

**PROSPECTUS**

**Nordea Funds Ltd**

**13.9.2022**

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The Key investor information documents (KIDs), official fund prospectus, rules, annual and semi-annual reports of the Nordea funds registered in Finland are available free of charge at Nordea branches, on the Internet at [www.nordea.fi/funds](http://www.nordea.fi/funds) and at Nordea Funds Ltd.

**Prospectus and other material on funds**

The fund prospectus includes general and fund-specific information about the Nordea investment funds managed by Nordea Fund Ltd in Finland. According to the Finnish Act on Common Funds, the statutory fund material is composed of this official prospectus and each fund's Key Investor Information Documents (KIIDs) and rules.

Before making an investment decision, investors are advised to familiarise themselves with the official prospectus and the fund's KIID as well as the rules, which together constitute the whole.

**Investment fund**

"Investment fund" refers to an investment portfolio mainly consisting of securities. The owners of an investment fund are the persons, organisations and foundations having invested assets in the fund. The ownership in an investment fund is fractional. The investment fund is managed by a management company.

The finances of an investment fund are kept separate from the assets of other investment funds, the management company, Nordea Bank Abp or Nordea Group. The assets of a fund cannot be used to cover the debts of the management company or the bank. A fund cannot go bankrupt, but depending on the market situation, the value of a fund unit can increase or decrease.

Subscriptions and redemptions of fund units are executed at the net asset value (NAV) of the unit, which is calculated on every banking day by deducting the liabilities from the market value of the fund's assets, and dividing the resulting net value by the number of outstanding fund units. The cut-off time for fund orders and the valuation times of funds are described in the rules.

**Nordea Funds Ltd**

Nordea Funds Ltd and its branches in Norway, Sweden and Denmark are responsible for managing Nordea's funds registered in Finland, Norway, Sweden and Denmark.

Nordea Funds Ltd (the 'Management Company') operates under a licence (UCITS licence) granted by the Ministry of Finance of Finland. The Management Company is engaged in investment fund operations and other activities materially related to them.

The Finnish Financial Supervisory Authority has granted the Management Company a licence (AIFM licence) to act as an alternative investment fund manager (AIFM) pursuant to the Finnish Act on Alternative Investment Funds Managers.

The Management Company invests assets acquired from the public on behalf of unitholders in accordance with the fund rules approved by the Finnish, Danish, Norwegian and Swedish Financial Supervisory Authorities. The Management Company acts in its own name on behalf of each fund and exercises the rights related to the assets in the fund.

**Basic information on Nordea Funds Ltd**

Established	11.2002
Nordea Funds Ltd	12.12.2013–
Nordea Investment Fund Company Finland Ltd	17.1.2003–11.12.2013
Nordea Fondbolag Finland Ab	28.6.2002–16.1.2003
Nordea FM Holding Ab	2.1.2002–27.6.2002
<b>Company name</b>	<b>Nordea Funds Ltd</b>
Domicile	(registered on 12.12.2013 in Finland)
Share capital	Helsinki
Visiting address	EUR 3,350,000.00
Postal address	Aleksis Kiven katu 7, 00500 Helsinki
	Satamaradankatu 5, FI-00020
Business Identity Code	NORDEA, Helsinki
	1737785-9
Managing Director	Tanja Eronen
Deputy Managing Director	Josefin Degerholm

**Board of Directors**

Jukka Perttula, Chairperson Finnish citizen Professional Board Member
Torolf Aadnesen* Norwegian citizen Senior Vice President Stiftelsen Det Norske Veritas
Søren Thorius Mølhave Andresen Danish citizen Head of COO and Funds, Nordea Asset & Wealth Management
Lotta Bourgoin Swedish citizen Deputy Head of Business Banking Sweden, Nordea
Miriam Grut Norrby* Swedish citizen Partner, Alfvén&Didrikson AB
Per Långsved Swedish citizen Head of Personal Banking Sweden & Country Senior Executive, Nordea
Vesa Ollikainen Finnish citizen Head of Investment Center, Nordea Asset & Wealth Management
Marianne Philip*, Vice Chairperson Danish citizen Attorney-at-Law, Partner, Kromann Reumert
Reima Rytölä* Finnish citizen CEO, Solidium Oy

\* an independent board member

The Management Company has a branch in Denmark:

**Nordea Fund Management, Filial af  
Nordea Funds Oy, Finland**  
Strandgade 3, 1401 København K

Rasmus Eske Bruun is responsible for the operations of the branch  
Organisation number 35640851

The Management Company has a branch in Norway:

**Nordea Funds, Norwegian branch**  
Essendrops gate 7, 0368 Oslo

Nicolay Eger is responsible for the operations of the branch  
Organisation number 912651045

The Management Company has a branch in Sweden:

**Nordea Funds Ab, Svensk filial**  
Mäster Samuelsgatan 21, M541  
105 71 Stockholm

Maria Rengefors is responsible for the operations of the branch  
Organisation number 516408-8782

**Auditors of Nordea Funds Ltd and the Nordea funds registered in Finland**

- PricewaterhouseCoopers Oy, Firm of Authorised Public Accountants
- principal auditor Taru Mäenpää, Authorised Public Accountant
- deputy auditor Jukka Paunonen, Authorised Public Accountant

**Agents used by the Management Company**

The Management Company is entitled to use external management and advisory services, such as portfolio management, accounting, IT and subscription and redemption services, in its investment fund operations.

The Management Company has outsourced the portfolio management and a part of the fund administration to Nordea Investment Management AB as well as entered into an agreement with Nordea Investment Management AB concerning the distribution of funds towards institutional customers.

The Management Company has outsourced the maintenance of the unitholder register and a part of the fund administration to Nordea Investment Funds S.A.

The Management Company has concluded an agreement with Nordea Bank Abp and Nordea Bank Abp, filial i Sverige as well as Nordea Bank Abp, filial i Norge on the distribution of funds in the Nordic countries. As distributors the banks also handle the keeping of the unitholder register for unitholders who have made subscriptions through them.

In addition, the Management Company has concluded an agreement based on which Nordea Investment Funds S.A. is the main distributor regarding the distribution in third party channels. The Management Company has also concluded distribution agreements with other co-operation partners.

Further, the Management Company has partly outsourced the maintenance of unitholder register to MFEX Mutual Funds Exchange AB and EAB Asset Management Ltd which handles the maintenance of the unitholder register of the unitholders who have made subscriptions through them.

Furthermore, the Management Company has outsourced the following functions either in full or in part to Nordea Bank Abp: bookkeeping and other financial administration of the Management Company and its branches.

#### About Management Company's Remuneration Policy

Nordea Funds Ltd has a comprehensive approach to compensation that recognises the importance of well-balanced, parallel remuneration structures, based on business and local market needs. It is equally important that remuneration is being consistent with and promoting sound and effective risk management not encouraging excessive risk-taking or counteracting Nordea's long-term interests or the interests of the funds managed by Nordea Funds Ltd.

The Board of Directors of the Management Company decides on the Remuneration policy.

The Nordea Funds Ltd's Remuneration Committee evaluates the remuneration policy and practices.

Information on the Remuneration Policy and Remuneration Committee of Nordea Funds Ltd is also available at [www.nordea.fi/funds](http://www.nordea.fi/funds).

Investors may receive, free of charge and upon request, the prospectus in durable medium.

#### Trading in fund units

Subscription and redemption orders are received in Finland on every banking day at all Nordea branches providing investment services and at Nordea Investment Management AB, Finnish branch, during their office hours. Orders can also be given with Nordea's Netbank access codes by calling Nordea Customer Service 24/7 and in Nordea's Netbank on the Internet.

The Management Company may issue units before the fund receives the subscription payment if it can be ensured that the payment will be made to the fund within the time limit normally applied in the market. Different distributors may have different practises in order to ensure payment.

#### About trading in funds and cut-off times

**The cut-off time is the time when the fund's transaction date changes.** In most funds, the cut-off time is 16.30 Finnish time.

**N.B.** The feeder funds Nordea Conservative Yield Fund, Nordea China Fund, Nordea European Stars Fund and Nordea India Fund are exceptions, and their cut-off time is 15.00 Finnish time.

As for fund orders of funds which are solely targeted at the Norwegian market and/or where the distributor is the Nordea branch network in Norway, the cut-off time is usually 11.00 Finnish time.

As for fund orders of funds which are solely targeted at the Swedish market and/or where the distributor is the Nordea branch network in Sweden, the cut-off time is usually 16.30 Finnish time.

Other distributors within Nordea or external distributors/ intermediaries might apply different cut-off times which may be earlier than the official cut-off time. Cut-off times can be clarified from the distributor/intermediary in question.

#### *Nora feeder and master funds and their cut-off times*

The cut-off time of the Nora feeder funds is 11.00 Finnish time in Norway and 13.00 Finnish time in Sweden and Finland. The cut-off time of the Nora master funds is 15.00 Finnish time.

#### *ESG-enhanced feeder and master funds and their cut-off times*

##### *Fixed-income funds*

The cut-off time of the feeder fund Nordea Bærekraftige Obligasjoner Global Fund (NOK) is 11.00 Finnish time in Norway and that of the feeder fund Nordea Hållbarhetsfond Obligationer Global Fund (SEK) 13.00 Finnish time in Sweden. The cut-off time of the master fund Nordea Sustainable Fixed Income Global Fund is 15.00 Finnish time.

##### *Balanced funds*

The cut-off time of the Nordea Sustainable Selection (NOK) feeder funds is 11.00 Finnish time in Norway and that of the feeder funds Nordea Sustainable Selection (SEK) 13.00 Finnish time in Sweden. The cut-off time of the Nordea Sustainable Selection master funds is 15.00 Finnish time.

Information on the cut-off times of the funds is available in the fund-specific and common fund rules.

#### Execution and payment of fund orders

##### *Ordinary funds*

Subscription- and redemption orders given before the cut-off time are normally executed during the same bank day. If the order is given after the cut-off time or on a day that is not a bank day, it will be executed during the next banking day.

Cut-off time of orders	Execution (T)	Transfer of proceeds from/to account
16.30 Finnish time	Any order received before the cut-off time will be executed during the same banking day	T+2

Redemption/subscription proceeds will be transferred two banking days from the redemption/subscription (T+2).

##### *Delayed funds*

Some funds are so called delayed funds, where fund orders and unit valuation times differ from normal funds.

In delayed funds, Nordea Asian Stars Fund, Nordea Emerging Market Equities Fund and Nordea Japan Fund, redemption and subscription orders received before the cut-off time, will be executed during the following banking day.

Cut-off time of orders	Execution (T)	Transfer of proceeds from/to account
16.30 Finnish time	Any order received before the cut-off time will be executed on the following banking day.	T+2

Redemption/subscription proceeds will be paid two banking days from the redemption/subscription (T+2).

**Examples of subscriptions and redemptions**

<b>Ordinary funds</b>	
Subscription	The order is given on Friday at 16.00. The subscription is executed on Friday and the subscription amount is debited from the account on Tuesday.
Redemption	The order is given on Friday at 16.00. The redemption is executed on Friday and the redemption amount is credited to the account on Tuesday.
<b>Delayed funds</b>	
Subscription	The order is given on Friday at 16.00. The subscription is executed on Monday and the subscription amount is debited from the account on Wednesday.
Redemption	The order is given on Friday at 16.00. The redemption is executed on Monday and the redemption amount is credited to the account on Wednesday.

**Trading in fund units in certain funds**

In certain funds, the process for execution of orders and payment of units differ from the above. The exceptional redemption and payment processes are described later in this prospectus under the header Information about the special characteristics of certain funds. An example of these funds is Nordea European Smaller Companies.

Information on subscription and redemption orders, execution of them and any exceptions from these concerning the funds are even laid down in the fund-specific rules and the common fund rules.

**Exceptional situations referred to in the common fund rules****– Exceptional market circumstances**

Funds can be subject to for instance a liquidity risk, which means the risk that the fund's investments cannot be converted into cash within the planned time frame or at the desired price. This may affect the performance of the NAV per unit, if the fund's investments have to be disposed at a disadvantageous time.

A liquidity risk can occur in exceptional market conditions when, for example, certain securities are not actively traded or their buy and sell quotations differ greatly or are missing entirely. In such a case, redemption of fund units may last longer than normally, and redemptions can be suspended in certain situations.

The Management Company can temporarily suspend the redemption of units, if the market place which, according to its investment policy, can be considered the fund's main market place is closed for an unpredictable reason, or if trading in this market place has been restricted, or if disturbances occur in normal data transfer.

**– Significant total amount of redemption orders**

As a rule, the amount of redemption orders considered to be significant is 10% of the value of the fund. It is however possible to deviate from this 10% limit in situations where the fund receives a single redemption order or several redemption orders, the execution of which, taking into account the special characteristics of the fund, according to a normal time frame would be against the interest of those unitholders who remain in the fund.

Such a special situation refers, for instance, to a situation where exceptional market conditions prevail and where, in addition to several small orders, the fund also receives a large redemption just before the cut-off time of trading in the fund units.

**– Postponement of execution date of redemptions**

If the total amount of redemption orders is significant in relation to the value of the Fund, the Management Company may postpone the execution date of either all or certain redemption orders in such a way that redemption orders can be executed either in full or partially at a later stage.

The execution date of redemption orders may be postponed by a maximum of eight banking days.

**– Redemption without a client order**

The Management Company may redeem the fund units of a unitholder at its own initiative if there is a compelling reason arising from the unitholder's ownership in the Fund, due to which the Fund may face obligations that the Management Company cannot reasonably

be expected to fulfil. A compelling reason may arise, for example, when:

- the unitholder is placed on an international or national sanctions list and any violation of such sanctions would probably result in significant damage to the Management Company's operations or result in the Management Company violating the legislation or official regulations governing its operations;
- the unitholder does not provide the required data for knowing and identifying them;
- the unitholder's holding may cause damage to other unitholders;
- for the unitholder in question, holding fund units is against the legislation of Finland or another country or against regulations issued under such legislation;
- the unitholder moves to a country that causes significant additional reporting or an obligation for the Management Company to register or carry out other measures, which it would not otherwise have;
- the unitholder is a natural person or a legal entity or another legal arrangement that is a US person (as defined in Regulation S of the United States Securities Act of 1933).

**Growth (accumulation) and distribution units**

The units in a certain unit series (A, B, I, P, S, Y) can be divided into growth units (accumulation unit) and distribution units (unit classes) on the basis of the fund-dividend distribution policy. All the unit series can include both growth and distribution units.

- The income accumulated on the growth units is reinvested and increases the value of the growth units
- **For a private person, it is usually worthwhile to invest in growth units** unless annual income is needed. In the case of growth units, the potential capital gain will not be subject to capital income taxation until the fund units are redeemed. When saving regularly into funds, growth units are also a natural choice.
- **Distribution units are best suited for the investment needs of foundations and similar non-profit organisations.**

**Exchange of unit class**

Distribution units can be exchanged for growth units without charge and vice versa. Exchange of a unit class within the same fund is not comparable to sales of units and is not subject to taxation based on the fact that no capital gain will be generated. When switching from one fund into another fund managed by the same management company, capital gain or loss can be generated.

**Fund unit register**

All the Fund's units are entered in a fund unit register, and if so requested by unitholders or nominees, the transfers of fund units are registered. The holder of the fund units registered by the nominee cannot be Finnish.

**Marketing funds in other countries**

Fund units are not intended to be marketed or subscribed for in countries other than those in which an appropriate notification of the start of marketing of the fund has been made in accordance with the regulation governing the notification of marketing of a fund.

In Sweden, Nordea Bank Abp, filial i Sverige accepts subscriptions for fund units in the Swedish krone. Only the distributor with whom the units were originally subscribed for can receive redemption orders for fund units. In addition, subscription and redemption orders are transmitted at locations approved by the Board of Directors of the Management Company.

In Norway, subscription and redemption orders are received at a location approved by the Board of Directors of the Management Company. The fund's subscription currency is the Norwegian krone. In Denmark, subscription and redemption orders are received at a location approved by the Board of Directors of the Management Company. The fund's subscription currency is the Danish krone.

**Depository of the Nordea funds registered in Finland**

The safekeeping of an investment fund's assets is entrusted to a depository which on the basis of its primary business area is a credit institution.

The assets of an investment fund are kept separate from the assets of other investment funds, the Management Company and the depository. The finances of the Management Company are fully separated from the assets of the fund and the fund's assets cannot be used to cover the debts of the management company or the depository. A fund cannot go bankrupt, but depending on the market situation, the value of a fund unit can increase or decrease.

The Board of Directors of the Management Company has appointed J.P. Morgan SE – Helsinki branch as depositary (the 'Depository') in relation to the funds' assets under a depositary and custodian agreement and as amended from time to time (the 'Agreement').

J.P. Morgan SE has the legal form of a European Company under the laws of the Federal Republic of Germany. Its registered office is Taunustor 1, 60310 Frankfurt am Main, Germany, and the registered office of the Branch is in Aleksanterinkatu 44 A, 00100 Helsinki and its domicile is in Helsinki.

The Depository shall perform all the duties and obligations of a depository under the relevant laws and regulations on investment funds with respect to each fund.

The Agreement is concluded for an indefinite period of time and may be terminated by the Management Company with three months' notice. Before maturity of said notice period, the Management Company shall indicate the name of a new depository which fulfils the requirements of the laws and regulations on the investment funds and alternative investment funds, and to which the assets shall be transferred, and which shall take over its duties as the funds' depository from the Depository. Until the replacement is appointed, the Depository shall continue to perform the services under the Agreement and as required by a custodian or depository pursuant to applicable law.

The Depository will be responsible for the safekeeping and ownership verification of the assets of the funds, cash flow monitoring and oversight in accordance with the relevant laws and regulations on investment funds and alternative investment funds. In carrying out its role as depository, the Depository shall act independently from the investment funds and the Management Company and solely in the interest of the fund and the funds' unitholders.

In accordance with the provisions of the Agreement and the relevant laws and regulations on investment funds and alternative investment funds, the Depository may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties to one or more third party delegates, including sub-custodians, appointed by the Depository from time to time. Such delegated duties may only include custody and ownership verification in accordance with the relevant laws and regulations on investment funds and alternative investment funds.

When selecting and appointing a delegate, the Depository shall exercise all due skill, care and diligence as required by the relevant laws and regulations on investment funds and alternative investment funds to ensure that it entrusts the Management Company's assets only to a delegate who may provide an adequate standard of protection. The Depository's liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

As part of the normal course of global custody business, the Depository may from time to time enter into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services.

Conflicts may arise from time to time between the Depository and its safekeeping delegates, for example, where an appointed delegate is an affiliated group company and is providing a product or service to a fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the funds e.g. foreign exchange, securities

lending, pricing or valuation services. In the event of any potential conflict of interest which may arise during the normal course of business, the Depository will at all times have regard to its obligations under applicable laws.

Up-to-date information will be made available to investors on request from the Management Company, namely information regarding the identity of the Depository, a description of its duties and of conflicts of interests that may arise, a description of any safekeeping functions delegated by the Depository, the list of delegates and sub-delegates.

The compensation for safekeeping paid by the Management Company to the Depository consists in all funds registered in Finland of a safe custody fee and a transaction fee. The safe custody fee is a certain percentage of the market value of the securities in custody or their underlying assets. These fees vary by country. The transaction fees are based on the number and type of transactions. For alternative investment funds, the Management Company pays a fiduciary fee in addition to the above-mentioned safe custody and transaction fees. This fiduciary fee is a certain percentage of the value of the alternative investment fund.

The Depository will have no discretion in the decision-making process relating to the fund's investments. The Depository is a service provider to the Management Company and is not responsible for the preparation of this document and therefore accepts no responsibility for the accuracy of any information contained in this document.

**Overall objective of the Nordea funds' ownership policy**

The Nordea funds have issued their corporate governance guidelines in 2001. The guidelines specify what the Management Company expects from the companies in which the assets of the funds managed by the Management Company are invested in.

Nordea Funds Ltd is convinced that companies' focus on corporate governance issues will have a positive impact on their share price performance and provide added value both to the company shareholders and the unitholders of the funds.

In their corporate governance guidelines, the Nordea funds emphasise that communication between a company and its shareholders should be transparent. The principles of openness and clarity also apply to the composition of the Board of Directors.

An important element in the funds' ownership responsibility is to promote good corporate governance in the companies the funds invest in and to see to the joint interests of the unitholders. The aim is to improve the return on the fund investment and to contribute to the functionality and reliability of capital markets.

Read more about the Nordea funds' corporate governance guidelines on the Internet at [www.nordea.fi/funds](http://www.nordea.fi/funds).

**Risks relating to fund investment**

All investments involve risk.

The risk descriptions below cover the main risk factors related to the funds. A fund could potentially be affected by risks beyond those described here, nor are these risk descriptions themselves intended to be exhaustive. Each risk is described as if for an individual fund.

Any of these risks could cause a fund to lose money, to perform less well than similar investments or a benchmark, to experience high volatility (ups and downs in NAV per unit), or to fail to meet its objective over any period of time.

**Concentration risk**

To the extent that the fund invests a large portion of its assets in a limited number of industries, sectors, or issuers, or within a limited geographical area, it can be more risky than a fund that invests more broadly.

Focusing on any company, industry, sector, country, region, type of stock, type of economy, etc. makes the fund more sensitive to the factors that determine market value for the area of focus. These factors may include economic, financial or market conditions as well as social, political, environmental or other conditions. The result can be both higher volatility and a greater risk of loss.

#### *Counterparty risk*

Any entity with which the fund does business could become unwilling or unable to meet its obligations to the fund.

If a counterparty becomes bankrupt, the fund could lose some or all of its money and could experience delays in getting back securities or cash that were in the possession of the counterparty. This could mean the fund is unable to sell the securities or receive the income from them during the period in which it seeks to enforce its rights, a process that itself is likely to create additional costs. In addition, the value of the securities could fall during the period of delay.

Agreements with counterparties can be affected by liquidity risk and operational risk (including the risk of human error and criminal activity), either of which could cause losses or limit the fund's ability to meet redemption requests.

Because counterparties are not liable for losses caused by a "force majeure" event (such as a serious natural or human-caused disaster, riot, terrorist act or war), such an event could cause significant losses for which the fund would likely have no recourse.

#### *Credit risk*

A bond or money market security, whether from a public or private issuer, could lose value if the issuer's financial health deteriorates. This risk is greater the lower the credit quality of the debt, and the greater the fund's exposure to below investment grade bonds.

Certain high yield bonds rated Ba1 or BB+ and below by some Rating Agencies are very speculative, involve comparatively greater risks than higher quality securities, including price volatility, and may be questionable as to principal and interest payments. Compared to higher-rated securities, lower rated high yield bonds generally tend to be more affected by economic and legislative developments, changes in the financial condition of their issuers, have a higher incidence of default and be less liquid. Certain funds may also invest in high yield bonds placed by emerging market issuers that may be subject to greater social, economic and political uncertainties.

In extreme cases, a debt security could go into default, meaning the issuers or guarantors of certain bonds could become unable to make payments on their bonds.

If the financial health of the issuer of a bond or money market security weakens, or if the market believes it may weaken, the value of the bond or money market security may fall or become more volatile, and it may become illiquid.

Below investment grade bonds are considered speculative. Compared to investment grade bonds, the prices and yields of below investment grade bonds are more sensitive to economic events and more volatile, and the bonds are less liquid.

Debt issued by governments and government-owned or -controlled entities can be subject to many risks, especially in cases where the government is reliant on payments or extensions of credit from external sources, is unable to institute the necessary systemic reforms or control domestic sentiment, or is unusually vulnerable to changes in geopolitical or economic sentiment. Even if a government issuer is financially able to pay off its debt, investors may have little recourse should it decide to delay, discount or cancel its obligations. Debt issued by corporations is usually less liquid than debt issued by government or supranational entities.

Bonds that are in default may become illiquid or worthless. Trying to recover principal or interest payments from a defaulted issuer can be difficult, particularly if the bonds are unsecured or subordinate to other obligations, and can involve additional costs.

#### *Currency risk*

To the extent that the fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses, in some cases significantly.

Exchange rates can change rapidly and unpredictably, and it may be difficult for the fund to unwind its exposure to a given currency in time to avoid losses. Changes in exchange rates can be influenced by such factors as export-import balances, economic and political trends, governmental intervention and investor speculation.

Intervention by a central bank, such as aggressive buying or selling of currencies, changes in interest rates, restrictions on capital movements or a "de-pegging" of one currency to another, could cause abrupt or long-term changes in relative currency values.

#### *Custody risk*

The depositary, and any entity to whom custody of fund assets is further delegated, are all considered counterparties and are subject to counterparty risk. In addition, because cash deposits are not segregated at the depositary or sub-custodian level, these assets would be at greater risk in the event of a bankruptcy or other failure of any of these parties.

#### *Derivatives risk*

Small movements in the value of an underlying asset can create large changes in the value of a derivative, making derivatives highly volatile in general, and exposing the fund to potential losses significantly greater than the cost of the derivative.

Derivatives are subject to the risks of the underlying asset(s) as well as carrying their own risks. Some of the main risks of derivatives are:

- the pricing and volatility of some derivatives, in particular credit default swaps (CDS), may diverge from the pricing or volatility of their underlying reference(s)
- in difficult market conditions, it may be impossible or unfeasible to place orders that would limit or offset the market exposure or financial losses created by some derivatives
- using derivatives involves costs that the fund would not otherwise incur
- changes in tax, accounting, or securities laws could cause the value of a derivative to fall or could force the fund to terminate a derivative position under disadvantageous circumstances
- any hedging measures that the fund takes with derivatives that are designed to offset specific risks may work imperfectly, and they may not be feasible at all times.

*Exchange-traded derivatives* Trading in these derivatives or their underlying assets could be suspended or subject to limits. There is also a risk that settlement of these derivatives through a transfer system may not happen when or as expected.

*OTC derivatives — non-cleared* Because OTC derivatives are in essence private agreements between a fund and one or more counterparties, they are less highly regulated than market-traded securities. They also carry greater counterparty and liquidity risks. If a counterparty ceases to offer a derivative that a fund had been planning on using, the fund may not be able to find a comparable derivative elsewhere and may miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

*OTC derivatives — cleared* Because these derivatives are cleared on a trading platform, their liquidity risks are similar to those for exchange-traded derivatives. However, they still carry counterparty risk that is similar to non-cleared OTC derivatives.

#### *Emerging and frontier markets risk*

Emerging and frontier markets are less established, and more volatile, than developed markets. They involve higher risks, particularly market, credit, legal and currency risks, and are more likely to experience risks that, in developed markets, are associated with unusual market conditions, such as liquidity and counterparty risks.

Reasons for this higher level of risk include:

- political, economic, or social instability
- economies that are heavily reliant on particular industries, commodities, or trading partners
- high or capricious tariffs or other forms of protectionism
- quotas, regulations, laws, restrictions on repatriation of monies, or other practices that place outside investors (such as the fund) at a disadvantage
- changes in laws or failure to enforce laws or regulations, to provide fair or functioning mechanisms for resolving disputes or pursuing recourse, or to otherwise recognise the rights of investors as understood in developed markets
- excessive fees, trading costs, taxation, or outright seizure of assets
- inadequate reserves to cover issuer or counterparty defaults
- incomplete, misleading, or inaccurate information about securities and their issuers
- non-standard or sub-standard accounting, auditing or financial reporting practices
- markets that are small and have low trading volumes, and consequently can be vulnerable to liquidity risk and to manipulation of market prices
- arbitrary delays and market closures
- less developed market infrastructure that is unable to handle peak trading volumes
- fraud, corruption and error
- increased sustainability risk

In certain countries, securities markets may also suffer from impaired efficiency and liquidity, which may worsen price volatility and market disruptions. To the extent that emerging markets are in different time zones, and may have different trading days, these risks could be compounded for the fund if it is not able to react in a timely fashion to price movements that occur when the fund is not open for business.

For purposes of risk, the category of emerging markets includes markets that are less developed, such as most countries in Asia, Africa, Latin America and Eastern Europe, as well as countries such as China and India that have successful economies but may not offer the highest levels of investor protection. Frontier markets are the least developed of the emerging market countries. The list of emerging and less developed markets is subject to continuous change.

#### *Equity risk*

Equities can lose value rapidly, and typically involve higher (often significantly higher) market risks than bonds or money market instruments.

If a company goes through bankruptcy or a similar financial restructuring, its equities may lose most or all of their value.

Initial public offerings (IPOs) can be highly volatile and can be hard to evaluate because of a lack of trading history and relative lack of public information.

#### *Event risk*

Unpredictable events for which the contracting parties are not liable and which cause unpredictable and insurmountable consequences that are independent of agreements and cause a risk of the discontinuation of operations are called force majeure events. For instance, severe natural catastrophes, uprisings, strikes and states of war can be considered force majeure events.

The realisation of force majeure risks may have a significant effect, for example, on the prices of the securities in the fund's portfolio or on the fund's possibility to engage in securities trade. Consequently, the realisation of force majeure risks may impact the execution schedule of fund redemptions.

