

NOTICE OF MERGER TO UNITHOLDERS AND SHAREHOLDERS OF

Nordea International Fund – Asian Sub-fund and Nordea 1 – Asian Stars Equity Fund

We would like to inform you that Nordea Investment Funds S.A. (the “**Management Company**”), in its role as the management company of Nordea International Fund, and the board of directors of Nordea 1, SICAV, have decided to merge Nordea International Fund – Asian Sub-fund (the “**Merging Fund**”) with Nordea 1 – Asian 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**”.

The Merger shall become effective on 10 September 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 thereby will be dissolved on the Effective Date without going into liquidation.

Unitholders of the Merging Fund and shareholders of the Receiving Fund who agree with the changes proposed in this notice do not need to take any action.

Unitholders of the Merging Fund who do not agree with the Merger have the right to request the redemption of their units free of charges from the date of the notice until 1 September 2020 before 06:00 CET, as further described in section 5.

Shareholders of the Receiving Fund who do not agree with the Merger have the right to request the redemption of their shares free of charges from the date of the notice until 1 September 2020 before 15:30 CET, as further described in section 5.

This notice describes the implications of the Merger and must be read carefully. **The Merger may impact your tax situation. Unitholders of 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 the Merger

By adding assets to the Receiving Fund, the Merger should provide the benefit of greater fund size with the expectation that this should attract investors in the long-term. Consequently, the Management Company of the Merging Fund and the Board of Directors of the Receiving Fund believe that the Merger is in line with unitholders and shareholders best interests.

2. Expected impact on shareholders of 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 unitholders and shareholders who have not exercised their right to request the redemption of units or shares under the conditions and within the timeframe set out in section 5.

2.3. The Merging Fund is a compartment of an FCP, i.e. a common investment fund set up by a management company where investors receive *units* in the FCP by entering into a contract with the management company. Meanwhile, the Receiving Fund is a compartment of a SICAV, i.e. an open-ended investment company with legal identity and a corporate governance structure, where investors receive *shares* in exchange of their investment ownership. Consequently, unitholders of the Merging Fund who have not exercised their right to redeem their units will become shareholders in the Receiving Fund on the Effective Date and thereby be entitled to attend and vote at annual and extraordinary shareholder meetings. The new shareholders will receive shares of the Receiving Fund as illustrated below, where *investors eligible for the BQ-share class of the Receiving Fund* refers to investors investing through an account held within the Nordea Group, for which the Management Company's fund distribution costs are relatively limited.

| | Merging Fund | | | Receiving Fund | | |
|---|--------------|--------------|-----------------|----------------|--------------|-----------------|
| | Unit class | ISIN | Ongoing charges | Share class | ISIN | Ongoing charges |
| Investors eligible for the Q-share class of the Receiving Fund | ASF - SEK | LU0087941463 | 1.60% | BQ - SEK | LU2206500576 | 1.62% |
| Investors eligible for the P-share class of the Receiving Fund | ASF - SEK | LU0087941463 | 1.60% | BP - SEK | LU2206517380 | 1.84% |

2.4. 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, unitholders 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.

2.5. Please see section 4.1. for details on the impact on the portfolio of the Merging Fund.

2.6. The key similarities and differences between the Merging Fund and the Receiving Fund are set out in Appendix I to this notice. Notably, there are similarities between the Funds in terms both being equity funds investing in transferable equity securities issued by Asian companies, the Funds use the

same benchmark for performance comparison, they have the same investment manager and the same synthetic risk and reward indicator (“**SRRI**”) of 6.

- 2.7. In terms of differences between the Funds, the main difference consists of the Merging Fund being an FCP while the Receiving Fund is a SICAV, whereas the implications are further elaborated under point 2.3 above. In addition, the Receiving Fund has, to a larger extent than the Merging Fund, a responsible investment approach, the base currency in the Merging Fund is SEK while the base currency of the Receiving Fund is USD. Moreover, the settlement of dealing transactions occurs generally no later than 2 business days after the request has been processed in the Merging Fund while the settlement in the Receiving Fund generally occurs no later than 3 business days after such request.
- 2.8. Unitholders of the Merging Fund should be aware that the cut-off time will be 15:30 CET after the Merger.
- 2.9. The procedures that apply to matters such as dealing, subscription, redemption, switching and transferring of shares and the method for calculating the net asset value, are the same in the Merging Fund and the Receiving Fund.

3. Expected impact on shareholders of 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 attached 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 of prospectus of the Nordea 1, SICAV, 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.
- 3.3. Please see section 4.2. for details on the impact on the portfolio of the Receiving Fund.

4. Expected portfolio impact

- 4.1. To the extent possible, and in the best interest of the shareholders, the holdings of the Merging Fund will be transferred to the Receiving Fund. Holdings that for different reasons cannot be transferred will be sold off prior to the Effective Date and transferred to the Receiving Fund in cash. This may affect the portfolio and performance of the Merging Fund.
- 4.2. Any cash 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 significant rebalancing of the portfolio of the Receiving Fund will take place.

5. Suspension in dealings

- 5.1. Units of the Merging Fund can be subscribed until 06:00 CET on 1 September 2020. Units of the Merging Fund can be redeemed free of charges from the date of this notice until 06:00 CET on 1 September 2020. At or after 06:00 CET on 1 September 2020 the possibility to subscribe and redeem units in the Merging Fund will be suspended.
- 5.2. Shareholders of the Receiving Fund will not be impacted by the suspension of subscriptions and redemptions in the Merging Fund.

5.3. Shares of the Receiving Fund can be redeemed free of charges from the date of this notice until 15:30 CET on 1 September 2020. At or after 15:30 CET on 1 September 2020 the possibility for shareholders to redeem shares free of charges will be suspended.

