NOTICE OF MERGER TO SHAREHOLDERS OF

Nordea 1 – Unconstrained Bond Fund – USD Hedged
and
Nordea 1 – Flexible Credit 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 – Unconstrained Bond Fund – USD Hedged (the "**Merging Fund**") with Nordea 1 – Flexible Credit 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 June 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 charges, following the redemption and switch processes detailed in the prospectus, from the date of this notice until before 15:30 CET on 17 June 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 usual 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 size of the Merging Fund is foreseen to decline to a level which would make continued operations economically inefficient, and the Board of Directors believes 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 a global high yield strategy showing good risk-adjusted performance since its inception, 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. Therefore, the Board of Directors suggests an adjustment of fund offerings through the Merger.

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 in Appendix I below.

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 II to this notice. Notably, there is a large degree of similarity between the Funds in terms of, inter alia:

- exposure to high yield securities globally;
- investment strategies aimed at enhancing the risk-adjusted return by adding more alpha components and, consequently, reducing overall risk while still maintaining a credit profile with significant high yield exposure;
- a relatively short interest rate duration of close to 1 year;
- an investment holding period of 5 years;
- both funds have a cash benchmark, showing their total return orientation;
- an SRRI of 4 applies to all hedged share classes as well as to all un-hedged share classes in the Merging Fund's base currency;

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- equivalent entry charges.

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 promotes ESG investments, as per Article 8 of the Regulation 2019/2088 on Sustainability-Related Disclosures in the Financial Services Sector.
- The Merging Fund has more exposure to the U.S. market, while the Receiving Fund is more EU-focused.
- The Receiving Fund has a base currency of EUR, whereas the Merging Fund has a base currency of USD, which has an impact on the share class currencies that shareholders in the Merging Fund will be moved into. As shown in the table in Appendix I, share classes issued in the base currency of the Merging Fund (USD) will be merged into USD hedged share classes of the Receiving Fund. The EUR hedged share classes of the Merging Fund will be merged into share classes in the base currency of the Receiving Fund (EUR). Other hedged share classes of the Merging Fund (in CHF, NOK and SEK currencies) will be merged into the relevant hedged share classes in the Receiving Fund, but the hedging will be against EUR. As detailed in section 5.3 below, 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 17 June 2021.
- As indicated in the prospectus and the KIID, the Receiving Fund may invest up to 20% total assets in Contingent Convertible Bonds ("**CoCos**") and collateralised debt and loan obligations ("**CDOs and CLOs**"), which carry prepayment, extension and liquidity risks.
- The Merger will imply a change of sub-investment manager for shareholders of the Merging Fund, since the Merging Fund is managed by *MacKay Shields LLC.* and the Receiving Fund is managed by *Capital Four Management Fondsmæglerselskab A/S.*

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 and prospectus of the Company, nor 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 the month 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, neither before nor after the Effective Date. As a result of the Merger, the level of cash transferred to the Receiving Fund might be above the 20% limit set forth in the Receiving Fund's investment restrictions on, and a few days after, the Effective Date.

5. Suspension in dealings

5.1. Shares of the Merging Fund can be subscribed until 17 June 2021 before 15:30 CET. At or after 15:30 CET on 17 June 2021, 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 17 June 2021. At or after 15:30 CET on 17 June 2021 the possibility to redeem or switch shares free of charges in the Merging Fund 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 25 June 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. 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

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 above changes should contact their usual financial advisor.

