

## NOTICE TO SHAREHOLDERS

Nordea 1 – Nordic Ideas Equity Fund

and

Nordea 1 – Nordic Equity 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 – Nordic Ideas Equity Fund (the “**Merging Fund**”) with Nordea 1 – Nordic 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 28 March 2023 (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 on 17 March 2023, 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 The Merger is undertaken as a matter of simplification of the product offering under the same fund umbrella, Nordea 1, SICAV. There is a large degree of similarity between the Funds in terms of objectives, investment policy, benchmark, risk profile and investor suitability, as illustrated in Appendix I. Through the Merger, the Funds will benefit from increased efficiency in the operation and management of the Funds.
- 1.2 By adding assets to the Receiving Fund, the Merger should also provide the benefit of greater fund size with the expectation that this should attract investors in the long-term.
- 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, 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	SRI	Share class	ISIN	Ongoing charges	SRI
AP – EUR	LU0915371925	1.80%	6	AP – EUR	LU0255619370	1.79%	6
BC – EUR	LU0915367816	1.39%	6	BC – EUR	LU0841548067	1.23%	6
BI – EUR	LU0915370448	1.19%	6	BI – EUR	LU0335102843	1.04%	6
BP – EUR	LU0915372659	1.79%	6	BP – EUR	LU0064675639	1.79%	6
BP – NOK	LU0915372907	1.79%	5	BP – NOK	LU0173922559	1.79%	5
BP – SEK	LU0915373897	1.79%	6	BP – SEK	LU0173922476	1.79%	6
E – EUR	LU0915369606	2.54%	6	E – EUR	LU0173770602	2.53%	6
E – SEK	LU0915370018	2.54%	6	To be launched		2.53%	6

- 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 equities and equity-related securities issued by companies in the Nordic region;
- Both Funds promote environmental and/or social characteristics within the meaning of Article 8 of the Regulation (EU) 2019/2088 on Sustainability-Related Disclosures in the Financial Services Sector (the “SFDR”);
- Both Funds calculate their global risk exposure using the Commitment method;
- Both Funds have a base currency of EUR;
- Both Funds have a recommended investment holding period of 5 years;
- The Funds’ SRRI are identical;
- 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 management fees are lower in the Receiving Fund than in the Merging Fund.
- The Merging Fund is more concentrated compared to the Receiving 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 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.

### **4. Expected portfolio impact**

4.1 The assets to be transferred from the Merging Fund to the Receiving Fund are already compliant with the investment policy of the Receiving Fund. Any risk of performance dilution of the Merging Fund is therefore expected to be limited.

4.2 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 17 March 2023. At or after 15:30 CET on 17 March 2023, 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 17 March 2023. At or after 15:30 CET on 17 March 2023, 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**").

## 6. Valuation and exchange ratio

6.1 On the business day prior to the Effective Date, 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](mailto: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

15 February 2023

## Appendix I

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

The Merging Fund	The Receiving Fund
<p><b>Objective</b> The Merging Fund's objective is to provide shareholders with investment growth in the long term.</p>	<p><b>Objective</b> The Receiving Fund's objective is to provide shareholders with investment growth in the long term.</p>
<p><b>Investment policy</b> The Merging Fund mainly invests in equities of Nordic companies.</p> <p>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 the Nordic region.</p> <p>The fund will 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 equities of Nordic companies.</p> <p>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 the Nordic region.</p> <p>The fund will be exposed (through investments or cash) to other currencies than the base currency.</p>
<p><b>SFDR related information</b> The fund promotes environmental and/or social (E/S) characteristics within the meaning of Article 8 of the SFDR. The E/S characteristics include: <b>Sector- and value-based exclusions</b> Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with material exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.</p> <p><b>Nordea Asset Management's (NAM) Paris-Aligned Fossil Fuel policy</b> whereby the fund will not invest in companies that have significant exposure to fossil fuels unless they have a credible transition strategy.</p> <p>The fund invests within an investment universe that generally exhibits a high level of ESG performance across constituents. Consequently, the screenings that apply to the strategy have limited impact on the investment universe and the actual investments of the fund, and only serve as an assurance that underlying investments consistently represent the expected ESG characteristics of the asset class.</p> <p>To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:</p>	<p><b>SFDR related information</b> The fund promotes environmental and/or social (E/S) characteristics within the meaning of Article 8 of the SFDR. The E/S characteristics include: <b>Sector- and value-based exclusions</b> Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with material exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.</p> <p><b>Nordea Asset Management's (NAM) Paris-Aligned Fossil Fuel policy</b> whereby the fund will not invest in companies that have significant exposure to fossil fuels unless they have a credible transition strategy.</p> <p>The fund invests within an investment universe that generally exhibits a high level of ESG performance across constituents. Consequently, the screenings that apply to the strategy have limited impact on the investment universe and the actual investments of the fund, and only serve as an assurance that underlying investments consistently represent the expected ESG characteristics of the asset class.</p> <p>To measure the attainment of the environmental or social characteristics, the investment manager will use the following indicators:</p>

