

NOTICE OF MERGER TO SHAREHOLDERS OF Nordea 1 – Emerging Market Hard Currency Bond Fund

Dear Shareholder,

We are writing to inform you that the boards of directors of Nordea 1, SICAV and of Nordea 2, SICAV (the “**Boards of Directors**”) have decided to merge **Nordea 1 — Emerging Market Hard Currency Bond Fund** (the “**Merging Fund**”) into **Nordea 2, SICAV – Emerging Market Hard Currency Enhanced Bond Fund** (the “**Receiving Fund**”), (the “**Merger**”).

The Merging Fund together with the Receiving Fund are hereinafter to be referred to as the “**Funds**”.

The Merger shall become effective on **11 September 2019** (the “**Effective Date**”).

On the Effective Date, all assets and liabilities of the Merging Fund will be moved 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 their shares in shares of the same or another share class of another fund managed by Nordea Investment Funds S.A., not involved in the Merger, free of charges (other than those retained to meet disinvestment costs (as the case may be)) as further described below. Conditions for switches are described in the prospectus of Nordea 1, SICAV.

Decision must be taken by 2 September 2019 before 15h30 (CET).

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 in relation to the legal, financial and tax implications of the Merger under the laws of the countries of their nationality, residence, domicile or incorporation.**

Capitalized terms not defined herein have the same meaning as in the prospectus of Nordea 1, SICAV and Nordea 2, SICAV.

I. Reason for the Merger and impacts

1. Reasons

The Merger is undertaken as a matter of economic efficiency in the operation and management of the Funds; with the Merger, funds following the enhanced strategy, such as the Merging Fund, part of Nordea 1, SICAV, will be concentrated into one umbrella (Nordea 2, SICAV) and have the same branding by including “enhanced” in the fund name. It will then be more efficient to operate the enhanced family, of which the Receiving Fund will be part, and the management will benefit from having all strategies in the same legal entity, Nordea 2, SICAV.

2. Similarities

Both Nordea 1, SICAV and Nordea 2, SICAV have been established in Luxembourg in accordance with part I of the 2010 Law so that shareholders of the Merging Fund will continue to hold shares in a regulated investment company and will benefit from the general safeguards applicable to undertakings for collective investment in transferable securities (UCITS) subject to Directive 2009/65/EC. As a result, the rights granted to the shareholders in the Receiving Fund are very similar to those in the Merging Fund.

The investment objectives, policies and strategies of the Merging Fund and of the Receiving Fund are similar and lead to the same market exposures. Accordingly, there is no intention to undertake any rebalancing of the portfolio of the Merging Fund as a result of the Merger.

The Merging Fund and the Receiving Fund have identical investment management fee rates.

Both Funds show a synthetic risk and reward indicator (“**SRRI**”) of **4**.

The base currency of both Funds is USD.

The methodology used to measure the global exposure of the Receiving Fund is the same as that of the Merging Fund.

The portfolio management of both Funds is carried out by Nordea Investment Management AB.

Both Funds are suitable for investors who have an investment horizon of at least 5 years.

3. Key Differences

As a result of the Merger, the shareholders of the Merging Fund will benefit from lower overall cost in the Receiving Fund, with similar investment strategy as the Merging Fund.

The Receiving Fund may invest directly into Chinese Debt Securities via CIBM or via Bond Connect and the China related risk is consequently added.

The investment objective and policy of the Merging Fund and the Receiving Fund are further disclosed in appendix I.

4. Potential Benefits

The Merger aims to provide the benefit of greater fund size in the future through more attractive overall fees and therefore, economies of scale, with the expectation that this should enable to attract investors in the long-term.

5. Impact of the Merger

Impact of the Merger on the shareholders in the Merging Fund

In order to enable the Merger to be carried out efficiently, as of 15h30 (CET), on 2 September 2019, there will be a suspension of dealings, whereby no further subscriptions or switches in the Merging Fund will be accepted. The Merger will be binding for all shareholders of the Merging Fund who have not exercised their right to request the redemption or switches of their shares during the period, commencing from the publication date of this notice and ending at 15h29 (CET) on 2 September 2019,, which would be performed without any charges other than those retained by the Merging Fund to meet disinvestment costs.

The last net asset value of the Merging Fund will be calculated as of 10 September 2019.