Yours faithfully
On behalf of the Board of Directors
17 May 2021

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Appendix I - List of the impacted ISIN codes at the date of the notice

Merging Fund				Receiving Fund			
Share class	**ISIN**	**Ongoing charges**	**SRRI**	**Share class**	**ISIN**	**Ongoing charges**	**SRRI**
BP - EUR	LU0975281444	1.42%	6	BP - EUR	LU2124061800	1.52%	4
BP - USD	LU0975281527	1.42%	4	HB – USD	LU2338062347	1.52%	4
E - EUR	LU0975281014	2.16%	6	E - EUR	LU2124935623	2.27%	4
HB - CHF	LU0987095923	1.43%	4	HB - CHF	LU2330059754	1.52%	4
HB - EUR	LU0987096145	1.42%	4	BP - EUR	LU2124061800	1.52%	4
HB - SEK	LU0987096491	1.42%	4	HB - SEK	LU2124062014	1.52%	4
HBI - EUR	LU0987097200	0.87%	4	BI - EUR	LU2124061719	0.86%	4
HBI - NOK	LU0987097382	0.86%	4	HBI - NOK	LU2330059838	0.86%	4
E - USD	LU0975281105	2.16%	4	HE – USD	LU2338062420	2.27%	4
X - USD	LU0975281790	Subject to individual written agreement*	4	HX - USD	To be launched*	Subject to individual written agreement*	4

*As per the requirements disclosed in the prospectus.

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Appendix II - Key features of the Merging Fund and of the Receiving Fund

Merging Fund	Receiving Fund
Objective The Merging Fund's objective is to provide shareholders with investment growth in the medium to long term.	**Objective** The Receiving Fund's objective is to provide shareholders with investment growth in the medium to long term.
Investment policy The Merging Fund mainly invests globally and in a wide range of bonds. Specifically, the fund invests at least two thirds of total assets in debt securities issued by companies and public authorities. The fund invests at least 50% of total assets in debt securities that are denominated in USD, or issued in the United States of America, or issued by companies that are domiciled or conduct the majority of their business in the United States of America. The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated: • asset-backed securities (ABSs) that are either issued, guaranteed, or collateral-secured by a government or any of its agencies (including instrumentalities and sponsored corporations), including commercial and government agency MBSs, or privately issued mortgage-backed securities (MBSs), backed by non-conforming mortgages and rated at least B-/B3 or equivalent: 50% The fund may invest in securities of any credit rating quality, including unrated securities. The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies. **SFDR related information**	**Investment policy** The Receiving Fund mainly invests globally and in a wide range of bonds and debt securities. Specifically, the fund invests at least two thirds of total assets in debt securities issued by companies and public authorities. The fund invests at least 50% of total assets in debt securities that are denominated in EUR. The fund may invest in convertible bonds, contingent convertible bonds, as well as swaps and other derivatives, including swaps and other derivatives based on UCITS eligible loan indices. The fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated: • asset-backed securities (ABSs) including collateralised debt and loan obligations (CDOs and CLOs): 20% • contingent convertible bonds: 20% The fund may invest in securities of any credit rating quality, including unrated securities. The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies. **SFDR related information**

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Merging Fund	Receiving Fund
The fund applies baseline ESG safeguards (applicable to all funds) in line with Article 6 of the SFDR. The ESG safeguards consist of norm-based screening and exclusions lists, implemented across the product range to ensure the portfolio meets a minimum standard independent of the individual portfolios' ESG ambitions. Please see 'Baseline ESG safeguards applicable to all funds' within the 'Responsible Investment Policy' section of the prospectus. Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios. Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the fund. Conversely, such exclusions may increase the concentration risk of the fund which could-seen in isolation – result in higher volatility and a greater risk of loss. Please see the prospectus section 'Sustainability Risk Integration', which applies to all funds.	The fund applies baseline ESG safeguards (applicable to all funds) in line with Article 6 of the SFDR, and promotes ESG characteristics as per Art 8 of the SFDR. The ESG safeguards consist of norm-based screening and exclusions lists, implemented across the product range to ensure the portfolio meets a minimum standard independent of the individual portfolios' ESG ambitions. Please see 'Baseline ESG safeguards applicable to all funds' within the 'Responsible Investment Policy' section of the prospectus. The fund adheres to NAM's Paris-Aligned Fossil Fuel Policy. 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 ESG strategy of the fund ensures that applied exclusion filters are reflected in the investment universe. NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement. The inherent limitations on the investment universe resulting from the strategy are monitored and controlled on a regular basis. Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios. Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the fund. Conversely, such exclusions may increase the concentration risk of the fund which could-seen in isolation – result in higher volatility and a greater risk of loss. Please see the prospectus section 'Sustainability Risk Integration', which applies to all funds.