#### *Interest-rate risk*

When interest rates rise, bond values generally fall. This risk is generally greater the longer the maturity or duration of the bond investment.

#### *Leverage risk*

The fund's high net exposure to certain investments could make its share price more volatile.

To the extent that the fund uses leverage to increase its net exposure to any market, rate, basket of securities or other financial reference source, fluctuations in the price of the reference source will be amplified at the fund level.

#### *Liquidity risk*

Certain securities may be hard to value or to buy or sell at a desired time and price, especially in larger quantity. In addition, temporary market conditions could cause any security to become hard to value or to sell at a desired time and price.

Trading in particular securities or other instruments may be suspended or restricted by the relevant exchange or by a governmental or supervisory authority and a fund may incur loss as a result. An inability to sell a portfolio position can adversely affect those funds' value or prevent those funds from being able to take advantage of other investment opportunities.

Liquidity risk could affect the fund's value and its ability to pay redemption proceeds or to repay, for example, buy-sell back agreement proceeds by the agreed deadline, because of unusual market conditions, an unusually high volume of redemption requests, or other uncontrollable factors. To meet redemption requests, those funds may be forced to sell investments at unfavourable times and/or conditions.

Securities that are inherently less liquid than, for example, large equities that trade daily on major exchanges, may include securities of any type that represent a small issue, are traded infrequently, or are traded on markets that are comparatively small or have long settlement times.

Investment in debt securities, small and mid-capitalisation stocks and emerging market issuers will be especially subject to the risk that during certain periods, the liquidity of particular issuers or industries, or all securities within a particular investment category, will shrink or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse investor perceptions, whether or not accurate.

#### *Market risk*

Prices and yields of many securities can change frequently — sometimes with significant volatility — and can fall, based on a wide variety of factors. Examples of these factors include:

- political and economic news
- government policy
- changes in technology and business practices
- changes in demographics, cultures and populations
- natural or human-caused disasters (including but not limited to pandemics), whether they qualify as force majeure or not
- cybercrime, fraud and other criminal activities
- weather and climate patterns
- scientific or investigative discoveries
- costs and availability of energy, commodities and natural resources

The effects of market risk can be immediate or gradual, short-term or long-term, narrow or broad.

#### *Operational risk*

The fund could be subject to the risk of loss resulting from human error or criminal activity such as cybercrime and fraud, faulty processes or governance, or technological failures.

Operational risks may subject the fund to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, custody and trading, among other things. Operational risks may go undetected for long periods of time, and even if they are detected it may prove impractical to recover prompt or adequate compensation from those responsible.

#### *Sustainability risk*

An environmental, social or governance event, or condition that, if it occurs, could cause a negative material impact on the value of the investment.

Sustainability risk may significantly increase the volatility of the investment return of the fund.

Examples of sustainability risks and how sustainability risks are integrated in our decision process can be found in the statement on sustainability risk integration in the investment decision-making process available via [www.nordeafunds.com](http://www.nordeafunds.com).

#### Risks relating to dealing in Chinese securities

The legal rights of investors in China are uncertain, government intervention is common and unpredictable, and some of the major trading and custody systems are unproven.

In China, it is uncertain whether a court would protect the fund's right to securities it may purchase, whether purchased via a local broker under a Qualified Foreign Institutional Investor (QFII) Licence, the Stock Connect program or other methods. The structure of these schemes does not require full accountability of some of its component entities and leaves investors such as the fund with relatively little standing to take legal action in China. The regulations of these schemes may be subject to change.

In addition, Chinese securities exchanges or authorities may tax or limit short-swing profits, recall eligible stocks, set or change maximum trading volumes, either at the investor level or at the market level) or otherwise block, limit, restrict or delay trading, hampering or preventing a fund from implementing its intended strategies.

#### Stock Connect program

The Shanghai- or Shenzhen-Hong Kong Stock Connect programs (Stock Connect) are joint projects of the Hong Kong Exchanges and Clearing Limited (HKEx), China Securities Depository and Clearing Corporation Limited (ChinaClear), and the Shanghai and the Shenzhen Stock Exchanges. Hong Kong Securities Clearing Company Limited (HKSCC), a clearing house that in turn is operated by HKEx, acts as nominee for investors accessing Stock Connect Securities.

Creditors of the nominee or custodian could assert that the assets in accounts held for the funds are actually assets of the nominee or custodian. If a court should uphold this assertion, creditors of the nominee or custodian could seek payment from the assets of the relevant fund. HKSCC, as nominee, does not guarantee the title to Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners (such as the funds). Consequently, title to such securities, or the rights associated with them (such as participation in corporate actions or shareholder meetings), cannot be assured.

Should any fund suffer losses resulting from the performance or insolvency of HKSCC, the Management Company would have no direct legal recourse against HKSCC, because Chinese law does not recognize any direct legal relationship between HKSCC and either the Management Company or the depositary. Should ChinaClear default, HKSCC's contractual liabilities will be limited to assisting participants with claims. A fund's attempts to recover lost assets could involve considerable delays and expenses, and may not be successful.

#### China Interbank Bond Market (CIBM)

China prohibits outside lenders from extending credit directly to individuals or entities within China. Foreign investors (such as the fund) can buy Chinese corporate and government bonds. Because these bonds are denominated in RMB, whose value and liquidity is to some extent controlled by the government, currency risks may affect the liquidity and trading price of Chinese bonds. Many of the same concerns about investor rights apply to Chinese bonds as well.

#### Bond Connect

Bond Connect aims to enhance the efficiency and flexibility of investing in the China Interbank Bond Market. Although Bond Connect removes CIBM's investment quota and the need for a bond settlement agent, investments made through Bond Connect may be subject to high price volatility and potential lack of liquidity due to low trading volume of certain debt securities. Large spreads between bid and offer prices, which make it harder to sell bonds at a profit, are also a risk, as is counterparty risk.

#### Currencies

In China, the government maintains two separate currencies: onshore renminbi (which must remain within China and generally cannot be owned by foreigners) and offshore renminbi (which can be owned by anyone). The exchange rate, and the extent to which the currencies can be exchanged, is determined by a combination of market and government actions. This effectively creates currency risk within a single nation's currency, as well as liquidity risk.

#### Methods used to calculate the global exposure

##### – Methods for UCITS funds

In order to control the market risk within the fund, each fund shall calculate its global exposure. As for UCITS funds, meaning funds that comply with the EU UCITS Directive, Nordea Funds Ltd shall choose, as further described in applicable regulations, one of the following methods to measure the market risk components of such global exposure:

##### – The commitment approach

The positions on derivatives are converted into equivalent positions in underlying assets, after consideration of all netting and hedging arrangements. The total exposure to markets deriving from derivatives may not exceed 100% of the Net Asset Value of the fund. This means that the total market exposure of the fund may not exceed 200% of the Net Asset Value of the fund. **All funds that are not mentioned in the below VaR tables, use the commitment approach.**

##### – The Value-at-Risk (VaR) method

Depending on the investment policy of the fund, a more advanced risk measurement methodology, Value-at-Risk (VaR), can be used instead of the commitment approach, to calculate the global exposure of the fund. The VaR approach is a measure of the maximum potential loss due to market risk, given confidence level (probability) over a specific time period, rather than leverage. Further either a relative or an absolute VaR methodology can be used. The VaR is measured at the whole fund level, and is validated through back as well as stress tests, in order to ensure the relevance of the model.

The funds below applying **the relative VaR** method to measure their global exposure compare their VaR with the one of their designated reference portfolios. VaR is calculated on a time horizon of 1 month (20 business days) and a confidence level not below 95%, and shall not exceed 2 times the VaR of the reference portfolio.

Name of fund	Reference portfolio	Expected level of leverage (in % of NAV) as sum of notional values
Nordea Private Banking Obligasjoner Fund (*)	Norwegian Regular Market Index, group 1, 2 and 3, fixed-rate securities, 3-year duration target (RM123D3)	200

\*) The fund applied the commitment approach method to measure its global exposure until 9.5.2022.

The funds below applying the methodology called **the absolute VaR** measure their global exposure by calculating a VaR figure for the fund, based on a time horizon of 1 month (20 business days) and a confidence level not below 95%. The monthly VaR with a confidence level of 99% shall not exceed 20% of the Net Asset Value of the relevant fund. If different confidence levels are applied within the calculations the maximum limit of 20% must be adjusted accordingly.

Name of fund	Expected level of leverage (in % of NAV) as sum of notional values
Nordea Allokeringfond Fund	100
Nordea Discretionary Asset Allocation Fund	80
Nordea Conservative Yield Fund (*)	160 (concerns the master fund as well)
Nordea Fixed Income Credit Opportunities Fund	50
Nordea Kredit Stars Fund	90
Nordea Obligasjoner Stars Fund	100
Nordea Tactical Asset Allocation Fund	80
Nordea Yield Fund	100

\*) Nordea Conservative Yield Fund is a feeder fund, and Nordea 1 – Conservative Fixed Income Fund is the master fund which also uses the Absolute VaR method to calculate the fund's global exposure.

Since the VaR approach does not directly limit the level of leverage in the fund, the expected level of leverage over time is presented

above. The expected level of leverage shall be a fair indication of the actual level of leverage over time. The actual daily level of leverage may deviate (ie. be higher or lower) from such expected level depending on the strategies applied by the portfolio manager and the available investment opportunities. The expected level of leverage is not a regulatory limit and should be used for indicative purposes only. The method selected for leverage computation is based on the sum of notional, a measure of aggregated derivative usage.

The annual report will provide the actual level of leverage over the past period and additional explanations on this figure.

#### **- Methods for alternative funds (AIF's)**

As required by AIFM Regulation, the global exposure of alternative funds shall be calculated in accordance with commitment method and gross method, where all positions that potentially have market risk (derivatives, cash and securities) are taken into consideration. The maximum level of leverage applied to each fund is presented below. *Information on the total amount of leverage employed by the AIF shall be disclosed in the annual report.*

Name of AIF fund	Maximum level of leverage (in % of NAV), gross method*	Maximum level of leverage (in % of NAV), commitment approach (*)
Nordea Navigo	300	200
Nordea Private Banking Norsk Aksje Portefølje	300	200
Nordea Swedish Ideas Equity	300	200

\*The basis for calculation in situation where there is no leverage is 100%. There have been no changes to the maximum level of leverage.

No rights of re-use of collateral or any guarantee under the leveraging arrangements has been granted.

#### **Credit ratings of funds' investments**

The investment decisions of funds are not made solely on the basis of internationally approved credit ratings issued by external credit rating agencies. The assets of funds may also be invested in financial instruments which do not have the credit ratings mentioned below on the basis of the Management Company's internal assessment.

Certain funds may also invest in fixed-income instruments without a credit rating.

Further information on the fund-specific restrictions on credit ratings is presented in the fund rules.

#### **Benchmark indices used by funds**

The benchmark index is an index or indexed reference value to which the return of an investment fund is compared. The objective of the fund is usually to outperform the benchmark index. The chosen benchmark index should reflect the fund's investment universe and investment restrictions as well as possible. The index should include both the performance of the investments and their dividends or coupon yields. The activity of the fund's investment operations determines how much the return of the fund differs from the return of the benchmark index.

The equity index components of the composite indices are either NTR indices which include the dividends after taxes or GTR indices which include dividends.

All funds do not necessarily have a benchmark, and their investment objective is otherwise reported. The grounds for not selecting a benchmark or the reason why it is not sensible to use a benchmark are presented on a fund-specific level in the table below.

#### **- Benchmark indices included in ESMA's register**

\*The administrator (the entity that has control over the benchmark) of this benchmark is included in ESMA's public register of administrators pursuant to art. 36 of the EU-parliament's and the Council's Regulation (2016/1011) on indices used as benchmarks, etc.

**In the valid prospectus, the administrators marked with the asterisk in the table below are registered administrators with ESMA.**

EU regulations stipulate that EU-based benchmark administrators had to be approved by and registered with ESMA by May 2020 and as for third-country administrators by 31.12.2023. Those benchmarks with no asterisk shown below are either provided by administrators that have not yet been registered with ESMA, or the benchmark is not used in such a manner as referred to in the Regulation.

The Management Company has an action plan that will be taken if the index of the fund ceases to be provided or if material changes are made in the index. Further, if the administrator of an index will not be registered with ESMA within the prescribed time, or if the administrator's status changes materially, the Management Company will update the prospectus accordingly and in addition to this, amend the rules of certain funds when necessary.

Fund name	Benchmark Index
<b>Nora funds</b>	
Nora Fund Two (EUR) Nora Fund Three (EUR) Nora Fund Four (EUR) Nora Fund Five (EUR) Nora Fund Two (NOK) Nora Fund Three (NOK) Nora Fund Two (SEK) Nora Fund Three (SEK) Nora Fund Four (SEK) Nora Fund Five (SEK) Nora Fund Two Master Nora Fund Three Master Nora Fund Four Master Nora Fund Five Master	The fund does not have a benchmark index as no standard benchmark available matches its investment profile. Although the aim is to achieve capital growth at the selected risk level by managing the assets actively, the breakdown and the risk level of the fund's investments may vary over time, depending on the business cycle and portfolio manager's risk assessments and return expectations.
<b>Other Nordea-funds</b>	
Nordea Allokeringsfond Fund	The fund does not have a benchmark index. Targeted at a certain customer segment and only as part of a larger investment and risk portfolio, the fund does not use any benchmark index.
Nordea Asian Stars Fund	MSCI All Country Asia excl. Japan NTR (incl. dividends after taxes)
Nordea Bærekraftige Obligasjoner Global Fund	The fund uses benchmark which is not aligned with the environmental and social characteristics of the funds.
Nordea China Fund	MSCI China 10/40 NTR (EUR); incl. dividends after taxes. The benchmark is a capped index.
Nordea Conservative Yield Fund	The fund's benchmark index is 1-month Euribor <sup>1)</sup> as of 14.12.2020. Over the time span 29.6.–13.12.2020, the fund applied no benchmark.
Nordea Corporate Bond Fund	The fund's benchmark was Markit iBoxx EUR Liquid Investment Grade Ultrashort (50%) and <sup>1)</sup> Euro London Interbank Bid Rate, LIBID, 7 days (50%) until 28.6.2020.
Nordea Defensive Fund	The fund does not have a benchmark index as no standard benchmark available matches its investment profile. Although the aim is to achieve capital growth at the selected risk level by managing the assets actively, the breakdown and the risk level of the fund's investments may vary over time, depending on the business cycle and portfolio manager's risk assessments and return expectations.
Nordea Discretionary Asset Allocation Fund Nordea Discretionary Corporate Credit Fund Nordea Discretionary Global Equity Fund Nordea Discretionary Swedish Equity Fund	The fund does not have a benchmark index. Targeted at a certain customer segment and only as part of a larger investment and risk portfolio, the fund does not use any benchmark index.
Nordea Eastern Europe Fund	The fund has changed its benchmark as of 1.4.2022. The new benchmark is MSCI Emerging Market Europe ex Russia 10/40 NTR (incl. dividends after taxes). The benchmark is a capped index.
Nordea Emerging Market Bond Fund	JP Morgan Emerging Market Bond Index Global Diversified (EMBI Global Diversified)
Nordea Emerging Market Equities Fund	MSCI Emerging Markets NTR (incl. dividends after taxes)
Nordea Equity Opportunities Fund Nordea Global Equity Allocation Fund	Targeted at a certain customer segment and only as part of a larger investment and risk portfolio, the fund does not use any benchmark index.
Nordea Euro Bond Fund	JP Morgan EMU Bond Index (100,0 %).

	The fund uses benchmark which is not aligned with the environmental and social characteristics of the funds.	the business cycle and portfolio manager's risk assessments and return expectations
Nordea Euro Medium Term Bond Fund	JP Morgan EMU Government Bond index 1-3 years.	OMRX Mortgage Bond 1–3 years
	The fund uses benchmark which is not aligned with the environmental and social characteristics of the funds.	VINX Benchmark CAP EUR NTR (incl. dividends after taxes). The benchmark is a capped index.
Nordea European High Yield Fund	ICE BofA European Currency High Yield Constrained hedged	Carnegie Nordic Small Cap GTR (incl. dividends)
Nordea European Passive Fund	MSCI Europe NTR (incl. dividends after taxes)	MSCI North America NTR (incl. dividends after taxes)
Nordea European Smaller Companies Fund	The fund does not have a benchmark index, because no available benchmark is relevant, considering the fund's strategy of investing in equities in European small-cap companies with low volatility.	MSCI North America NTR (incl. dividends after taxes)
Nordea European Stars Fund	MSCI Europe NTR (incl. dividends after taxes).	The fund does not have a benchmark. The fund has a specific ESG requirement for investments to be eligible for the fund. This means that a large proportion of the available investments is non-investable. Some benchmark constituents of a standard benchmark may thus be outside the investable universe, making comparison irrelevant.
	The fund uses benchmark which is not aligned with the environmental and social characteristics of the funds.	Nordea Obligasjon Stars Fund
Nordea Finnish Passive Fund	OMX Helsinki Benchmark CAP GTR (incl. dividends)	The fund does not have a benchmark. The fund has a specific ESG requirement for investments to be eligible for the fund. This means that a large proportion of the available investments is non-investable. Some benchmark constituents of a standard benchmark may thus be outside the investable universe, making comparison irrelevant.
Nordea Finnish Stars Fund	OMX Helsinki CAP GTR (incl. dividends). The benchmark is a capped index.	Nordea Premium Asset Management Balanced Fund
	The fund uses benchmark which is not aligned with the environmental and social characteristics of the funds.	Nordea Premium Asset Management Conservative Fund
Nordea Fixed Income Credit Opportunities Fund	The fund does not have a benchmark index. Targeted at a certain customer segment and only as part of a larger investment and risk portfolio, the fund does not use any benchmark index.	Nordea Premium Asset Management Growth Fund
Nordea Focus Fixed Income Fund	ICE BofA Euro Corporate (40 %), ICE BofA Euro Government AAA-AA Rated (40 %) and 2)-month Euribor* (20 %)	Nordea Premium Asset Management Moderate Fund
Nordea Global Dividend Fund	The fund does not have a benchmark index as no standard benchmark available matches its investment profile. Using such a benchmark would potentially lead to evaluating the risk and performance of the fund on irrelevant grounds.	Nordea Private Banking FRN Fund
Nordea Global Enhanced Fund	MSCI World NTR (incl. dividends after taxes)	Nordea Private Banking Kort Obligasjon Pluss Fund
Nordea Global High Yield Fund	ICE BofA Global Currency High Yield Constrained	Nordea Private Banking Norsk Aksje Portefølje
Nordea Global Passive Fund	MSCI World NTR (incl. dividends after taxes)	Nordea Private Banking Obligasjon Fund
Nordea Hållbarhetsfond Obligationer Global Fund	The fund does not have a benchmark. The fund has a specific ESG requirement for investments to be eligible for the fund. This means that a large proportion of the available investments is non-investable. Some benchmark constituents of a standard benchmark may thus be outside the investable universe, making comparison irrelevant.	Nordea Pro Euro Bond Fund
Nordea India Fund	MSCI India 10/40 NTR (EUR); (incl. dividends after taxes). The benchmark is a capped index.	Nordea Pro Finland Fund
Nordea Innovation Stars Fund	VINX Benchmark CAP EUR NTR (incl. dividends after taxes).	Nordea Pro Stable Return Fund
	The fund uses benchmark which is not aligned with the environmental and social characteristics of the funds.	Nordea Russia Fund
Nordea Institutionella Småbolagsfonden Sverige Fund	Carnege Small Cap Sweden (SEK) GTR (incl. dividends).	MSCI Russia 10/40 NTR (incl. dividends after taxes). The benchmark is a capped index.
	The fund uses benchmark which is not aligned with the environmental and social characteristics of the funds.	Nordea Savings 15 Fund
Nordea Japan Fund	MSCI Japan NTR (incl. dividends after taxes)	<i>The fund's composite index as of. 13.4.2021:</i> MSCI World NTR (12.75%); OMX Helsinki CAP GTR (2.25%); JP Morgan EMU Government Bond (22.1%); ICE BofA Euro Corporate (10.2%); BloomBarCap US Credit Bond, EUR hedged (6.8%); Markit iBoxx EUR Covered Bond (8.5%); ICE BofA Global High Yield Constrained, EUR hedged (4.25%); JP Morgan EMBI Global Diversified, EUR hedged (4.25%); <sup>1)</sup> 3-month Euribor* (17.0%) and HFRX Global Hedge Fund EUR (11.9%)
Nordea Kredit Stars Fund	The fund does not have a benchmark. The fund has a specific ESG requirement for investments to be eligible for the fund. This means that a large proportion of the available investments is non-investable. Some benchmark constituents of a standard benchmark may thus be outside the investable universe, making comparison irrelevant.	Nordea Savings 30 Fund
Nordea Moderate Yield Fund	The fund's composite index has changed and is as of 1.1.2022: Markit iBoxx EUR Liquid Investment Grade Ultrashort (50%) and ICE Euro Currency 1-Week Deposit Bid Rate Constant Maturity Index (50%).  The fund's benchmark was up to 31.12.2021 Markit iBoxx EUR Liquid Investment Grade Ultrashort (50%) and <sup>1)</sup> Euro London Interbank Bid Rate, LIBID, 7 days (50%).	<i>The fund's composite index as of. 13.4.2021:</i> MSCI World NTR (25.5%); OMX Helsinki CAP GTR (4.5%); JP Morgan EMU Government Bond (18.2%); ICE BofA Euro Corporate (8.4%); BloomBarCap US Credit Bond, EUR hedged (5.6%); Markit iBoxx EUR Covered Bond (7.0%); ICE BofA Global High Yield Constrained, EUR hedged (3.5%); JP Morgan EMBI Global Diversified, EUR hedged (3.5%); <sup>1)</sup> 3-month Euribor* (14.0%) and HFRX Global Hedge Fund EUR (9.8 %)
Nordea Navigo	The fund does not have a benchmark index as no standard benchmark available matches its investment profile. Although the aim is to achieve capital growth at the selected risk level by managing the assets actively, the breakdown and the risk level of the fund's investments may vary over time, depending on	Nordea Savings 50 Fund
		<i>The fund's composite index as of. 1.12.2019:</i> MSCI World NTR (42.5%); OMX Helsinki CAP GTR (7.5%); JP Morgan EMU Government Bond (13.0%); ICE BofA Euro Corporate (6.0%); BloomBarCap US Credit Bond, EUR hedged (4.0%); Markit iBoxx EUR Covered Bond (5.0%); ICE BofA Global High Yield Constrained, EUR hedged (2.5%); JP Morgan EMBI Global Diversified, EUR hedged (2.5%);

	<sup>1)</sup> 3-month Euribor* (10.0%) and HFRX Global Hedge Fund EUR (7.0 %)
Nordea Savings 75 Fund	<i>The fund's composite index as of, 1.12.2019:</i> MSCI World NTR (63.75%); OMX Helsinki CAP GTR (11.25%); JP Morgan EMU Government Bond (6.5%); ICE BofA Euro Corporate (3.0%); BloomBarCap US Credit Bond, EUR hedged (2.0%); Markit iBoxx EUR Covered Bond (2.5%); ICE BofA Global High Yield Constrained, EUR hedged (1.25%); JP Morgan EMBI Global Diversified, EUR hedged (1.25%); <sup>1)</sup> 3-month Euribor* (5.0%) and HFRX Global Hedge Fund EUR (3.5 %)
Nordea Savings Fixed Income Fund	JP Morgan EMU Government Bond (40.0%); ICE BofA Euro Corporate (12.0%); BloomBarCap US Credit Bond, EUR hedged (8.0%); Markit iBoxx EUR Covered Bond (12.0%); ICE BofA Global High Yield Constrained, EUR hedged (4.0%); JP Morgan EMBI Global Diversified, EUR hedged (4.0%) and <sup>1)</sup> 3-month Euribor* (20.0%)
Nordea Stable Return Fund	The fund does not have a benchmark index as no standard benchmark available matches its investment profile. Using such a benchmark would potentially lead to evaluating the risk and performance of the fund on irrelevant grounds.
Nordea Stratega 90 Fund	MSCI World NTR (76.5%), SIX Portfolio Return Index (13.5%), OMRX T-Bond (6.5%), OMRX T-Bill (2%), HFRX Global Hedge Fund Index (hedged SEK) (1.5%)
Nordea Stratega Fixed Income Fund	ICE BofA Euro Corporate Bond (33.3%); OMRX T-Bond (33.3%) and OMRX T-Bill (33.3%).
Nordea Sustainable Equities Global Fund	MSCI ACWI NTR (incl. dividends after taxes).  The fund uses benchmark which is not aligned with the environmental and social characteristics of the funds.
Nordea Sustainable Fixed Income Global Fund	The fund does not have a benchmark. The fund has a specific ESG requirement for investments to be eligible for the fund. This means that a large proportion of the available investments is non-investable. Some benchmark constituents of a standard benchmark may thus be outside the investable universe, making comparison irrelevant.
Nordea Sustainable Selection Balanced Fund Nordea Sustainable Selection Balanced Fund (NOK) Nordea Sustainable Selection Balanced Fund (SEK) Nordea Sustainable Selection Growth Fund Nordea Sustainable Selection Growth Fund (NOK) Nordea Sustainable Selection Growth Fund (SEK) Nordea Sustainable Selection Moderate Fund Nordea Sustainable Selection Moderate Fund (NOK) Nordea Sustainable Selection Moderate Fund (SEK) Nordea Sustainable Selection Return Fund Nordea Sustainable Selection Return Fund (NOK) Nordea Sustainable Selection Return Fund (SEK)	The fund does not have a benchmark. The fund has a specific ESG requirement for investments to be eligible for the fund. This means that a large proportion of the available investments is non-investable. Some benchmark constituents of a standard benchmark may thus be outside the investable universe, making comparison irrelevant.
Nordea SWE Inflation Linked Bond Fund	OMRX Real
Nordea Swedish Ideas Equity Fund	The fund has been changed its benchmark as of 1.3.2022. The new benchmark is OMX Stockholm Benchmark ESG Responsible Gross Index (incl. dividends).
Nordea Swedish Institutional Short Duration Bond Fund	The fund does not have a benchmark index as no standard benchmark available matches its investment profile. Using such a benchmark would potentially lead to evaluating the risk and performance of the fund on irrelevant grounds.
Nordea Tactical Asset Allocation Fund	The fund does not have a benchmark index. Targeted at a certain customer segment and only as part of a larger investment and risk portfolio, the fund does not use any benchmark index.
Nordea World Fund	MSCI World NTR (incl. dividends after taxes)
Nordea World Passive Fund	MSCI World ex Business Involvement and Fossil Fuel Screened Select NTR (incl. dividends after taxes).  This customised benchmark index is constructed by using pre-determined methodology which supports the environmental and social characteristics of the fund.
Nordea Yield Fund	The fund does not have a benchmark index as no standard benchmark available matches its investment profile. Using such a benchmark would potentially lead to evaluating the risk

	and performance of the fund on irrelevant grounds.
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<sup>1)</sup> As part of the composite benchmark index applied in certain funds, yield-based benchmark returns are derived by using a total return index based on the daily quoted interest rate (e.g. Euribor 3 months). Source: Thomson Reuters DataStream.

### Responsible investment

#### The SFDR appendices available at the end of this prospectus include sustainability-related information

Nordea pays special attention to social, governance and environmental issues in many of its products and services, including investment funds.

Nordea's funds have applied the principles of responsible investment (RI) in all Nordic countries since 2007.

The fund companies in the Nordea Group have signed the United Nations Principles for responsible investment (UNPRI). Issues related to environmental and social responsibility and corporate governance have thus been integrated in the funds' investment operations.

Nordea is one of the first large Nordic banks to engage itself in the process of dealing with the ethical issues related to the companies' business practices.

In general, Nordea's funds do not invest in companies manufacturing armaments against international agreements, such as anti-personnel mines and cluster munitions. Similarly, investments are not made in companies that manufacture nuclear weapons or develop nuclear weapon programmes.

Learn more about [responsible investment](#). Get also acquainted with [Nordea funds' Responsible Investment Policy](#).

### About funds' transaction costs

The transaction costs of the Nordea funds over the past 12 months are reported in the annual and semi-annual report. This key figure shows how the commission expenses and brokerage fees related to the fund's trading and paid to the securities brokers effect on the fund's Net Asset Value on a yearly basis. Transaction costs are reported as a percentage of the fund's maximum market value over the review period (past 12 months).

Both internal and external investment research is used to add value and to promote efficient portfolio management in the funds. Costs related to research material are not charged from the funds' assets.

### About fund of funds and their investments in underlying funds

On a general level, the underlying funds can be fixed-income, balanced or equity funds or other funds such as hedge funds. The underlying funds may have different investment strategies and/or restrictions compared with the fund of funds. In addition to this, regarding other characteristics possessed by the underlying fund, there might be differences, such as in use of derivatives, level of leverage, method used to calculate the global exposure, sensitivity to interest-rate movements, credit exposure, asset allocation, regional breakdown etc.