On the Effective Date, shareholders of the Merging Fund who have not exercised their right to redeem or switch free of charge, will thus become shareholders of the Receiving Fund and receive shares in the corresponding share class of the Receiving Fund as further described below:

Nordea 1 — Emerging Market Hard Currency Bond Fund			Nordea 2, SICAV – Emerging Market Hard Currency Enhanced Bond Fund		
Share class	ISIN	Ongoing Charges	Share class	ISIN	Ongoing Charges*
BI-EUR	LU1160615974	0.73%	BI-EUR	LU1160615974	0.57%
BI-USD	LU1160616436	0.73%	BI-USD	LU1160616436	0.57%
BP-EUR	LU1160617913	1.26%	BP-EUR	LU1160617913	1.01%
BP-USD	LU1160618309	1.26%	BP-USD	LU1160618309	1.01%
E-EUR	LU1160615206	2.01%	E-EUR	LU1160615206	1.76%
E-USD	LU1160615545	2.01%	E-USD	LU1160615545	1.76%
HB-EUR	LU1160618721	1.26%	HB-EUR	LU1160618721	1.01%
HB-SEK	LU1160619026	1.26%	HB-SEK	LU1160619026	1.01%
HBC-EUR	LU1160614811	0.91 %	HBC-EUR	LU1160614811	0.71%
HBI-DKK	LU1160616782	0.73%	HBI-DKK	LU1160616782	0.57%
HBI-EUR	LU1160616865	0.73%	HBI-EUR	LU1160616865	0.57%
HY-EUR	LU1725883521	0.09%	HY-EUR	LU1725883521	0.06%
HY-DKK	LU0994700200	0.09%	HY-DKK	LU0994700200	0.06%

*Ongoing charges of the Receiving Fund are based on historical ongoing charges of similar share classes.

Impact of the Merger on the Receiving Fund

As the Receiving Fund will be launched with the absorption of the Merging Fund on the Effective Date and will not have any shareholders prior to the Effective Date, the Merger will have no impact on the shareholders of the Receiving Fund.

The ISIN codes of the share classes of the Merging Fund will remain the same in the Receiving Fund and the Receiving Fund will keep the price history of the Merging Fund. The key investor information documents (the “KIIDs”) of the Receiving Fund will show the past performance of the Merging Fund.

Impact of the Merger on the Funds

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. Criteria adopted for valuation of the assets and liabilities on the date of calculating the exchange ratio

On the business day prior to the Effective Date, the Management Company will determine the exchange ratio.

The assets and liabilities of the Merging Fund will be valued in accordance with principles laid down in the articles of incorporation and the current prospectus of Nordea 1, SICAV.

3. Calculation method of the exchange ratio

The same number of shares in the Receiving Fund will be allocated to the shareholders of the Merging Fund with a net asset value calculated in accordance with the Prospectus and audited by the auditor of the Companies. The relevant shares in the Merging Fund will then be cancelled.

PricewaterhouseCoopers, société coopérative, 2, rue Gerhard Mercator, L-2182 Luxembourg has been appointed as the independent auditor in charge of preparing a report validating the conditions foreseen in Article 71 (1), items a) to c) of the 2010 law for the purpose of the Merger.

The exchange ratio will be calculated on the business day prior to the Effective Date, based on the net asset value calculated as of 10 September 2019.

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

4. Additional documents available

The following documents are available to the shareholders of the Funds at the registered office of Nordea 1, SICAV on request and free of charge:

- 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);
- The prospectus of Nordea 1, SICAV and Nordea 2, SICAV; and;
- the KIIDs of the Funds.

The attention of the shareholders of the Merging Fund is drawn to the importance of reading the KIID of the Receiving Fund before making any decision in relation to the Merger. The KIIDs of the Receiving Fund are also available on www.nordea.lu.

5. 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.

6. Tax

Shareholders are invited to consult their own tax advisors in respect to the tax impact of the contemplated Merger.

7. Additional information

Shareholders having any question relating to the above changes should not hesitate to contact their financial advisor or the Management Company: Nordea Investment Funds S.A., Client Relationship Services at the

following telephone number: +352 27 86 51 00 or the UK facilities agent, Financial Express Limited, its principal place of business being 2nd Floor, Golden House, 30 Great Pulteney Street, W1F 9NN, London.

