

## NOTICE OF MERGER TO SHAREHOLDERS OF

### Nordea Fund of Funds – Multi Manager Fund Growth AND Multi Manager Access II – Sustainable Investing Growth

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It is brought to the attention of the shareholders of Nordea Fund of Funds – Multi Manager Fund Growth and Multi Manager Access II – Sustainable Investing Growth that the board of directors of Nordea Fund of Funds (the “**NFOF Board of Directors**”) and the board of directors of Multi Manager Access II (the “**MMA II Board of Directors**”) have decided to merge Nordea Fund of Funds – Multi Manager Fund Growth (the “**Merging Fund**”) with Multi Manager Access II – Sustainable Investing Growth (the “**Receiving Fund**”) (the “**Merger**”).

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

The Merging Fund is managed by Nordea Investment Funds S.A. (the “**Nordea Management Company**”) and the Receiving Fund is managed by UBS Fund Management (Luxembourg) S.A. (the “**UBS Management Company**”).

The Merger shall become effective on **21 November 2019** (the “**Effective Date**”).

On the Effective Date, all assets and liabilities of the Merging Fund will be transferred to the Receiving Fund based on the net asset value per share as per 20 November 2019 (the “**Reference Date**”). 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 of their shares free of charges (except for any charge retained to meet disinvestment costs (as the case may be)) from the date of this notice until **12:00 CET on 12 November 2019 for Receiving Fund shareholders** and until **15:30 CET on 12 November 2019 for Merging Fund shareholders**, as further described below.

This notice describes the implications of the Merger and must be read carefully. **The Merger may impact your tax situation. Shareholders in the Merging Fund 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 and potential benefits of the Merger

- 1.1. Whereas UBS Europe SE, being part of the same group as the investment manager of the Receiving Fund, has acquired part of Nordea Bank S.A.'s Luxembourg-based private banking business, the NFOF Board of Directors suggests an amendment of fund offerings by merging the Funds.
- 1.2. The NFOF Board of Directors believe that the Merging Fund has limited prospects for growth. The size of the Merging Fund has declined by more than 30% since October last year and a negative trend in assets in the Merging Fund is expected to continue in the time to come and will consequently result in continued operations being economically inefficient.
- 1.3. The Receiving Fund was launched by the end of last year and has since seen a solid and continuous inflow.
- 1.4. The ongoing charges are lower in the Receiving Fund than those charged by the Merging Fund whereof the shareholders in the Merging Fund will benefit from lower costs as a result of the Merger.
- 1.5. The Merger should in general provide the benefit of greater fund size and therefore economies of scale, with the expectation that this should enable relatively lower costs in the future compared to the total net asset value.

## 2. Key features – similarities and differences

### *Similarities*

- 2.1. There are several similarities between the Funds in terms of fund type, investments policy and risk profile as provided in the key features listed in Appendix I. Both Funds are fund of funds that have exposure to a mix of fixed income and equity securities. They have a medium risk profile with a synthetic risk and reward indicator (SRRI) currently of 4. The Funds use no benchmark.
- 2.2. The sub-investment manager of the Merging Fund and the investment manager of the Receiving fund are part of the UBS group.

### *Differences*

- 2.3. The management company of the Merging Fund is Nordea Management Company while the management company of the Receiving Fund is UBS Management Company.
- 2.4. The base currency of the Merging Fund is EUR while the base currency of the Receiving Fund is USD. Following the Merger, Merging Fund shareholders in EUR denominated share classes will therefore have EUR currency hedging costs.
- 2.5. The investment objective of the Merging Fund is wealth accumulation i.e. to increase the spending power of the sub-fund at a moderate rate while accepting the risks of potential loss necessary to achieve this, whereas the Receiving Fund primarily focuses on sustainable investments that seek to align the investment objectives of long-term sustainability criteria and positive contributions to the environment and society, with generating positive financial returns.
- 2.6. The Receiving Fund applies swing pricing as further described in its prospectus.
- 2.7. The accounting year of the Merging Fund ends on 31 December each year, while that of the Receiving Fund ends on 31 July each year.
- 2.8. The Merging Fund and the Receiving Fund have such other features as further disclosed in Appendix I.

