Nordea

NOTICE OF MERGER TO THE SHAREHOLDERS OF

Nordea Dedicated Investment Fund – Institutional Cross Over Fund

We would like to inform you that the board of directors of Nordea Dedicated Investment Fund SICAV-SIF has decided to merge Nordea Dedicated Investment Fund– Institutional Cross Over Fund (the "**Merging Fund**") with Nordea 2 – European Cross Credit ESG Fund (the "**Receiving Fund**" and together with the Merging Fund to be referred to as the "**Funds**") (the "**Merger**").

The Merger shall become effective on 15 April 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.

The Merging Fund will be merged into the shell Receiving Fund to be launched for the purposes of the Merger.

Shareholders who agree with the changes proposed in this notice do not need to take any action. They will automatically receive shares in the Receiving Fund in exchange of their shares in the Merging Fund.

Shareholders who do not agree with the Merger have the right to request the redemption or switch of their shares free of charges from the date of this notice before 15:30 CET on **7 April 2020** as further described below in section 6.

This notice describes the implications of the Merger and must be read carefully.

The Merger may impact your tax situation. You are advised to consult your professional advisers as to the legal, financial and tax implications of the Merger under the laws of the countries of your nationality, residence, domicile or incorporation.

Nordea Dedicated Investment Fund, SICAV-FIS
562, rue de Neudorf
P.O. Box 782
L-2017 Luxembourg
Tel + 352 27 86 51 00
Fax + 352 27 86 50 11
nordeafunds@nordea.com
nordea.lu

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1. Reasons for the Merger

1.1. The Merger is undertaken as a matter of economic efficiency in the operation and management of the Funds.

1.2. The Merging Fund is currently applying additional negative screening to exclude specific sectors or companies based on environmental, social and corporate governance (ESG) criteria. The Merger would further strengthen this profile by allowing the shareholders of the Merging Fund to be exposed to an investment strategy that follows the Responsible Investment Policy of Nordea Asset Management when managing the investments.

1.3. By combining financial performance with ESG insight the Merger strive to offer shareholders responsible solutions with a medium level of risk and volatility.

1.4. Furthermore, the Merger aims to provide the benefit of greater fund size in the future through offering the investment strategy with an ESG profile within the UCITS framework and more attractive overall fees and therefore, economies of scale, with the expectation that this should enable to attract investors in the long-term.

2. Key features – similarities and differences

Similarities:

2.1. The investment objective, policy and strategy of the Merging Fund and the Receiving Fund are largely similar and lead to the same market exposures.

2.2. The reference currency of the Receiving Fund is the same as that of the Merging Fund.

2.3. The portfolio management of both the Merging and the Receiving Fund is carried out by Nordea Investment Management AB and by the same management team within Nordea Investment Management AB. Such management team is familiar with the UCITS funds as they are also managing the same strategy in another Nordea UCITS fund (Nordea 1 - European Cross Credit Fund).

2.4. Both the Merging and the Receiving Fund are managed by Nordea Investment Funds S.A ("**NIFSA**").

2.5. Both the Merging and the Receiving Fund are suitable for investors seeking to achieve exposure to developed bond markets.

Key Differences:

2.6. The shareholders of the Merging Fund will be merged **into a UCITS** set up in compliance with the provisions of the amended Luxembourg law of 17 December 2010.

2.7. Unlike the Merging Fund the Receiving Fund is subject to specific rules as regard to the assets in which it can invest and the diversification and concentration rules with which it has to comply. These aim at ensuring an appropriate liquidity of the Receiving Fund's investment portfolio allowing the Receiving Fund to meet redemption requests, in principle, on a daily basis.

2.8. The shareholders will benefit from lower overall costs in the Receiving Fund.

2.9. Unlike the Merging Fund, the Receiving Fund is a daily fund.

2.10. The Merging Fund and the Receiving Fund have such other features as further disclosed in Appendix I.

3. Expected impact of the Merger on the shareholders in the Merging Fund

3.1. 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.

3.2. 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 provided below.

