

NOTICE OF MERGER TO SHAREHOLDERS OF

Nordea 1 – Danish Bond Fund and Nordea 1 – Danish Covered Bond Fund

We would like to inform you that the board of directors of Nordea 1, SICAV (the “**Board of Directors**”) has decided to merge **Nordea 1 – Danish Bond Fund** (the “**Merging Fund**”) with **Nordea 1 – Danish Covered Bond Fund** (the “**Receiving Fund**”) (the “**Merger**”).

The Merging Fund together with the Receiving Fund are hereinafter to be referred to as the “**Funds**” whereas Nordea 1, SICAV is to be referred to as the “**Company**”.

The Merger shall become effective on 9 June 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.

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 free of charges from the date of the notice until before 15:30 CET on 28 May 2020, as further described below in section 5.

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 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

- 1.1. The Board of Directors suggests an adjustment of fund offerings through the Merger. The development of the Merging Fund has not been satisfactory over the past years and the size of the Merging Fund has declined to a level of EUR 10.5 million as of end of January 2020. The Board of Directors believes that the Merging Fund has limited prospects for growth which could make continued operations economically inefficient.
- 1.2. Furthermore, the Merger aims to provide the benefit of greater fund size in the future and economies of scale.

2. Expected impact of the Merger on shareholders in 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 shareholders who have not exercised their right to request the redemption or switching 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 of the Receiving Fund with the ongoing charges illustrated below:

Nordea 1 – Danish Bond Fund			Nordea 1 - Danish Covered Bond Fund		
Share class	ISIN	Ongoing Charges	Share class	ISIN	Ongoing Charges
BP-DKK	LU0064319766	0.88%	BP-DKK	LU0076315968	0.87%
BP-EUR	LU0173778845	0.88%	BP-EUR	LU0173779223	0.87%
E-EUR	LU0173775239	1.62%	E-EUR	LU0173775403	1.62%
E-DKK	LU0173791350	1.62%	E-DKK	LU0173792754	1.62%
BP-GBP	LU0994686888	0.88%	BP-GBP	LU0994694122	0.87%

2.3. 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 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 held in the Merging Fund.

2.4. The key similarities and differences between the Merging Fund and the Receiving Fund are the following:

Similarities:

1. The investment objective, policy and strategy of the Merging Fund and the Receiving Fund are largely similar and lead to very similar market exposure, both Funds focusing on Danish fixed income market.
2. The base currency of both Funds is DKK.
3. The risk monitoring approach is the same for both Funds, i.e. the “Commitment” approach.
4. 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.
5. Both the Merging and the Receiving Fund are suitable for investors seeking to achieve exposure to bond markets.
6. The procedures that apply to matters such as dealing, subscription, redemption, switching and transferring of shares and the method of calculating the net asset value, are the same in the Merging Fund and in the Receiving Fund.
7. Share classes which are merging have the same risk and reward profile indicator (“SRRI”) in both Funds (category 3 except for GBP share class which is in category 4).
8. The management fees are the same in both Funds.

Key Differences:

1. The Receiving Fund’s main objective has a higher focus on covered bonds than the Merging Fund;
2. The past performance of the past 3 years, as shown in the KIIDs has been higher in the Receiving Fund than in the Merging Fund.
3. Details of main differences between the Merging Fund and the Receiving Fund are disclosed in Appendix I.

3. Expected impact of the Merger on the shareholders in 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 nor to the prospectus, 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 assets of the Receiving Fund will increase as a result of the transfer of the Merging Fund's assets and liabilities.

4. Portfolio impact

The assets that will be transferred from the Merging Fund to the Receiving Fund are already compliant with the investment policy of the Receiving Fund. Any risk of performance dilution of the Merging Fund is therefore expected to be limited.

5. Suspension in dealings

5.1. Shares of the Merging Fund can be subscribed until 28 May 2020 before 15h30 CET. As from 15h30 CET on 28 May 2020, the possibility to subscribe for shares in the Merging Fund will be suspended.