In certain funds of funds there might be a restriction on the maximum proportion for e.g. hedge funds having different investment strategies and/or restrictions.

Fund name (feeder funds or fund of funds)
As for all these funds listed below, the underlying funds may have different investment strategies and/or restrictions and/or possess other characteristics compared with the fund of funds or feeder funds.
<b>Other Nordea funds/ fund of funds</b>
Nordea Savings 15 Fund
Nordea Savings 30 Fund
Nordea Savings 50 Fund
Nordea Savings 75 Fund

**Information about the special characteristics of certain funds****Efficient Portfolio Management Techniques and Transparency of Securities Financing Transactions*****General information***

For the purpose of efficient portfolio management, the funds included in this prospectus may use buy-sell back transactions, repurchase agreement transactions and total return swaps.

Efficient portfolio management is used for the purpose of generating an excess return on a fund or reducing costs or risk within a fund.

***– Securities lending arrangements***

When a fund enters into a securities lending arrangement, it is the act of lending securities to a borrower in exchange of a fee.

The Nordea funds do no longer use securities lending/borrowing although it is possible according to the fund rules.

***– Buy-sell back transactions, repurchase agreement transactions and total return swaps******Buy-sell back transactions***

Buy-sell back transactions consist of transactions which are not governed by a repurchase agreement or a reverse repurchase agreement and where an entity buys or sells securities or instruments to or from a counterparty, and agrees, respectively, to sell to or buy back from that counterparty securities or instruments of the same description at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the entity buying the securities or instruments and sell-buy back transactions for the counterparty selling them.

***Repurchase agreements***

Repurchase agreements consist of transactions governed by an agreement in which an entity sells securities or instruments to a counterparty, subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date already specified, or to be specified by the transferor. Such transactions are commonly referred to as repurchase agreements for the entity selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

***Total return swaps***

A total return swap (TRS) is an agreement in which one entity (total return payer) transfers the total economic performance of a reference asset to another entity (total return receiver). Total economic performance includes interest income, fees, gains or losses from market movements, and credit losses. In addition to total return swaps the funds' investments targets can also be other instruments with characteristics similar to the TRSs, such as contracts for difference (CFD).

In the selection of a counterparty a credit risk assessment and a due diligence will have to be performed, including a review of terms and conditions, and of the execution policy to secure compliance with the general market standard. All approved counterparties are subject to a regular review.

Collateral is typically received to reduce risk. The fund does only accept cash as collateral, the safekeeping of which will be entrusted to the depositary of the fund. The fund does not reuse collateral.

***– Risks and potential conflicts of interest***

There is no assurance that a fund will achieve the objective for which it entered into a specific transaction. The risks related to these transactions can have a negative impact on the return of the fund.

Lending securities to borrowers constitutes a risk that a borrower defaults and is not able to return borrowed securities. In order to mitigate this risk, the securities lending agent to the fund is obliged to ensure that the retrieval of any borrowed securities is carried out in accordance with the normal market practice and when doing so to the best of securities lending agent's ability.

Repurchase agreement transactions might expose a fund to risks similar to those associated with other types of derivatives. If a counterparty of the repurchase agreement transactions defaults, a loss may be realised on the sale of the underlying security to the extent that the proceeds from the sale and accrued interest of the security are less than the resale price, including interest, set forth in the repurchase agreement transactions. Moreover, should a counterparty declare bankruptcy or become insolvent, a fund may incur delays and costs in selling the underlying security, or it may suffer a loss of principal and interest.

During the life of a repurchase agreement contract, the fund is not entitled to sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired.

Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realisation of collateral, as described below.

Securities lending transactions and repurchase agreement transactions also entail liquidity risks resulting from, inter alia, locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the fund to meet redemption requests. The fund may also incur operational risks such as, inter alia, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in connection of such transactions.

The risks of such securities lending arrangements as well as buy-sell back transactions, repurchase agreement transactions and total return swaps are sufficiently captured by the risk management process of the fund.

Conflict of interests is handled by the Management company's/Fund's policy on conflict of interests.

***– Sharing of return as well as costs and fees***

The fund will get the income derived from buy-sell back transactions, repurchase agreement transactions and total return swaps deducted with the direct and indirect operational costs. Direct and indirect operational costs may vary depending on the type of the transaction and the counterparty. Particularly, a fund may pay fixed or variable fees that might be a percentage of the generated income to agents and other intermediaries, which may be affiliated with the depositary, the investment management organisation or the Management Company, in consideration of the functions they perform and risks they assume.

Information on direct and indirect operational costs and fees incurred by each fund in this respect, as well as the identity of the entities to which such costs and fees are paid, if applicable, is available in the fund's annual and semi-annual report.

***– Investment vehicles and utilisation rates***

- Securities lending: A fund is entitled to use securities lending to a maximum of 25 % of the fund's securities portfolio according to fund rules. However, the funds do not use securities lending in their investment activities meaning that the expected use is 0 %.
- Buy-sell back/sell-buy back transactions and repurchase agreements: A fund is entitled to use buy-sell back transactions and repurchase agreement transactions to a maximum of 10 % of the fund's NAV. However, the expected use is 0 %.
- Total return swaps are not used, meaning that the expected use is 0 %.

***Swing pricing method***

Subscriptions for and redemptions of fund units entail trading costs since the portfolio manager has to buy new securities for the fund in

order to invest the assets gathered from subscriptions, or to sell securities in order to get liquid assets to pay for redemptions. The costs resulting from buying or selling securities are shared by all the fund's unitholders.

Using the swing pricing method, the above-mentioned costs can be allocated to the unitholders making the subscriptions or redemptions, in other words those unitholders who cause the need to trade in securities. Thus, the aim of the method is to promote the equal treatment of all unitholders.

#### **– Principles of the swing pricing method**

Under the swing pricing method, the net asset value (NAV) per unit is adjusted using a *swing factor*.

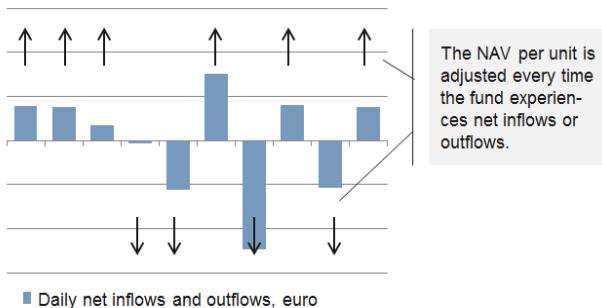
- If the fund experiences net inflows, the NAV is adjusted upwards using the swing factor, which means that the NAV per unit increases.
- If the fund experiences net outflows, the NAV is adjusted downwards using the swing factor, which means that the NAV per unit decreases.

The benefit from the adjustment of the NAV per unit using the swing factor always goes to the fund, and thus its existing unitholders.

#### **– Use of swing pricing in equity funds**

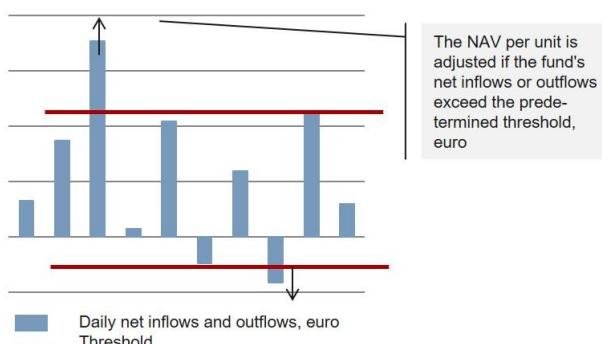
In equity funds, the NAV per unit is adjusted on every NAV calculation date on which the fund experiences net inflows or net outflows. This is referred to as the full swing pricing method.

- If the fund experiences net inflows, the NAV per unit is adjusted upwards using the swing factor, which means that the NAV per unit increases.
- If the fund experiences net outflows, the NAV per unit is adjusted downwards using the swing factor, which means that the NAV per unit decreases.



#### **– Use of swing pricing in fixed-income funds**

In fixed-income funds, the NAV per unit is adjusted on the valuations dates on which the fund's net inflows or net outflows exceed a pre-determined threshold. This is referred to as the partial swing pricing method. In net inflows, the NAV per unit is adjusted upwards using the swing factor (the NAV per unit increases) and in net outflows the NAV per unit is adjusted downwards using the swing factor (the NAV per unit decreases).



Detailed information about the swing pricing method is available in the fund-specific rules and KIIDs. Information about which swing factors were actually in use is disclosed in the annual and semi-annual reports of the Nordea funds.

#### **– Terminology related to the swing pricing method:**

**Net inflows:** The volume of subscriptions made in a fund during one NAV calculation day is greater than the volume of redemptions.

**Net outflows:** The volume of redemptions made in a fund during one NAV calculation day is greater than the volume of subscriptions.

**Swing factor:** A pre-determined percentage used to adjust the NAV per unit.

**Threshold:** A pre-determined threshold (percentage of the NAV of the fund) that must be exceeded before the NAV per unit is adjusted using the swing factor.

**Full swing pricing:** The NAV per unit is adjusted on every NAV calculation date on which there are net inflows or net outflows in the fund.

**Partial swing pricing:** the NAV per unit is adjusted if a fund's net inflows or net outflows exceed a pre-determined threshold.

#### **Full swing pricing is in use in the following funds**

Nordea European Passive Fund	Nordea North American Enhanced Fund
Nordea Finnish Passive Fund	Nordea Sustainable Equities Global Fund
Nordea Global Enhanced Fund	Nordea World Passive Fund
Nordea Global Passive Fund	

#### **Partial swing pricing is in use in the following funds**

Nordea Corporate Bond Fund	Nordea Global High Yield Fund
Nordea Emerging Market Bond Fund	Nordea Focus Fixed Income Fund
	Nordea Moderate Yield Fund
Nordea European High Yield Fund	Nordea Yield Fund

#### **Duration hedging**

Duration-hedged unit series are available for selected funds. Currently duration-hedged unit series is available in the funds listed below. Duration-hedged unit series is denoted with "ID" which refers to the duration-hedged I unit series designed for institutional investors.

#### **Nordea Corporate Bond Fund ID**

A unit series using duration hedging typically aims at maintaining the duration at a target level. The duration hedging may be monitored and adjusted daily as necessary. The hedge construction and adjustments are performed by trading fixed-income derivatives.

#### **Currency hedging**

Currently, there are no currency-hedged unit series in the funds managed by Nordea Funds Ltd.

#### **Active portfolio management and Active Share, %**

The Nordea funds disclose Active Share in the annual and semi-annual reports.

#### **Definition of the key figure**

Active Share (AS) is mainly calculated for those equity funds which have a benchmark. AS is reported as a percentage and it illustrates how large a proportion of the fund's portfolio differs from the breakdown of the benchmark.

Active Share indicates the degree of active portfolio management. If the figure is 0–20% when calculating the Active Share it usually refers to a passive fund or fund similar to an index fund. The higher the AS figure the more the equities in the fund's portfolio and/or their weights differ from the breakdown of the benchmark and the more active the fund's investment operations have been.

#### **Concentrated funds**

Some funds invest in a concentrated investment universe. If this is the case it will be disclosed in the KIID document. The degree of concen-

tration will typically have a limiting effect on the achievable level of active share (the percentage of the portfolio that differs from the benchmark of the fund)

### Passive equity funds

#### Nordea Finnish Passive Fund

The fund's benchmark is OMX Helsinki Benchmark CAP GTR (incl. dividends).

Details on the index and its constituents are available at [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com).

The fund is a passively managed equity fund which aims to achieve a return which is corresponding to the performance of the benchmark. The fund seeks to invest in as many companies as possible, represented in the benchmark. The fund mainly makes direct equity investments. In addition the fund may use equity and index derivatives.

The fund aims to follow the benchmark by using full replication, meaning that the composition of the fund corresponds to that of the benchmark as closely as possible.

There can occur deviation between the return of the fund unit and the performance of the benchmark, resulting from Nordea's principles of responsible investment which the fund follows. This means that some of the equities included in the benchmark, can be excluded.

Fund management fee, transaction costs, taxes, subscriptions and redemptions, benchmark rebalancing, dividend re-investments among others can have an effect on the fund's ability to follow the benchmark.

The expected level of active risk (tracking error) is usually below 0.50%.

Details on the re-balancing frequency are available at [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com). The cost effects of re-balancing are low.

#### Nordea European Passive Fund

The fund's benchmark is MSCI Europe NTR (incl. dividends after taxes).

Details on the index and its constituents are available at [www.msci.com](http://www.msci.com).

The fund is a passively managed equity fund which aims to achieve a return corresponding to the performance of the benchmark. The fund invests in a part of the companies in the benchmark. In order to manage costs and liquidity, the fund makes investments in a selection of the benchmark companies. The fund mainly makes direct equity investments. In addition the fund may use equity and index derivatives.

The fund aims to follow the benchmark by using partial replication, meaning that the fund follows the benchmark partially only.

There can occur deviation between the return of the fund unit and the performance of the benchmark, resulting from Nordea's principles of responsible investment which the fund follows. This means that some of the equities included in the benchmark, can be excluded.

The expected level of active risk (tracking error) is usually below 0.50%.

Fund management fee, transaction costs, taxes, subscriptions and redemptions, benchmark rebalancing, dividend re-investments among others can have an effect on the fund's ability to follow the benchmark.

Details on the re-balancing frequency are available at [www.msci.com](http://www.msci.com). The cost effects of re-balancing are low.

#### Nordea Global Passive Fund

The fund's benchmark is MSCI World NTR. (incl. dividends after taxes)

Details on the index and its constituents are available at [www.msci.com](http://www.msci.com).

The fund is a passively managed equity fund which aims to achieve a return corresponding to the performance of the benchmark. The fund invests in a part of the companies in the benchmark. In order to manage costs and liquidity, the fund makes investment in a selection of the benchmark companies. The fund mainly makes direct equity investments. In addition the fund may use equity and index derivatives.

The fund aims to follow the benchmark by using partial replication, meaning that the fund follows the benchmark partially only.

There can occur deviation between the return of the fund unit and the performance of the benchmark, resulting from Nordea's principles of responsible investment which the fund follows. This means that some of the equities included in the benchmark, can be excluded.

Fund management fee, transaction costs, taxes, subscriptions and redemptions, benchmark rebalancing, dividend re-investments among others can have an effect on the fund's ability to follow the benchmark.

The expected level of active risk (tracking error) is usually below 0.50%

Details on the re-balancing frequency are available at [www.msci.com](http://www.msci.com). The cost effects of re-balancing are low.

#### Nordea World Passive Fund

The fund's benchmark is MSCI World ex Business Involvement and Fossil Fuel Screened Select NTR. (incl. dividends after taxes).

Details on the index and its constituents are available at [www.msci.com](http://www.msci.com).

The fund is a passively managed equity fund which aims to achieve a return corresponding to the performance of the benchmark. The fund invests in a part of the companies in the benchmark. In order to manage costs and liquidity, the fund makes investments in a selection of the benchmark companies that is as optimal as possible. The fund mainly makes direct equity investments. In addition the fund may use equity and index derivatives.

The fund aims to follow the benchmark by using partial replication, meaning that the fund follows the benchmark partially only.

There can occur deviation between the return of the fund unit and the performance of the benchmark, resulting from Nordea's principles of responsible investment and other exclusions the fund follows. This means that some of the equities included in the benchmark, can be excluded.

The Fund promotes environmental and social characteristics as per Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR). Further information is available in the prospectus and at [www.nordea.fi/funds](http://www.nordea.fi/funds).

Fund management fee, transaction costs, taxes, subscriptions and redemptions, benchmark rebalancing, dividend re-investments among others can have an effect on the fund's ability to follow the benchmark.

The expected level of active risk (tracking error) is usually below 0.50% .

Details on the re-balancing frequency are available at [www.msci.com](http://www.msci.com). The cost effects of re-balancing are low.

#### Investments in securities issued by sovereign states and similar public-sector issuers

Fixed income and balanced funds may invest over 35% of their assets in the securities or money market instruments of any one issuer, provided that the issuer or underwriter is the Finnish government, a Finnish municipality or joint municipal authority, a member

state of the European Economic Area, a state or other local public corporation of such a country, another OECD member state, or a supranational organization of which at least one member is a member state of the European Economic Area.

#### **Feeder/ master funds and their structure**

##### **Feeder fund – Nordea India Fund**

The Fund is a feeder fund. The Fund seeks to invest all of its assets (minimum 85%) in Nordea 1 – Indian Equity Fund (share class Y) ("Master Fund"). The fund is a feeder fund, and is therefore not actively managed.

For the Fund no more than 15% of the Fund's assets can be  
1) held in liquid assets to the extent required by the operations or  
2) invested in such standardised and OTC derivative contracts which can only be used for the purpose of hedging.

The risk and return of the Fund may deviate from the risk and return of the Master Fund depending on the weight of the liquid assets as well as currency fluctuations.

The Fund will be exposed (through investments or cash) to other currencies than the base currency.

The Fund's base currency is euro.

The Fund does not normally use derivatives.

The NAV of the Fund is calculated on such days when banks are generally open in Finland as well as in Luxembourg and the NAV calculation of the Master Fund has not been suspended in exceptional circumstances permitted by its rules.

##### **Master fund Nordea 1 – Indian Equity Fund**

Specifically, the Master Fund is an equity fund that invests at least 75% of the total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in India.

The Master Fund may be exposed (through investments or cash) to other currencies than the base currency.

The Master Fund is actively managed.

Further relevant information on the Master Fund is available free of charge at [nordea.lu](http://nordea.lu) in languages applicable when marketing the fund.

Master Fund's base currency is US dollar.

The Master Fund may use derivatives as part of the investment strategy, for hedging purposes, or in order to apply efficient portfolio management techniques.

If the amount of subscription, redemption or switch orders in the Master Fund exceed 10% of the Master Fund's NAV, the Master Fund's rules allow to postpone the execution of orders either in part or in full by eight Master Fund's NAV calculation days at the maximum.

Further information on the master fund is available at [www.nordea.lu/funds](http://www.nordea.lu/funds) and [www.nordea.fi/funds](http://www.nordea.fi/funds).

##### **Information on the master fund organisation**

Nordea 1, SICAV is an Undertaking for Collective Investment in Transferable Securities (UCITS / Société d'Investissement à Capital variable, SICAV) established under the laws of the Grand Duchy of Luxembourg.

The board of directors of the UCITS has selected Nordea Investment Funds S.A. as the management company and portfolio management organisation. This has been registered by the financial supervisory authority in Luxembourg. Nordea Investment Funds S.A. has selected Manulife Investment Management (Singapore) Pte Ltd as the sub-manager of Nordea 1 – Indian Equity Fund.

The fund's depositary is J.P. Morgan SE, Luxembourg Branch. The auditor is PricewaterhouseCoopers, Luxembourg.

#### **Agreement between the fund companies managing the feeder fund and the master fund**

In their agreement governing the disclosure of information, the fund companies managing the feeder fund and the master fund have agreed on the procedures ensuring how and when the fund company managing the master fund delivers to the fund company managing the feeder fund the information and documents on the master fund needed to meet the requirements prescribed in the Finnish Act on Common Funds.

Among other things, the agreement covers the basic conditions of the investment operations of the feeder fund, arrangements relating to subscription and redemption orders, special events affecting subscription and redemption orders, changes to permanent arrangements (such as changes to the foundation documents of the master fund, changes to the Key Investor Information Document and prospectus, reorganisations of the master fund, change of the depositary and change of the auditor) as well as the law applied to the agreement.

The agreement is available to unitholders free of charge from the Management Company.

#### **Fees and expenses arising from the investment of the feeder fund's assets and the total expenses of the feeder fund and the master fund**

The total expenses of the feeder fund and master fund consist of ongoing charges. The charges debited by the feeder fund over a year, ie. ongoing charges, are 1.85%. The figure is based on the expenses in 2021, and it may vary from year to year. The master fund's launch date is 5.7.2012.

The feeder fund invests in the unit series Y of the master fund. This unit series does not charge a management fee. The investment of the feeder fund's assets in the master fund does not cause other expenses, as Nordea Funds Ltd pays the ongoing charges of the master fund on behalf of the feeder fund.

##### **Feeder fund – Nordea China Fund**

The Fund is a feeder fund. The Fund seeks to invest all of its assets (minimum 85%) in Nordea 1 – Chinese Equity Fund (share class Y) ("Master Fund"). The fund is a feeder fund, and is therefore not actively managed.

For the Fund no more than 15% of the Fund's assets can be  
1) held in liquid assets to the extent required by the operations or  
2) invested in such standardised and OTC derivative contracts which can only be used for the purpose of hedging.

The risk and return of the Fund may deviate from the risk and return of the Master Fund depending on the weight of the liquid assets as well as currency fluctuations.

The Fund will be exposed (through investments or cash) to other currencies than the base currency.

The Fund's base currency is euro.

The Fund does not normally use derivatives.

The Fund promotes environmental and social characteristics as per Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR). Further information is available in the prospectus and at [www.nordea.fi/funds](http://www.nordea.fi/funds).

The NAV of the Fund is calculated on such days when banks are generally open in Finland as well as in Luxembourg and the NAV calculation of the Master Fund has not been suspended in exceptional circumstances permitted by its rules.

##### **Master fund Nordea 1 – Chinese Equity Fund**

Specifically, the Master Fund is an equity fund that invests at least 75% of the total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business in People's Republic of China.

The Master Fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- China A-shares: 50%

The Master Fund will be exposed (through investments or cash) to other currencies than the base currency.

The Master Fund is actively managed.

Further relevant information on the Master Fund is available free of charge at [nordea.lu](#) in languages applicable when marketing the fund.

Master Fund's base currency is US dollar.

The Master Fund may use derivatives as part of the investment strategy, for hedging purposes, or in order to apply efficient portfolio management techniques.

If the amount of subscription, redemption or switch orders in the Master Fund exceed 10% of the Master Fund's NAV, the Master Fund's rules allow to postpone the execution of orders either in part or in full by eight Master Fund's NAV calculation days at the maximum.

**China-related risk:** The master fund's investments in mainland China may involve a higher risk of financial loss, not least due to related operational and regulatory risks, when compared with countries generally regarded as being more developed.

Further information on the master fund is available at [www.nordea.lu/funds](#) and [www.nordea.fi/funds](#).

#### Information on the master fund organisation

Nordea 1, SICAV is an Undertaking for Collective Investment in Transferable Securities (UCITS/ Société d'Investissement à Capital variable, SICAV) established under the laws of the Grand Duchy of Luxembourg.

The board of directors of the UCITS has selected Nordea Investment Funds S.A. as the management company and portfolio management organisation. This has been registered by the financial supervisory authority in Luxembourg. Nordea Investment Funds S.A. has selected Manulife Investment Management (Hong Kong) Ltd as the sub-manager of Nordea 1 – Chinese Equity Fund.

The fund's depository is J.P. Morgan SE, Luxembourg Branch. The auditor is PricewaterhouseCoopers, Luxembourg.

#### Agreement between the fund companies managing the feeder fund and the master fund

In their agreement governing the disclosure of information, the fund companies managing the feeder fund and the master fund have agreed on the procedures ensuring how and when the fund company managing the master fund delivers to the fund company managing the feeder fund the information and documents on the master fund needed to meet the requirements prescribed in the Finnish Act on Common Funds.

Among other things, the agreement covers the basic conditions of the investment operations of the feeder fund, arrangements relating to subscription and redemption orders, special events affecting subscription and redemption orders, changes to permanent arrangements (such as changes to the foundation documents of the master fund, changes to the Key Investor Information Document and prospectus, reorganisations of the master fund, change of the depositary and change of the auditor) as well as the law applied to the agreement.

The agreement is available to unitholders free of charge from the Management Company.

#### Fees and expenses arising from the investment of the feeder fund's assets and the total expenses of the feeder fund and the master fund

The total expenses of the feeder fund and master fund consist of ongoing charges. The charges debited by the feeder fund over a year, ie. ongoing charges, are 1.85%. The figure is based on the expenses

in 2021, and it may vary from year to year. The master fund's launch date is 29.11.2013.

The feeder fund invests in the unit series Y of the master fund. This unit series does not charge a management fee. The investment of the feeder fund's assets in the master fund does not cause other expenses, as Nordea Funds Ltd pays the ongoing charges of the master fund on behalf of the feeder fund.

#### Feeder fund – Nordea Conservative Yield Fund

The Fund is a feeder fund. The Fund seeks to invest all of its assets (minimum 85%) in Nordea 1 – Conservative Fixed Income Fund (share class Y) ("Master Fund"). The fund is a feeder fund, and is therefore not actively managed.

For the Fund no more than 15% of the Fund's assets can be 1) held in liquid assets to the extent required by the operations or 2) invested in such standardised and OTC derivative contracts which can only be used for the purpose of hedging.

The risk and return of the Fund may deviate from the risk and return of the Master Fund depending on the weight of the liquid assets as well as currency fluctuations.

The Fund's main currency exposure is to the base currency, although the Fund may also be exposed (through investments or cash) to other currencies.

Both the Fund and Master Fund's base currency is euro.

The Fund does not normally use derivatives.

The NAV of the Fund is calculated on such days when banks are generally open in Finland as well as in Luxembourg and the NAV calculation of the Master Fund has not been suspended in exceptional circumstances permitted by its rules.

#### Master fund Nordea 1 – Conservative Fixed Income Fund

Specifically the Master Fund is a fixed income fund that mainly invests, directly or through derivatives, in bonds, money market instruments and currencies globally.

The Master Fund may invest in corporate and government debt securities and debt-related securities, as well as inflation-linked bonds, covered bonds, convertible bonds, money market instruments, and UCITS/UCIs, including exchange-traded funds. The Master Fund may invest in credit default swaps.

The Master Fund may invest in, or be exposed to, the following instruments up to the percentage of total assets indicated:

- asset- and mortgage-backed securities (ABSs/MBSs): 20%
- defaulted corporate bonds: 5% (as a result of holding corporate bonds defaulting. The Master Fund will not invest actively in defaulted corporate bonds)
- equities: 2.5% (as a result of holding defaulted securities)

The Master Fund may be exposed (through investments or cash) to other currencies than the base currency.

The Master Fund is actively managed.

Further relevant information on the Master Fund is available free of charge at [nordea.lu](#) in languages applicable when marketing the fund.

The Master Fund uses derivatives extensively as part of the investment strategy, to hedge against undesirable risks or to promote efficient portfolio management.

If the amount of subscription, redemption or switch orders in the Master Fund exceed 10% of the Master Fund's NAV, the Master Fund's rules allow to postpone the execution of orders either in part or in full by eight Master Fund's NAV calculation days at the maximum.

Further information on the master fund is available at [www.nordea.lu/funds](#) and [www.nordea.fi/funds](#).

**Information on the master fund organisation**

Nordea 1, SICAV is an Undertaking for Collective Investment in Transferable Securities (UCITS / Société d'Investissement à Capital variable, SICAV) established under the laws of the Grand Duchy of Luxembourg.

The board of directors of the UCITS has selected Nordea Investment Funds S.A. as the management company and portfolio management organisation. This has been registered by the financial supervisory authority in Luxembourg. Nordea Investment Funds S.A. has selected Nordea Investment Management AB as the investment manager of Nordea 1 - Conservative Fixed Income Fund.

The fund's depositary is J.P. Morgan SE, Luxembourg Branch. The auditor is PricewaterhouseCoopers, Luxembourg.

**Agreement between the fund companies managing the feeder fund and the master fund**

In their agreement governing the disclosure of information, the fund companies managing the feeder fund and the master fund have agreed on the procedures ensuring how and when the fund company managing the master fund delivers to the fund company managing the feeder fund the information and documents on the master fund needed to meet the requirements prescribed in the Finnish Act on Common Funds.

Among other things, the agreement covers the basic conditions of the investment operations of the feeder fund, arrangements relating to subscription and redemption orders, special events affecting subscription and redemption orders, changes to permanent arrangements (such as changes to the foundation documents of the master fund, changes to the Key Investor Information Document (KIID) and prospectus, reorganisations of the master fund, change of the depositary and change of the auditor) as well as the law applied to the agreement.

The agreement is available to unitholders free of charge from the Management Company.

**Fees and expenses arising from the investment of the feeder fund's assets and the total expenses of the feeder fund and the master fund**

The total expenses of the feeder fund and master fund consist of ongoing charges. The total expenses of the feeder and the master fund are 0.17%. The figure is based on the expenses in 2021, and it may vary from year to year. When the feeder fund invests in the master fund, other expenses such as depositary fee or subscription tax are debited from the assets of the master fund. These costs are included in the ongoing charges of the master fund and thereby reflected on the feeder fund as well. The fund turned into a feeder fund on 29.6.2020. The master fund's launch date is 14.5.2020.