Merging Fund			Receiving Fund		
Share class	**ISIN**	**Ongoing charges**	**Share class**	**ISIN**	**Ongoing charges**
BI – EUR	LU0775110678	0.85%	BI – EUR	LU2127534241	0.63%
HBI – SEK	LU0775111130	0.85%	HBI – SEK	LU2127534324	0.63%
HAI – SEK	LU0785612465	0.85%	HAI – SEK	LU2127534597	0.63%

3.3 The Merging Fund will be merged into the shell Receiving Fund to be launched for the purposes of the Merger.

4. Valuation and exchange ratio

4.1. NIFSA will calculate the net asset value per share class of the Merging Fund and determine the exchange ratio.

4.2. The rules laid down in the articles of incorporation and the prospectus of the Merging Fund for the calculation of the net asset value will apply to determine the value of the assets and liabilities of the Merging Fund.

4.3. The exchange ratio will be based on the net asset value per share of the Merging Fund and the applicable launch price of the Receiving Fund to be set at EUR 100.

4.4. The net asset value per share of the relevant classes of the Merging Fund will be divided by the applicable launch price of the relevant classes in the Receiving Fund.

4.5. The number of new shares in the Receiving Fund to be issued to each shareholder will be calculated using the exchange ratio.

4.6. The relevant shares in the Merging Fund will then be cancelled.

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4.7. No cash payment shall be made to shareholders in exchange for the shares as a result of the Merger.

5. Risk of dilution in the performance

This Merger may involve a risk of performance dilution of the Merging Fund during the days preceding the exchange ratio calculation day.

6. Procedural aspects – suspension in dealing

Shares of the Merging Fund can be subscribed until **7 April 2020 before 15:30 CET**. **As from 15:30 CET on 7 April 2020**, the possibility to subscribe to shares in the Merging Fund will be suspended.

Shares of the Merging Fund can be redeemed or switched free of charges, in application with the provisions of the prospectus of the Merging Fund, with the exception of any local transaction fees that might be charged by local intermediaries on their own behalf and which are independent from the Merging Fund and NIFSA, **before 15:30 CET on 7 April 2020**. As from **15:30 CET on 7 April 2020** the possibility to redeem or switch shares in the Merging Fund will be suspended.

The deadline for the receipt of dealing requests as set out under section 7 "Share dealing Institutional Cross Over Fund" of the Merging Fund's prospectus will be waived during the notice period and the dealing days will be as follow for the purpose of the Merger:

- 16 March 2020 before 15:30 CET;
- 1 April 2020 before 15:30 CET; and,
- 7 April 2020 before 15:30 CET.

7. Additional documents available

Shareholders of the Merging Fund are invited to carefully read the relevant KIID of the Receiving Fund and the relevant prospectus before making any decision in relation to the Merger. The KIID and the prospectus are available free of charges at nordea.lu and at the registered office of the Funds upon request.

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, the calculation method of the exchange ratio as well as the exchange ratio itself, is available free of charges upon request at the registered office of the Funds.

8. Costs of the Merger

NIFSA 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 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 NIFSA through: +352 27 86 51 00.

Yours faithfully
On behalf of the Board of Directors of the Merging Fund

6 March 2020

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nordea.lu

Registre de Commerce Luxembourg No B 150516, Registered office: 562, rue de Neudorf, L-2220 Luxembourg

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Appendix I

Key features of the Merging Fund and of the Receiving Fund

The Merging Fund	The Receiving Fund
Objective and investment policy The Merging Fund's objective is to prudently invest the Shareholder's capital and to provide a return on the investment, primarily consisting of interest income and long-term capital appreciation. In the context of ethical screening, international norms and guidelines for environmental, social and governance issues are considered. Furthermore, consideration is given to try to exclude companies within the following sectors: weapons, anti-personnel mines, alcohol, tobacco, gambling and pornography.	**Objective** To provide shareholders with investment growth in the medium to long term.
Eligible assets The Merging Fund shall invest a minimum of two-thirds of its total assets (after deduction of cash) in fixed coupon, fixed and contingent coupon or variable coupon corporate bonds. The Merging Fund may be exposed to other currencies than the Base Currency through investments and/or cash holdings. In this Merging Fund, the majority of all currency exposures are hedged to the Base Currency.	**Investment policy** The Receiving Fund mainly invests in corporate bonds denominated in EUR, including high yield bonds. Specifically, the Receiving Fund invests at least two thirds of total assets in debt securities denominated in EUR that are issued by nonfinancial companies. The Receiving Fund also invests at least two thirds of total assets in debt securities with a long-term rating of BBB+/Baa1 or lower, but not lower than B-/B3, or equivalent. The Receiving Fund may invest in securities issued by holding companies of any corporate group, which financial institutions may be part of. The Receiving Fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated: • asset-backed securities (ABSs): 20%