5.2. Shares of both Funds can be redeemed or switched free of charges from the date of the notice to shareholders until before 15h30 CET on 28 May 2020. At or after 15h30 CET on 28 May 2020, the possibility to redeem or switch shares free of charges will be suspended.

5.3. The shareholders of the Receiving Fund will not be impacted by the suspension in subscription in the Merging Fund.

5.4. The right to redeem and switch shares free of charges, for shareholders of both Funds, may be restricted by transaction fees charged by local intermediaries, which are independent from the Company and the management company (the "**Management Company**").

6. Valuation and exchange ratio

6.1. On 8 June 2020, the Management Company will calculate the net asset value per share class and determine the exchange ratio.

6.2. For the calculation of the exchange ratio, the rules for the calculation of the net asset value, laid down in the articles of incorporation and the prospectus of the Company, will apply to determine the value of the assets and liabilities of the Funds.

6.3. 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 Funds. The shares of the Merging Fund will then be cancelled.

6.4. 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 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 business day prior to the Effective Date.

6.5. The issue of new shares in the Receiving Fund in exchange for shares 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 shareholders in exchange for the shares.

7. Additional documents available

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

The shareholders of the Merging Fund and of the Receiving 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 the Management Company at: +352 27 86 51 00.

6 May 2020

Yours faithfully

On behalf of the Board of Directors

Appendix I

Key features of the Merging Fund and of the Receiving Fund

The Merging Fund Nordea 1 – Danish Bond Fund	The Receiving Fund Nordea 1 - Danish Covered Bond Fund
Investment objective and policy The Merging Fund's objective is to provide shareholders with investment growth in the medium to long term, while achieving above-market performance..	Investment objective and policy The Receiving Fund's objective is to provide shareholders with investment growth in the medium to long term while achieving above-market performance...
Eligible assets The Merging Fund mainly invests in Danish bonds. Specifically, the Merging Fund invests at least two-thirds of its total assets in debt securities that are issued by public authorities, or by companies or financial institutions that are domiciled, or conduct the majority of their business, in Denmark. The Merging Fund's main currency exposure is to the base currency, although it may also be exposed (through investments or cash) to other currencies.	Eligible assets The Receiving Fund mainly invests in Danish covered bonds. Specifically, the Receiving Fund invests a minimum of two-thirds of its total assets in covered bonds that are issued by public authorities, or by companies or financial institutions that are domiciled, or conduct the majority of their business, in Denmark. 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 Nordea Constant Maturity 5 Year Government Bond Index (for performance comparison).	Benchmark None.
Derivatives The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. The use of derivatives is not cost or risk free.	Derivatives The fund may use derivatives for hedging (reducing risks), efficient portfolio management and to seek investment gains. The use of derivatives is not cost or risk-free.
Strategy In actively managing the Merging Fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.	Strategy In actively managing the Merging Fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.

Investment manager(s): Nordea Investment Management AB	Investment manager(s): Nordea Investment Management AB
Base currency: DKK	Base currency: DKK
Risk Considerations 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 3 for all share classes except for the BP GBP share class which shows a SRII of 4. This means that the purchase of units in the Merging Fund is connected to medium risk of such fluctuations. Following risks are materially relevant to the UCITS but are not adequately captured by the synthetic indicator and may cause additional loss: - concentration - derivatives - prepayment and extension - covered bond - interest rate	Risk Considerations: 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 3. This means that the purchase of units in the Receiving Fund is connected to medium risk of such fluctuations. Following risks are materially relevant to the UCITS but are not adequately captured by the synthetic indicator and may cause additional loss: - concentration - covered bond - derivatives - prepayment and extension - interest rate
Global exposure calculation: commitment	Global exposure calculation: commitment
Investor Considerations Suitability The Merging Fund is suitable for all types of investors through all distribution channels. Investor profile Investors who understand the risks of the Merging Fund and plan to withdraw their money within a period of 3 years. The Merging Fund may appeal to investors who: • are looking for investment growth, • are interested in exposure to developed bond markets.	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 withdraw their money within a period of 3 years. The Receiving Fund may appeal to investors who: • are looking for investment growth, • are interested in exposure to developed bond markets.