**Feeder fund – Nordea European Stars Fund**

The Fund is a feeder fund. The Fund aims to invest all of its assets (minimum 85%) in the master fund Nordea 1 – European Stars Equity Fund (share class Y) ("Master Fund"). The fund is a feeder fund, and is therefore not actively managed.

For the Fund no more than 15% of the Fund's assets can be  
 1) Held in liquid assets to the extent required by fund operations or  
 2) Invested in such standardised and OTC derivative contracts which can only be used for the purpose of hedging.

The return of the Fund may deviate from the return of the Master Fund depending on the weight of the liquid assets.

The Fund will be exposed (through investments or cash) to other currencies than the base currency.

The base currency of both the Fund and the Master Fund is the euro.

The Fund does not normally use derivatives.

The Fund promotes environmental and social characteristics as per Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR). Further information is available in the prospectus and at [www.nordea.fi/funds](http://www.nordea.fi/funds).

The NAV of the Fund is calculated on such days when banks are generally open in Finland as well as in Luxembourg and the NAV calculation of the Master Fund has not been suspended in exceptional circumstances permitted by its rules.

**Master fund Nordea 1 – European Stars Equity Fund**

Specifically, the Master Fund is an equity fund that invests at least 75% of total assets in equities and equity-related securities issued by companies that are listed, domiciled, or conduct the majority of their business in Europe.

The investments are made with a particular focus on environmental, social and corporate governance aspects.

The Master Fund may be exposed (through investments or cash) to other currencies than the base currency.

The Master Fund is actively managed.

Further relevant information on the Master Fund is available free of charge at [nordea.lu](http://nordea.lu) in languages applicable when marketing the fund.

The Master fund may use derivatives as part of the investment strategy, for hedging purposes, or in order to apply efficient portfolio management.

If the amount of subscription, redemption or switch orders in the Master Fund exceed 10% of the Master Fund's NAV, the Master Fund's rules allow to postpone the execution of orders either in part or in full by eight Master Fund's NAV calculation days at the maximum.

Further information on the master fund is available at [www.nordea.lu/funds](http://www.nordea.lu/funds) and [www.nordea.fi/funds](http://www.nordea.fi/funds).

**Information on the master fund organisation**

Nordea 1, SICAV is an Undertaking for Collective Investment in Transferable Securities (UCITS / Société d'Investissement à Capital variable, SICAV) established under the laws of the Grand Duchy of Luxembourg.

The board of directors of the UCITS has selected Nordea Investment Funds S.A. as the management company and portfolio management organisation. This has been registered by the financial supervisory authority in Luxembourg. Nordea Investment Funds S.A. has selected Nordea Investment Management AB as the investment manager of Nordea 1 – European Stars Equity Fund.

The fund's depositary is J.P. Morgan SE, Luxembourg Branch. The auditor is PricewaterhouseCoopers, Luxembourg.

**Agreement between the fund companies managing the feeder fund and the master fund**

In their agreement governing the disclosure of information, the fund companies managing the feeder fund and the master fund have agreed on the procedures ensuring how and when the fund company managing the master fund delivers to the fund company managing the feeder fund the information and documents on the master fund needed to meet the requirements prescribed in the Finnish Act on Common Funds.

Among other things, the agreement covers the basic conditions of the investment operations of the feeder fund, arrangements relating to subscription and redemption orders, special events affecting subscription and redemption orders, changes to permanent arrangements (such as changes to the foundation documents of the master fund, changes to the Key Investor Information Document (KIID) and prospectus, reorganisations of the master fund, change of the depositary and change of the auditor) as well as the law applied to the agreement.

The agreement is available to unitholders free of charge from the Management Company.

**Fees and expenses arising from the investment of the feeder fund's assets and the total expenses of the feeder fund and the master fund**

The total expenses of the feeder fund and master fund consist of ongoing charges. The total expenses of the feeder and the master fund are estimated at 1.47% on a yearly basis after the conversion into a feeder fund. When the feeder fund invests in the master fund, no administration fee, depositary fee, subscription tax or other expenses are debited from the assets of the master fund. The fund turned into a feeder fund on 10.5.2022. The master fund's launch date is 14.11.2017.

**Feeder funds solely focused on the Norwegian markets**

**Feeder fund – Nordea Private Banking Kort Obligasjon Pluss Fund**

The Fund is a feeder fund. The Fund seeks to invest all of its assets (minimum 85%) in Verdipapirfondet Nordea Kort Obligasjon Pluss ("Master Fund"). The fund is a feeder fund, and is therefore not actively managed.

For the Fund no more than 15% of the Fund's assets can be  
1) held in liquid assets to the extent required by the operations or  
2) invested in such standardised and OTC derivative contracts which can only be used for the purpose of hedging.

The return of the Fund may deviate from the return of the Master Fund depending on the weight of the liquid assets.

The Fund's main currency exposure is to the base currency, although the Fund may also be exposed (through investments or cash) to other currencies.

The base currency of the Fund is NOK.

The Fund does not normally use derivatives.

The Fund promotes environmental and social characteristics as per Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR). Further information is available in the prospectus and at [www.nordea.fi/funds](http://www.nordea.fi/funds).

Subscription and redemption orders regarding fund units are accepted in Norway every banking day at all Nordea offices that provide investment services during their opening hours.

Orders are executed on such banking days when the value of both the Fund and the Master Fund and value of the fund units are calculated.

**Master fund – Nordea Kort Obligasjon Pluss**

Specifically, the Master Fund is a short-term bond fund which mainly invests in certificates and bonds with an interest rate risk up to 1 year and a credit risk expected to be above one year, but single securities can have an interest rate risk of above 2 years.

The Master Fund is typically characterised by a relatively low fluctuation risk (volatility).

The Master Fund invests minimum 80% of its assets in financial instruments issued by Norwegian issuers.

The Master Fund is actively managed.

Master Fund's base currency is NOK.

The Master Fund may occasionally use derivatives in order to hedge against risks or to promote efficient portfolio management.

Further information on the master fund is available at [www.nordea.no/fond](http://www.nordea.no/fond) and [www.nordea.fi/funds](http://www.nordea.fi/funds).

**Feeder fund – Nordea Private Banking FRN**

The Fund is a feeder fund. The Fund seeks to invest all of its assets (minimum 85%) in Verdipapirfondet Nordea FRN Pensjon ("Master Fund"). The fund is a feeder fund, and is therefore not actively managed.

For the Fund no more than 15% of the Fund's assets can be  
1) held in liquid assets to the extent required by the operations or  
2) invested in such standardised and OTC derivative contracts which can only be used for the purpose of hedging.

The return of the Fund may deviate from the return of the Master Fund depending on the weight of the liquid assets.

The Fund's main currency exposure is to the base currency, although the Fund may also be exposed (through investments or cash) to other currencies.

The base currency of the Fund is NOK.

The Fund does not normally use derivatives.

The Fund promotes environmental and social characteristics as per Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR). Further information is available in the prospectus and at [www.nordea.fi/funds](http://www.nordea.fi/funds).

Subscription and redemption orders regarding fund units are accepted in Norway every banking day at all Nordea offices that provide investment services during their opening hours.

Orders are executed on such banking days when the value of both the Fund and the Master Fund and value of the fund units are calculated.

**Master fund – Nordea FRN Pensjon**

Specifically, the Master Fund is a bond fund which mainly invests in floating rate certificates and bonds mainly issued by states, municipalities and financial institutions.

The Master Fund invests a minimum of 80% of its assets in financial instruments issued by Norwegian issuers.

The Master Fund is actively managed.

Master Fund's base currency is NOK.

The Master Fund may occasionally use derivatives in order to hedge against risks or to promote efficient portfolio management.

Further information on the master fund is available at [www.nordea.no/fond](http://www.nordea.no/fond) and [www.nordea.fi/funds](http://www.nordea.fi/funds).

**Feeder fund – Nordea Private Banking Obligasjon**

The Fund is a feeder fund. The Fund seeks to invest all of its assets (minimum 85%) in Verdipapirfondet Nordea Obligasjon III ("Master Fund"). The fund is a feeder fund, and is therefore not actively managed.

For the Fund no more than 15% of the Fund's assets can be  
1) held in liquid assets to the extent required by the operations or  
2) invested in such standardised and OTC derivative contracts which can only be used for the purpose of hedging.

The return of the Fund may deviate from the return of the Master Fund depending on the weight of the liquid assets.

The Fund's main currency exposure is to the base currency, although the Fund may also be exposed (through investments or cash) to other currencies.

The base currency of the Fund is NOK.

The Fund does not normally use derivatives.

The Fund promotes environmental and social characteristics as per Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR). Further information is available in the prospectus and at [www.nordea.fi/funds](http://www.nordea.fi/funds).

Subscription and redemption orders regarding fund units are accepted in Norway every banking day at all Nordea offices that provide investment services during their opening hours.

Orders are executed on such banking days when the value of both the Fund and the Master Fund and value of the fund units are calculated.

#### **Master fund – Nordea Obligasjon III**

Specifically, the Master Fund is a bond fund which mainly invests in interest bearing securities denominated in Norwegian kroner. The Master Fund is typically characterised by a relatively low fluctuation risk (volatility).

The Master Fund invests a minimum of 80% of its assets in financial instruments issued by Norwegian issuers.

The Master Fund is actively managed.

Master Fund's base currency is NOK.

The Master Fund may occasionally use derivatives in order to hedge against risks or to promote efficient portfolio management.

Further information on the master fund is available at [www.nordea.no/fond](http://www.nordea.no/fond) and [www.nordea.fi/funds](http://www.nordea.fi/funds).

#### **Information on the master funds' organisation**

Nordea Kort Obligasjon Pluss, Nordea FRN Pensjon and Nordea Obligasjon III funds are managed by Nordea Funds Ltd. The depositary of the Nordea funds registered in Norway J.P. Morgan SE – Oslo Branch.

The fund's auditor is PricewaterhouseCoopers AS.

#### **Fees and expenses arising from the investment of feeder funds' assets and the total expenses of feeder funds and master funds**

The total expenses of feeder funds and master funds consist of ongoing charges.

The ongoing charges of the feeder fund Nordea Private Banking Kort Obligasjon Pluss Fund are 0.20% p.a. The figure may vary from year to year. As no management fee is charged for the feeder fund's investments in the master fund the ongoing charges of the master fund Nordea Kort Obligasjon Pluss are 0.003% (this is the custody fee). The total expenses in the feeder fund and the master fund are about 0.203% annualised.

The ongoing charges of the feeder fund Nordea Private Banking FRN are 0.25% p.a. The figure may vary from year to year. As no management fee is charged for the feeder fund's investments in the master fund the ongoing charges of the master fund Nordea FRN Pension are 0.003% (this is the custody fee). The total expenses in the feeder fund and the master fund are about 0.253% annualised.

The ongoing charges of the feeder fund Nordea Private Banking Obligasjon are 0.25%. The figure may vary from year to year. As no management fee is charged for the feeder fund's investments in the master fund the ongoing charges of the master fund Nordea Obligasjon III are 0.003% (this is the custody fee). The total expenses in the feeder fund and the master fund are about 0.253% annualised.

#### **Nora feeder funds focused on the Swedish, Norwegian and Finnish markets**

*The Nora fund family is only targeted at customers within the digital services.*

#### **Subscription and redemption of units in the feeder funds**

##### **Sweden**

Subscription, redemption and switching orders to the Nora feeder funds (SEK) are received in Sweden on every banking day at all branches of Nordea providing investment services, during their office hours. Orders can also be given with Nordea's Netbank access codes by calling Nordea Customer Service 24/7 and in Nordea's Netbank or in Nordea's other digital services on the Internet.

Orders are executed on every banking day when the banks are generally open in Finland and Sweden, and when the NAVs per both the feeder and master funds are calculated.

##### **Norway**

Subscription, redemption and switching orders to the Nora feeder funds (NOK) are received in Norway on every banking day at all branches of Nordea providing investment services, during their office hours. Orders can also be given with Nordea's Netbank access codes by calling Nordea Customer Service 24/7 and in Nordea's Netbank or in Nordea's other digital services on the Internet.

Orders are executed on every banking day when the banks are generally open in Finland and Norway, and when the NAVs per both the feeder and master funds are calculated

##### **Finland**

Subscription and redemption orders to the Nora feeder funds (EUR) are received in Finland on every banking day at all branches of Nordea providing investment services, during their office hours. Orders can also be given with Nordea's Netbank access codes by calling Nordea Customer Service 24/7 and in Nordea's Netbank or in Nordea's other digital services on the Internet. Orders are executed on every banking day when the banks are generally open in Finland, and when the NAVs per both the feeder and master funds are calculated.

*Orders cannot be given on other subscription and redemption places until after the first subscription via the Nordea's digital advice service has been made.*

#### **Subscription and redemption of units in the master fund**

Investors can give subscription, redemption and switching orders on every Finnish banking day and they will be executed on banking days when the banks are generally open in Finland.

#### **– Nora feeder and master funds and their structure**

The Nora funds are so-called feeder funds or master funds.

The feeder funds (SEK) invest in the master funds; the funds' official names:

Feeder fund	Master fund
Nora Fund Two (SEK)	Nora Fund Two Master
Nora Fund Three (SEK)	Nora Fund Three Master
Nora Fund Four (SEK)	Nora Fund Four Master
Nora Fund Five (SEK)	Nora Fund Five Master

The launch date of the feeder funds is 11.12.2017. The launch date of the master funds is 11.12.2017. The feeder funds have been marketed in Sweden as of 11.12.2017.

The feeder funds (NOK) invest in the master funds; the funds' official names:

Feeder fund	Master fund
Nora Fund Two (NOK)	Nora Fund Two Master
Nora Fund Three (NOK)	Nora Fund Three Master
Nora Fund Four (NOK)	Nora Fund Four Master

The launch date of the feeder funds is 16.4.2018. The launch date of the master funds is 11.12.2017. The feeder funds have been marketed in Norway as of 16.4.2018.

The feeder funds (EUR) invest in the master funds; the funds' official names:

Feeder fund	Master fund
Nora Fund Two (EUR)	Nora Fund Two Master
Nora Fund Three (EUR)	Nora Fund Three Master
Nora Fund Four (EUR)	Nora Fund Four Master
Nora Fund Five (EUR)	Nora Fund Five Master

The launch date of the feeder funds is 15.3.2018. The launch date of the master funds is 11.12.2017. The feeder funds have been marketed in Finland as of 15.3.2018

#### **Objective and investment policy – feeder and master fund**

At the minimum 85% of the assets of the feeder fund is continuously invested in the corresponding Nora Master fund. The fund is a feeder fund, and is therefore not actively managed.

No more than 15% of the feeder Fund's assets can be  
 1) Held in liquid assets to the extent required by the operations or  
 2) Invested in such standardised and OTC derivative contracts which can only be used for the purpose of hedging.

The return of the feeder Fund may deviate from the return of the Master Fund depending on the weight of the liquid assets.

Specifically, the Master Fund invests mainly in units of other investment funds (UCITS), non-UCITS funds, alternative investment funds and Undertakings for Collective Investments (UCIs).

Furthermore, the Master Fund may invest up to 45% of the total assets in bonds, debt securities and other fixed income instruments as well as equity and equity-related securities.

Investments are made globally.

The Master Fund is actively managed.

The range of the modified duration of the Master fund is 0–10.

The Master Funds' allocation between the fixed-income and equity investments may vary.

#### *The range of equity investments*

Master fund	Minimum, %	Maximum, %
Nora Fund Two Master	0	50
Nora Fund Three Master	25	75
Nora Fund Four Master	50	100
Nora Fund Five Master	65	100

Different from the feeder funds (SEK and NOK), the feeder funds (EUR) do not generally use currency derivatives. The master fund uses currency derivatives to hedge against currency risk, which means that the fixed-income investments in other currencies than euro are mainly hedged against the euro. The master fund can also utilise other derivatives to generate an excess return and promote efficient risk management.

As for the feeder funds (SEK and NOK), both the feeder fund and the master fund use currency derivatives to hedge against currency risk, which means that the euro-denominated fixed-income investments are mainly hedged against the Swedish or Norwegian krone. The master fund can also utilise other derivatives to generate an excess return and promote efficient risk management.

#### **The risk category from Key Investor Information Document**

Feeder fund	Risk category	Master fund	Risk category
Nora Fund Two (SEK)	4	Nora Fund Two Master	4
Nora Fund Three (SEK)	4	Nora Fund Three Master	4
Nora Fund Four (SEK)	5	Nora Fund Four Master	5
Nora Fund Five (SEK)	5	Nora Fund Five Master	5

Feeder fund	Risk category	Master fund	Risk category
Nora Fund Two (EUR)	4	Nora Fund Two Master	4
Nora Fund Three (EUR)	4	Nora Fund Three Master	4
Nora Fund Four (EUR)	5	Nora Fund Four Master	5
Nora Fund Five (EUR)	5	Nora Fund Five Master	5

Feeder fund	Risk category	Master fund	Risk category
Nora Fund Two (NOK)	4	Nora Fund Two Master	4
Nora Fund Three (NOK)	4	Nora Fund Three Master	4
Nora Fund Four (NOK)	5	Nora Fund Four Master	5

#### **Recommended minimum holding period**

Feeder fund	years	Master fund	years
Nora Fund Two (SEK)	3	Nora Fund Two Master	3
Nora Fund Three (SEK)	5	Nora Fund Three Master	5
Nora Fund Four (SEK)	5	Nora Fund Four Master	5
Nora Fund Five (SEK)	5	Nora Fund Five Master	5

Feeder fund	years	Master fund	years
Nora Fund Two (EUR)	3	Nora Fund Two Master	3
Nora Fund Three (EUR)	5	Nora Fund Three Master	5
Nora Fund Four (EUR)	5	Nora Fund Four Master	5
Nora Fund Five (EUR)	5	Nora Fund Five Master	5

Feeder fund	years	Master fund	years
Nora Fund Two (NOK)	3	Nora Fund Two Master	3
Nora Fund Three (NOK)	5	Nora Fund Three Master	5
Nora Fund Four (NOK)	5	Nora Fund Four Master	5

#### **Management fees**

Feeder fund	% p.a.	Master fund	% p.a.
Nora Fund Two (SEK)	0.64	Nora Fund Two Master	0.64
Nora Fund Three (SEK)	0.69	Nora Fund Three Master	0.69
Nora Fund Four (SEK)	0.74	Nora Fund Four Master	0.74
Nora Fund Five (SEK)	0.79	Nora Fund Five Master	0.79

Feeder fund	% p.a.	Master fund	% p.a.
Nora Fund Two (EUR)	0.64	Nora Fund Two Master	0.64
Nora Fund Three (EUR)	0.69	Nora Fund Three Master	0.69
Nora Fund Four (EUR)	0.74	Nora Fund Four Master	0.74
Nora Fund Five (EUR)	0.79	Nora Fund Five Master	0.79

Feeder fund	% p.a.	Master fund	% p.a.
Nora Fund Two (NOK)	0.63	Nora Fund Two Master	0.64
Nora Fund Three (NOK)	0.68	Nora Fund Three Master	0.69
Nora Fund Four (NOK)	0.73	Nora Fund Four Master	0.74

#### **Fees and expenses arising from the investment of the feeder fund's assets and the total expenses of the feeder fund and the master fund**

The total expenses of the feeder fund and master fund consist of ongoing charges. The figure is based on the expenses over the previous calendar year, and it may vary from year to year.

The management fees of the feeder funds vary 0.63–0.79 % p.a. and those of the master funds 0.64–0.79% p.a. The total expenses of the feeder fund and master fund which are caused by the management fee are however e.g. 0.63% p.a., for the reason that no management fee is charged for the feeder fund's investments in the master fund. The management fee of the master fund is otherwise 0.64–0.79% p.a.

As for the feeder fund's investments in the master fund, no subscription or redemption fees are charged. As for the master fund's investments in the domestic and foreign underlying Nordea funds, no subscription or redemption fees are charged. As for the master fund's investments in other Nordea funds, no management fee is charged from the underlying funds' assets. However, a performance-based fee (that is a part of the management fee) corresponding to the units in the underlying investment funds or collective investment undertakings (UCIs) can be charged from the assets of these funds/ undertakings. When the master fund invests in foreign UCIs managed by Nordea, no subscription tax or other expenses will usually be charged from the assets of the UCIs. These other costs are typically levied on the assets of UCIs.

The total expenses of the feeder and master funds consist therefore of the feeder fund's management fee and the other expenses, which are charged from the assets of the underlying exchange-traded funds (ETFs) in which the master fund has possibly invested and which are not managed by Nordea.

The basic currency of the feeder funds is Swedish krone, Norwegian krone or euro and that of the master funds euro. The feeder fund subscribes for euro-denominated growth units in the master fund. Any income received from the feeder fund's investments is reinvested. In the same way, the units in the master fund are growth units.

#### **Information on the master fund organisation**

Both the feeder funds and the master funds are registered in Finland and they are managed by Nordea Funds Ltd.

J.P. Morgan SE – Helsinki branch acts as the funds' depository. The auditor firm is PricewaterhouseCoopers Oy, Authorised Public Accountant Firm.

### **ESG-enhanced feeder funds focused on the Swedish and Norwegian markets and their master fund**

#### **– Fixed-income funds**

- Nordea Bærekraftige Obligasjoner Global Fund (feeder fund, NOK)
- Nordea Hållbarhetsfond Obligationer Global Fund (feeder fund, SEK)
- Nordea Sustainable Fixed Income Global Fund (master fund, EUR)

#### **Subscription and redemption of units in the feeder funds**

##### **Sweden**

Subscription, redemption and switching orders to the feeder fund (SEK) are received in Sweden on every banking day at all branches of Nordea providing investment services, during their office hours. Orders can also be given with Nordea's Netbank access codes by calling Nordea Customer Service 24/7 and in Nordea's Netbank.

Orders are executed on every banking day when the banks are generally open in Finland and Sweden, and when the NAVs per both the feeder and master funds are calculated.

##### **Norway**

Subscription, redemption and switching orders to the feeder fund (NOK) are received in Norway on every banking day at all branches of Nordea providing investment services, during their office hours. Orders can also be given with Nordea's Netbank access codes by calling Nordea Customer Service 24/7 and in Nordea's Netbank.

Orders are executed on every banking day when the banks are generally open in Finland and Norway, and when the NAVs per both the feeder and master funds are calculated.

#### **Subscription and redemption of units in the master fund**

Investors can give subscription, redemption and switching orders on every Finnish banking day and they will be executed on banking days when the banks are generally open in Finland.

#### **• ESG-enhanced fixed-income funds and their structure**

The ESG-enhanced fixed-income funds are so-called feeder funds or master funds.

The feeder fund (SEK) invests in the master fund; the funds' official names:

Feeder fund	Master fund
Nordea Hållbarhetsfond Obligationer Global Fund (SEK)	Nordea Sustainable Fixed Income Global Fund

The launch date of the feeder fund (SEK) is 9.4.2019. The launch date of the master fund is 9.4.2019. The feeder fund has been marketed in Sweden as of 9.4.2019.

The feeder fund (NOK) invest in the master fund; the funds' official names:

Feeder fund	Master fund
Nordea Bærekraftige Obligasjoner Global Fund (NOK)	Nordea Sustainable Fixed Income Global Fund

The launch date of the feeder fund (NOK) is 9.4.2019. The launch date of the master fund is 9.4.2019. The feeder fund has been marketed in Norway as of 9.4.2019.

#### **Objective and investment policy – feeder and master fund**

At the minimum 85% of the assets of the feeder fund is continuously invested in the master fund. The fund is a feeder fund, and is therefore not actively managed.

No more than 15% of the feeder Fund's assets can be

- 1) Held in liquid assets to the extent required by the operations or
- 2) Invested in such standardised and OTC derivative contracts which can only be used for the purpose of hedging.

The return of the feeder Fund may deviate from the return of the Master Fund depending on the weight of the liquid assets. The feeder Fund's main currency exposure is to the base currency, although the Fund may also be exposed (through investments or cash) to other currencies.

*Nordea Sustainable Selection Fixed Income Global Fund (master fund), Nordea Bærekraftige Obligasjoner Global Fund (NOK) (feeder fund) and Nordea Hållbarhetsfond Obligationer Global Fund (SEK) (feeder fund)* promote environmental and social characteristics as per Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR).

Specifically, the Master Fund is a fund of funds that invests mainly in units of other investment funds (UCITS), non-UCITS funds, alternative investment funds and Undertakings for Collective Investments (UCIs).

Furthermore, the Master Fund may invest up to 45% of the total assets in bonds, debt securities and other fixed income instruments issued by governments, public authorities, supranational institutions as well as companies.

The investments are made globally with particular focus on environmental, social and corporate governance aspects.

The Master Fund is actively managed.

The majority of the Master Fund's direct investments, other than those issued or guaranteed governments shall have a long-term credit rating of at least BBB-, Baa3 (or a corresponding). If the instrument does not have a credit rating, the credit rating of the issuer is monitored.

The range of the modified duration of the Master Fund is 0–10.

A major part of the Master Fund's currency exposure is hedged to the base currency, although the Fund may also be exposed (through investments or cash) to other currencies.

The Master fund may occasionally use currency and other derivatives in order to hedge against risks or to promote efficient portfolio management.

In the Master Fund's investment operations, a strong focus is laid on the ability to comply with international standards for environmental, social and corporate governance issues (ESG). The ESG approach is based on exclusionary screenings where certain sectors, companies or practices are excluded from the portfolio using specific ESG criteria. This is combined with positive selection where the fund seeks out high-quality ESG companies which follow the best ESG practices.

#### **The risk category from Key Investor Information Document**

Feeder fund	Risk category	Master fund	Risk category
Nordea Hållbarhetsfond Obligationer Global Fund (SEK)	3	Nordea Sustainable Fixed Income Global Fund	3
Nordea Bærekraftige Obligasjoner Global Fund (NOK)	3	Nordea Sustainable Fixed Income Global Fund	3

#### **Recommended minimum holding period**

Feeder fund	Years	Master fund	Years
Nordea Hållbarhetsfond Obligationer Global Fund (SEK)	3	Nordea Sustainable Fixed Income Global Fund	3
Nordea Bærekraftige Obligasjoner Global Fund (NOK)	3	Nordea Sustainable Fixed Income Global Fund	3

#### **Management fees**

Feeder fund	% p.a.	Master fund	% p.a.
Nordea Hållbarhetsfond Obligationer Global Fund (SEK)	0.75	Nordea Sustainable Fixed Income Global Fund	0.75

Nordea Bærekraftige Obligasjoner Global Fund (NOK)	0.75	Nordea Sustainable Fixed Income Global Fund	0.75
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**Fees and expenses arising from the investment of the feeder fund's assets and the total expenses of the feeder fund and the master fund**

The total expenses of the feeder fund and master fund consist of ongoing charges. The figure is based on the expenses over the previous calendar year, and it may vary from year to year.

The management fee of the feeder and master funds is 0.75% p.a. The total expenses of the feeder fund and master fund which are caused by the management fee are however e.g. 0.75% p.a., for the reason that no management fee is charged for the feeder fund's investments in the master fund. The management fee of the master fund is otherwise 0.75% p.a.

As for the feeder fund's investments in the master fund, no subscription or redemption fees are charged. As for the master fund's investments in the domestic and foreign underlying Nordea funds, no subscription or redemption fees are charged. As for the master fund's investments in other Nordea funds, no management fee is charged from the underlying funds' assets. However, a performance-based fee (that is a part of the management fee) corresponding to the units in the underlying investment funds or collective investment undertakings can be charged from the assets of these funds/ undertakings. Even other expenses can be charged from the assets of the underlying collective investment undertakings managed by Nordea, and these are included in the ongoing charges of the master fund.

The total expenses of the feeder and master funds consist therefore of the feeder fund's management fee and the other expenses, like depositary fee and subscription tax, which are charged from the assets of the underlying foreign collective investment undertaking in which the master fund has possibly invested.

The basic currency of the feeder funds is Swedish krone or Norwegian krone and that of the master funds euro. The feeder fund subscribes for euro-denominated growth units in the master fund. Any income received from the feeder fund's investments is reinvested. In the same way, the units in the master fund are growth units.

**Information on the master fund organisation**

Both the feeder funds and the master funds are registered in Finland and they are managed by Nordea Funds Ltd.

J.P. Morgan SE – Helsinki branch acts as the funds' depository. The auditor firm is PricewaterhouseCoopers Oy, Authorised Public Accountant Firm.

