

NOTICE OF MERGER TO SHAREHOLDERS OF
Nordea 1 – Global Long Short Equity Fund – USD Hedged
and
Nordea 1 – US Equity Market Neutral Fund

Dear Shareholder,

We are writing to inform you that the board of directors of Nordea 1, SICAV (the “**Board of Directors**”) has decided to merge **Nordea 1 – Global Long Short Equity Fund – USD Hedged** (the “**Merging Fund**”) into **Nordea 1 – US Equity Market Neutral 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 **26 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 of their shares in shares of the same or another share class of another fund of Nordea 1, SICAV 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 17 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.

1. Reason for the Merger and impacts

1.1. Reasons

The size of the Merging Fund has declined over the past years to the level of USD 12.7 million as of end of July 2019 which makes continued operation economically inefficient. In addition, the board of directors believes the Merging Fund has limited prospects for growth and therefore suggests an adjustment of fund offerings with the Merger.

1.2. Similarities

There is a high degree of similarity between the two Funds in terms of type of fund, target risk level and return objective.

Both Funds are Market Neutral Long Short equity funds. They have a medium risk profile and invest, directly and through derivatives, in mainly US equities. Both Funds are actively managed by an external sub-investment manager following an “absolute return” strategy with the objective to provide shareholders with investment growth in the long term, while seeking a return that has a low correlation with the returns of the equity markets.

Both Funds manage their investments following the responsible investment policy of Nordea Asset Management. Thus, both Funds are subject to norm-based screening and exclusion of certain sectors or companies.

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.

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

1.3. Key Differences

The main difference is in the investment processes since the sub-investment manager in the Receiving Fund will manage the Receiving Fund with his own investment process and investment team. The level of leverage is expected to increase allowing for a market neutral fund with a more diversified portfolio of companies. The overall risk level measured by SRRRI score is however not expected to increase.

The Receiving Fund uses LIBOR USD 1 Month as hurdle rate for the calculation of the performance fee, whereas the Merging Fund uses LIBOR USD 3 Month for the same purpose. The implication is typically limited in normal market conditions.

The investment objective and policy of the Funds as well as other features are further disclosed in Appendix I.

1.4. Potential Benefits

The Merger gives the shareholders the benefit of investing in a fund that is expected to have a stronger growth in assets in the future and should benefit from the strategy run by Chicago Equity Partners.

1.5. Fees

The management fees payable to Nordea Investment Funds S.A. (the "Management Company") by the Merging and the Receiving Fund are further disclosed in the Appendix I.

On top of the management fee, the Management Company is entitled to a performance fee to be passed on to the Investment Manager. The Receiving Fund is subject to 15% performance fee on C, E, P, Q and I Shares, whereas the Merging Fund is subject to 10% performance fee on C, E, P, Q and I Shares. The performance fee has not been charged in 2018.

The accumulated performance fee of the Merging Fund, if any, will be crystallised as of 25 September 2019 and transferred as a liability to a payable account of the Receiving Fund.

The performance fee of the Receiving Fund will be calculated in accordance with the terms of the Prospectus.

1.6. 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 17 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 17 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 25 September 2019.

On the Effective Date, shareholders in the Merging Fund will become shareholders in the Receiving Fund and will receive shares of the corresponding share class(es) in the Receiving Fund with ongoing charges as further described below:

Nordea 1 – Global Long Short Equity Fund – USD Hedged	Ongoing Charges	Nordea 1 – US Equity Market Neutral Fund	Ongoing Charges
BC - GBP	1.50%	BC - GBP	1.33%
BI - EUR	1.24%	BI - EUR	1.08%
BI - USD	1.24%	BI - USD	1.08%
BP - EUR	1.84%	BP - EUR	1.84%

BP - NOK	1.84%	BP - NOK	1.84%
BP - SEK	1.84%	BP - SEK	1.84%
BP - USD	1.84%	BP - USD	1.84%
E - EUR	2.58%	E - EUR	2.58%
E - USD	2.58%	E - USD	2.58%
HA - EUR	1.85%	HA - EUR	1.85%
HBI - DKK	1.23%	HBI - DKK	1.08%
HBI - EUR	1.23%	HBI - EUR	1.08%

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

Impact of the Merger on the Receiving Fund

On implementation of the Merger, shareholders in the Receiving Fund will continue to hold the equivalent share classes in the Receiving Fund as before and there will be no change in the rights attaching to such shares.