5.4. The right to redeem units free of charges, for unitholder of the Merging Fund and shareholders of the Receiving Fund, may be restricted by transaction fees charged by local intermediaries, which are independent from the Management Company and Nordea 1, SICAV.

6. Valuation and exchange ratio

6.1. On the business day prior to the Effective Date, the Management Company will calculate the net asset value per share class and determine the exchange ratio.

6.2. The rules laid down in the management regulations, articles of association and the prospectuses of the Merging Fund and the Receiving for the calculation of the net asset value will apply to determine the value of the assets and liabilities of the Merging Fund and the Receiving Fund.

6.3. The number of new shares in the Receiving Fund to be issued to each new shareholder will be calculated using the exchange ratio calculated on the basis of the net asset value of the units and shares of the Funds. The relevant units in the Merging Fund will then be cancelled.

6.4. The exchange ratio will be calculated as follows:

- The net asset value per unit of the relevant unit 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 unit 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 units of the Merging Fund will not be subject to any charge.

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 unitholders in exchange for the units.

7. Additional documents available

7.1. Unitholders of the Merging Fund are invited to carefully read the relevant KIIDs (once available) of the Receiving Fund and the relevant prospectus(es) before making any decision in relation to the Merger. The KIIDs and the prospectus(es) are available free of charges at nordea.lu and at the registered office of the Management 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 Management 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

Unitholders 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

Unitholders of the Merging Fund and shareholders of the Receiving Fund having any questions relating to the above should contact their financial advisor or the Client Relationship Services at the Management Company at: +352 27 86 51 00.

Yours faithfully

On behalf of the Management Company and the Board of Directors of Nordea 1, SICAV

31 July 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 achieve long-term growth in excess of the Merging Fund’s index while maintaining an adequate risk diversification.</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 invests in companies with good prospects for development over the longer term located in those countries expected to sustain positive economic growth for many years. The Merging Fund is an equity fund investing mainly, directly or through other UCITS and/or open-ended UCIs, including open-ended ETFs, should they be situated in a Member State of the European Union or not, in transferable equity securities issued by companies which are domiciled or exercise the predominant part of their economic activity in Asia. The Merging Fund may invest up to 25% of its total assets after deduction of cash in China A-Shares via Stock Connect. The Merging Fund will be exposed to other currencies than the base currency through investments and/or cash holdings.</p> | <p>Investment policy The Receiving Fund mainly invests in equities of Asian companies. 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 Asia, excluding Japan. The Receiving Fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:</p> <ul style="list-style-type: none"> • China A-shares: 25% <p>The Receiving Fund will be exposed (through investments or cash) to other currencies than the base currency.</p> |
| <p>Benchmark MSCI All Country Asia Ex. Japan – Net Return Index. For performance comparison only.</p> | <p>Benchmark MSCI All Country Asia Ex. Japan – Net Return Index. For performance comparison only.</p> |
| <p>Derivatives and techniques The Merging Fund may use derivatives as part of the investment strategy, for hedging purposes, as well as for efficient portfolio management.</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>Investor considerations Suitability: The Merging Fund is suitable for investors who is prepared to take the higher risks associated with investments in the stock markets in order to maximise the return. Investor profile: The investor should have experience with volatile products and be able to accept significant temporary losses. The</p> | <p>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.</p> |

| | | | | | |
|--|--------------|------------------------|--|--------------|------------------------|
| <p>Merging Fund may not be appropriate for investors who plan to withdraw their money within a period of 5 years.</p> | | | <p>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 emerging equity markets | | |
| <p>Risk considerations The investments made in the Merging Fund may be subject to substantial fluctuations and no guarantee can be given that the value of the units will not fall below the value at the time of their acquisition. The Merging Fund’s performance may be affected by fluctuations in interest rates, changes affecting economic factors such as employment, public expenditure and indebtedness and inflation, changes in the legal environment, changes in the political environment and changes in investor confidence in investment type (e.g. cash versus equities or bonds). SRRI: 6 Global exposure calculation: Commitment</p> | | | <p>Risk considerations Read the “Risk Descriptions” section carefully before investing in the fund, with special attention to the following:</p> <ul style="list-style-type: none"> • Country risk — China • Currency • Depositary receipt • Derivatives • Emerging and frontier markets • Equity • Securities handling • Taxation <p>SRRI: 6 Global exposure calculation: Commitment</p> | | |
| <p>Investment manager: Nordea Investment Management AB Base currency: SEK</p> | | | <p>Investment manager: Nordea Investment Management AB Base currency: USD</p> | | |
| <p>Cut-off time: 06:00 CET</p> <p>Settlement: Settlement of dealing transactions occurs generally no later than 2 business days after the request has been processed.</p> | | | <p>Cut-off time: 15:30 CET</p> <p>Settlement: : Settlement of dealing transactions occurs generally no later than 3 business days after the request has been processed.</p> | | |
| <p>Fees charged to the Merging Fund</p> <ol style="list-style-type: none"> 1. Performance fee Nil. 2. Entry and Exit charges Entry charges: None Exit charges: None 3. Ongoing charges | | | <p>Fees charged to the Receiving Fund</p> <ol style="list-style-type: none"> 1. Performance fee Nil. 2. Entry and Exit charges Entry charges: Up to 5% Exit charges: None 3. Ongoing charges | | |
| Unit class | ISIN | Ongoing charges | Share class | ISIN | Ongoing charges |
| ASF - SEK | LU0087941463 | 1.60% | BQ - SEK | LU2206500576 | 1.62% |
| ASF - SEK | LU0087941463 | 1.60% | BP - SEK | LU2206517380 | 1.84% |