**ESG-enhanced feeder funds focused on the Swedish and Norwegian markets and their master funds**

**– Balanced fund families**

- Nordea Sustainable Selection Balanced Fund (master fund, EUR)
- Nordea Sustainable Selection Balanced Fund (feeder fund, NOK)
- Nordea Sustainable Selection Balanced Fund (feeder fund, SEK)
- Nordea Sustainable Selection Growth Fund (master fund, EUR)
- Nordea Sustainable Selection Growth Fund (feeder fund, NOK)
- Nordea Sustainable Selection Growth Fund (feeder fund, SEK)
- Nordea Sustainable Selection Moderate Fund (master fund, EUR)
- Nordea Sustainable Selection Moderate Fund (feeder fund, NOK)
- Nordea Sustainable Selection Moderate Fund (feeder fund, SEK)
- Nordea Sustainable Selection Return Fund (master fund, EUR)
- Nordea Sustainable Selection Return Fund (feeder fund, NOK)
- Nordea Sustainable Selection Return Fund (feeder fund, SEK)

**Sweden**

Subscription, redemption and switching orders to the feeder funds (SEK) are received in Sweden on every banking day at all branches of Nordea providing investment services, during their office hours. Orders can also be given with Nordea's Netbank access codes by calling Nordea Customer Service 24/7 and in Nordea's Netbank.

Orders are executed on every banking day when the banks are generally open in Finland and Sweden, and when the NAVs per both the feeder and master funds are calculated.

**Norway**

Subscription, redemption and switching orders to the feeder funds (NOK) are received in Norway on every banking day at all branches of Nordea providing investment services, during their office hours. Orders can also be given with Nordea's Netbank access codes by calling Nordea Customer Service 24/7 and in Nordea's Netbank.

Orders are executed on every banking day when the banks are generally open in Finland and Norway, and when the NAVs per both the feeder and master funds are calculated.

**Subscription and redemption of units in the master funds**

Investors can give subscription, redemption and switching orders on every Finnish banking day and they will be executed on banking days when the banks are generally open in Finland.

**• ESG-enhanced balanced funds and their structure**

The ESG-enhanced balanced funds are so-called feeder funds or master funds.

The feeder funds (SEK) invest in the master funds; the funds' official names:

Feeder fund	Master fund
Nordea Sustainable Selection Balanced Fund (SEK)	Nordea Sustainable Selection Balanced Fund
Nordea Sustainable Selection Growth Fund (SEK)	Nordea Sustainable Selection Growth Fund
Nordea Sustainable Selection Moderate Fund (SEK)	Nordea Sustainable Selection Moderate Fund
Nordea Sustainable Selection Return Fund (SEK) <sup>(*)</sup>	Nordea Sustainable Selection Return Fund <sup>(*)</sup>

The launch date of the feeder funds (SEK) is 12.11.2019. The launch date of the master funds is 26.9.2016 and funds have been master funds as of 12.11.2019. The feeder funds have been marketed in Sweden as of 12.11.2019.

<sup>(\*)</sup>The launch date of the feeder fund (SEK) is 18.1.2022. The launch date of the master fund is 18.1.2022 The feeder fund has been marketed in Sweden as of 18.1.2022.

The feeder fund (NOK) invest in the master fund; the funds' official names:

Feeder fund	Master fund
Nordea Sustainable Selection Balanced Fund (NOK)	Nordea Sustainable Selection Balanced Fund
Nordea Sustainable Selection Growth Fund (NOK)	Nordea Sustainable Selection Growth Fund
Nordea Sustainable Selection Moderate Fund (NOK)	Nordea Sustainable Selection Moderate Fund
Nordea Sustainable Selection Return Fund (NOK) <sup>(*)</sup>	Nordea Sustainable Selection Return Fund <sup>(*)</sup>

The launch date of the feeder funds (NOK) is 12.11.2019. The launch date of the master funds is 26.9.2016 and funds have been master funds as of 12.11.2019. The feeder funds have been marketed in Norway as of 12.11.2019.

<sup>(\*)</sup>The launch date of the feeder fund (NOK) is 18.1.2022. The launch date of the master fund is 18.1.2022 The feeder fund has been marketed in Norway as of 18.1.2022.

**Objective and investment policy – feeder and master fund**

At the minimum 85% of the assets of the feeder fund is continuously invested in the master fund. The fund is a feeder fund, and is therefore not actively managed.

No more than 15% of the feeder Fund's assets can be

- 1) Held in liquid assets to the extent required by the operations or
- 2) Invested in such standardised and OTC derivative contracts which can only be used for the purpose of hedging.

The return of the feeder Fund may deviate from the return of the Master Fund depending on the weight of the liquid assets.

The feeder Fund may be exposed (through investments or cash) to other currencies than the base currency. The majority of the master fund's fixed income exposure is hedged to the base currency.

The master fund *Nordea Sustainable Selection Balanced Fund* is an actively managed fund of funds focusing on both fixed income and equity investments globally (balanced fund).

Specifically, the Fund invests mainly in units of other investment funds (UCITS), non-UCITS funds, alternative investment funds and Undertakings for Collective Investments (UCIs). Furthermore, the Fund may invest up to 45% of the total assets in bonds, debt securities and other fixed income instruments as well as equities and equity-related securities.

The Fund will invest 25–75% of total assets in equities and equity-related securities either through direct investments or funds. The investments are made globally with particular focus on environmental, social and corporate governance aspects.

The master fund *Nordea Sustainable Selection Growth Fund* is an actively managed fund of funds focusing on both fixed income and equity investments globally (balanced fund).

Specifically, the Fund invests mainly in units of other investment funds (UCITS), non-UCITS funds, alternative investment funds and Undertakings for Collective Investments (UCIs). Furthermore, the Fund may invest up to 45% of the total assets in bonds, debt securities and other fixed income instruments as well as equities and equity-related securities.

The Fund will invest 50–100% of total assets in equities and equity-related securities either through direct investments or funds. The investments are made globally with particular focus on environmental, social and corporate governance aspects.

The master fund *Nordea Sustainable Selection Moderate Fund* is an actively managed fund of funds focusing on both fixed income and equity investments globally (balanced fund).

Specifically, the Fund invests mainly in units of other investment funds (UCITS), non-UCITS funds, alternative investment funds and Undertakings for Collective Investments (UCIs). Furthermore, the Fund may invest up to 45% of the total assets in bonds, debt securities and other fixed income instruments as well as equities and equity-related securities.

The Fund will invest 0–50% of total assets in equities and equity-related securities either through direct investments or funds. The investments are made globally with particular focus on environmental, social and corporate governance aspects.

The master fund *Nordea Sustainable Selection Return Fund* is an actively managed fund focusing on both fixed income and equity investments globally (balanced fund).

Specifically, the Fund invests mainly in equities and equity-related securities as well as bonds, debt securities and other fixed income instruments. Furthermore, the Fund may invest up to 45% of the total assets in units of other investment funds (UCITS), non-UCITS funds, alternative investment funds and Undertakings for Collective Investments (UCIs).

The Fund will invest 80–100% of total assets in equities and equity-related securities either through direct investments or funds. The investments are made globally with particular focus on environmental, social and corporate governance aspects.

*Nordea Sustainable Selection – master and feeder funds* promotes environmental and social characteristics as per Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR).

In the master funds *Nordea Sustainable Selection Balanced Fund*, *Nordea Sustainable Selection Growth Fund*, *Nordea Sustainable Selection Moderate Fund* and *Nordea Sustainable Selection Return Fund* investment operations, a strong focus is laid on the ability to comply with international standards for environmental, social and corporate governance issues (ESG). The ESG approach is based on exclusionary screenings where certain sectors, companies or practices are excluded from the portfolio using specific ESG criteria. This is combined with positive selection where the fund seeks out high-quality ESG companies which follow the best ESG practices.

The range of the modified duration of the Master Fund is 0–10.

The Master Fund's main currency exposure is to the base currency, although it may also be exposed (through investments or cash) to other currencies.

The feeder or master funds use derivatives regularly in order to hedge against risks or to promote efficient portfolio management.

#### The risk category from Key Investor Information Document

Feeder fund	Risk category	Master fund	Risk category
Nordea Sustainable Selection Balanced Fund (SEK)	4	Nordea Sustainable Selection Balanced Fund	4
Nordea Sustainable Selection Growth Fund (SEK)	5	Nordea Sustainable Selection Growth Fund	5
Nordea Sustainable Selection Moderate Fund (SEK)	4	Nordea Sustainable Selection Moderate Fund	4
Nordea Sustainable Selection Return Fund (SEK)	5	Nordea Sustainable Selection Return Fund	5
Nordea Sustainable Selection Balanced Fund (NOK)	4	Nordea Sustainable Selection Balanced Fund	4
Nordea Sustainable Selection Growth Fund (NOK)	5	Nordea Sustainable Selection Growth Fund	5
Nordea Sustainable Selection Moderate Fund (NOK)	4	Nordea Sustainable Selection Moderate Fund	4
Nordea Sustainable Selection Return Fund (NOK)	5	Nordea Sustainable Selection Return Fund	5

#### Recommended minimum holding period

Feeder fund	Years	Master fund	Years
Nordea Sustainable Selection Balanced Fund (SEK)	3	Nordea Sustainable Selection Balanced Fund	3
Nordea Sustainable Selection Growth Fund (SEK)	5	Nordea Sustainable Selection Growth Fund	5
Nordea Sustainable Selection Moderate Fund (SEK)	3	Nordea Sustainable Selection Moderate Fund	3
Nordea Sustainable Selection Return Fund (SEK)	5	Nordea Sustainable Selection Return Fund	5
Nordea Sustainable Selection Balanced Fund (NOK)	3	Nordea Sustainable Selection Balanced Fund	3
Nordea Sustainable Selection Growth Fund (NOK)	5	Nordea Sustainable Selection Growth Fund	5
Nordea Sustainable Selection Moderate Fund (NOK)	3	Nordea Sustainable Selection Moderate Fund	3
Nordea Sustainable Selection Return Fund (NOK)	5	Nordea Sustainable Selection Return Fund	5

#### Management fees

Feeder fund	% p.a.	Master fund, I unit series	% p.a.
Nordea Sustainable Selection Balanced Fund (SEK)	1.35	Nordea Sustainable Selection Balanced Fund	0.75
Nordea Sustainable Selection Growth Fund (SEK)	1.35	Nordea Sustainable Selection Growth Fund	0.85
Nordea Sustainable Selection Moderate Fund (SEK)	1.20	Nordea Sustainable Selection Moderate Fund	0.65
Nordea Sustainable Selection Return Fund (SEK)	1.40	Nordea Sustainable Selection Return Fund	0.95
Nordea Sustainable Selection Balanced Fund (NOK)	1.18	Nordea Sustainable Selection Balanced Fund	0.75
Nordea Sustainable Selection Growth Fund (NOK)	1.37	Nordea Sustainable Selection Growth Fund	0.85
Nordea Sustainable Selection Moderate Fund (NOK)	0.99	Nordea Sustainable Selection Moderate Fund	0.65
Nordea Sustainable Selection Return Fund (NOK)	1.47	Nordea Sustainable Selection Return Fund	0.95

#### Fees and expenses arising from the investment of the feeder fund's assets and the total expenses of the feeder funds and the master funds

The total expenses of the feeder fund and master fund consist of ongoing charges. The figure is based on the expenses over the previous calendar year, and it may vary from year to year.

The management fees of the feeder funds vary 0.99–1.50 % p.a. and those of the master funds 0.65–0.95% p.a. The total expenses of the feeder fund and master fund which are caused by the management fee are however e.g. 0.99% p.a., for the reason that no management fee is charged for the feeder fund's investments in the master fund. The management fee of the master fund is otherwise 0.65-0.95% p.a.

As for the feeder fund's investments in the master fund, no subscription or redemption fees are charged. As for the master fund's investments in the domestic and foreign underlying Nordea funds, no subscription or redemption fees are charged. As for the master fund's investments in other Nordea funds, no management fee is charged from the underlying funds' assets. However, a performance-based fee (that is a part of the management fee) corresponding to the units in the underlying investment funds or collective investment undertakings can be charged from the assets of these funds/ undertakings. Even other expenses can be charged from the assets of the underlying collective investment undertakings managed by Nordea, and these are included in the ongoing charges of the master fund.

The total expenses of the feeder and master funds consist therefore of the feeder fund's management fee and the other expenses, like depositary fee and subscription tax, which are charged from the assets of the underlying foreign collective investment undertaking in which the master fund has possibly invested.

The basic currency of the feeder funds is Swedish krone or Norwegian krone and that of the master funds euro. The units in the feeder fund can be both growth or distribution units. The feeder fund subscribes for euro-denominated growth or distribution units in the master funds' I-series. In Finland, private customers can subscribe for growth units in A series as of 19.11.2019. (Nordea Sustainable Selection Return growth unit series A as of 18.1.2022.) The management fee in unit series A varies 1.15–1.65%.

#### Information on the master fund organisation

Both the feeder funds and the master funds are registered in Finland and they are managed by Nordea Funds Ltd.

J.P. Morgan SE – Helsinki branch acts as the funds' depository. The auditor firm is PricewaterhouseCoopers Oy, Authorised Public Accountant Firm.

#### Nordea European Smaller Companies

##### *– Exceptional procedure in subscription for and redemption of fund units*

Units in the fund can be subscribed for and redeemed twice a calendar month. Subscriptions and redemption orders are executed on the second and fourth Wednesday of each calendar month (transaction date, T). If this a non-banking day in Finland the transaction day will be following banking day.

Orders must be given at the latest two weeks ie. ten (10) banking days before the said transaction date (T) in such a way that the orders are received and registered at the Fund Company on the last transaction date before 16.30 Finnish time or before 15.30 Swedish time, whereas in Norway, before 10.00 Norwegian time (ie. before 11.00 Finnish time).

The execution of the orders given on the last transaction day at or after 16.30 Finnish time or 15.30 Swedish time or 10.00 Norwegian time will be postponed by one transaction day and will be executed four weeks later.

Cut-off time	Transaction date (T)	Transfer of proceeds to/from account
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T-10, 16.30 Finnish time	Orders received before the cut-off time will be executed on the transaction date.	T+2
T-10, 15.30 Swedish time		T+2
T-10, 10.00 Norwegian time		T+2

The table lists the transactions days and the corresponding last order days until the end of 2022 (valid for Finland, Sweden and Norway).

Last order day	Transaction day
29.6.2022	13.7.2022
13.7.2022	27.7.2022
27.7.2022	10.8.2022
10.8.2022	24.8.2022
31.8.2022	14.9.2022
14.9.2022	28.9.2022
28.9.2022	12.10.2022
12.10.2022	26.10.2022
26.10.2022	9.11.2022
9.11.2022	23.11.2022
29.11.2022	14.12.2022
13.12.2022	28.12.2022
27.12.2022	11.1.2023

Exchanges from or to Nordea European Smaller Companies another are not possible.

Exchanges from an external, non-Nordea sub-fund to either a Nordea fund or to another external sub-fund are not possible.

#### Fees

##### *– Subscription and redemption fees*

The Management Company will not charge any fees in connection with the subscription or redemption of fund units. Distributors/ intermediaries can however charge a fee of their own in accordance with the list of fees and costs of the distributor/ intermediary.

In addition to the existing unit series offered to private and/or institutional investors, the Management Company can, at its discretion, decide to offer in the future Fund unit series that are designed for different target groups and differ from each other in terms of the management fee and/or minimum subscription, for example. Each such series can have both distribution and growth units (unit class).

The Board of Directors of the Management Company may decide that the Fund has different unit series that deviate from each other in terms of the management fee. The subscription requirements of different fund unit series may differ in terms of the subscription amount, market area (country) or the customer's total relationship concerning or employment at the Nordea Group. In addition to these, if the unitholder has entered into a contract for tied long-term savings and if the assets are invested in fund units in accordance with the contract, a specific PS unit series may be used.

No handling fees are charged upon issuing and delivering a unit certificate. Registration of a transfer of right of ownership from one customer to another is free of charge.

##### *– Management fee*

The Management company charges a fixed management fee (fee % / 365) for the management of the investment fund's assets. The management fee is determined as an annual percentage of the value of the entire investment fund. The management fee (p.a.) is taken into account in calculating the daily NAV (Net Asset Value) per unit, i.e., it is deducted from the NAV per unit, meaning that it is not charged from the unitholder separately. The depositary's fee is included in the management fee.

The management fee covers virtually all the costs incurred by the Management Company for the management of the investment fund in accordance with the prevailing practice in Finland. These include the costs of carrying out the fund's investment activities and managing the fund's actual administration, such as NAV calculation and maintenance of the unitholder register, as well as the production of fund material required by law or regulations laid down by authorities. Transaction costs are not included in the management fee.

however. In addition to the management fee and transaction costs, no other expenses are charged from the fund's assets in Finland.

#### *– Fund-of-funds and their fee structure*

In most cases, the fund of funds does not pay subscription or redemption fees when investing in funds managed by the fund companies belonging to Nordea Group or when selling units in an underlying fund.

As for the fund of fund's investments in domestic or foreign Nordea funds, the management fee of the underlying target funds does not affect the fund of fund's total management fee that is fixed. When the fund of funds invests in a Nordea fund, the management fee charged from the assets of the underlying fund and paid to the Management Company, corresponding the fund of fund's investment, will be returned to the fund of funds to avoid double charging of the management fee.

It is also possible to charge other expenses from the assets of foreign collective investment undertaking managed by Nordea, including fees paid to the auditors and to the depositary. The ongoing charges of the funds of funds are affected by the above-mentioned fees if the fund of funds invests in these undertakings – including the funds which are feeder funds with a master fund itself is a fund of funds.

In addition to the annual management fee, the performance of the NAV per unit is affected by the fixed and variable management fees or other costs charged from the assets of the underlying external funds or collective investment undertakings not managed by Nordea, and ETF's management fees.

## Taxation

### Taxation of investment funds

Investment funds registered in Finland are entities exempt from income tax. An investment fund does not pay any tax on its capital gains in Finland, or on dividends and interest income derived from Finland. On dividend and interest income derived from abroad, a fund pays the tax at source specified in the tax treaty between the country in question and Finland.

### Taxation of unitholders

The taxation of unitholders described herein relates to natural persons generally liable to taxation in Finland.

A fund investor may receive capital gain when selling (redeeming) fund units. The capital gain is the difference between the redemption price and the subscription price. If fund units are sold at a price lower than their subscription price, the unit holder suffers a capital loss. Capital losses may be deducted from capital gains during the tax year and the five subsequent years, as gains are generated.

The fund dividend paid on the fund's distribution units and the capital gain possibly arising from the redemption of fund units are deemed as capital income, on which in 2022 a 30% tax is charged from the unit-holder (the tax rate on the portion exceeding EUR 30 000 is 34%). The Management Company will collect withholding tax on the fund dividend paid on distribution units in connection with the payment. No withholding tax is collected on sales profits arising from the redemption of fund units.

The capital gain earned from the sale of fund units can be calculated in two ways - either by calculating the actual capital gain, or by calculating the 'presumed acquisition cost'. The actual capital gain is calculated by deducting the fund units' subscription price and costs of acquisition and sale from their redemption price.

However, instead of declaring the actual capital gain, a calculation based on the presumed acquisition cost may be used. In this case, instead of deducting the actual subscription price, the presumed acquisition cost alone is deducted from the redemption price in calculating the capital gain. If the fund units have been held for less than 10 years, the presumed acquisition cost is 20% of the redemption price. If the fund units have been held for at least 10 years, the presumed acquisition cost is 40% of the redemption price. When using the presumed acquisition cost, fees such as subscription and redemption fees cannot be deducted.

Losses that may arise from redemption can be deducted from the sales profits received during the taxation year and five subsequent years. Redemption losses occurred in 2016 and thereafter can also be deducted from other capital gains than from the sales profit. However, capital gains are not considered taxable income, if the combined sales prices of the assets sold during the tax year do not exceed EUR 1,000. On the other hand, sales losses arising during the tax year are not deductible if the combined sales prices of the assets sold during the tax year do not exceed EUR 1,000 and the combined acquisition costs of the assets sold during the same tax year do not exceed EUR 1,000. Sales other than fund unit sales may be taken into account in calculating the EUR 1,000 thresholds.

When selling fund units that have been acquired at different times, the acquisition price of the sold units is formed so that the units acquired first are deemed to be sold first, unless the taxpayer proves otherwise.

The Management Company submits annually the fund unit sale transactions and ownership information to the Finnish tax authorities. The unit holder must also personally notify the tax authorities of sale of fund units and the sales profit or loss arising from it.

In accordance with the Act on Taxation of Income and Capital of a Person Subject to Limited Tax Liability, the profit paid by the fund to a person with limited tax liability is subject to a 30% withholding tax, unless a lower tax rate has been agreed upon in the relevant tax treaty. The Management Company will provide the tax authorities with an annual report on the distribution of profit. No withholding tax is charged on sales profits, but they are taxed in the recipient's state of residence.

The taxation of the profits or sales profits earned by individual investors depends on which country's tax laws are applied. If the investor is unsure of his/her taxation status, he/she should contact experts offering tax advice.

### Settlement of disputes and out-of-court redress procedures

In matters related to fund investments, customers should primarily contact the customer service of the distributor of the fund. When the fund is distributed by Nordea Bank Abp, the customer should primarily contact the branch office of Nordea, the branch office of Nordea Bank, Finnish Branch Private Banking or Nordea Customer Service 24/7, tel. +358 (0)200 70 000 (local call charge/mobile call charge).

Should there be any disagreements that cannot be settled through negotiation, the customer may turn to the Finnish Financial Ombudsman Bureau (FINE) for information on investment services and, if necessary, take disputes to the Finnish Financial Ombudsman Bureau.

Contact information for the FINE:

Finnish Financial Ombudsman Bureau, Porkkalankatu 1, 00180 Helsinki. E-mail [info@fine.fi](mailto:info@fine.fi), tel. +358 (0)9 6850 120. For further information and a contact form please go to [www.fine.fi](http://www.fine.fi).

**Investment funds managed by Nordea Funds Ltd, registered in Finland**

<b>Fixed-income funds, UCITS</b>	<b>Launch date</b>	<b>Rules <sup>(1)</sup></b>	<b>Portfolio manager</b>
Nordea Bærekraftige Obligasjoner Global Fund	9.4.2019	22.3.2022	NIM Fi (feeder fund)
Nordea Conservative Yield Fund	12.2.2009	22.3.2022	NIM Fi (feeder fund)
Nordea Corporate Bond Fund	1.3.2000	22.3.2022	NIM Den* Jan Sørensen
Nordea Discretionary Corporate Credit Fund	21.3.2017	22.3.2022	NIM AB** Karl Hallberg
Nordea Emerging Market Bond Fund	15.9.2004	22.3.2022	NIM Den PGIM (sub-manager)
Nordea Euro Bond Fund	13.12.1993	22.3.2022	NIM Fi Anton Nykvist
Nordea Euro Medium Term Bond Fund	17.1.2000	22.3.2022	NIM Fi Anton Nykvist
Nordea European High Yield Fund	16.5.2005	22.3.2022	NIM Den Fredrik Strand
Nordea Fixed Income Credit Opportunities Fund	4.3.2015	22.3.2022	NIM Fi Timo Hyllinen
Nordea Focus Fixed Income Fund	4.4.2011	22.3.2022	NIM Fi Anton Nykvist
Nordea Global High Yield Fund	2.1.2003	22.3.2022	NIM Den MacKay Shields LLC (sub-manager)
Nordea Hållbarhetsfond Obligationer Global Fund	9.4.2019	22.3.2022	NIM Fi (feeder fund)
Nordea Kredit Stars Fund	23.5.2018	22.3.2022	NIM No**** Lars Andreas Løwe Løtvedt
Nordea Moderate Yield Fund	3.5.2009	22.3.2022	NIM Den Jacob Topp
Nordea Nordic Covered Bond Fund	9.12.2021	22.3.2022	NIM Den Christian Birkehøj Jensen
Nordea Obligasjon Stars Fund	14.11.2013	22.3.2022	NIM No Lars Andreas Løwe Løtvedt
Nordea Private Banking FRN Fund	26.11.2012	22.3.2022	NIM No/Fi (feeder fund)
Nordea Private Banking Kort Obligasjon Pluss Fund	26.11.2012	22.3.2022	NIM No/Fi (feeder fund)
Nordea Private Banking Obligasjon Fund	26.11.2012	22.3.2022	NIM No/Fi (feeder fund)
Nordea Savings Fixed Income Fund	11.1.2010	22.3.2022	NIM Fi Tuomo Mattila
Nordea Stratega Fixed Income Fund	3.5.2010	22.3.2022	NIM AB Karl Hallberg, Jessica Carping
Nordea Sustainable Fixed Income Global Fund	9.4.2019	22.3.2022	NIM AB Karl Hallberg
Nordea SWE Inflation Linked Bond Fund	20.8.2003	22.3.2022	NIM AB Jerk Matero, Niclas Svensson
Nordea Swedish Institutional Short Duration Bond Fund	25.4.2000	22.3.2022	NIM AB Anette Eineljung, Charlotta Sjölander
Nordea Yield Fund	3.5.2009	22.3.2022	NIM Den Jacob Topp

<b>Balanced funds, UCITS</b>			
Nora Fund Two (EUR)	15.3.2018	22.3.2022	NIM Fi (feeder fund)
Nora Fund Three (EUR)	15.3.2018	22.3.2022	NIM Fi (feeder fund)
Nora Fund Four (EUR)	15.3.2018	22.3.2022	NIM Fi (feeder fund)
Nora Fund Five (EUR)	15.3.2018	22.3.2022	NIM Fi (feeder fund)
Nora Fund Two (NOK)	16.4.2018	22.3.2022	NIM Fi (feeder fund)
Nora Fund Three (NOK)	16.4.2018	22.3.2022	NIM Fi (feeder fund)
Nora Fund Four (NOK)	16.4.2018	22.3.2022	NIM Fi (feeder fund)
Nora Fund Two (SEK)	11.12.2017	22.3.2022	NIM Fi (feeder fund)
Nora Fund Three (SEK)	11.12.2017	22.3.2022	NIM Fi (feeder fund)
Nora Fund Four (SEK)	11.12.2017	22.3.2022	NIM Fi (feeder fund)
Nora Fund Five (SEK)	11.12.2017	22.3.2022	NIM Fi (feeder fund)
Nora Fund Two Master	11.12.2017	22.3.2022	NIM AB Per Walter
Nora Fund Three Master	11.12.2017	22.3.2022	NIM AB Per Walter
Nora Fund Four Master	11.12.2017	22.3.2022	NIM AB Per Walter
Nora Fund Five Master	11.12.2017	22.3.2022	NIM AB Per Walter
Nordea Allokéringsfond Fund	4.6.2018	22.3.2022	NIM Den Claus Carøe
Nordea Defensive Fund	18.8.2014	22.3.2022	NIM Fi Timo Hyllinen
Nordea Discretionary Asset Allocation Fund	21.3.2017	22.3.2022	NIM AB Jessica Carping
Nordea Premium Asset Management Balanced Fund	2.1.2003	22.3.2022	NIM Fi Kaj Forsström
Nordea Premium Asset Management Conservative Fund	7.4.2014	22.3.2022	NIM Fi Kaj Forsström
Nordea Premium Asset Management Growth Fund	24.11.1999	22.3.2022	NIM Fi Kaj Forsström
Nordea Premium Asset Management Moderate Fund	2.1.2003	22.3.2022	NIM Fi Kaj Forsström
Nordea Savings 15 Fund	5.12.2010	22.3.2022	NIM Fi Tuomo Mattila
Nordea Savings 30 Fund	1.9.2004	22.3.2022	NIM Fi Tuomo Mattila
Nordea Savings 50 Fund	15.9.2003	22.3.2022	NIM Fi Tuomo Mattila
Nordea Savings 75 Fund	15.9.2003	22.3.2022	NIM Fi Tuomo Mattila
Nordea Stable Return Fund	24.1.2006	22.3.2022	NIM Fi Kaj Forsström
Nordea Stratega 90 Fund	8.6.2022	22.3.2022	NIM AB Per Walter
Nordea Sustainable Selection Balanced Fund	26.9.2016	22.3.2022	NIM AB Per Walter
Nordea Sustainable Selection Balanced Fund (NOK)	12.11.2019	22.3.2022	NIM Fi (feeder fund)
Nordea Sustainable Selection Balanced Fund (SEK)	12.11.2019	22.3.2022	NIM Fi (feeder fund)
Nordea Sustainable Selection Growth Fund	26.9.2016	22.3.2022	NIM AB Per Walter
Nordea Sustainable Selection Growth Fund (NOK)	12.11.2019	22.3.2022	NIM Fi (feeder fund)
Nordea Sustainable Selection Growth Fund (SEK)	12.11.2019	22.3.2022	NIM Fi (feeder fund)
Nordea Sustainable Selection Moderate Fund	26.9.2016	22.3.2022	NIM AB Per Walter
Nordea Sustainable Selection Moderate Fund (NOK)	12.11.2019	22.3.2022	NIM Fi (feeder fund)
Nordea Sustainable Selection Moderate Fund (SEK)	12.11.2019	22.3.2022	NIM Fi (feeder fund)
Nordea Sustainable Selection Return Fund	18.1.2022	22.3.2022	NIM AB Jessica Carping
Nordea Sustainable Selection Return Fund (NOK)	18.1.2022	22.3.2022	NIM Fi (feeder fund)
Nordea Sustainable Selection Return Fund (SEK)	18.1.2022	22.3.2022	NIM Fi (feeder fund)
Nordea Tactical Asset Allocation Fund	19.11.2019	22.3.2022	NIM Fi Kaj Forsström, Tuomo Mattila