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Merging Fund	Receiving Fund
Strategy In actively managing the fund's portfolio, the management team seeks to exploit market opportunities across all fixed income sub-sectors.	**Strategy** In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.
Benchmark ICE BofA 0-3 Month US Treasury Bill Index. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.	**Benchmark** EURIBOR 1M. For performance comparison only. The fund's portfolio is actively managed without reference or constraints relative to its benchmark.
Derivatives and techniques The Merging Fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains.	**Derivatives and techniques** The Receiving Fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains.
Suitability The Merging Fund is suitable for all types of investors through all distribution channels. **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: • are looking for investment growth with minimised currency risk in the base currency • are interested in exposure to global bond markets	**Suitability** The Receiving Fund is suitable for all types of investors through all distribution channels. **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: • are looking for investment growth • are interested in exposure to developed bond markets
Risk considerations Read the "Risk Descriptions" section in the prospectus carefully before investing in the Merging Fund, with special attention to the following: • Credit • Derivatives • Hedging • Interest rate • Leverage • Prepayment and extension **SRRI:** Please see Appendix I above.	**Risk considerations** Read the "Risk Descriptions" section in the prospectus carefully before investing in the Receiving Fund, with special attention to the following: • ABS/MBS • CDO/CLO • CoCo bonds • Convertible securities • Credit • Derivatives • Interest rate • Leverage • Prepayment and extension **SRRI:** Please see Appendix I above.
Global exposure calculation: Absolute VaR	**Global exposure calculation:** Absolute VaR
Investment manager: Nordea Investment Management AB.	**Investment manager:** Nordea Investment Management AB.

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Merging Fund	Receiving Fund
Sub-investment manager: MacKay Shields LLC	**Sub-investment manager:** Capital Four Management Fondsmæglerselskab A/S
Base currency: USD	**Base currency:** EUR
Fees charged to the Merging Fund The Merging Fund shall bear the following fees: **Management fee** The Management fee payable by the Merging Fund out of its assets to the Management Company is 0.650% p.a. for I-share classes, and 1.100% p.a. for P- and E-share classes. Management fees for X share classes are not taken from the fund but are paid by investors in this type of shares. **Performance fee** Nil. **Operational expenses** As disclosed in the prospectus, these expenses include a fee for the administration of the fund (including fees charged by and expenses payable to fund platforms, as applicable), a custody fee (for safekeeping, administration and transaction charges), a fiduciary fee, and the taxe d'abonnement. **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. **Entry and exit charges** Entry charges: Up to 3% for P- share classes. None for E-, I- and X-share classes Exit charges: None. **Ongoing charges** Please see Appendix I above.	**Fees charged to the Receiving Fund** The Receiving Fund shall bear the following fees: **Management fee** The Management fee payable by the Receiving Fund out of its assets to the Management Company is 0.650% p.a. for I-share classes, and 1.200% p.a. for P- and E-share classes. Management fees for X share classes are not taken from the fund but are paid by investors in this type of shares. **Please note:** the management fee disclosures applicable to the I-, P- and E- share classes will be updated in the prospectus at the next opportunity. **Performance fee** Nil. **Operational expenses** As disclosed in the prospectus, these expenses include a fee for the administration of the fund (including fees charged by and expenses payable to fund platforms, as applicable), a custody fee (for safekeeping, administration and transaction charges), a fiduciary fee, and the taxe d'abonnement. **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. **Entry and exit charges** Entry charges: Up to 3% for P- share classes. None for E-, I- and X-share classes Exit charges: None. **Ongoing charges** Please see Appendix I above.

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