### 3. Impact of the Merger

#### *Impact of the Merger on the shareholders in the Merging Fund*

3.1. The Merger will be binding on all the shareholders of the Merging Fund who have not exercised their right to request the redemption of their shares under the conditions and within the timeframe set out in section 4 below, whereby shareholders of the Merging Fund who have not exercised their right, will become shareholders of the Receiving Fund and receive new shares in the share class of the Receiving Fund as illustrated in the table below:

Merging Fund		Receiving Fund	
Share class	ISIN	Share class	ISIN
MMFB-BP-EUR	LU0946759445	P-acc EUR-Hedged	LU1856116394
MMFB-BV-EUR	LU0994715141		
MMFB-HB-DKK	LU1070646051	P-acc DKK-hedged	LU2008289337
MMFB-HB-SEK	LU0946759957	P-acc SEK-hedged	LU2008289253
MMFA-HB-NOK	LU0946759874	P-acc NOK-hedged	LU2008289410
MMFB-HB-GBP	LU0946759791	P-acc GBP-hedged	LU2033266292
MMFB-HBV-GBP	LU1005849648		
MMFB-HB-USD	LU0946760021	P-acc	LU1856116048

3.2. The issue of new shares in the Receiving Fund in exchange for shares of the Merging Fund will not be subject to any charge.

3.3. From the Effective Date, shareholders in the Merging Fund will be subject to the eligibility criteria stipulated in the prospectus of the Receiving Fund, including whereby that shareholders that do not (i) have the shares held directly in a UBS account or (ii) as otherwise decided by the UBS Management Company, will only be able to hold their investment in the Receiving Fund and will not be able to:

- make additional subscriptions in the Receiving Fund;
- convert shares into other funds of the Multi Manager Access II (the umbrella); and
- transfer shares to another person who is not a UBS client.

3.4. On implementation of the Merger, 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 had previously held in the Merging Fund.

#### *Impact of the Merger on the Funds and their shareholders*

3.5. All costs by reason of the Merger (except for any dealing costs) will be borne by the Nordea Management Company and/or UBS Management Company, including legal, advisory, accounting and other administrative expenses.

3.6. The portfolio of the Merging Fund will be sold and as at the Reference Date will be in cash.

3.7. The Merger will result in an inflow of cash into the Receiving Fund. The cash will subsequently be invested according to the Receiving Fund's investment policy.

3.8. The Merger is not intended to have any material impact on the portfolio of the Receiving Fund, and it is not intended to undertake any rebalancing of the portfolio of the Receiving Fund before or after the merger takes effect.

#### **4. Suspension in dealings**

##### **For the shareholders in the Merging Fund**

4.1. Shares of the Merging Fund can be subscribed until 12 November 2019 before 15:30 CET. After 15:30 CET on 12 November 2019, the possibility to subscribe for shares in the Merging Fund will be suspended.

4.2. Shares of the Merging Fund can be redeemed, less any local transaction fees that might be charged by independent local intermediaries until 12 November 2019 before 15:30 CET. After 15:30 CET on 12 November 2019 the possibility to redeem or convert shares in the Merging Fund will be suspended.

##### **For the shareholders in the Receiving Fund**

4.3. The shareholders of the Receiving Fund shall not be impacted by the suspension in dealings in the Merging Fund and Shares of the Receiving Fund can be redeemed or converted in accordance with the prospectus of the Receiving Fund. Shares of the Receiving Fund can be redeemed or converted free of charge, except for any charge retained to meet disinvestment costs (as the case may be), from the date of this notice until 12:00 CET on 12 November 2019.

4.4 Shares of the Receiving Fund can be subscribed during the whole merger process.

#### **5. Rebalancing of the portfolio of the Merging Fund and the Receiving Fund before or after the Merger**

5.1. It is expected that the Merging Fund will transfer cash to the Receiving Fund. The cash will subsequently be invested according to the Receiving Fund's investment policy.