Equity funds, UCITS	Launch date	Rules <sup>(1)</sup>	Portfolio manager
Nordea Asian Stars Fund	5.2.2001	22.3.2022	NIM Den Jakob Zierau, Aatman Ajmera
Nordea China Fund	26.9.2005	22.3.2022	NIM Fi (feeder fund)
Nordea Discretionary Global Equity Fund	21.3.2017	22.3.2022	NIM AB Per Walter, Rickard Waldenlind
Nordea Discretionary Swedish Equity Fund	21.3.2017	22.3.2022	NIM AB Filippa Gerstädt, Viktor Kockberg
Nordea Eastern Europe Fund	29.1.2001	22.3.2022	NIM Den Per Ulderup
Nordea Emerging Market Equities Fund	1.6.2005	22.3.2022	NIM Den Martin Junker Nielsen
Nordea European Passive Fund	19.2.2009	22.3.2022	NIM Den Ruben Knudsen
Nordea European Smaller Companies Fund	23.10.2013	22.3.2022	NIM Den Jesper Gulstad, Samuli Outinen
Nordea European Stars Fund	22.12.1999	22.3.2022	NIM Fi (feeder fund)
Nordea Equity Opportunities Fund	4.3.2015	22.3.2022	NIM Fi Oona Tikkanen
Nordea Finnish Passive Fund	17.9.2008	22.3.2022	NIM Den Ruben Knudsen
Nordea Finnish Stars Fund	15.5.1992	22.3.2022	NIM AB Marie Karlsson, Matias Rundgren
Nordea Global Dividend Fund	17.12.2012	22.3.2022	NIM Den Lars Hemmingsen, Claus F. Nielsen
Nordea Global Enhanced Fund	27.6.2017	22.3.2022	NIM Den Ruben Knudsen
Nordea Global Equity Allocation Fund	25.3.2015	22.3.2022	NIM AB Rickard Waldenlind
Nordea Global Passive Fund	9.10.2012	22.3.2022	NIM Den Ruben Knudsen
Nordea India Fund	1.6.2006	22.3.2022	NIM Fi (feeder fund)
Nordea Innovation Stars Fund	22.6.2020	22.3.2022	NIM AB Niklas Kristoffersson, Carl Mattiasson
Nordea Institutionella Småbolagsfonden Sverige Fund	15.6.2020	22.3.2022	NIM AB Björn Henriksson, Mats J. Andersson
Nordea Japan Fund	30.10.1997	22.3.2022	NIM Den Ruben Knudsen
Nordea Nordic Fund	15.10.1987	22.3.2022	NIM AB Carl Mattiasson, Niklas Kristoffersson
Nordea Nordic Small Cap Fund	4.6.1998	22.3.2022	NIM AB Mats J. Andersson, Björn Henriksson
Nordea North American Dividend Fund	11.2.2002	22.3.2022	NIM Den Lars Hemmingsen
Nordea North American Enhanced Fund	27.6.2017	22.3.2022	NIM Den Ruben Knudsen
Nordea Norwegian Stars Fund	19.9.2019	22.3.2022	NIM No Robert Naess
Nordea Russia Fund	26.9.2005	22.3.2022	NIM Den Per Ulderup
Nordea Sustainable Equities Global Fund	3.12.2018	22.3.2022	NIM Den Ruben Knudsen
Nordea World Fund	29.10.1997	22.3.2022	NIM Den Claus F. Nielsen, Julie Bech
Nordea World Passive Fund	21.6.2022	13.5.2022	NIM Den Ruben Knudsen

Non-UCITS/ alternative funds, AIFs			
Nordea Private Banking Norsk Aksie Portefølje	26.11.2012	22.3.2022	NIM No Jakob Vossgård
Nordea Swedish Ideas Equity Fund	29.4.2014	22.3.2022	NIM AB Filippa Gerstädt, Viktor Kockberg

Pro funds for institutional customers, UCITS			
Nordea Pro Euro Bond Fund	13.5.1994	22.3.2022	NIM Fi Anton Nykvist
Nordea Pro Finland Fund	10.3.1993	22.3.2022	NIM Den Ruben Knudsen
Nordea Pro Stable Return Fund	24.9.1999	22.3.2022	NIM Den Claus Vorm

**1) Rules/ Date:** the last time the rules of the funds compliant with the UCITS directive, meaning all the investment funds, were ratified by the Finnish Financial Supervisory Authority or the last time the rules of an alternative, ie. a non-UCITS, fund have been submitted to the Finnish Financial Supervisory Authority for information.

The valid common rules of the Nordea funds registered in Finland and managed by Nordea Funds Ltd were ratified on 22 March 2022. The common rules are in force as of 10 May 2022. .

- \* NIM Den – Nordea Investment Management AB, Denmark, branch of Nordea Investment Management AB, Sverige, registered in Denmark.
- \*\* NIM AB – Nordea Investment Management AB, registered in Sweden.
- \*\*\* NIM Fi – Nordea Investment Management AB, Finnish Branch, registered in Finland.
- \*\*\*\* NIM No – Nordea Investment Management AB, NUF filial Norge.

The financial period of the funds is a calendar year. The Fund's financial statements are published in connection with the annual report within three months from the end of the financial period.

### Fees, turnover rates, ongoing charges for the Nordea funds as well as minimum subscriptions

- The fund/management company will not charge any fees in connection with the subscription or redemption of fund units. Distributors/intermediaries can however charge a fee of their own in accordance with the list of fees and costs of the distributor/intermediary.
- Unit series refer to the letter codes like A, B, I or S whereas unit classes relate to growth units and distribution units.
- Under a fund savings agreement, the minimum amount is EUR 10 starting from 1.11.2018 (previously EUR 40).
- When saving in funds in accordance with a fund savings agreement, the subscription can only be made for growth unit.

**Kindly note that the table consists of two parts. The funds or the unit series can be targeted at a specified customer segment.**

Fund	Management fee % p.a.	Turnover rate % 2021 <sup>(6)</sup>	Performance-based fee %	Ongoing charges % p.a 2021	Minimum subscription
<b>Nora funds</b>					
Nora Fund Two (EUR)	0,64	-105,76	No	0,64	EUR 10
Nora Fund Three (EUR)	0,69	-37,88	No	0,69	EUR 10
Nora Fund Four (EUR)	0,74	-33,89	No	0,73	EUR 10
Nora Fund Five (EUR)	0,79	-42,97	No	0,79	EUR 10
Nora Fund Two (NOK)	0,63	-95,21	No	0,64	NOK 100
Nora Fund Three (NOK)	0,68	-28,85	No	0,69	NOK 100
Nora Fund Four (NOK)	0,73	-26,00	No	0,74	NOK 100
Nora Fund Two (SEK)	0,64	-28,70	No	0,64	SEK 100

Nora Fund Three (SEK)	0,69	-46,78	No	0,69	SEK 100
Nora Fund Four (SEK)	0,74	-33,14	No	0,74	SEK 100
Nora Fund Five (SEK)	0,79	-35,30	No	0,79	SEK 100
Nora Fund Two Master	0,64	-3,77	No	0,64	EUR 10
Nora Fund Three Master	0,69	-6,33	No	0,69	EUR 10
Nora Fund Four Master	0,74	-4,94	No	0,73	EUR 10
Nora Fund Five Master	0,79	-5,79	No	0,79	EUR 10
<b>Other Nordea funds</b>					
Nordea Asian Stars Fund A	1,60	3,04	No	1,60	EUR 10
Nordea Asian Stars Fund A (NOK)	1,60	3,04	No	1,60	NOK 100
Nordea Asian Stars Fund A (SEK)	1,60	3,04	No	1,60	SEK 100
Nordea Bærekraftige Obligasjoner Global Fund A (NOK)	0,75	15,66	No	0,79	NOK 100
Nordea China Fund A	1,85	-36,83	No	1,85	EUR 10
Nordea China Fund A (NOK)	1,85	-36,83	No	1,85	NOK 100
Nordea China Fund A (SEK)	1,85	-36,83	No	1,85	SEK 100
Nordea Conservative Yield Fund A	0,10	-65,54	No	0,17	EUR 10
Nordea Conservative Yield Fund B	0,10	-65,54	No	0,17	EUR 100 000
Nordea Conservative Yield Fund I	0,10	-65,54	No	0,17	EUR m 1
Nordea Conservative Yield Fund S	0,10	-65,54	No	0,17	EUR m 10
Nordea Corporate Asset Management Balanced Y <sup>(4)</sup>	1,30	19,31	No	1,31	EUR 25 000
Nordea Corporate Asset Management Conservative Y <sup>(4)</sup>	0,70	-5,64	No	0,72	EUR 25 000
Nordea Corporate Asset Management Growth Y <sup>(4)</sup>	1,50	12,22	No	1,50	EUR 25 000
Nordea Corporate Asset Management Moderate Y <sup>(4)</sup>	1,00	20,75	No	1,02	EUR 25 000
Nordea Corporate Sustainable Global Balanced Y <sup>(5)</sup>	1,30	12,56	No	1,33	EUR 25 000
Nordea Corporate Sustainable Global Growth Y <sup>(5)</sup>	1,50	16,66	No	1,52	EUR 25 000
Nordea Corporate Sustainable Global Moderate Y <sup>(5)</sup>	1,00	28,72	No	1,03	EUR 25 000
Nordea Corporate Bond Fund A	0,60	190,59	No	0,60	EUR 10
Nordea Corporate Bond Fund I	0,40	190,59	No	0,40	EUR 100 000
Nordea Corporate Bond Fund IDH, duration-hedged	0,40	190,59	No	0,40	EUR m 100
Nordea Defensive Fund A (NOK)	0,75	17,06	No	0,78	NOK 100
Nordea Defensive Fund I (NOK)	0,40	17,06	No	0,43	NOK m 10
Nordea Eastern Europe Fund A	1,60	11,19	No	1,60	subscriptions have been suspended
Nordea Eastern Europe Fund A (NOK)	1,60	11,19	No	1,60	subscriptions have been suspended
Nordea Eastern Europe Fund A (SEK)	1,60	11,19	No	1,60	subscriptions have been suspended
Nordea Emerging Market Bond Fund	1,00	36,43	No	1,00	EUR 10
Nordea Emerging Market Equities Fund A	1,60	-7,36	No	1,60	EUR 10
Nordea Emerging Market Equities Fund A (NOK)	1,60	-7,36	No	1,60	NOK 100
Nordea Emerging Market Equities Fund A (SEK)	1,60	-7,36	No	1,60	SEK 100
Nordea Euro Bond Fund A	0,60	108,76	No	0,60	EUR 10
Nordea Euro Bond Fund I	0,40	108,76	No	0,40	EUR 100 000
Nordea Euro Medium Term Bond Fund	0,60	75,25	No	0,60	EUR 10
Nordea European High Yield Fund	1,00	83,14	No	1,00	EUR 10
Nordea European Passive Fund B	0,50	-16,17	No	0,50	EUR 10
Nordea European Passive Fund I	0,40	-16,17	No	0,40	EUR 100 000
Nordea European Passive Fund I (NOK)	0,40	-16,17	No	0,40	NOK 100
Nordea European Passive Fund I (SEK)	0,40	-16,17	No	0,40	SEK 100
Nordea European Smaller Companies Fund A	1,60	-3,52	No	1,61	EUR 10
Nordea European Smaller Companies Fund A (NOK)	1,60	-3,52	No	1,61	NOK 100
Nordea European Smaller Companies Fund A (SEK)	1,60	-3,52	No	1,61	SEK 100
Nordea European Smaller Companies Fund I	0,85	-3,52	No	0,87	EUR m 1
Nordea European Stars Fund A	1,47	84,61	No	1,50	EUR 10
Nordea European Stars Fund A (NOK)	1,47	84,61	No	1,50	NOK 100
Nordea European Stars Fund A (SEK)	1,47	84,61	No	1,50	SEK 100
Nordea European Stars Fund I growth	0,73	84,61	No	0,75	EUR m 1
Nordea European Stars Fund I distr	0,73	84,61	No	0,75	EUR m 1
Nordea European Stars Fund I growth (SEK)	0,73	84,61	No	0,75	SEK m 10
Nordea European Stars Fund I distr (SEK)	0,73	84,61	No	0,75	SEK m 10
Nordea Finnish Passive Fund B	0,50	35,77	No	0,50	EUR 10
Nordea Finnish Passive Fund I	0,40	35,77	No	0,40	EUR 100 000
Nordea Finnish Stars Fund	1,40	49,94	No	1,39	EUR 10
Nordea Focus Fixed Income Fund A growth	0,60	-1,48	No	0,60	EUR 50 000
Nordea Focus Fixed Income Fund I growth	0,40	-1,48	No	0,40	EUR 250 000
Nordea Focus Fixed Income Fund I distr	0,40	-1,48	No	0,40	EUR 250 000

Nordea Global Dividend Fund A	1,50	26,01	No	1,50	EUR 10
Nordea Global Dividend Fund A (NOK)	1,50	26,01	No	1,50	NOK 100
Nordea Global Dividend Fund A (SEK)	1,50	26,01	No	1,50	SEK 100
Nordea Global Dividend Fund B	0,95	26,01	No	0,95	EUR 100 000
Nordea Global Dividend Fund I	0,80	26,01	No	0,80	EUR m 1
Nordea Global Enhanced Fund A	0,60	-4,49	No	0,60	EUR 10
Nordea Global Enhanced Fund A (NOK)	0,60	-4,49	No	0,60	NOK 100
Nordea Global Enhanced Fund A (SEK)	0,60	-4,49	No	0,60	SEK 100
Nordea Global Enhanced Fund I	0,425	-4,49	No	0,42	EUR 100 000
Nordea Global Enhanced Fund I (NOK)	0,425	-4,49	No	0,42	NOK m 1
Nordea Global Enhanced Fund I (SEK)	0,425	-4,49	No	0,42	SEK m 1
Nordea Global High Yield Fund	1,00	76,86	No	1,00	EUR 10
Nordea Global Passive Fund A (NOK)	0,40	-17,62	No	0,40	NOK 100
Nordea Global Passive Fund A (SEK)	0,40	-17,62	No	0,40	SEK 100
Nordea Global Passive Fund B	0,50	-17,62	No	0,50	EUR 10
Nordea Global Passive Fund I	0,40	-17,62	No	0,40	EUR 100 000
Nordea Hållbarhetsfond Obligationer Global Fund A (SEK)	0,75	2,79	No	0,78	SEK 100
Nordea India Fund A	1,85	-48,23	No	1,85	EUR 10
Nordea India Fund A (NOK)	1,85	-48,23	No	1,85	NOK 100
Nordea India Fund A (SEK)	1,85	-48,23	No	1,85	SEK 100
Nordea Innovation Stars Fund A	1,40	66,45	No	1,40	EUR 10
Nordea Innovation Stars Fund A (NOK)	1,40	66,45	No	1,40	NOK 100
Nordea Innovation Stars Fund A (SEK)	1,40	66,45	No	1,40	SEK 100
Nordea Institutional Asset Management Balanced I <sup>(4)</sup>	0,75	19,31	No	0,76	EUR m 1
Nordea Institutional Asset Management Conservative I <sup>(4)</sup>	0,50	-5,64	No	0,52	EUR m 1
Nordea Institutional Asset Management Growth I <sup>(4)</sup>	0,85	12,22	No	0,85	EUR m 1
Nordea Institutional Asset Management Moderate I <sup>(4)</sup>	0,65	20,75	No	0,67	EUR m 1
Nordea Institutional Sustainable Global Balanced I <sup>(5)</sup>	0,75	12,56	No	0,78	EUR m 1
Nordea Institutional Sustainable Global Growth I <sup>(5)</sup>	0,85	16,66	No	0,87	EUR m 1
Nordea Institutional Sustainable Global Moderate I <sup>(5)</sup>	0,65	28,72	No	0,68	EUR m 1
Nordea Institutional Sustainable Global Return I <sup>(5)</sup>	0,95	-	No	0,95	EUR m 1
Nordea Institutionella Småbolagsfonden Sverige Fund I (SEK)	1,50	29,82	No	1,50	SEK 100
Nordea Japan Fund A <sup>(1)</sup>	1,00	46,34	No	1,00	EUR 10
Nordea Japan Fund A <sup>(1)</sup> (NOK)	1,00	46,34	No	1,00	NOK 100
Nordea Japan Fund A <sup>(1)</sup> (SEK)	1,00	46,34	No	1,00	SEK 100
Nordea Japan Fund I	1,00	46,34	No	1,00	EUR 10
Nordea Kredit Stars Fund A (NOK)	0,40	229,02	No	0,40	NOK 100
Nordea Kredit Stars Fund I (NOK)	0,25	229,02	No	0,25	NOK m 10
Nordea Kredit Stars Fund S (NOK)	0,20	229,02	No	0,20	NOK m 50
Nordea Moderate Yield Fund A	0,15	2,11	No	0,15	EUR 10
Nordea Moderate Yield Fund B	0,125	2,11	No	0,125	EUR 100 000
Nordea Moderate Yield Fund I	0,10	2,11	No	0,10	EUR m 1
Nordea Moderate Yield Fund S	0,10	2,11	No	0,10	EUR m 10
Nordea Nordic Covered Bond Fund (SEK)	0,50	22,52	No	0,50	SEK 100
Nordea Nordic Fund A	1,40	44,42	No	1,40	EUR 10
Nordea Nordic Fund A (NOK)	1,40	44,42	No	1,40	NOK 100
Nordea Nordic Fund A (SEK)	1,40	44,42	No	1,40	SEK 100
Nordea Nordic Fund B	1,00	44,42	No	0,99	EUR 100 000
Nordea Nordic Small Cap Fund A	1,60	68,98	No	1,60	EUR m 10
Nordea Nordic Small Cap Fund A (NOK)	1,60	68,98	No	1,60	NOK m 100
Nordea Nordic Small Cap Fund A (SEK)	1,60	68,98	No	1,60	SEK m 100
Nordea North American Dividend Fund A <sup>(2)</sup>	1,20	33,03	No	1,20	EUR 10
Nordea North American Dividend Fund A <sup>(2)</sup> (NOK)	1,20	33,03	No	1,20	NOK 100
Nordea North American Dividend Fund A <sup>(2)</sup> (SEK)	1,20	33,03	No	1,20	SEK 100
Nordea North American Dividend Fund I	1,20	33,03	No	1,20	EUR 10
Nordea North American Enhanced Fund A	0,60	-4,75	No	0,60	EUR 10
Nordea North American Enhanced Fund A (NOK)	0,60	-4,75	No	0,60	NOK 100
Nordea North American Enhanced Fund A (SEK)	0,60	-4,75	No	0,60	SEK 100
Nordea North American Enhanced Fund I	0,425	-4,75	No	0,42	EUR 100 000
Nordea North American Enhanced Fund I (NOK)	0,425	-4,75	No	0,42	NOK m 1
Nordea North American Enhanced Fund I (SEK)	0,425	-4,75	No	0,42	SEK m 1
Nordea Norwegian Stars Fund A (NOK)	1,50	-31,54	No	1,49	NOK 100
Nordea Norwegian Stars Fund I (NOK)	1,00	-31,54	No	0,99	NOK m 1
Nordea Obligasjon Stars Fund A (NOK)	0,40	238,93	No	0,40	NOK 100
Nordea Obligasjon Stars Fund I (NOK)	0,25	238,93	No	0,25	NOK m 10
Nordea Obligasjon Stars Fund S (formerly I) (NOK)	0,15	238,93	No	0,15	NOK m 50
Nordea Premium Asset Management Balanced P <sup>(4)</sup>	1,40	19,31	No	1,41	EUR 1 000
Nordea Premium Asset Management Conservative P <sup>(4)</sup>	0,80	-5,64	No	0,82	EUR 1 000

Nordea Premium Asset Management Growth P <sup>(4)</sup>	1,59	12,22	No	1,59	EUR 1 000
Nordea Premium Asset Management Moderate P <sup>(4)</sup>	1,10	20,75	No	1,12	EUR 1 000
Nordea Premium Sustainable Global Balanced P <sup>(5)</sup>	1,40	12,56	No	1,43	EUR 1 000
Nordea Premium Sustainable Global Growth P <sup>(5)</sup>	1,59	16,66	No	1,61	EUR 1 000
Nordea Premium Sustainable Global Moderate P <sup>(5)</sup>	1,10	28,72	No	1,13	EUR 1 000
Nordea Premium Sustainable Global Return P <sup>(5)</sup>	1,62	-	No	-	EUR 1 000
Nordea Pro Euro Bond Fund I	0,30	94,22	No	0,30	EUR m 1
Nordea Pro Finland Fund I	0,50	28,58	No	0,50	EUR m 1
Nordea Pro Stable Return Fund I	0,80	78,70	No	0,80	EUR m 1
Nordea Pro Stable Return Fund I (SEK)	0,80	78,70	No	0,80	SEK m 10
Nordea Russia Fund A	0,00	-2,18	No	1,84	trading has been suspended
Nordea Russia Fund A (NOK)	0,00	-2,18	No	1,84	trading has been suspended
Nordea Russia Fund A (SEK)	0,00	-2,18	No	1,84	trading has been suspended
Nordea Savings 15 Fund	1,00	31,89	No	1,02	EUR 10
Nordea Savings 30 Fund	1,15	33,52	No	1,17	EUR 10
Nordea Savings 50 Fund	1,55	32,14	No	1,58	EUR 10
Nordea Savings 75 Fund	1,60	37,25	No	1,62	EUR 10
Nordea Savings Fixed Income Fund	0,70	6,03	No	0,73	EUR 10
Nordea Stable Return Fund A	1,75	91,95	No	1,77	EUR 10
Nordea Stable Return Fund I	1,20	91,95	No	1,22	EUR 100 000
Nordea Stratega 90 Fund A (SEK)	1,50	-	No	-	SEK 100
Nordea Stratega Fixed Income Fund A (SEK)	0,65	34,05	No	0,71	SEK 100
Nordea Sustainable Global Balanced Fund A <sup>(5)</sup>	1,55	12,56	No	1,57	EUR 10
Nordea Sustainable Global Growth Fund A <sup>(5)</sup>	1,60	16,66	No	1,62	EUR 10
Nordea Sustainable Global Moderate Fund A <sup>(5)</sup>	1,15	28,72	No	1,18	EUR 10
Nordea Sustainable Global Return Fund A <sup>(5)</sup>	1,65	-	No	-	EUR 10
Nordea Sustainable Selection Balanced Fund A (NOK)	1,18	-5,37	No	1,22	NOK 100
Nordea Sustainable Selection Balanced Fund A (SEK)	1,35	-23,98	No	1,47	SEK 100
Nordea Sustainable Selection Growth Fund A (NOK)	1,37	-11,44	No	1,42	NOK 100
Nordea Sustainable Selection Growth Fund A (SEK)	1,35	-20,79	No	1,47	SEK 100
Nordea Sustainable Selection Moderate Fund A (NOK)	0,99	0,69	No	1,03	NOK 100
Nordea Sustainable Selection Moderate Fund A (SEK)	1,20	-24,60	No	1,28	SEK 100
Nordea Sustainable Selection Return Fund A (NOK)	1,47	-	No	-	NOK 100
Nordea Sustainable Selection Return Fund A (SEK)	1,40	-	No	-	SEK 100
Nordea Sustainable Equities Global Fund A	0,90	22,94	No	0,90	EUR 10
Nordea Sustainable Equities Global Fund A (NOK)	0,90	22,94	No	0,90	NOK 100
Nordea Sustainable Equities Global Fund A (SEK)	0,90	22,94	No	0,90	SEK 100
Nordea Sustainable Equities Global Fund I	0,55	22,94	No	0,54	EUR 100 000
Nordea Sustainable Equities Global I Fund (NOK)	0,55	22,94	No	0,54	NOK m 1
Nordea Sustainable Equities Global I Fund (SEK)	0,55	22,94	No	0,54	SEK m 1
Nordea Sustainable Fixed Income Global A Fund	0,75	2,79	No	0,78	EUR 10
Nordea SWE Inflation Linked Bond Fund A (SEK)	0,50	94,30	No	0,50	SEK 100
Nordea Swedish Ideas Equity Fund A (SEK)	1,50	102,38	No	1,50	SEK 100
Nordea Swedish Institutional Short Duration Bond Fund I (SEK)	0,15	87,18	No	0,15	SEK m 1
Nordea World Fund A <sup>(3)</sup>	1,00	-8,03	No	1,00	EUR 10
Nordea World Fund A <sup>(3) (NOK)</sup>	1,00	-8,03	No	1,00	NOK 100
Nordea World Fund A <sup>(3) (SEK)</sup>	1,00	-8,03	No	1,00	SEK 100
Nordea World Fund I	1,00	-8,03	No	1,00	EUR 10
Nordea World Passive Fund A	0,50	-	No	-	EUR 10
Nordea World Passive Fund A (SEK)	0,50	-	No	-	SEK 100
Nordea World Passive Fund S (NOK)	0,25	-	No	-	NOK m 10
Nordea Yield Fund A	0,60	78,19	No	0,60	EUR 10
Nordea Yield Fund A (SEK)	0,60	78,19	No	0,60	SEK 100
Nordea Yield Fund B	0,30	78,19	No	0,30	EUR 100 000
Nordea Yield Fund I	0,25	78,19	No	0,25	EUR m 1
Nordea Yield Fund S	0,15	78,19	No	0,15	EUR m 10

These funds, unit series or unit classes are targeted at customers who have a discretionary portfolio management agreement with Nordea.

