

NOTICE TO SHAREHOLDERS

Nordea 2, SICAV – Emerging Market Hard Currency Enhanced Bond Fund
and
Nordea 1, SICAV – Emerging Market Bond Fund

We would like to inform you that the boards of directors of Nordea 1, SICAV (the “**Company**”) and Nordea 2, SICAV (both the “**Boards of Directors**”) have decided to merge Nordea 2 – Emerging Market Hard Currency Enhanced Bond Fund (the “**Merging Fund**”) with Nordea 1 – Emerging Market 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 February 2025 (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 charge, following the redemption and switch processes detailed in the prospectus, from the date of this notice until 15:30 CET on 3 February 2025, 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 advisors 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 proposed Merger of the Funds is a result of a continuous and proactive product management process. The aim of the process is to ensure that investors are offered up-to-date and high-quality investment fund products.
- 1.2 The reason for the Merger is to simplify the product offering within Nordea Group by adding assets to the Receiving Fund, the Merger should also provide the benefit of greater fund size.
- 1.3 There is a sufficient degree of similarity between the Funds in terms of objectives, and investor suitability, as illustrated in Appendix I.

Consequently, the Board of Directors believes that the Merger is in line with shareholders’ best interests.

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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 as of the Effective Date, and 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 switch 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 in the Receiving Fund with the management fees and other administrative or operating costs, transaction costs taken each year and the risk indicators as provided below.

Merging Fund					Receiving Fund				
Share class	ISIN	Man. fees and other admin. or op. costs	Transaction costs	Risk indicator	Share class	ISIN	Man. fees and other admin. or op. costs	Transaction costs	Risk indicator
BI- EUR	LU2852052633	0.24%	0.21%	3	BI-EUR	LU0772925276	0.68%	0.28%	3
BI- USD	LU2117762422	0.25%	0.21%	3	BI-USD	LU0772925789	0.68%	0.28%	3
BP- EUR	LU1160617913	0.75%	0.21%	3	BP - EUR	LU0772926084	1.29%	0.28%	3
BP- USD	LU1160618309	0.75%	0.21%	3	BP-USD	LU0772926670	1.29%	0.28%	3
HB-EUR	LU1160618721	0.76%	0.23%	3	HB-EUR	LU0772927215	1.29%	0.29%	3
HB- SEK	LU1160619026	0.76%	0.31%	3	HB-SEK	LU0772927645	1.29%	0.38%	3
HBI-DKK	LU1160616782	0.24%	0.26%	3	HBI-DKK	LU2921381641	0.68%	0.30%	3
HBI-EUR	LU1160616865	0.24%	0.23%	3	HBI-EUR	LU0772928023	0.68%	0.30%	3
HY- DKK	LU0994700200	0.04%	0.26%	3	HY- DKK	LU2919280482	0.06%	0.30%	3
HBF-EUR	LU2194942541	0.28%	0.23%	3	HBF-EUR	LU2919280219	0.72%	0.30%	3
HBF-SEK	LU2194942624	0.28%	0.32%	3	HBF-SEK	LU2919280300	0.72%	0.30%	3

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- 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 Please see section 4 for details concerning any impact on the Merging Fund's portfolio.
- 2.5 The key similarities and differences between the Merging Fund and the Receiving Fund are set out in Appendix I to this notice. There are notably the following key similarities between the Merging Fund and Receiving Fund:
- Both funds invest mainly in emerging market bonds denominated in hard currencies;
 - Both funds are compared against the same benchmark;
 - Both Funds are actively managed;
 - Both Funds are suitable for all types of investors through all distribution channels;
 - Both Funds have an investment holding period of at least 5 years;
 - 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 both Funds;
 - The base currency for both funds is USD;
 - The investment manager of both Funds is the same;
 - The global exposure calculation method is the commitment method for both Funds.
- 2.6 In terms of differences, the following should be highlighted:
- While both funds are actively managed, the Merging fund follows an enhanced indexing strategy where the active risk level is expected to be moderate in relation to the benchmark.
 - The Merging Fund is article 6 SFDR and the Receiving Fund is article 8 SFDR;
 - The Receiving Fund's fees are a bit higher than the Merging Fund because the Receiving Fund offers more diversification through deep analysis of a larger investment universe and of ESG characteristics.
- 2.7 Shareholders in the Merging Fund will be advised by means of notice 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.