5.2. The Merger is not intended to have any material impact on the portfolio of the Receiving Fund and it is not intended to undertake any rebalancing on the portfolio of the Receiving Fund before or after the Merger.

#### **6. Risk of dilution in the performance**

As the assets of the Merging Fund will be sold prior to the Effective Date, the composition of the portfolio of the Merging Fund will be significantly impacted by the merger. This merger may involve a risk of performance dilution stemming from the restructuring of the portfolio of the Merging Fund.

#### **7. Criteria adopted for valuation of the assets and liabilities in order to calculate the exchange ratio**

7.1. Nordea Management will calculate the net asset value per share class of the Merging Fund and UBS Management Company (or its delegate) will calculate the net asset value per share class of the Receiving Fund as of the Reference Date. UBS Management Company (or its delegate) will calculate the exchange ratio on the basis of the net asset value per share of the Merging Fund and the Receiving Fund.

7.2. The rules laid down in the articles of incorporation and the prospectus of Nordea Fund of Funds for the calculation of the net asset value will apply to determine the value of the assets and liabilities of the Merging Fund for the purpose of calculating the exchange ratio.

7.3. The rules laid down in the articles of incorporation and the prospectus of Multi Manager Access II for the calculation of the net asset value will apply to determine the value of the assets and liabilities of the Receiving Fund for the purpose of calculating the exchange ratio. Single Swing Pricing as described in the prospectus of Multi Manager Access II will be applied on a pro rata basis on any cash portion of the assets to be merged into the Receiving Fund, provided that it exceeds the threshold as defined for the Receiving Fund.

## 8. Calculation method of the exchange ratio

8.1. 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 Merging Fund and of the shares in the Receiving Fund.. The relevant shares in the Merging Fund will then be cancelled.

8.2. 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 corresponding 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 as of the Reference Date.

8.3. The issue of new shares in the Receiving Fund in exchange for shares of the Merging Fund will not be subject to any charge.

8.4. No cash payment shall be made to shareholders in exchange for the shares.

## 9. Additional documents available

9.1. Shareholders have access to the following documents of the Merging Fund at the registered office of Nordea Management Company and of the Receiving Fund at the registered office of UBS Management Company:

- 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; and,
- the KIIDs.

9.2. 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 <https://www.ubs.com/lu/en/asset-management/distribution-partners/funds-prices/kiid.html>

## 10. Tax

The shareholders of the Merging Fund and of the Receiving Fund are invited to consult their own tax advisors in respect to the tax impact of the contemplated Merger.

## 11. Additional information

Shareholders having any question relating to the above changes should not hesitate to contact their financial advisor or the Nordea Management Company's department for 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 NFOF Board of Directors and the MMA II Board of Directors