<ul style="list-style-type: none"> <li>• Carbon Footprint</li> <li>• Violations of United Nations Global Compact</li> </ul> <p>The Fund considers principal adverse impacts on sustainability factors.</p> <p>Please see Appendix I of the prospectus for further information.</p>	<ul style="list-style-type: none"> <li>• Carbon Footprint</li> <li>• Violations of United Nations Global Compact</li> </ul> <p>The Fund considers principal adverse impacts on sustainability factors.</p> <p>Please see Appendix I of the prospectus for further information.</p>
<p><b>Benchmark</b> MSCI Nordic 10/40 Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.</p> <p>The fund uses a benchmark which is not aligned with the environmental and social characteristics of the fund.</p>	<p><b>Benchmark</b> MSCI Nordic 10/40 Index (Net Return). For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.</p> <p>The fund uses a benchmark which is not aligned with the environmental and social characteristics of the fund.</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" in the prospectus.</p> <p>Usage of TRSs: None expected</p> <p>Techniques and instruments Usage: 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" in the prospectus.</p> <p>Usage of TRSs: None expected</p> <p>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>• have a sustainability-related objective and want to invest in a fund with environmental and/or social characteristics, taking into account PAI as part of the investment process</li> <li>• are interested in exposure to developed equity 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 investment growth</li> <li>• have a sustainability-related objective and want to invest in a fund with environmental and/or social characteristics, taking into account PAI as part of the investment process</li> <li>• are interested in exposure to developed equity markets</li> </ul>
<p><b>Risk considerations</b> Read the "Risk Descriptions" section in the prospectus carefully before investing in the fund, with special attention to the following:</p> <ul style="list-style-type: none"> <li>• Concentration</li> <li>• Currency</li> <li>• Derivatives</li> <li>• Equity</li> </ul> <p><b>SRRI:</b> Please see section 2.2 above.</p>	<p><b>Risk considerations</b> Read the "Risk Descriptions" section in the prospectus carefully before investing in the fund, with special attention to the following:</p> <ul style="list-style-type: none"> <li>• Currency</li> <li>• Derivatives</li> <li>• Equity</li> </ul> <p><b>SRRI:</b> Please see section 2.2 above.</p>

<b>Global exposure calculation:</b> Commitment				<b>Global exposure calculation:</b> Commitment			
<b>Investment manager:</b> Nordea Investment Management AB				<b>Investment manager:</b> Nordea Investment Management AB			
<b>Base currency:</b> EUR				<b>Base currency:</b> EUR			
<p><b>Fees charged to the Merging Fund</b></p> <p>The Merging Fund shall bear the following fees:</p> <p><b>Management fee (maximum)</b> The Management fee payable by the Merging Fund out of its assets to the Management Company is 1.000% p.a. for I-, N- and V-share classes, 1.500% p.a. for P-, Q- and E-share classes, 1.100% p.a. for C- and F-share classes.</p> <p><b>Performance fee</b> Nil</p> <p><b>Operational expenses</b> As disclosed in the prospectus, these expenses consist of an administration fee (for central administration), depositary fees (charges for safekeeping and other associated services), and the taxe d'abonnement.</p> <p><b>Entry and exit charges</b> Entry charges: Up to 5.00% for P- and C- share classes and none for I- and E- share classes. Exit charges: None</p> <p><b>Distribution fee</b> 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>Ongoing charges and SRRIs</b></p>				<p><b>Fees charged to the Receiving Fund</b></p> <p>The Receiving Fund shall bear the following fees:</p> <p><b>Management fee (maximum)</b> The Management fee payable by the Receiving Fund out of its assets to the Management Company is 0.850% p.a. for I-, N- and V-share classes, 1.500% p.a. for P-, Q- and E-share classes, 0.950% p.a. for the C- and F-share classes.</p> <p><b>Performance fee</b> Nil</p> <p><b>Operational expenses</b> As disclosed in the prospectus, these expenses consist of an administration fee (for central administration), depositary fees (charges for safekeeping and other associated services), and the taxe d'abonnement.</p> <p><b>Entry and exit charges</b> Entry charges: Up to 5.00% for P- and C- share classes and none for I- and E- share classes. Exit charges: None</p> <p><b>Distribution fee</b> 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>Ongoing charges and SRRIs</b></p>			
Share class	ISIN	Ongoing charges	SRRIs	Share class	ISIN	Ongoing charges	SRRIs
AP – EUR	LU0915371925	1.80%	6	AP – EUR	LU0255619370	1.79%	6
BC – EUR	LU0915367816	1.39%	6	BC – EUR	LU0841548067	1.23%	6
BI – EUR	LU0915370448	1.19%	6	BI – EUR	LU0335102843	1.04%	6
BP – EUR	LU0915372659	1.79%	6	BP – EUR	LU0064675639	1.79%	6

BP – NOK	LU091537 2907	1.79%	5	BP – NOK	LU017392 2559	1.79%	5
BP – SEK	LU091537 3897	1.79%	6	BP – SEK	LU017392 2476	1.79%	6
E – EUR	LU091536 9606	2.54%	6	E – EUR	LU017377 0602	2.53%	6
E – SEK	LU091537 0018	2.54%	6	To be launched		2.53%	6