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 attaching 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 or to the prospectus of the Company, nor in changes to the key investor document 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. Shareholders of the Receiving Fund will not bear any cost in relation with the Merger.

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4 Expected portfolio impact

- 4.1 Some of the assets to be transferred from the Merging Fund to the Receiving Fund are already compliant with the investment policy of the Receiving Fund. Holdings that are not aligned with the Receiving Funds investment policy, will be sold and transferred to the Receiving Fund in cash on the Effective Date. This may affect the portfolio and performance of the Merging Fund.
- 4.2 The cash that is expected 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 rebalancing of the portfolio of the Receiving Fund will take place, either before or after the Effective Date. As a result of the Merger and the level of cash transferred, the Receiving Fund might not be compliant with its investment objective and policy and investment restrictions on, and a few business days after, the Effective Date

5 Suspension in dealings

- 5.1 Shares of the Merging Fund can be subscribed, redeemed and switched to shares of the same or another share class of another fund of the Company, not involved in the Merger, subject to the conditions laid down in the prospectus, until 15:30 CET on 03 February 2025. After 15:30 CET on 03 February 2025 the possibility to subscribe, redeem and switch shares in the Merging Fund will be not accepted.
- 5.2 Shareholders of the Receiving Fund will not be impacted by the suspension of subscriptions, redemptions and switches in the Merging Fund.
- 5.3 Shares of both Funds can be redeemed or switched to shares of the same or another share class of another fund of the Company, not involved in the Merger, free of charge from the date of this notice until 15:30 CET on 03 February 2025. After 15:30 CET on 03 February 2025, the possibility to redeem or switch shares free of charge will be suspended.
- 5.4 The right to redeem and switch shares free of charge, for shareholders of both Funds, may be subject to transaction fees charged by local intermediaries, which are independent from the Company and the management company, Nordea Investment Funds S.A. (the "**Management Company**").

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 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.

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6.5 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.

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

7 Additional documents available

7.1 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 charge upon request at the registered office of the Company.

8 Costs of 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

Professional and institutional shareholders having any question relating to the Merger should not hesitate to contact their usual professional advisor or intermediary or their local client services office via nordea.lu or at nordeafunds@nordea.com. Retail investors having any question relating to the Merger should contact their usual financial advisor.