Yours faithfully

On behalf of the Board of Directors

26 July 2019

Appendix I

Key features of the Merging Fund and of the Receiving Fund

The Merging Fund Nordea 1 – Emerging Market Hard Currency Bond Fund	The Receiving Fund Nordea 2, SICAV – Emerging Market Hard Currency Enhanced Bond Fund
<p>Investment objective and policy</p> <p>The Fund's objective is to prudently invest the shareholder's capital and to provide a return exceeding the average return of the emerging market bond markets.</p>	<p>Investment objective and policy</p> <p>The Fund's objective is to prudently invest the shareholder's capital.</p> <p>The Fund is a diversified active product which targets modest levels of return above its reference index.</p>
<p>Eligible assets</p> <p>The Fund invests at least two-thirds of its total assets (excluding cash) in debt securities and credit default swaps issued by public authorities, quasi sovereigns or private borrowers, which are domiciled or exercise the predominant part of their economic activity in emerging markets. These securities are denominated in hard currencies, such as USD or EUR. Emerging markets include countries located in Latin America, Eastern Europe, Asia, Africa or the Middle East.</p> <p>The Fund may invest up to 10% of its total assets (excluding cash) in asset backed securities.</p> <p>The Fund may be exposed to other currencies than the base currency through investments and/or cash holdings. The main currency exposure in the Fund is to the base currency.</p>	<p>Eligible assets</p> <p>The Fund invests a minimum of two-thirds of its total assets (excluding cash) in debt securities issued and credit default swaps issued by public authorities, quasi sovereigns or private borrowers, which are domiciled or exercise the predominant part of their economic activity in Emerging Markets. These securities are denominated in hard currencies, such as USD or Euro.</p> <p>The Fund may invest up to 10% of its total assets (excluding cash) in asset-backed securities.</p> <p>The Fund is allowed to invest directly into Chinese debt securities via CIBM or via Bond Connect.</p> <p>The Fund may be exposed to other currencies than the base currency through investments and/or cash holdings. The main currency exposure in this Fund is to the base currency.</p>
<p>Index</p> <p>The Merging Fund uses JP Morgan Emerging Markets Bond Index Global Diversified for performance comparison only.</p>	<p>Index</p> <p>The Receiving Fund uses JP Morgan Emerging Markets Bond Index Global Diversified for performance comparison only.</p>
<p>Derivatives</p> <p>The Fund may use derivatives to achieve an efficient portfolio management or with the aim of reducing risk and/or generating additional capital or income.</p> <p>The use of derivatives is not cost or risk-free.</p>	<p>Derivatives</p> <p>The Fund may use derivatives to achieve an efficient portfolio management or with the aim of reducing risk and/or generating additional capital or income.</p> <p>The use of derivatives is not cost or risk-free.</p>

<p>Profile of the typical investor</p> <p>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 and are interested in exposure to emerging bond markets</p>	<p>Profile of the typical investor</p> <p>This Fund may not be appropriate for investors who plan to withdraw their money within a period of 5 years. The Receiving Fund is suitable for the Investor who needs a well-diversified bond allocation in his portfolio.</p>
<p>Risks</p> <p>The risk and reward profile indicator measures the risk of price fluctuations in the Merging Fund based on the last 5 years volatility and places the Merging Fund in category 4. This means that the purchase of units in the Merging Fund is connected to medium risk of such fluctuations.</p>	<p>Risks</p> <p>The risk and reward profile indicator measures the risk of price fluctuations in the Receiving Fund based on the last 5 years volatility and places the Receiving Fund in category 4. This means that the purchase of units in the Receiving Fund is connected to medium risk of such fluctuations.</p>
<p>Specific risks</p> <p>Following risks are materially relevant to the UCITS but are not adequately captured by the synthetic indicator and may cause additional loss:</p> <ul style="list-style-type: none"> – counterparty risk – credit risk – derivatives risk – event risk – liquidity risk 	<p>Specific risks</p> <p>Following risks are materially relevant to the UCITS but are not adequately captured by the synthetic indicator and may cause additional loss:</p> <ul style="list-style-type: none"> – counterparty risk – credit risk – derivatives risk – event risk – liquidity risk – China related risk
<p>Base currency</p> <p>USD</p>	<p>Base currency</p> <p>USD</p>
<p>Fees charged to the Merging Fund</p> <p>The Merging Fund shall bear the following fees:</p> <ol style="list-style-type: none"> 1. Management fee <p>The Management fee payable by the Merging Fund out of its assets to the Management Company is 0.90% p.a. for P and E Shares, 0.60% for C-shares and 0.50% for I-shares. Management fees for Y shares are zero.</p> <ol style="list-style-type: none"> 2. Performance fee <p>Nil</p>	<p>Fees charged to the Receiving Fund</p> <p>The Receiving Fund shall bear the following fees:</p> <ol style="list-style-type: none"> 1. Management fee <p>The Management fee payable by the Receiving Fund out of its assets to the Management Company is up to 0.90% p.a. for P and E Shares, up to 0.60% for C-shares and up to 0.50% for I-shares. Management fees for Y shares are zero.</p> <ol style="list-style-type: none"> 2. Performance fee <p>Nil</p>

<p>3. Depository fee</p> <p>The maximum annual fee payable to the Depository will not exceed 0,125% of the net asset value of the Merging Fund, plus any VAT if applicable. Reasonable expenses incurred by the Depository or by other banks and financial institutions to whom safekeeping of the assets of Nordea 1, SICAV is entrusted are additional to the Depository fee.</p> <p>4. Administration fee</p> <p>The Merging Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the Administrative Agent.</p> <p>5. Entry and Exit Charges :</p> <p>Entry charges : Up to 3.00 %</p> <p>Exit charges : None</p>	<p>3. Depository fee</p> <p>The maximum annual fee payable to the Depository will not exceed 0,125% of the net asset value of the Receiving Fund, plus any VAT if applicable. Reasonable expenses incurred by the Depository or by other banks and financial institutions to which safekeeping of the assets of Nordea 2, SICAV is entrusted are additional to the Depository fee.</p> <p>4. Administration fee</p> <p>The Receiving Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the Administrative Agent.</p> <p>5. Entry and Exit Charges :</p> <p>Entry charges : Up to 3.00 %</p> <p>Exit charges : none</p>
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