Fund	Management fee % p.a.	Turnover rate % 2021 <sup>(6)</sup>	Performance-based fee %	Ongoing charges % p.a 2021	Minimum subscription
Nordea Allokeringsfond Fund C growth	0,50	3,94	No	0,53	NOK 1000
Nordea Asian Stars Fund C distr	0,85	3,04	No	0,85	EUR 0
Nordea Asian Stars Fund C growth	0,85	3,04	No	0,85	EUR 0
Nordea Bærekraftige Obligasjoner Global Fund C growth (NOK)	0,50	15,66	No	0,53	NOK 100
Nordea China Fund C distr	0,85	-36,83	No	0,85	EUR 0
Nordea China Fund C growth	0,85	-36,83	No	0,85	EUR 0

Nordea Conservative Yield Fund C distr	0,10	-65,54	No	0,17	EUR 0
Nordea Conservative Yield Fund C growth	0,10	-65,54	No	0,17	EUR 0
Nordea Corporate Bond Fund C distr	0,45	190,59	No	0,45	EUR 0
Nordea Corporate Bond Fund C growth	0,45	190,59	No	0,45	EUR 0
Nordea Corporate Bond Fund CD growth	0,45	190,59	No	0,45	EUR 0
Nordea Discretionary Asset Allocation Fund C growth (SEK)	0,50	99,18	No	0,51	SEK 100
Nordea Discretionary Asset Allocation Fund I growth (SEK)	0,25	99,18	No	0,26	SEK 50 000
Nordea Discretionary Corporate Credit Fund C distr (SEK)	0,50	-19,99	No	0,63	SEK 100
Nordea Discretionary Corporate Credit Fund C growth (SEK)	0,50	-19,99	No	0,63	SEK 100
Nordea Discretionary Corporate Credit Fund I growth (SEK)	0,25	-19,99	No	0,38	SEK 50 000
Nordea Discretionary Global Equity Fund C distr (SEK)	0,75	14,24	No	0,77	SEK 100
Nordea Discretionary Global Equity Fund C growth (SEK)	0,75	14,24	No	0,77	SEK 100
Nordea Discretionary Global Equity Fund C growth (NOK)	0,75	14,24	No	0,77	NOK 1 000
Nordea Discretionary Global Equity Fund I growth (SEK)	0,50	14,24	No	0,52	SEK 50 000
Nordea Discretionary Swedish Equity Fund C distr (SEK)	0,70	82,56	No	0,70	SEK 100
Nordea Discretionary Swedish Equity Fund C growth (SEK)	0,70	82,56	No	0,70	SEK 100
Nordea Discretionary Swedish Equity Fund I growth (SEK)	0,40	82,56	No	0,40	SEK 50 000
Nordea Emerging Market Bond Fund C distr	0,55	36,43	No	0,55	EUR 0
Nordea Emerging Market Bond Fund C growth	0,55	36,43	No	0,55	EUR 0
Nordea Emerging Market Equities Fund C distr	0,85	-7,36	No	0,85	EUR 0
Nordea Emerging Market Equities Fund C growth	0,85	-7,36	No	0,85	EUR 0
Nordea Emerging Market Equities Fund C growth (NOK)	0,85	-7,36	No	0,85	NOK 100
Nordea Emerging Market Equities Fund C growth (SEK)	0,85	-7,36	No	0,85	SEK 100
Nordea Equity Opport. Fund C distr	0,85	143,67	No	0,88	EUR 0
Nordea Equity Opport. Fund C growth	0,85	143,67	No	0,88	EUR 0
Nordea Equity Opport. Fund I distr	0,40	143,67	No	0,43	EUR 100 000
Nordea Equity Opport. Fund I growth	0,40	143,67	No	0,43	EUR 100 000
Nordea Euro Bond Fund C distr	0,45	108,76	No	0,45	EUR 0
Nordea Euro Bond Fund C growth	0,45	108,76	No	0,45	EUR 0
Nordea Euro Medium Term Bond Fund C distr	0,40	75,25	No	0,40	EUR 0
Nordea Euro Medium Term Bond Fund C growth	0,40	75,25	No	0,40	EUR 0
Nordea European High Yield Fund C distr	0,55	83,14	No	0,55	EUR 0
Nordea European High Yield Fund C growth	0,55	83,14	No	0,55	EUR 0
Nordea European Passive Fund C distr	0,20	-16,17	No	0,20	EUR 0
Nordea European Passive Fund C growth	0,20	-16,17	No	0,20	EUR 0
Nordea European Stars Fund C growth	0,83	84,16	No	0,85	EUR 0
Nordea European Stars Fund C distr	0,83	84,16	No	0,85	EUR 0
Nordea Finnish Passive Fund C distr	0,20	35,77	No	0,20	EUR 0
Nordea Finnish Passive Fund C growth	0,20	35,77	No	0,20	EUR 0
Nordea Finnish Stars Fund C growth	0,85	49,94	No	0,85	EUR 0
Nordea Fixed Income Credit Opport. Fund C distr	0,50	60,47	No	0,56	EUR 0
Nordea Fixed Income Credit Opport. Fund C growth	0,50	60,47	No	0,56	EUR 0
Nordea Fixed Income Credit Opport. Fund I distr	0,20	60,47	No	0,20	EUR 0
Nordea Fixed Income Credit Opport. Fund I growth	0,20	60,47	No	0,20	EUR 0
Nordea Focus Fixed Income Fund C distr	0,40	-1,48	No	0,40	EUR 0
Nordea Focus Fixed Income Fund C growth	0,40	-1,48	No	0,40	EUR 0
Nordea Hållbarhetsfond Obligationer Global Fund C growth (SEK)	0,50	-26,82	No	0,53	SEK 100
Nordea Global Dividend Fund C distr	0,85	26,01	No	0,85	EUR 0
Nordea Global Dividend Fund C growth	0,85	26,01	No	0,85	EUR 0
Nordea Global Enhanced Fund C distr	0,20	-4,49	No	0,20	EUR 0
Nordea Global Enhanced Fund C growth	0,20	-4,49	No	0,20	EUR 0
Nordea Global Enhanced Fund C growth (NOK)	0,20	-4,49	No	0,20	NOK 100
Nordea Global Enhanced Fund C growth (SEK)	0,20	-4,49	No	0,20	SEK 100
Nordea Global Equity Allocation Fund C distr	0,75	51,30	No	0,79	EUR 0
Nordea Global Equity Allocation Fund C growth	0,75	51,30	No	0,79	EUR 0
Nordea Global Equity Allocation Fund I distr	0,40	51,30	No	0,40	EUR 100 000
Nordea Global Equity Allocation Fund I growth	0,40	51,30	No	0,40	EUR 100 000
Nordea Global High Yield Fund C distr	0,55	76,86	No	0,55	EUR 0
Nordea Global High Yield Fund C growth	0,55	76,86	No	0,55	EUR 0
Nordea Global High Yield Fund A growth (SEK)	1,00	-	No	-	SEK 100
Nordea Global Passive Fund S growth (NOK)	0,25	-17,62	No	0,25	NOK m 10
Nordea Japan Fund C distr	0,85	46,34	No	0,85	EUR 0
Nordea Japan Fund C growth	0,85	46,34	No	0,85	EUR 0
Nordea Moderate Yield Fund C distr	0,10	2,11	No	0,10	EUR 0
Nordea Moderate Yield Fund C growth	0,10	2,11	No	0,10	EUR 0
Nordea Nordic Small Cap Fund C distr	0,85	68,98	No	0,85	EUR 0
Nordea Nordic Small Cap Fund C growth	0,85	68,98	No	0,85	EUR 0
Nordea North American Dividend Fund C distr	0,85	33,03	No	0,85	EUR 0
Nordea North American Dividend Fund C growth	0,85	33,03	No	0,85	EUR 0

Nordea North American Enhanced Fund C distr	0,20	-4,75	No	0,20	EUR 0
Nordea North American Enhanced Fund C growth	0,20	-4,75	No	0,20	EUR 0
Nordea North American Enhanced Fund C growth (NOK)	0,20	-4,75	No	0,20	NOK 100
Nordea North American Enhanced Fund C growth (SEK)	0,20	-4,75	No	0,20	SEK 100
Nordea Norwegian Stars Fund C growth (NOK)	0,85	-31,54	No	0,84	NOK 100
Nordea Private Banking FRN Fund B growth	0,25	-12,87	No	0,25	NOK 1 000
Nordea Private Banking Kort Obligasjon Pluss Fund B growth	0,20	-9,28	No	0,20	NOK 1 000
Nordea Private Banking Norsk Aksje Portefølje B growth	0,80	13,34	No	0,80	NOK 1 000
Nordea Private Banking Obligasjon Fund B growth	0,25	-12,67	No	0,25	NOK 1 000
Nordea Pro Euro Bond Fund C distr	0,30	94,22	No	0,30	EUR 0
Nordea Pro Euro Bond Fund C growth	0,30	94,22	No	0,30	EUR 0
Nordea Pro Finland Fund C distr	0,75	28,58	No	0,81	EUR 0
Nordea Pro Finland Fund C growth	0,75	28,58	No	0,81	EUR 0
Nordea Pro Stable Return Fund C distr	0,85	78,70	No	0,85	EUR 0
Nordea Pro Stable Return Fund C growth	0,85	78,70	No	0,85	EUR 0
Nordea Sustainable Equities Global Fund C growth	0,60	22,94	No	0,59	EUR 0
Nordea Sustainable Equities Global Fund C growth (NOK)	0,60	22,94	No	0,60	NOK 100
Nordea Sustainable Equities Global Fund C distr (SEK)	0,60	22,94	No	0,60	SEK 100
Nordea Sustainable Equities Global Fund C growth (SEK)	0,60	22,94	No	0,60	SEK 100
Nordea Sustainable Fixed Income Global Fund C growth	0,50	2,79	No	0,53	EUR 0
Nordea Tactical Asset Allocation Fund C	0,50	108,92	No	0,52	EUR 0
Nordea Tactical Asset Allocation Fund I	0,25	108,92	No	0,27	EUR 100 000
Nordea World Fund C distr	0,85	-8,03	No	0,85	EUR 0
Nordea World Fund C growth	0,85	-8,03	No	0,85	EUR 0
Nordea World Fund C growth (NOK)	0,85	-8,03	No	0,85	NOK 100
Nordea World Fund C growth (SEK)	0,85	-8,03	No	0,85	SEK 100
Nordea Yield Fund C distr	0,30	78,19	No	0,30	EUR 0
Nordea Yield Fund C growth	0,30	78,19	No	0,30	EUR 0

**1) Nordea Japan**

**N.B.** The fund does not apply performance-based fee in unit series A as of 1.7.2020.

The fixed management fee of the fund was lowered in December 2012 and a performance-based fee was taken in use. The current fixed management fee is 1.00 p.a. The performance-based fee is 20% p.a. of the excess return on the fund unit, exceeding the return of the fund's benchmark. The fixed and performance-based fee is daily determined. The total amount of the fee per each day can be no more than 1.60 % calculated on the yearly basis. If the fund unit does not outperform the benchmark the fund's (fixed and variable management) fee will be clearly lower than earlier to the benefit of the unitholders; in any scenario, the effect of these two fees can be 1.60% (former fixed management fee) at the maximum.

**2) Nordea North American Dividend**

**N.B.** The fund does not apply performance-based fee in unit series A as of 1.7.2020.

The fixed management fee of the fund was lowered in December 2012 and a performance-based fee was taken in use. The current fixed management fee is 1.20 p.a. The performance-based fee is 20% p.a. of the excess return on the fund unit, exceeding the return of the fund's benchmark. The fixed and performance-based fee is daily determined. The total amount of the fee per each day can be no more than 1.60 % calculated on the yearly basis. If the fund unit does not outperform the benchmark the fund's (fixed and variable management) fee will be clearly lower than earlier to the benefit of the unitholders; in any scenario, the effect of these two fees can be 1.60% (former fixed management fee) at the maximum.

**3) Nordea World**

**N.B.** The fund does not apply performance-based fee in unit series A as of 2.7.2019.

The fixed management fee of the fund was lowered in December 2012 and a performance-based fee was taken in use. The current fixed management fee is 1.00 p.a. The performance-based fee is 20% p.a. of the excess return on the fund unit, exceeding the return of the fund's benchmark. The fixed and performance-based fee is daily determined. The total amount of the fee per each day can be no more than 1.60 % calculated on the yearly basis. If the fund unit does not outperform the benchmark the fund's (fixed and variable management) fee will be clearly lower than earlier to the benefit of the unitholders; in any scenario, the effect of these two fees can be 1.60% (former fixed management fee) at the maximum.

**4) Unit series P is targeted at Premium customers, Y at companies as well as other corporate customers, and I is correspondingly targeted at institutional customers.**

Official fund name	Unit series code	Marketing name for the unit series
Nordea Premium Asset Management Balanced Fund	P Y I	Nordea Premium Asset Management Balanced Nordea Corporate Asset Management Balanced Nordea Institutional Asset Management Balanced
Nordea Premium Asset Management Conservative Fund	P Y I	Nordea Premium Asset Management Conservative Nordea Corporate Asset Management Conservative Nordea Institutional Asset Management Conservative
Nordea Premium Asset Management Growth Fund	P Y I	Nordea Premium Asset Management Growth Nordea Corporate Asset Management Growth Nordea Institutional Asset Management Growth
Nordea Premium Asset Management Moderate Fund	P Y I	Nordea Premium Asset Management Moderate Nordea Corporate Asset Management Moderate Nordea Institutional Asset Management Moderate

**5) Unit series A is targeted at private customers, unit series P is targeted at Premium customers, Y at companies as well as other corporate customers, and I is correspondingly targeted at institutional customers.**

Official fund name	Unit series code	Marketing name for the unit series
Nordea Sustainable Selection Balanced Fund	A P Y I	Nordea Sustainable Global Balanced Nordea Premium Sustainable Global Balanced Nordea Corporate Sustainable Global Balanced Nordea Institutional Sustainable Global Balanced
Nordea Sustainable Selection Growth Fund	A	Nordea Sustainable Global Growth

**NORDEA FUNDS LTD**

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	P Y I	Nordea Premium Sustainable Global Growth Nordea Corporate Sustainable Global Growth Nordea Institutional Sustainable Global Growth
Nordea Sustainable Selection Moderate Fund	A P Y I	Nordea Sustainable Global Moderate Nordea Premium Sustainable Global Moderate Nordea Corporate Sustainable Global Moderate Nordea Institutional Sustainable Global Moderate
Nordea Sustainable Selection Return Fund	A P I	Nordea Sustainable Global Return Nordea Premium Sustainable Global Return Nordea Institutional Sustainable Global Return

**6) Turnover ratio**

The turnover ratio describes how frequently assets within a fund are bought and sold by the managers. The higher the turnover ratio, the more the fund has traded in addition to trading due to subscriptions and redemptions. The turnover ratio for the last calendar year has been presented. The turnover ratio is calculated by subtracting from the total value of the securities bought and sold by the fund (sum 1, EUR) the combined value of the subscriptions and redemptions (sum 2, EUR). The turnover ratio is the difference of the above sums (sum 2 subtracted with sum 1), divided with the average market capitalization of the fund. The average market capitalization of the fund is calculated based on the day specific market value during the last 12 months. If the turnover ratio is 0 %, subscriptions and redemptions of fund units have mainly affected the trading of the fund. The turnover ratio can also be negative, in which case the combined value of the subscriptions and redemptions exceeds the combined value of the purchases and sales of the fund.

**Synthetic risk and reward indicator (SRRI) at the end of 2021 and investor target group**

Investors should have sufficient knowledge of investing in funds and of the fund in order to understand whether the fund suits them. The investor must study the characteristics and risks of the fund and investing in funds mentioned in this prospectus and understand and accept them. The details of the fund are available in the fund rules and Key Investor Information Document (KIID). The funds are allocated in the risk level classes listed in the table below on the basis of the risk indicator SRRI disclosed in the KIID valid at the end of December 2021.

The value of an investment in a fund may increase or decrease. When redeeming the fund investment, the investor may receive less money than the original amount invested. The fund is not covered by the Investor's Compensation Fund or the deposit guarantee. The risk-reward profile and the risk category of a fund can change. Their development can be followed in the KIID.

Risk level	Fund	Investor target group
Low 1–2	Nordea Conservative Yield Fund Nordea Euro Medium Term Bond Fund Nordea Kredit Stars Fund Nordea Nordic Covered Bond Fund Nordea Moderate Yield Fund Nordea Obligasjon Stars Fund Nordea Private Banking FRN Nordea Private Banking Kort Obligasjon Pluss Fund Nordea Private Banking Obligasjon Fund Nordea Swedish Institutional Short Duration Bond Fund	The lowest risk categories 1 or 2 do not mean a risk-free investment. Funds classified under risk categories 1 or 2 are mainly short-term or medium-term bond funds.  Category 1: The fund suits <b>cautious investors</b> who primarily want to invest in fixed-income markets and prefer as low interest-rate risk as possible and a moderate credit risk.  The fund is also suitable for companies' cash management purposes. Companies can enter into a service agreement on automatic transfer of liquid assets from a payment account into the fund and vice versa.  Category 2: The fund suits <b>moderate fixed-income investors</b> who seek to avoid fluctuations in the value of invested assets and prefer to invest in a readily available, diversified bond portfolio with a medium interest-rate risk and a moderate credit risk.
Me- dium 3–5	Nora Fund Two (EUR) Nora Fund Three (EUR) Nora Fund Four (EUR) Nora Fund Five (EUR) Nora Fund Two (NOK) Nora Fund Three (NOK) Nora Fund Four (NOK) Nora Fund Two (SEK) Nora Fund Three (SEK) Nora Fund Four (SEK) Nora Fund Five (SEK) Nora Fund Two Master Nora Fund Three Master Nora Fund Four Master Nora Fund Five Master Nordea Bærekraftige Obligasjoner Global Fund Nordea Corporate Bond Fund Nordea Defensive Fund Nordea Discretionary Corporate Credit Fund Nordea Discretionary Global Equity Fund Nordea Emerging Market Bond Fund Nordea Equity Opportunities Fund Nordea Euro Bond Fund Nordea European High Yield Fund Nordea European Smaller Companies Fund Nordea Fixed Income Credit Opportunities Fund Nordea Focus Fixed Income Fund Nordea Global Dividend Fund Nordea Global Enhanced Fund Nordea Global Equity Allocation Fund Nordea Global High Yield Fund Nordea Global Passive Fund Nordea Hållbarhetsfond Obligationer Global Fund Nordea Japan Fund Nordea Navigo Nordea Premium Asset Management Balanced Fund Nordea Premium Asset Management Conservative Fund	Funds classified under risk category 3 are mainly long-term bond funds or fixed-income-oriented balanced funds.  Category 3: The fund suits <b>moderate investors</b> who primarily want to invest in bonds issued by companies and prefer a rather high interest-rate risk and a medium credit risk.  The fund suits <b>moderate investors</b> who primarily want to invest in a diversified portfolio of bonds issued by governments and prefer a high interest-rate risk and a moderate credit risk.  Funds classified under risk category 4 are mainly long-term high-yield bond funds, emerging market bond funds or other than fixed-income-oriented balanced funds.  Category 4: The fund suits <b>investors who seek relatively high return</b> and who primarily want to invest part of their assets in a diversified portfolio of high-yield bonds and prefer a high interest-rate and a rather high credit risk.  The fund suits <b>investors who seek relatively high return</b> and who primarily want to invest part of their assets in a portfolio of emerging market bonds and prefer a high interest-rate and a rather high credit risk.  Funds classified under risk category 5 are mainly equity-oriented balanced funds or rather broadly diversified equity funds.  Category 5: The fund is an equity-oriented balanced fund. The fund suits <b>return-oriented investors</b> who primarily want to invest in equity markets and can bear even heavy fluctuations in the value of the invested assets.  The fund <b>suits return-oriented investors</b> who primarily want to invest in equity markets with a global diversification and can bear even heavy fluctuations in the value of the invested assets.  The funds classified under categories 4 and 5 are also suitable for long-term investing in funds, meaning saving in funds, where the investor seeks to stabilise the risk relating to timing by, for example, investing a certain amount at regular intervals.  Equity funds are recommended for investing in the long term.

	Nordea Premium Asset Management Growth Fund Nordea Premium Asset Management Moderate Fund Nordea Pro Euro Bond Fund Nordea Pro Stable Return Fund Nordea Savings Fixed Income Fund Nordea Savings 15 Fund Nordea Savings 30 Fund Nordea Savings 50 Fund Nordea Savings 75 Fund Nordea Stable Return Fund Nordea Stratega 90 Fund Nordea Stratega Fixed Income Fund Nordea Sustainable Equities Global Fund Nordea Sustainable Fixed Income Global Fund Nordea Sustainable Selection Balanced Fund Nordea Sustainable Selection Balanced Fund (NOK) Nordea Sustainable Selection Balanced Fund (SEK) Nordea Sustainable Selection Growth Fund Nordea Sustainable Selection Growth Fund (NOK) Nordea Sustainable Selection Growth Fund (SEK) Nordea Sustainable Selection Moderate Fund Nordea Sustainable Selection Moderate Fund (NOK) Nordea Sustainable Selection Moderate Fund (SEK) Nordea Sustainable Selection Return Fund Nordea Sustainable Selection Return Fund (NOK) Nordea Sustainable Selection Return Fund (SEK) Nordea SWE Inflation Linked Bond Fund Nordea Yield Fund	
High 6–7	Nordea Allokéringsfond Fund Nordea Asian Stars Fund Nordea China Fund Nordea Discretionary Asset Allocation Fund Nordea Discretionary Swedish Equity Fund Nordea Eastern Europe Fund Nordea Emerging Market Equities Fund Nordea European Passive Fund Nordea European Stars Fund Nordea Finnish Passive Fund Nordea Finnish Stars Fund Nordea India Fund Nordea Innovation Stars Fund Nordea Institutionella Småbolagsfonden Sverige Fund Nordea Nordic Fund Nordea Nordic Small Cap Fund Nordea North American Dividend Fund Nordea North American Enhanced Fund Nordea Norwegian Stars Fund Nordea Private Banking Norsk Aksje Portefølje Nordea Pro Finland Fund Nordea Russia Fund Nordea Swedish Ideas Equity Fund Nordea Tactical Asset Allocation Fund Nordea World Fund Nordea World Passive Fund	Funds classified under risk categories 6 and 7 are typically funds which invest for instance in the equity markets of a single country, a specific geographic area or in companies with small-to-medium-sized market value.  Category 6: The fund suits <b>high-return-oriented equity investors</b> who primarily want to invest in a broadly diversified manner in the equity markets of a single country or a specific geographic area and can bear even heavy fluctuations in the value of the invested assets.  Category 7: The fund suits <b>high-return-oriented equity investors</b> who primarily want to invest in a broadly diversified manner in the emerging markets of a single country or a specific geographic area and can bear even very heavy fluctuations in the value of the invested assets.  The funds classified under categories 6 and 7 are also suitable for long-term investing in funds, meaning saving in funds, where the investor seeks to stabilise the risk relating to timing by, for example, investing a certain amount at regular intervals.  Equity funds are recommended for investing in the long term (5 to 7 years at the minimum).

### History of name changes, mergers, divisions and terminations – partly available in Finnish only

Launch date	Merging fund	Receiving fund	Transaction	Date	The fund that continues operations
15.10.1987	Optio-SYP		Termination	28.1.1993	
15.10.1987	Tuotto-SYP	Merita Bond Fund II	Merger	15.1.1996	MNB Euro Bond Fund 4.1.1999
13.12.1993	Kansallis-Korko	Merita Bond Fund 15.1.1996	Name change		Nordea Bond Fund.fi 21.3.2001
	Nordea Euro Bond Fund	Nordea Bond Fund.fi	Merger	19.10.2003	Nordea Euro Bond Fund
15.10.1987	Riski-SYP	Merita Avanti Fund	Merger	15.1.1996	MNB Avanti Fund 1.8.1999
15.10.1987	Kasvu-SYP	Merita Nordia Fund	Merger	15.1.1996	Nordea Nordia 21.6.2001
	Nordea Nordia Fund	Nordea Avanti Fund	Merger	16.12.2007	Nordea Nordic Fund
15.5.1992	Kansallis- Kasvu	Merita Fennia Fund	Name change	15.1.1996	Nordea Fennia Fund 21.3.2001
24.11.1999	Trevise Suomi	Merita Fennia Plus Fund	Merger	1.1.2001	Nordea Fennia Plus Fund 21.3.2001
	Nordea Fennia Plus Fund	Nordea Fennia Fund	Merger	2.3.2009	Nordea Finland Fund
5.11.1993	Kansallis-Metsä	Merita Foresta Fund 15.1.1996	Name change	21.3.2001	Nordea Foresta Fund (merger with Nordea Global Dividend Fund 20.9.2013)
7.12.1987	Kansallis-Tuotto	Merita Optima Fund 15.1.1996	Name change	21.3.2001	Nordea Optima Fund.fi
	Merita Optima Plus	Nordea Optima Plus Fund.fi	Name change	21.3.2001	Nordea Optima Plus 1.10.2004
	Nordea Optima and Nordea	Nordea Stable Return Fund	Merger	23.4.2006	Nordea Stable Return Fund

Optima Plus					
1.4.1996	Investa-Lyhytkorko	Merita Pro Money Market	Merger	19.9.1997	Merita Pro Euro Money Market 4.1.1999
	MNB Euro Money Market Fund	Nordea Euro Money Market Fund	Name change	21.3.2001	Nordea Euro Money Market Fund
	Merita Money Market Fund Nordea Euro Money Market Fund	Nordea Money Market Fund.fi Nordea Money Market Fund.fi	Name change Merger and Name change	21.3.2001 19.10.2003	Nordea Money Market Fund.fi Nordea Euro Money Market Fund
	Nordea Euro Money Market, Money Manager and Pro Euro Money Market	Nordea Moderate Yield Fund and Nordea Yield Fund	Division	3.5.2009	Nordea Moderate Yield Fund and Nordea Yield Fund
13.5.1994	Investa-Obligaatio	Merita Pro Bond Fund	Merger	19.9.1997	Nordea Pro Euro Bond Fund 21.3.2001
10.3.1993	Investa-Osake	Merita Pro Finland Equity Fund	Merger	19.9.1997	Nordea Pro Finland Fund 21.3.2001
24.11.1999	Trevise Eurokorko and Trevise Euro-obligaatio		Termination	15.1.2000	
22.12.1999	Trevise Euroland	Nordea Europe Plus	Merger	1.6.2001	Nordea Europe Plus Fund
30.10.1997	Merita Aasia	Nordea Asian Fund.fi	Name change	21.3.2001	Nordea Japan Fund 1.6.2001
	Merita American Fund Nordea Latin America Fund.fi	Nordea American Fund Nordea America Fund Plus	Name change Merger	1.6.2001 1.12.2002	Nordea American Fund Nordea America Fund Plus 11.2.2002
	Nordea American Fund	Nordea America Fund Plus	Merger and Name change	28.10.2007	Nordea North America Fund
	Merita European Fund MNB Euroland Fund Nordea European Fund and Choice European Equities Merita Granit Fund	Nordea European Fund.fi Nordea Euroland Fund Nordea Euroland Fund Nordea Granit Fund	Name change Name change Name change Merger and name change	21.3.2001 21.3.2001 16.11.2008 21.3.2001	Nordea European 1.10.2004 Nordea Euroland Fund Nordea European Fund (merger 24.5.2013) Nordea Granit Fund (merger 7.10.2012)
	Merita World Fund Nordea Global Growth Fund (the fund's name was Nordea Selektatillväxtbolag in Sweden) and Nordea World Fund	Nordea World Fund	Name change	21.3.2001	Nordea World Fund
			Merger	15.12.2008	Nordea World Fund
	MNB Euro Midi Korko	Nordea Euro Medium Term Bond Fund	Name change	21.3.2001	Nordea Euro Medium Term Bond Fund
	MNB IT Fund Nordea IT Fund	Nordea IT Fund Nordea Global Mobility Fund	Name change Merger and name change	21.3.2001 2.3.2008	Nordea IT Fund Nordea Global Technology Fund (merger again 20.9.2013)
	MNB MEDICA Life Science Fund Nordea Medica Life Science Fund	Nordea MEDICA Life Science Nordea Global Biotech Fund	Name change Merger and Name change	21.3.2001 25.11.2007	Nordea MEDICA Life Science Nordea Medica Fund
	MNB Nordic Small Cap Fund	Nordea Nordic Small Cap Fund	Name change	21.3.2001	Nordea Nordic Small Cap Fund
	MNB Pro Balance Fund	Nordea Pro Balance Fund 21.3.2001	Name change		Nordea Pro Stable Return Fund 1.4.2006
	MNB Pro Corporate Bond Fund	Nordea Pro Corporate Bond Fund 21.3.2001	Name change		Nordea Corporate Bond Fund 1.10.2007
	MNB Pro European Fund	Nordea Pro European Fund	Name change	21.3.2001	Nordea Pro European Fund
	MNB SWE Bond Fund Nordea SWE Bond Fund	Nordea SWE Bond Fund Nordea SWE Inflation Linked Bond Fund	Name change Merger	21.3.2001 14.10.2006	Nordea SWE Bond Fund Nordea SWE Inflation Linked Bond Fund
	Nordea Fixed Income Plus	Nordea Absolute Return Portfolio	Name change	21.8.2008	Nordea Absolute Return Portfolio
	Nordea Absolute Return Portfolio is merged with Nordea European Equity Hedge		Merger	14.12.2010	Nordea Savings 10 Fund 15.12.2010. This totally new fund was the receiving fund.
	Choice Global Equities		Termination	12.3.2008	
	Nordea CDO Debt and Nordea CDO Equity		Termination	5.1.2009	
	Nordea Fixed Income Hedge Fund and Nordea Fixed Income Portfolio Plus		Merger	20.6.2010	Nordea Fixed Income Portfolio Plus
	Non-UCITS Nordea Global High Yield		Fund type change	11.7.2010	Nordea Global High Yield
	Nordea SWE Capital Guaranteed		Termination	8.12.2011	
	Nordea Money Market Fund		Name change	15.4.2011	Nordea Short-Term Money Market Fund
	Nordea SWE Institutional Money Market Fund		Name change	15.3.2012	Nordea Swedish Institutional Short Duration Bond Fund

