposure calculation:</b></p> <p>Commitment</p>	<p><b>Global exposure calculation:</b></p> <p>Relative VaR</p> <p><b>Expected leverage 200%</b></p>
<p><b>Investment manager:</b></p> <p>Nordea Investment Management AB</p>	<p><b>Investment manager:</b></p> <p>Nordea Investment Management AB</p>
<p><b>Base currency:</b> USD</p>	<p><b>Base currency:</b> USD</p>
<p><b>Fees charged to the Merging Fund</b></p>	<p><b>Fees charged to the Receiving Fund</b></p>
<p>The Merging Fund shall bear the following fees:</p>	<p>The Receiving Fund shall bear the following fees:</p>
<p><b>Management fee (maximum)</b></p> <p>The Management fee payable by the Merging Fund out of its assets to the Management Company is 0.800% p.a. for I-share classes, 1.200% p.a. for P- and E-share classes.</p> <p><b>Performance fee Nil</b></p> <p><b>Operational expenses</b></p> <p>As disclosed in the prospectus, these expenses consist of an administration fee (for central administration), depositary fees (charges for</p>	<p><b>Management fee (maximum)</b></p> <p>The Management fee payable by the Merging Fund out of its assets to the Management Company is 0.500% p.a. for I-share classes, 0.900% p.a. for P- and E-share classes.</p> <p><b>Performance fee Nil</b></p> <p><b>Operational expenses (maximum)</b></p> <p>As disclosed in the prospectus, these expenses consist of an administration fee (for central administration), depositary fees (charges for</p>

safekeeping and other associated services), and the taxe d'abonnement.	safekeeping and other associated services), and the taxe d'abonnement
<p><b>Entry and exit charges</b></p> <p>Entry charge: Up to 3% for P- share classes. None for I- and E- share classes Exit charges: None.</p> <p><b>Distribution fee</b></p> <p>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.</p>	<p><b>Entry and exit charges</b></p> <p>Entry charge: Up to 3% for P- share classes. None for I- and E- share classes Exit charges: None.</p> <p><b>Distribution fee</b></p> <p>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.</p>

Ongoing charges and SRRIs:				Ongoing charges and SRRIs:			
Share class	ISIN	Ongoing charges	SRI	Share class	ISIN	Ongoing charges	SRI
BI-USD	LU0772919204	0,93%	5	BI-USD	LU1915689829	0,69%	4
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