The shareholders of the Receiving Fund will not be impacted by the suspension in dealings in the Merging Fund and thus, during the whole Merger process, shares of the Receiving Fund can be redeemed or switched free of charges, with the exception of any local transaction fees that might be charged by local intermediaries on their own behalf and which are independent from Nordea 1, SICAV and the Management Company.

The implementation of the Merger will not affect the fee structure of the Receiving Fund and will result neither in changes to the articles of association or prospectus of Nordea 1, SICAV (with the exception of the removal of the Merging Fund from the upcoming prospectus), nor in changes to the key investor information documents (the "KIIDs") of the Receiving Fund.

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

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

During the few days preceding the exchange ratios calculation day, the portfolio of the Merging Fund will be invested in cash, so that it is expected that the Merging Fund will transfer to the Receiving Fund cash positions only.

The Merger will result in an inflow of cash into the Receiving Fund. The cash will subsequently be invested in equity related securities, debt securities and money market instruments, directly or via the use of derivatives according to the Receiving Fund's investment policy.

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

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

The rules laid down in the articles of incorporation and the prospectus of Nordea 1, SICAV for the calculation of the net asset value will apply to determine the value of the assets and liabilities of the Funds for the purpose of calculating the exchange ratios.

4. Calculation method of the exchange ratios

The number of new shares in the Receiving Fund to be issued to each shareholder will be calculated using an exchange ratio calculated based on the net asset value of the concerned share class(es) of the Merging Fund and of the corresponding share class(es) in the Receiving Fund. The relevant shares in the Merging Fund will then be cancelled.

The exchange ratios 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 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 valuation day prior to the Effective Date.

The exchange ratios will be calculated on the valuation day prior to the Effective Date, based on the net asset value calculated as of 25 September 2019.

In accordance with the above provisions, the net asset value per share of any share class in the Merging Fund and the net asset value per share of any corresponding share class 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.

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

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.

5. Risk of dilution of the performance

On the Effective Date, the Merging Fund will transfer the cash position to the Receiving Fund.

Therefore, there should be no dilution of the performance for the shareholders of the Receiving Fund.

6. 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 the valuation of the assets and, as the case may be, the liabilities and the calculation method of the exchange ratios as well as the exchange ratios);
- The prospectus of Nordea 1, 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.

7. Costs of the Merger

All costs related to the Merger such as but not limited to any legal, advisory or administrative costs associated with the preparation and the completion of the Merger shall be borne by the Management Company.

8. Tax

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

9. 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.

Yours faithfully

On behalf of the Board of Directors

13 August 2019

Appendix I

Key features of the Merging Fund and of the Receiving Fund

<p style="text-align: center;">The Merging Fund Nordea 1 – Global Long Short Equity Fund – USD Hedged</p>	<p style="text-align: center;">The Receiving Fund Nordea 1 – US Equity Market Neutral Fund</p>
<p>Objective</p> <p>To provide shareholders with investment growth in the long term, while seeking a return that has a low correlation with the returns of the equity markets (absolute return).</p>	<p>Objective</p> <p>To provide shareholders with investment growth in the long term, while seeking a return that has a low correlation with the returns of the equity markets (absolute return).</p>
<p>Benchmark: LIBOR USD 3 Month. For performance fee calculation only.</p>	<p>Benchmark: LIBOR USD 1 Month. For performance fee calculation only.</p>
<p>Investment policy</p> <p>The Merging Fund mainly invests, directly or through derivatives, in equities of companies from anywhere in the world.</p> <p>Specifically, the Merging Fund invests in equities and equity-related securities. The Merging Fund may also gain exposure to these assets through UCITS/UCIs, including exchange-traded funds.</p> <p>The Merging 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.</p>	<p>Investment policy</p> <p>The Receiving Fund mainly invests, directly or through derivatives, in equities of US companies.</p> <p>Specifically, the Receiving Fund invests in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in the United States of America.</p> <p>The Receiving Fund may also gain exposure to these assets through UCITS/UCIs, including exchange-traded funds.</p> <p>The Receiving Fund’s main currency exposure is to the base currency, although it may also be exposed (through investments or cash) to other currencies.</p>
<p>Derivatives and techniques</p> <p>The Merging Fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains.</p> <p>Usage: total return swaps expected 89%</p>	<p>Derivatives and techniques:</p> <p>The Receiving Fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains.</p> <p>Usage: total return swaps expected 300%</p>

