

## NOTICE TO SHAREHOLDERS

**Nordea 1 – North American Small Cap Fund**  
**and**  
**Nordea 1 – Global Small Cap 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 – North American Small Cap Fund (the “**Merging Fund**”) with Nordea 1 – Global Small Cap 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 9 December 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 30 November 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 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 (“**SRRIs**”) as provided below.

Merging Fund				Receiving Fund			
Share class	ISIN	Ongoing charges	SRRi	Share class	ISIN	Ongoing charges	SRRi
AP - USD	LU0826403478	1,84%	6	AP - USD	LU2533120502	1,82%	6
BF - EUR	LU2207567186	1,13%	6	BF - EUR	LU2533120411	1,10%	6
BI - EUR	LU0826403981	1,08%	6	BI - EUR	LU1029328892	1,07%	6
BI - USD	LU0826404369	1,08%	6	BI - USD	LU1029329510	1,07%	6
BP - EUR	LU0826404526	1,84%	6	BP - EUR	LU1029333462	1,82%	6
BP - NOK	LU0826404872	1,84%	6	BP - NOK	LU1029331680	1,82%	5
BP - SEK	LU0826405093	1,84%	6	BP - SEK	LU1029331920	1,82%	6
BP - USD	LU0826405176	1,84%	6	BP - USD	LU1029332142	1,82%	6
E - EUR	LU0826405259	2,57%	6	E - EUR	LU1029327738	2,56%	6
E - USD	LU0826405416	2,57%	6	E - USD	LU1029328207	2,56%	6
HB - EUR	LU0826405929	1,84%	6	HB - EUR	LU1029332811	1,82%	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 whose market capitalisation (at the time of purchase) is between USD 50 million and USD 10 billion;
- Both funds calculate their global risk exposure using the Commitment method;
- Both Funds have a base currency of USD;
- Both Funds have a recommended holding period of 5 years;
- The AP – USD, BF – EUR, BI – EUR, BI – USD, BP – EUR, BP – SEK, BP – USD, E – EUR, E – USD and HB - EUR share classes in both Funds have an SRRI of 6;
- The Funds' management fees are identical.

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 Merging Fund mainly invests in small capitalisation equities of North American companies whereas the Receiving Fund mainly invests in small capitalisation equities of companies from anywhere in the world, including in emerging and frontier markets;
- The Receiving Fund promotes ESG characteristics as per Article 8 of the SFDR, whereas the Merging Fund qualifies as an Article 6 of the SFDR and the investments underlying the fund do not take into account the EU criteria for environmentally sustainable economic activities;
- The Merging Fund is managed by River Road Asset Management LLC and the Receiving Fund is managed by GW&K Investment Management LLC;
- Due to its global outlook, the Receiving Fund's risk factors are more extensive and include warnings on Depositary receipt, emerging and frontier markets, liquidity, securities handling and taxation;
- The Funds have different benchmarks, with the Merging Fund using the Russell 2000 Value Index (Net Return) for performance comparison only, and the Receiving Fund using the MSCI World Small Cap Index (Net Return) for performance comparison only;
- 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

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- 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 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 might not be compliant with its investment objective, investment policy and investment restrictions during eight (8) business days preceding the Effective Date.
- 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, either before or after the Effective Date. As a result of the Merger and the level of cash transferred to the Receiving Fund, the Receiving Fund might not be compliant with its investment objective, investment policy and investment restrictions on, and a few business days 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 30 November 2022. At or after 15:30 CET on 30 November 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 30 November 2022. At or after 15:30 CET on 30 November 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**”).

#### **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.

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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

31 October 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 long term</p>	<p><b>Objective</b> To provide shareholders with investment growth in the long term.</p>
<p><b>Investment policy</b> The fund mainly invests in small capitalisation equities of North American 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 North America and whose market capitalisation (at the time of purchase) is between USD 50 million and USD 10 billion.</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 fund mainly invests in small capitalisation equities of companies from anywhere in the world.</p> <p>Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies whose market capitalisation (at the time of purchase) is between USD 50 million and USD 10 billion or that are included in the benchmark.</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></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> <p>The fund also adheres to NAM's Paris-aligned Fossil Fuel Policy.</p> <p>Please see Appendix I of the prospectus for further information.</p>
<p><b>Benchmark</b> Russell 2000 Value Index (Net Return). For performance comparison only. Risk characteristics of</p>	<p><b>Benchmark</b> MSCI World Small Cap Index (Net Return). For performance comparison only. Risk characteristics of the</p>

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<p>the fund's portfolio may bear some resemblance to those of the benchmark.</p>	<p>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>  Derivatives The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. See "Derivatives the funds can use" in the prospectus.</p> <p>Usage of TRSs: None expected  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 "Derivatives the funds can use" in the prospectus.</p> <p>Usage of TRSs including CFDs: None expected  Techniques and instruments Usage: None expected</p>
<p><b>Suitability</b></p> <p>The fund is suitable for all types of investors through all distribution channels.</p> <p><b>Investor profile</b></p> <p>Investors who understand the risks of the fund and plan to invest for at least 5 years.</p> <p>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 developed equity markets</li> </ul>	<p><b>Suitability</b></p> <p>The fund is suitable for all types of investors through all distribution channels.</p> <p><b>Investor profile</b></p> <p>Investors who understand the risks of the fund and plan to invest for at least 5 years.</p> <p>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 global equity 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>• Derivatives</li> <li>• Equity</li> <li>• Liquidity</li> <li>• Small and mid-cap equity</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>• Currency</li> <li>• Depositary receipt</li> <li>• Derivatives</li> <li>• Emerging and frontier markets</li> <li>• Equity</li> <li>• Liquidity</li> <li>• Securities handling</li> <li>• Small and mid-cap equity</li> <li>• Taxation</li> </ul>

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<p><b>SRRI:</b> Please see section 2.2. above.</p> <p><b>Global exposure calculation:</b></p> <p>Commitment</p>	<p><b>SRRI:</b> Please see section 2.2. above.</p> <p><b>Global exposure calculation:</b></p> <p>Commitment</p>
<p><b>Sub-investment manager:</b></p> <p>River Road Asset Management LLC.</p>	<p><b>Sub-investment manager:</b></p> <p>GW&amp;K Investment Management LLC.</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>The Merging 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 0.850% p.a. for I-share classes, 0.950% for the F-share class and 1.500% 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 safekeeping and other associated services), and the taxe d'abonnement.</p> <p><b>Entry and exit charges</b></p> <p>Entry charge: Up to 5% for P- share class. None for I-, E- and F- 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>Fees charged to the Receiving Fund</b></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 0.850% p.a. for I-share classes, 0.950% for the F-share class and 1.500% 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 safekeeping and other associated services), and the taxe d'abonnement</p> <p><b>Entry and exit charges</b></p> <p>Entry charge: Up to 5% for P- share class. None for I-, E- and F- 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>

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Ongoing charges and SRRIs:				Ongoing charges and SRRIs:			
Share class	ISIN	Ongoing charges	SRR1	Share class	ISIN	Ongoing charges	SRR1
AP - USD	LU0826403478	1,84%	6	AP - USD	LU2533120502	1,82%	6
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