

NOTICE OF MERGER TO SHAREHOLDERS OF

Nordea 1 – European Value Fund and Nordea 1 – European 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 – European Value Fund (the “**Merging Fund**”) with Nordea 1 – European 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 9 October 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, following the redemption and switch processes detailed in the prospectus, from the date of this notice until before 15:30 CET on 30 September 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 development of the Merging Fund has not been satisfactory over the past years and the Board of Directors believes that the Merging Fund has limited prospects for growth. Conversely, the Receiving Fund has recently shown a very good risk-adjusted performance within its fund category.
- 1.2. Through the Merger, shareholders of the Merging Fund will also 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").
- 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") as provided below.

Merging Fund				Receiving Fund			
Share class	ISIN	Ongoing charges	SRRI	Share class	ISIN	Ongoing charges	SRRI
AC - EUR	LU0841526923	1.31%	6	AC - EUR	LU2194301672	1.15%	6
AP - EUR	LU0255610742	1.85%	6	AP - EUR	LU1706107171	1.86%	6
AP - SEK	LU0255612011	1.85%	6	AP - SEK	LU2194301599	1.86%	6
BC - EUR	LU0841526683	1.30%	6	BC - EUR	LU1706108146	1.15%	6
BC - GBP	LU0841526097	1.30%	6	BC - GBP	LU1706108229	1.15%	6
BD - EUR	LU1915151705	Subject to individual written agreement*	6	BD - EUR	LU2194301326	Subject to individual written agreement*	6

*As per the requirements disclosed in the prospectus

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BI - EUR	LU0229519557	1.08%	6	BI - EUR	LU1706108732	0.94%	6
BI - NOK	LU1002956792	1.08%	6	BI - NOK	LU1706109037	0.94%	6
BP – EUR	LU0064319337	1.85%	6	BP - EUR	LU1706106447	1.86%	6
BP – NOK	LU0173921072	1.85%	6	BP - NOK	LU1706106876	1.86%	6
BP – SEK	LU0173920934	1.85%	6	BP - SEK	LU1706106959	1.86%	6
E – EUR	LU0173768028	2.60%	6	E - EUR	LU1706108062	2.55%	6
HB – USD	LU0968814441	1.84%	6	HB - USD	LU1706107502	1.86%	6
HBI – CHF	LU0705255775	1.08%	6	HBI - CHF	LU2194301755	0.94%	6
HBI – USD	LU0883871559	1.08%	6	HBI - USD	LU1706109979	0.94%	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 holdings 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 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, exposure to European equity markets, SRRI of 6, ongoing charges and entry and exit charges, benchmark for performance comparison, and base currency.

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 for the Funds, since they are part of the same umbrella.

2.7. In terms of key differences, the following should be highlighted:

- The Receiving Fund has a focus on ESG Investments.
- The Receiving Fund pursues a “growth” outlook, predominantly targeting Large Cap companies that appear to offer superior growth prospects and investment characteristics, whereas the

Merging Fund pursues more of a “value” strategy, but invests in All-cap securities in all market segments.

- The Merging Fund is more concentrated, meaning that it invests a larger portion of its assets in a limited number of industries, sectors, and issuers, whereas the Receiving Fund invests more broadly within the European equities space.
- The Merger will imply a change of investment manager for shareholders of the Merging Fund, since the Merging Fund is managed by *Mensarius AG* and the Receiving Fund is managed by *Nordea Investment Management AB*. This will entail a reduction in management costs for shareholders merging into the Receiving Fund, as further detailed in Appendix 1.

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.

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 nor after the Effective Date.

5. Suspension in dealings

5.1. Shares of the Merging Fund can be subscribed until 30 September 2020 before 15:30 CET. At or after 15:30 CET on 30 September 2020, the possibility to subscribe for shares in the Merging Fund will be suspended.

5.2. 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 15:30 CET on 30 September 2020. At or after 15:30 CET on 30 September 2020 the possibility to redeem or switch shares free of charges will be suspended.

5.4. The redemption and switching of shares free of charges, for shareholders of both Funds, may imply 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 8 October 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 charges.

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 prospectus before making any decision in relation to the Merger. The prospectus and the KIIDs (once available) can be found, 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
31 August 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 European companies.</p> <p>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 Europe.</p> <p>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 European companies.</p> <p>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 Europe.</p> <p>The Receiving Fund will be exposed (through investments or cash) to other currencies than the base currency.</p>
<p>Strategy In actively managing the 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 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 Europe – Net Return Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.</p>	<p>Benchmark MSCI Europe – Net Return Index. For performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.</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:</p> <ul style="list-style-type: none"> • are looking for investment growth • are interested in exposure to developed equity markets 	<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 fund and plan to invest for at least 5 years. The Receiving Fund may appeal to investors who:</p> <ul style="list-style-type: none"> • are looking for investment growth with a responsible investment approach • are interested in exposure to developed equity markets
<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"> • Concentration • Currency • Derivatives • Equity <p>SRRI: Please see section 2.2. above.</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"> • Currency • Derivatives • Equity <p>SRRI: Please see section 2.2. above.</p> <p>Global exposure calculation: Commitment</p>
<p>Investment manager: Nordea Investment Management AB.</p>	<p>Investment manager: Nordea Investment Management AB.</p>
<p>Sub-investment manager: Mensarius AG.</p>	<p>Sub-investment manager: N/A</p>
<p>Base currency: EUR</p>	<p>Base currency: EUR</p>
<p>Fees charged to the Merging Fund</p> <p>The Merging Fund shall bear the following fees:</p> <p>Management fee 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, 1.500% p.a. for P- and E-share classes, and 0.950% for C-share classes. The Management fee payable for D-share classes is determined on application.</p>	<p>Fees charged to the Receiving Fund</p> <p>The Receiving Fund shall bear the following fees:</p> <p>Management fee The Management fee payable by the Receiving Fund out of its assets to the Management Company is 0.750% p.a. for I-share classes, 1.500% p.a. for P- and E-share classes, and 0.850% for C-share classes. The Management fee payable for D-share classes is determined on application.</p>

<p>Performance fee Nil.</p> <p>Operational expenses As disclosed in the prospectus, these expenses include a fee for the administration of the fund, a custody fee (for safekeeping, administration and transaction charges), a fiduciary fee, and the tax d'abonnement.</p> <p>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.</p> <p>Entry and exit charges Entry charges: Up to 5% for C- and P- share classes. None for D-, E-, and I- share classes Exit charges: None.</p> <p>Ongoing charges Please see section 2.2. above.</p>	<p>Performance fee Nil.</p> <p>Operational expenses As disclosed in the prospectus, these expenses include a fee for the administration of the fund, a custody fee (for safekeeping, administration and transaction charges), a fiduciary fee, and the tax d'abonnement.</p> <p>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.</p> <p>Entry and exit charges Entry charges: Up to 5% for C- and P- share classes. None for D-, E- and I-share classes Exit charges: None.</p> <p>Ongoing charges Please see section 2.2. above.</p>
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