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	At the time of the investment, the issues or the issuer must have a long-term rating between BBB+/Baa1 and B-/B3 or equivalent by any rating agency. The Receiving Fund may also invest a maximum 10% of its total assets in non-rated securities. The Receiving 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.
Benchmark None.	**Benchmark** None.
Derivatives and techniques The Merging Fund may use Derivatives as part of the investment strategy, for hedging purposes, or in order to apply efficient portfolio management techniques. Section 2. "Use of Financial Derivative Instruments" in Chapter 10. "Investment Restrictions" of the Merging Fund Prospectus further describes and specifies the Merging Fund use of Derivatives.	**Derivatives and techniques** The Receiving Fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains.
Investor considerations The Merging Fund is established as a specialised investment fund in accordance with the Luxembourg Law of 13th February 2007 as amended and is an alternative investment fund in the meaning of the AIFM Directive (as defined below). The Shares of the Merging Fund are exclusively offered or sold to Professional Investors and, as a consequence, no key investor document for packaged retail and insurance-based investment products (PRIIPs KID) as defined in the PRIIPs Regulation (as defined below) shall be issued. Investor profile The Merging Fund may appeal to investors who are looking for	**Investor considerations** **Suitability:** The Receiving Fund is suitable for all types of investors through all distribution channels. Investor profile: Investors who understand the risks of the Receiving Fund and plan to invest for at least 5 years. The receiving Fund may appeal to investors who: • are looking for income and investment growth with a responsible investment approach • are interested in exposure to developed bond markets.

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investment growth and are interested in exposure to bond markets.	
Risk considerations This Merging Fund is in particular exposed to interest and credit risk via exposure to the corporate and High Yield Bond market. Investors must read carefully the sub-section "Uncertainty Considerations" as described in Chapter 4 "The Sub-funds of the Company" and the special risk considerations as described in Chapter 9 "Risk" of the Merging Fund Prospectus. Special attention must be drawn to the risks associated with lower rated Debt Securities and with High Yield Bond.	Risk considerations The Receiving Fund is in particular exposed to the following risk: to the following: • ABS/MBS • Credit • Derivatives • Hedging • Interest rate • Prepayment and extension For more information read the "Risk Descriptions" section of the Receiving Fund carefully before investing in the fund. Global exposure calculation: Commitment Risk and reward profile: 3
Investment manager: Nordea Investment Management AB **Base currency:** EUR	**Investment manager:** Nordea Investment Management AB **Base currency:** EUR
Fees charged to the Merging Fund The Merging Fund shall bear the following fees: 1. Management fee The Management fee payable by the Merging Fund out of its assets to the AIFM is 0.75% for I-shares. 2. Performance fee Nil 3. Depositary fee The maximum annual fee payable to the depositary will not exceed 0.05 of the	**Fees charged to the Receiving Fund** The Receiving Fund shall bear the following fees: 1. Management fee The Management fee payable by the Merging Fund out of its assets to the AIFM is 0.85% for I-shares. 2. Performance fee Nil 3. Depositary fee The maximum annual fee payable to the depositary will not exceed 0.125% of the net

net asset value of the Merging Fund, plus any VAT if applicable. Reasonable expenses incurred by the Depositary or by other banks and financial institutions to whom safekeeping of the assets of the Merging Fund is entrusted are additional to the depositary fee.	asset value of the Receiving Fund, plus any VAT if applicable. Reasonable expenses incurred by the Depositary or by other banks and financial institutions to which safekeeping of the assets of Nordea 1, SICAV is entrusted are additional to the depositary fee.
4. Administration fee The Merging Fund shall pay an administration fee of up to 0.07% p.a., plus any VAT if applicable to the Administrative Agent.	4. Administration fee The Receiving Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the Administrative Agent.
5. Entry and Exit charges: Entry charges: Up None Exit charges: None	5. Entry and Exit charges: Entry charges: Up to 3.00 % Exit charges: None

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