7 October 2019

## Appendix I

### Key features of the Merging Fund and of the Receiving Fund

The Merging Fund	The Receiving Fund
<p><b>Investment objective</b> The aim of the Merging Fund is wealth accumulation i.e. to increase the spending power of the Merging Fund at the highest possible rate while accepting the risks of potential loss necessary to achieve this.</p>	<p><b>Investment objective</b> The Receiving Fund's objective is to seek long-term real returns by investing in target UCIs or via dedicated portfolios primarily focusing on sustainable investments, i.e. strategies that seek to align the investment objectives of long-term sustainability criteria and positive contributions to the environment and society, with generating positive financial returns.</p>
<p><b>Investment policy</b> The Merging Fund invests its net assets in other target funds of the open-ended type. The Merging Fund invests between 55% and 95% of its net assets value in target funds primarily investing in equities and equity related securities. The remaining part of the portfolio will be invested in target funds primarily investing in debt securities, cash and other transferable securities. In addition, the Merging Fund may seek to capture market opportunities, notably by investing in country- or industry-specific funds, including open-ended exchange traded funds.</p>	<p><b>Investment policy</b> The Receiving Fund invests worldwide on a broadly diversified basis in fixed income and equity securities.</p> <p>The Receiving Fund may invest up to 100% of its net assets in target UCIs. For liquidity purposes, the Receiving Fund may also hold money market instruments, cash or cash equivalents.</p>
<p><b>Derivatives and techniques</b> The Merging Fund may use derivatives to achieve an efficient portfolio management or with the aim of reducing and/or generating additional capital or income.</p>	<p><b>Derivatives and techniques</b> The Receiving Fund may use derivatives which can reduce investment risks or increase risks (e.g. risk of failure of a counterparty).</p>
<p><b>Suitability and investor profile</b> The Merging Fund is suitable for investors with a medium risk profile who plan to be invested for more than five years.</p>	<p><b>Suitability and investor profile</b> The Receiving Fund is suitable for investors who wish to be exposed to investments in securities with a sustainability profile.</p> <p>The Receiving Fund may appeal to investors who can afford the risks involved, who have a long-term investment horizon and want to invest in a broadly diversified portfolio of securities.</p>
<p><b>Risk considerations</b> 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. Read the "Risk Descriptions" section in the prospectus carefully before investing in the Merging Funds, with special attention to:</p>	<p><b>Risk considerations</b> 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 Fund is connected to medium risk of such fluctuations.</p>

<ul style="list-style-type: none"> <li>• Counterparty risk</li> <li>• Derivatives risk</li> <li>• Event risk</li> <li>• Liquidity risk</li> </ul>			<p>The Receiving Fund may be subject to substantial fluctuations. Factors that can trigger fluctuations or influence their extent include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Changes affecting specific companies</li> <li>• Changes in interest rates</li> <li>• Changes in exchange rates</li> <li>• Changes in the prices of raw materials and energy resources</li> <li>• Changes affecting economic factors such as employment, public expenditure, indebtedness and inflation</li> <li>• Changes in the legal environment</li> <li>• Changes in the confidence of investors in certain asset classes (e.g. equities), markets, countries, industries and sectors</li> <li>• Changes in securities lending rates</li> </ul>		
<p><b>Investment manager:</b> Nordea Investment Management AB</p> <p><b>Benchmark:</b> None</p> <p><b>Base currency:</b> EUR</p>			<p><b>Investment manager:</b> UBS Switzerland AG</p> <p><b>Benchmark:</b> None</p> <p><b>Base currency:</b> USD</p>		
<p><b>Fees and charges</b></p> <p>1. Performance fee</p> <p>Nil</p> <p>2. Entry and exit charges</p> <p>Entry charges: Up to 2.00 %</p> <p>Exit charges: Up to 1.00%</p> <p>3. Ongoing charges</p>			<p><b>Fees and charges</b></p> <p>1. Performance fee</p> <p>Nil</p> <p>2. Entry and exit charges:</p> <p>Entry charges: Up to 6.00 %</p> <p>Exit charges: None</p> <p>3. Ongoing charges</p>		
Share class	ISIN	Ongoing charges	Share class	ISIN	Ongoing charges
MMFB-BP-EUR	LU0946759445	2.49%	P-acc EUR-hedged	LU1856116394	1.96%
MMFB-BV-EUR	LU0994715141	2.59%			
MMFB-HB-DKK	LU1070646051	2.50%	P-acc DKK-hedged	LU2008289337	1.96%*
MMFB-HB-SEK	LU0946759957	2.50%	P-acc SEK-hedged	LU2008289253	1.96%*
MMFA-HB-NOK	LU0946759874	2.50%	P-acc NOK-hedged	LU2008289410	1.96%*
MMFB-HB-GBP	LU0946759791	2.50%	P-acc GBP-hedged	LU2033266292	1.96%*
MMFB-HBV-GBP	LU1005849648	2.51%			
MMFB-HB-USD	LU0946760021	2.50%	P-acc	LU1856116048	1.96%

\*Estimated ongoing charges