Yours faithfully

On behalf of the Board of Directors

03 January 2025

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Appendix I

Key features of the Merging Fund and of the Receiving Fund

The Merging Fund	The Receiving Fund
<p>Objective</p> <p>To provide shareholders with investment growth in the medium to long term.</p>	<p>Objective</p> <p>To provide shareholders with investment growth in the medium to long term.</p>
<p>Investment policy</p> <p>The fund mainly invests in emerging market bonds denominated in hard currencies.</p> <p>Specifically, the fund invests at least two thirds of total assets in debt securities, and credit default swaps, that are denominated in hard currencies (such as USD and EUR).</p> <p>These securities are issued by public authorities or quasi-sovereign issuers, or by companies that are domiciled, or conduct the majority of their business, in emerging markets.</p> <p>The Fund is allowed to invest directly into Chinese Debt Securities via CIBM or via Bond Connect.</p> <p>The 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>Investment policy</p> <p>The fund mainly invests in emerging market bonds.</p> <p>Specifically, the fund invests at least two thirds of total assets in debt securities that are denominated in hard currencies (such as USD and EUR).</p> <p>These securities are issued by public authorities, or by companies that are domiciled or conduct the majority of their business, in emerging markets.</p> <p>The fund may be exposed (through investments or cash) to other currencies than the base currency.</p>
<p>SFDR related information</p> <p>Article 6 SFDR</p>	<p>SFDR related information</p> <p>Article 8 SFDR</p>
<p>Benchmark</p> <p>JP Morgan Emerging Market Bond Index Global Diversified. For performance comparison only. Risk characteristics of the Merging Fund's portfolio will bear resemblances to those of the benchmark.</p>	<p>Benchmark</p> <p>JP Morgan Emerging Markets Bond Index Global Diversified. For performance comparison only. Risk characteristics of the Receiving Fund's portfolio may bear some resemblance to those of the benchmark.</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>See section "Derivatives the funds can use" in the prospectus.</p> <p>Usage of TRSs: None expected</p> <p>Usage of techniques and instruments: None expected</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. See section "Derivatives the funds can use" in the prospectus.</p> <p>Usage of TRSs: None expected</p> <p>Usage of techniques and instruments: None expected</p>
<p>Strategy</p> <p>In actively managing the fund's diversified portfolio, the management team selects securities that appear to offer superior investment opportunities. The Enhanced fund is actively managed where the active risk level is expected to be moderate in relation to the benchmark.</p>	<p>Strategy</p> <p>In actively managing the fund's portfolio, the management team selects securities that appear to offer superior investment opportunities.</p>

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<p>Suitability</p> <p>The Merging Fund is suitable for all types of investors through all distribution channels.</p> <p>Investor profile</p> <p>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 with a diversified investment approach • are interested in exposure to global bond markets 	<p>Suitability</p> <p>The Receiving Fund is suitable for all types of investors through all distribution channels.</p> <p>Investor profile</p> <p>Investors who understand the risks of the 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 • want to invest in a fund with environmental and/or social characteristics, and that considers principal adverse impacts on sustainability factors, and with a minimum percentage of sustainable investment • are interested in exposure to developed bond markets.
<p>Risk considerations</p> <p>Read the “Risk Descriptions” section of the Prospectus carefully before investing in the fund, with special attention to the following:</p> <ul style="list-style-type: none"> • Country risk – China • Credit • Derivatives • Emerging and frontier markets • Interest rate • Liquidity • Prepayment and extension • Securities handling • Sustainability risk • Taxation 	<p>Risk considerations</p> <p>Read the “Risk Descriptions” section of the Prospectus carefully before investing in the fund, with special attention to the following:</p> <ul style="list-style-type: none"> • Credit • Currency • Derivatives • Interest rate • Prepayment and extension • Securities handling • Sustainability • Taxation
<p>Risk indicator: Please see section 3.1 above.</p>	<p>Risk indicator: Please see section 3.1 above.</p>
<p>Global exposure calculation: Commitment</p>	<p>Global exposure calculation: Commitment</p>
<p>Investment manager: Nordea Investment Management AB</p>	<p>Investment manager: Nordea Investment Management AB</p>
<p>Sub-investment manager: Metlife Investment Management, LLC.</p>	<p>Sub-investment manager: Metlife Investment Management, LLC.</p>
<p>Base currency: USD</p>	<p>Base currency: USD</p>

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<p>Fees charged to the Merging Fund The Merging Fund shall bear the following fees:</p> <p>Management fees and other administrative or operating costs taken each year</p> <p>Transaction costs: Please see section 3.1 above</p> <p>Performance fee No performance fee is due</p> <p>Entry and exit charges: Entry charge: up to 3% Exit charge: 0%</p> <p>Distribution fee 0.75% for E-shares</p>	<p>Fees charged to the Receiving Fund The Receiving Fund shall bear the following fees:</p> <p>Management fees and other administrative or operating costs taken each year</p> <p>Transaction costs: Please see section 3.1 above</p> <p>Performance fee No performance fee is due</p> <p>Entry and exit charges: Entry charge: up to 3% Exit charge: 0%</p> <p>Distribution fee 0.75% for E-shares</p>
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