<p>Strategy</p> <p>In actively managing the Merging Fund's portfolio, the management team takes long positions (such as ownership) to equities that it believes will increase in price and short positions to equities that it believes will decline in price.</p>	<p>Strategy</p> <p>In actively managing the Receiving Fund's portfolio, the management team takes long positions (such as ownership) to equities that it believes will increase in price and short positions to equities that it believes will decline in price in an attempt to exploit differences in stock prices and keep a low exposure to the market factors.</p>
<p>Investment manager(s): Nordea Investment Management AB</p> <p>Sub-Investment manager: Clarivest Asset Management LLC</p> <p>Base currency: USD</p>	<p>Investment manager(s): Nordea Investment Management AB</p> <p>Sub-Investment manager: Chicago Equity Partners LLC</p> <p>Base currency: USD</p>
<p>Risk Considerations</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>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"> - depositary receipt - derivatives - emerging and frontier markets - equity - hedging - leverage - securities handling - short position - taxation 	<p>Risk Considerations:</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 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>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"> - derivatives - equity - hedging - leverage - short position
<p>Global exposure calculation: Absolute VaR.</p> <p>Expected leverage 150%</p>	<p>Global exposure calculation: Absolute VaR.</p> <p>Expected leverage 400%</p>

<p>Investor Considerations</p> <p>Suitability The Merging Fund is suitable for all types of investors through all distribution channels.</p> <p>Investor profile Investors who understand the risks of the Merging Fund and plan to invest for at least 5 years.</p> <p>The Merging Fund may appeal to investors who:</p> <ul style="list-style-type: none"> • are looking for investment growth that has low correlation with equity markets and low currency risk in the base currency • are interested in exposure to global equity markets 	<p>Investor Considerations</p> <p>Suitability The Receiving Fund is suitable for all types of investors through all distribution channels.</p> <p>Investor profile Investors who understand the risks of the Receiving Fund and plan to invest for at least 5 years.</p> <p>The Receiving Fund may appeal to investors who:</p> <ul style="list-style-type: none"> • are looking for investment growth that has low correlation with equity markets • are interested in exposure to individual US equities 								
<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 1.50% for P and E Shares, 1.10 % for C Shares, 1.00% for I Shares and maximum 1.50% for the Q Shares.</p> <p>Performance fee</p> <table border="1" data-bbox="260 1361 743 1581"> <thead> <tr> <th>Share Classes</th> <th>Performance fee rate</th> </tr> </thead> <tbody> <tr> <td>C, E, I, P and Q Shares</td> <td>Hurdle LIBOR USD 3M + 10 %</td> </tr> </tbody> </table> 2. Depositary fee <p>The maximum depositary fee, not including transaction costs, is 0.125% a year.</p> 3. Administration fee <p>The Merging Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the</p> 	Share Classes	Performance fee rate	C, E, I, P and Q Shares	Hurdle LIBOR USD 3M + 10 %	<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 1.50% for P and E Shares, 0.95 % for C Shares 0.85% for I Shares and maximum 1.50% for the Q Shares.</p> <p>Performance fee</p> <table border="1" data-bbox="829 1361 1313 1581"> <thead> <tr> <th>Share Classes</th> <th>Performance fee rate</th> </tr> </thead> <tbody> <tr> <td>C, E, I, P and Q Shares</td> <td>Hurdle LIBOR USD 1M + 15 %</td> </tr> </tbody> </table> 2. Depositary fee <p>The maximum depositary fee, not including transaction costs, is 0.125% a year.</p> 3. Administration fee <p>The Receiving Fund shall pay an administration fee of up to 0.40% p.a., plus any VAT if applicable to the administrative</p> 	Share Classes	Performance fee rate	C, E, I, P and Q Shares	Hurdle LIBOR USD 1M + 15 %
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administrative agent.	agent.
4. Subscription and redemption fees :	Subscription and redemption fees :
Subscription fee : Up to 5.00 %	Subscription fee : Up to 5.00 %
Redemption fee: None	Redemption fee: None