	Special Fund Trevise Active Asset Allocation (AAA)	Name change	1.1.2002	Non-UCITS Nordea Private Banking Growth Portfolio
	Nordea Growth Private Banking	Name change	27.3.2012	Nordea Premium Asset Management Growth Fund
	Nordea Conservative Private Banking	Name change	27.3.2012	Nordea Premium Asset Management Moderate Fund
	Nordea Balanced Private Banking	Name change	27.3.2012	Nordea Premium Asset Management Balanced Fund
	Nordea Granit Fund has merged with Nordea Stable Return Fund	Merger	7.10.2012	Nordea Stable Return Fund
	Nordea Tillväxtbolagsfond (Sweden) and Nordea Etiskt Urval Global (Sweden) are merged with Nordea World Fund	Cross-border merger	7.10.2012	Nordea World Fund
1.6.2006	Nordea India Fund	Conversion into a feeder fund	12.11.2012	Nordea India Fund
	Nordea IV Capital Guaranteed 100	Termination	1.12.2012	
	Nordea Fixed Income Portfolio and Nordea Savings Fixed Income Non-UCITS Nordea SEK Fixed Income Portfolio and Nordea Stratega Fixed Income (up to 4.4.2012 Non-UCITS)	Domestic merger Domestic merger	1.12.2012	Nordea Savings Fixed Income Nordea Stratega Fixed Income Fund
	Nordea Japanfond (Sweden) and Nordea Japan Fund	Cross-border merger	17.2.2013	Nordea Japan Fund
	Nordea Nordamerikafond (Sweden) and Nordea North America Fund	Cross-border merger	17.2.2013	Nordea North America Fund
	Nordea European Fund and Non-UCITS Nordea Private Banking Focus Europe Fund are merged with Nordea European Plus	Domestic merger and name change	24.5.2013	Nordea Europe Fund
	Nordea Östeuropafond (Sweden) has merged with Nordea Eastern Europe Fund Nordea Fjärran Östernfond (Sweden) has merged with Nordea Far East Fund	Cross-border merger Cross-border merger	26.5.2013	Nordea Eastern Europe Fund Nordea Far East Fund
	Nordea Foresta Fund, Nordea Medica Fund and Nordea Global Tecknology Fund are merged with Nordea Global Dividend Fund	Domestic merger	20.9.2013	Nordea Global Dividend Fund
	Nordea Spektra (Sweden) has merged with Nordea Global Dividend Fund	Cross-border merger	20.9.2013	Nordea Global Dividend Fund
	Nordea Fixed Income Portfolio Plus has merged with Nordea Savings 10 Fund	Domestic merger	9.11.2014	Nordea Savings 10 Fund
	Nordea China Fund	Conversion into a feeder fund	29.11.2013	Nordea China Fund
	Nordea IV Capital Guaranteed 100	Termination	2.12.2013	
	Nordea Private Banking Focus Finland has merged with Nordea Pro Finland Fund	Domestic merger	5.9.2014	Nordea Pro Finland Fund
	Institutionella Aktiefonden Europa (Sweden) has merged with Nordea Pro European Fund	Cross-border merger	5.9.2014	Nordea Pro European Fund
	Nordea Europafond (Sweden) and Nordea Selekt Europa (Sweden) have merged with Nordea Europe Fund	Cross-border merger	6.9.2014	Nordea Europe Fund
	Institutionella Räntefonden korta placeringar (Sweden) has merged with Nordea Swedish Institutional Short Duration Bond	Cross-border merger	10.10.2014	Nordea Swedish Institutional Short Duration Bond Fund
	Non-UCITS Fund Nordea Capital Guaranteed 100 has merged with Nordea Moderate Yield Fund	Domestic merger	2.12.2014	Nordea Moderate Yield Fund
	Non-UCITS Fund Nordea Finnish 130/30 Equity has merged with Nordea Finland Fund	Domestic merger	20.3.2015	Nordea Finland Fund
	Nordea Short-Term Money Market Fund	Name change	11.5.2015	Nordea Euro Liquidity
	Nordea II Capital Guaranteed 100	Termination	1.12.2015	
	Nordea Capital Protection 75 has merged with Nordea Savings 10 Fund	Domestic merger	6.2.2016	Nordea Savings 10 Fund
	Nordea Pro Finland unit serie B	Merger	13.7.2016	Nordea Pro Finland unite series C and I
	Nordea Nordenfonden (Sweden) has merged with Nordea Nordic Fund	Cross-border merger	23.9.2016	Nordea Nordic Fund
	Nordea Global Emerging Markets Equities UCITS ETF Fund and	Termination	5.10.2016	

## Nordea Stable Equities UCITS ETF Fund

Nordea III Capital Guaranteed 100	Termination	1.12.2016	
Nordea Plan Conservative Fund	Name change	28.10.2017	<i>Nordea Plan Defensive Fund</i>
Nordea Plan Defensive Fund	Name change	1.11.2017	<i>Nordea Defensive Fund</i>
Nordea European New Frontiers Fund	Name change	27.11.2017	<i>Nordea Global Frontier Markets Fund</i>
Nordea Private Banking Focus Fixed Income Fund	Name change	19.2.2018	<i>Nordea Focus Fixed Income Fund</i>
Nordea Private Banking Equity Core Fund	Name change	19.2.2018	<i>Nordea Equity Core Fund</i>
Nordea Private Banking Equity Opportunities Fund	Name change	19.2.2018	<i>Nordea Equity Opportunities Fund</i>
Nordea Private Banking Fixed Income Credit Opportunities Fund	Name change	19.2.2018	<i>Nordea Fixed Income Credit Opportunities Fund</i>
Non-UCITS Nordea Private Banking Focus Nordic has merged with Nordea Nordic Fund	Domestic merger	13.4.2018	<i>Nordea Nordic Fund</i>
Non-UCITS Nordea Equity Portfolio has merged with Nordea World Fund	Domestic merger	13.4.2018	<i>Nordea World Fund</i>
Nordea Finnish Index Fund, Nordea European Index Fund and Nordea Global Index Fund	Name change	15.8.2018	<i>Nordea Finnish Passive Fund, Nordea European Passive Fund, Nordea Global Passive Fund</i>
Nordea Latinamerikafond (Sweden) has merged with Nordea Emerging Market Equity Fund	Cross-border merger	9.11.2018	<i>Nordea Emerging Market Equity Fund</i>
Nordea Euro Liquidity Fund	Name change	11.12.2018	<i>Nordea Euro Short Term Bond Fund</i>
Nordea Private Banking Kort Obligasjon			<i>Nordea Private Banking FRN Fund</i>
Nordea Private Banking Likviditet			<i>Nordea Private Banking Kort Obligasjon Pluss Fund</i>
Nordea Finnish Small Cap Fund	Domestic merger	14.12.2018	<i>Nordea Nordic Small Cap Fund</i>
Nora Fund Five (NOK)	Termination	14.6.2019	
Nordea Premium Asset Management Global Balanced Fund	Name change	12.11.2019	<i>Nordea Sustainable Selection Balanced Fund, Nordea Sustainable Selection Growth Fund, Nordea Sustainable Selection Moderate Fund</i>
Nordea Premium Asset Management Global Growth Fund			
Nordea Premium Asset Management Global Moderate Fund			
Nordea Europe Fund	Name change	24.2.2020	<i>Nordea European Stars Fund</i>
Nordea Far East Fund	Name change	11.3.2020	<i>Nordea Asian Stars Fund</i>
Nordea Kreditt Pluss Etisk Fund	Name change	20.3.2020	<i>Nordea Kreditt Stars Fund</i>
Nordea Norsk Kredittobligasjon Fund	Name change	20.3.2020	<i>Nordea Obligasjon Stars Fund</i>
Nordea Pro European Fund	Domestic merger	27.3.2020	<i>Nordea European Stars Fund</i>
Nordea Euro Short Term Bond Fund	Conversion into a feeder fund and name change	29.6.2020	<i>Nordea Conservative Yield Fund</i>
Nordea North America Fund	Name change	1.7.2020	<i>Nordea North American Dividend Fund</i>
Nordea Global Frontier Markets Fund	Termination	28.8.2020	
Nora Fund One (EUR)			
Nora Fund One (NOK)			
Nora Fund One (SEK)			
Nora Fund One Master	Termination	3.12.2020	
Nordea Finland Fund	Name change	13.4.2021	<i>Nordea Finnish Stars Fund</i>
Nordea Savings 10 Fund	Name change	13.4.2021	<i>Nordea Savings 15 Fund</i>
Nordea Savings 25 Fund	Name change	13.4.2021	<i>Nordea Savings 30 Fund</i>
Nordea Equity Core Fund	Name change	29.7.2021	<i>Nordea Global Equity Allocation Fund</i>
Nordea AAA Government Bond Fund	Domestic merger	26.11.2021	<i>Nordea Euro Bond Fund</i>
Nordea Russia Fund	the first payment after the suspension of trading	31.8.2022	

The prospectus of funds registered in Norway and managed by Nordea Funds Ltd is available at [www.nordea.no/investmentfunds](http://www.nordea.no/investmentfunds)

The prospectus of funds registered in Sweden and managed by Nordea Funds Ltd is available at [www.nordea.se/fonder](http://www.nordea.se/fonder)

The prospectus of funds registered in Denmark and managed by Nordea Funds Ltd is available at [www.nordeainvest.dk](http://www.nordeainvest.dk).

### Errors possibly occurred in the net asset value (NAV) calculation of the funds

When determining the materiality of an error in the NAV calculation, the below-mentioned principles are applied. A calculation error is considered material when it exceeds a certain limit. In those situations where the limit for material error in the NAV calculation is exceeded, the internal instructions of the Management Company and the instructions given by the Financial Supervisory Authority are applied. The Management Company applies a minimum threshold of 5 euros when compensating for a loss to the unitholders. The funds are divided in four different categories on the basis of the fund-specific annual volatility of the growth unit, calculated in accordance with the ESMA guidelines\* on the calculation of SRRI presented in the Key Investor Information Document (KIID). Those funds for which volatility over the last calendar year is not available and which have started operations after the year end, have been classified under category IV (volatility ≤ 2%).

\* CESR/10-673 CESR Guidelines – Methodology for the calculation of the synthetic risk and reward indicator in the Key Investor Information Document.

[Volatilities for 2021 used when determining the limits for a material error in the NAV calculation](#). Published on 17.3.2022.

	Volatility	Limit for materiality of NAV calculation errors
Category I:	investment funds with annual volatility $\geq 10\%$	$\geq 0.5\%$ for Category I investment funds
Category II:	investment funds with annual volatility $\geq 5\%$ and $< 10\%$	$\geq 0.3\%$ for Category II investment funds
Category III:	investment funds with annual volatility $> 2\%$ and $< 5\%$	$\geq 0.2\%$ for Category III investment funds
Category IV:	investment funds with annual volatility $\leq 2\%$	$\geq 0.1\%$ for Category IV investment funds

Information about possible errors in the net asset value (NAV) calculations of the funds registered in Finland and managed by Nordea Funds Ltd is available at Nordea Funds Ltd. The table lists the fund-specific limits for a material error as a percentage of the NAV of the fund.

Fund name and limit for a material error	Limit		
Nora-funds			
Nora Fund Two (EUR)	0.3%	Nordea European Stars Fund	0.5%
Nora Fund Three (EUR)	0.3%	Nordea Finnish Passive Fund	0.5%
Nora Fund Four (EUR)	0.5%	Nordea Finnish Stars Fund	0.5%
Nora Fund Five (EUR)	0.5%	Nordea Fixed Income Credit Opportunity Fund	0.3%
Nora Fund Two (NOK)	0.3%	Nordea Focus Fixed Income Fund	0.2%
Nora Fund Three (NOK)	0.2%	Nordea Global Dividend Fund	0.5%
Nora Fund Four (NOK)	0.5%	Nordea Global Enhanced Fund	0.5%
Nora Fund Two (SEK)	0.3%	Nordea Global Equity Allocation Fund	0.5%
Nora Fund Three (SEK)	0.3%	Nordea Global High Yield Fund	0.3%
Nora Fund Four (SEK)	0.5%	Nordea Global Passive Fund	0.5%
Nora Fund Five (SEK)	0.5%	Nordea Hållbarhetsfond Obligationer Global Fund	0.2%
Nora Fund Two Master	0.3%	Nordea India Fund	0.5%
Nora Fund Three Master	0.3%	Nordea Innovation Stars Fund	0.5%
Nora Fund Four Master	0.5%	Nordea Institutionella Småbolagsfonden Sverige Fund	0.5%
Nora Fund Five Master	0.5%	Nordea Japan Fund	0.5%
Other Nordea funds		Nordea Kredit Stars Fund	0.1%
Nordea Allokeringfond Fund	0.3%	Nordea Moderate Yield Fund	0.1%
Nordea Asian Stars Fund	0.5%	Nordea Navigo*	0.3%
Nordea Bærekraftige Obligasjoner Global Fund	0.2%	Nordea Nordic Covered Bond Fund	0.1%
Nordea China Fund	0.5%	Nordea Nordic Fund	0.5%
Nordea Conservative Yield Fund	0.1%	Nordea Nordic Small Cap Fund	0.5%
Nordea Corporate Bond Fund	0.2%	Nordea North American Dividend Fund	0.5%
Nordea Defensive Fund	0.2%	Nordea North American Enhanced Fund	0.5%
Nordea Discretionary Asset Allocation Fund	0.3%	Nordea Norwegian Stars Fund	0.5%
Nordea Discretionary Corporate Credit Fund	0.3%	Nordea Obligasjon Stars Fund	0.1%
Nordea Discretionary Global Equity Fund	0.5%	Nordea Premium AM Balanced Fund	0.3%
Nordea Discretionary Swedish Equity Fund	0.5%	Nordea Premium AM Conservative Fund	0.2%
Nordea Eastern Europe Fund	0.5%	Nordea Premium AM Growth Fund	0.5%
Nordea Emerging Market Bond Fund	0.3%	Nordea Premium AM Moderate Fund	0.3%
Nordea Emerging Market Equities Fund	0.5%	Nordea Private Banking FRN Fund	0.1%
Nordea Equity Opportunities Fund	0.5%	Nordea Private Banking Kort Obligasjon Pluss Fund	0.1%
Nordea Euro Bond Fund	0.2%	Nordea Private Banking Norsk Aksje Portefølje*	0.5%
Nordea Euro Medium Term Bond Fund	0.1%	Nordea Private Banking Obligasjon Fund	0.1%
Nordea European High Yield Fund	0.3%	Nordea Pro Euro Bond Fund	0.2%
Nordea European Passive Fund	0.5%	Nordea Pro Finland Fund	0.5%
Nordea European Smaller Companies Fund	0.5%	Nordea Pro Stable Return Fund	0.5%
		Nordea Russia Fund	0.5%
		* Non-UCITS fund	
		Nordea Savings 15 Fund	
		Nordea Savings 30 Fund	
		Nordea Savings 50 Fund	
		Nordea Savings 75 Fund	
		Nordea Savings Fixed Income Fund	
		Nordea Stable Return Fund	
		Nordea Stratega 90 Fund	
		Nordea Stratega Fixed Income Fund	
		Nordea Sustainable Equities Global Fund	
		Nordea Sustainable Fixed Income Global Fund	
		Nordea Sustainable Selection Balanced Fund	
		Nordea Sustainable Selection Balanced Fund (NOK)	
		Nordea Sustainable Selection Balanced Fund (SEK)	
		Nordea Sustainable Selection Growth Fund	
		Nordea Sustainable Selection Growth Fund (NOK)	
		Nordea Sustainable Selection Moderate Fund (NOK)	
		Nordea Sustainable Selection Moderate Fund (SEK)	
		Nordea Sustainable Selection Moderate Fund (SEK)	
		Nordea Sustainable Selection Return Fund	
		Nordea Sustainable Selection Return Fund (NOK)	
		Nordea Sustainable Selection Return Fund (SEK)	
		Nordea SWE Inflation Linked Bond Fund	
		Nordea Swedish Ideas Equity Fund*	
		Nordea Swedish Instituti. Short Duration Bond Fund	
		Nordea Tactical Asset Allocation Fund	
		Nordea World Fund	
		Nordea World Passive Fund	
		Nordea Yield Fund	
		0.2%	

#### MSCI indices – disclaimer

This Fund (Nordea European Passive Fund, Nordea Global Passive Fund, Nordea World Passive Fund) is not sponsored, endorsed, sold or promoted by MSCI INC. ("MSCI"), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI Index (Collectively, The ("MSCI PARTIES"). The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by (licensee). None of the MSCI Parties makes any representation or warranty, express or implied, to the issuer or owners of this fund or any other person or entity regarding the advisability of investing in funds generally or in this Fund particularly or the ability of any MSCI Index to track corresponding stock market performance. MSCI or its affiliates are the licensors or certain trademarks, service marks and trade names and of the MSCI Indexes which are determined, composed and calculated by MSCI without regard to this fund or the issuer or owners of this Fund or any other person or entity. None of the MSCI Parties has any obligation to take the needs of the issuer or owners of this Fund or any other person or entity into consideration in determining, composing or calculating the MSCI Indexes. None of the MSCI Parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of this Fund to be issued or in the determination or calculation of the equation by or the consideration into which this Fund is redeemable. Further, none of the MSCI Parties has any obligation or liability to the issuer or owners of this Fund or any other person or entity in connection with the administration, marketing or offering of this Fund.

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#### Nordea Finnish Passive Fund – disclaimer

The fund is tracking the OMX Helsinki Benchmark CAP GTR Index. However, the fund is not sponsored, endorsed or promoted by The NASDAQ OMX Group, Inc. or its affiliates (NASDAQ OMX, with its affiliates, are referred to as the "Corporations" in the following). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to the fund. The Corporations make no representation or warranty, express or implied to the investors of the fund or any member of the public regarding the advisability of investing in securities generally or in the fund particularly, or the ability of the OMX Helsinki Benchmark CAP GTR Index to track general stock market performance. The Corporations' only relationship to Nordea Funds Oy is in the licensing of the NASDAQ®, OMX®, NASDAQ OMX®, and OMX Helsinki Benchmark

CAP GTR Index registered trademarks and certain trade names of the Corporation and the use of the OMX Helsinki Benchmark CAP GTR Index which is determined, composed and calculated by NASDAQ OMX without regard to Nordea Fund Oy's funds. NASDAQ OMX has no obligation to take the needs of Nordea Fund Oy or the investors of the fund into consideration in determining, composing or calculating the OMX Helsinki Benchmark CAP GTR Index. The Corporations are not responsible for and have not participated in the determination of the timing or prices of the fund. The Corporations have no liability in connection with the administration, marketing or trading of the fund.

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#### Additional information for investors in Denmark

The following information is intended for investors subscribing for shares of the Funds in Denmark.

##### Taxation of Danish investors

The Fund Company is an investment company in accordance with section 19 of the Danish Act on taxation of gains on equities. Investors' gains and losses are thus taxed on an annual basis according to the market-value principle. The market-value principle means that investors are subject to annual taxation on an on-going basis as the value of the shares is to be computed at the end of each year in such a way that gains and losses relative to the value at the end of the last income year – or relative to the purchase price if the shares have been purchased in the course of the income year – are to be included in the computation of the value at the end of the current year. In case of sale or redemption the computation is made relative to the value at the end of the most recent income year or the purchase price if the shares have been bought in the same year.

For natural persons gains and losses are included in the capital income, for companies in the company income and for institutional investors in the tax base according to the Danish Act on taxation of pensions.

Persons using the Danish scheme for tax treatment of enterprises may use assets comprised by this scheme to purchase shares. Pension assets may also be used to purchase shares.

#### Important information for investors residing in the US

Residents of or entities operating in the US are not permitted to subscribe for Nordea funds.

#### Important information for US Persons

The services and products of Nordea Funds Ltd may not be directly or indirectly offered or sold in the United States of America. US Persons may not subscribe for units in the investment funds managed by Nordea Funds Ltd in any of the Nordic countries where the management company and its branches are located.

The term US Person, for the purpose of this prospectus, means "U.S. Person" as defined by Rule 902 of Regulation S, and does not include any "Non-United States person" as used in Rule 4.7 under the U.S. Commodity Exchange Act, as amended.

"U.S. Person" as defined by Rule 902 of Regulation S includes, but is not limited to: (i) any natural person resident in the United States of America; (ii) any partnership or corporation organised or incorporated under the laws of the United States of America; (iii) any estate of which any executor or administrator is a US Person; (iv) any trust of which any trustee is a US Person; (v) any agency or branch of a non-US entity located in the United States of America; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States of America; and (viii) any partnership or corporation if: (1) organised or incorporated under the laws of any foreign jurisdiction; and (2) formed by a US person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined under Rule 501a under the Securities Act) who are not natural persons, estates or trusts.

For the avoidance of doubt, US Taxpayers may subscribe for units in the investment funds managed by Nordea Funds Ltd, as long as they do not qualify as US Persons. As used herein, the term US Taxpayer refers to a "United States person", as defined for US federal income tax purposes. For example, an individual who is a US citizen residing outside of the United States of America is not a US Person but is a US Taxpayer for US federal income tax purposes.

#### Important information for persons and institutional investors intending to subscribe for units in the Nordea India Fund

Due to Indian legislation, no single investor may hold more than 10% of the NAV of the Fund. Neither may non-resident Indians (means a person resident outside India who is a citizen of India or a person of Indian origin specified in the applicable law) hold more than 60% of the NAV of the Fund on an aggregate level.

*The Nordea funds' key investor information documents (KIDs), official fund prospectus, rules, annual and semi-annual reports are available free of charge at Nordea branches, on the Internet at [www.nordea.fi/funds](http://www.nordea.fi/funds) and at Nordea Funds Ltd.*

# **PROSPECTUS**

**Nordea Funds Ltd**

## **SFDR appendix I**

This is an appendix to the prospectus with sustainability-related information in accordance with articles 6 and 8 of the Sustainable Finance Disclosure Regulation (SFDR), EU regulation 2019/2088 on sustainability information in the financial services sector.

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The Key Investor Information Documents (KIIDs), official fund prospectus, rules, annual and semi-annual reports of the Nordea funds registered in Finland are available free of charge at Nordea branches, on the Internet at [www.nordea.fi/funds](http://www.nordea.fi/funds) and at Nordea Funds Ltd.

**Article 6 funds**

- Nora Fund Two (EUR)
- Nora Fund Three (EUR)
- Nora Fund Four (EUR)
- Nora Fund Five (EUR)
- Nora Fund Two (NOK)
- Nora Fund Three (NOK)
- Nora Fund Four (NOK)
- Nora Fund Two (SEK)
- Nora Fund Three (SEK)
- Nora Fund Four (SEK)
- Nora Fund Five (SEK)
- Nora Fund Two Master
- Nora Fund Three Master
- Nora Fund Four Master
- Nora Fund Five Master
- Nordea Allokéringsfond Fund
- Nordea Conservative Yield Fund
- Nordea Defensive Fund
- Nordea Discretionary Asset Allocation Fund
- Nordea Discretionary Corporate Credit Fund
- Nordea Discretionary Global Equity Fund
- Nordea Eastern Europe Fund
- Nordea Equity Opportunities Fund

- Nordea European Passive Fund
- Nordea Finnish Passive Fund
- Nordea Fixed Income Credit Opportunities Fund
- Nordea Global Enhanced Fund
- Nordea Global Equity Allocation Fund
- Nordea Global Passive Fund
- Nordea India Fund
- Nordea Japan Fund
- Nordea Navigo
- Nordea North American Dividend Fund
- Nordea North American Enhanced Fund
- Nordea Premium Asset Management Balanced Fund
- Nordea Premium Asset Management Conservative Fund
- Nordea Premium Asset Management Growth Fund
- Nordea Premium Asset Management Moderate Fund
- Nordea Russia Fund
- Nordea Savings 15 Fund
- Nordea Savings 30 Fund
- Nordea Savings 50 Fund
- Nordea Savings 75 Fund
- Nordea Savings Fixed Income Fund
- Nordea Stratega Fixed Income Fund
- Nordea Tactical Asset Allocation Fund
- Nordea World Fund

**Sustainability-related information**

*Sustainability-related information in accordance with article 6 of the Sustainable Finance Disclosure Regulation (SFDR), EU regulation 2019/2088 on sustainability information in the financial services sector.*

The abbreviation ESG refers to the term Environmental, Social and Governance.

**Definition of sustainability risk in the SFDR**

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The fund applies baseline ESG safeguards. Baseline ESG safeguards are applicable to all the funds mentioned in this prospectus in accordance with the [Responsible Investment Policy](#) of Nordea Funds Ltd which is available at [www.nordea.fi/funds](http://www.nordea.fi/funds).

**Baseline ESG safeguards**

The funds that apply baseline safeguards are subject to norm-based screening which identifies companies that are allegedly involved in breaches of international law and norms on environmental protection, human rights, labour standards and anti-corruption. If a company is identified in this screening process, an internal assessment of the company and the incident is initiated, which might lead to the exclusion of the company from the fund's investments.

Companies involved in serious violations of international norms are excluded from the investment universe of the funds managed by Nordea. This means, for example, that the Nordea funds do not invest in companies that actively manufacture controversial weapons, such as cluster munitions and anti-personnel mines or nuclear weapons. Further, the funds do not invest in companies with a turnover of more than 10% derived from the use of thermal coal. Companies involved in the production of fossil fuels by exploiting oil sands or drilling in the Arctic region are on the list of companies to be excluded.

**Sustainability risk integration**

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Exclusions of certain sectors and financial instruments from the investable universe are expected to reduce the sustainability risk of the fund. Conversely, such exclusions may increase the concentration risk of the fund which could, seen in isolation, result in higher volatility and a greater risk of loss.

**Assessment of the impact of sustainability risk on returns**

Taking sustainability factors into account in the fund's investment activities is expected to reduce the sustainability risk and thus also the overall risk of the fund's investments. The integration of sustainability risks in the fund's investment decisions is not expected to have a significant impact on the fund's long-term return potential.

**Article 8 funds****– ESG fixed-income funds**

- Nordea Corporate Bond Fund
- Nordea Emerging Market Bond Fund
- Nordea European High Yield Fund
- Nordea Global High Yield Fund
- Nordea Moderate Yield Fund
- Nordea Yield Fund

**Sustainability-related information**

*Sustainability-related information in accordance with article 8 of the Sustainable Finance Disclosure Regulation (SFDR), EU regulation 2019/2088 on sustainability information in the financial services sector.*

The abbreviation ESG refers to the term Environmental, Social and Governance. The abbreviation NAM refers to Nordea Investment Management AB.

**Definition of sustainability risk in the SFDR**

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

The fund promotes environmental and social characteristics as per Article 8 of the SFDR.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Sustainability risk integration**

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Exclusions of certain sectors and financial instruments from the investable universe are expected to reduce the sustainability risk of the fund. Conversely, such exclusions may increase the concentration risk of the fund which could, seen in isolation, result in higher volatility and a greater risk of loss.

Examples of sustainability risks and how sustainability risks are integrated in our decision process can be found in the statement on sustainability risk integration in the investment decision-making process available at [www.nordeafunds.com](http://www.nordeafunds.com).

**Assessment of the impact of sustainability risk on returns**

Taking sustainability factors into account in the fund's investment activities is expected to reduce the sustainability risk and thus also the overall risk of the fund's investments. The integration of sustainability risks in the fund's investment decisions is not expected to have a significant impact on the fund's long-term return potential.

**Environmental and social characteristics**

The fund adheres to our Paris-Aligned Fossil Fuel Policy.

Enhanced exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be damaging for the environment and the society at large, including tobacco companies and fossil fuel companies.

**Policy to assess good governance**

An evaluation of the quality of governance is an integral part of the assessment of potential investments. The governance assessment considers accountability, protection of shareholder/bondholder rights and long-term sustainable value creation.

**ESG strategy**

The strategy ensures that applied exclusion filters are reflected in the investment universe.

Our Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.

The inherent limitations on the investment universe resulting from the strategy are monitored and controlled on a regular basis.

**Nordea Funds' Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as Baseline safeguards through Nordea Funds' Responsible Investment Policy which bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold.

Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile, investments may be put on hold or the company may be placed on the exclusion list.

The [Responsible Investment Policy](#) of Nordea Funds Ltd and the [Corporate Exclusion List](#) are available at [www.nordea.fi/funds](http://www.nordea.fi/funds) and at [www.nordea.com](http://www.nordea.com) respectively.

**Implementation of the ESG strategy**

The Paris-aligned fossil fuel screening and other exclusions filters apply to all direct investments of the fund.

The funds may use derivatives and other techniques. The frequency of derivatives use and the purpose are described in the KIID of the fund in question. Any such holdings are not in scope of the ESG criteria.

**More fund-specific information**

Please refer to [www.nordea.fi/funds](http://www.nordea.fi/funds) for more fund-specific information.

**Benchmark and alignment with the sustainability profile of the fund**

These funds mentioned below use a benchmark which is not aligned with the environmental and social characteristics of the fund.

- Nordea Corporate Bond Fund
- Nordea Emerging Market Bond Fund
- Nordea European High Yield Fund
- Nordea Global High Yield Fund
- Nordea Moderate Yield Fund

The fund mentioned below does not have a benchmark.

- Nordea Yield Fund

Please refer to the official fund prospectus and section “Benchmark indices used by funds” for further information.

**Article 8 funds****– ESG fixed-income funds**

- Nordea Focus Fixed Income Fund
- Nordea Nordic Covered Bond Fund
- Nordea Private Banking FRN Fund
- Nordea Private Banking Kort Obligasjøn Pluss Fund
- Nordea Private Banking Obligasjøn Fund
- Nordea SWE Inflation Linked Bond Fund

**Sustainability-related information**

*Sustainability-related information in accordance with article 8 of the Sustainable Finance Disclosure Regulation (SFDR), EU regulation 2019/2088 on sustainability information in the financial services sector.*

The abbreviation ESG refers to the term Environmental, Social and Governance. The abbreviation NAM refers to Nordea Investment Management AB.

**Definition of sustainability risk in the SFDR**

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

The fund promotes environmental and social characteristics as per Article 8 of the SFDR.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Sustainability risk integration**

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Exclusions of certain sectors and financial instruments from the investable universe are expected to reduce the sustainability risk of the fund. Conversely, such exclusions may increase the concentration risk of the fund which could, seen in isolation, result in higher volatility and a greater risk of loss.

Examples of sustainability risks and how sustainability risks are integrated in our decision process can be found in the statement on sustainability risk integration in the investment decision-making process available at [www.nordeafunds.com](http://www.nordeafunds.com).

**Assessment of the impact of sustainability risk on returns**

Taking sustainability factors into account in the fund's investment activities is expected to reduce the sustainability risk and thus also the overall risk of the fund's investments. The integration of sustainability risks in the fund's investment decisions is not expected to have a significant impact on the fund's long-term return potential.

**Environmental and social characteristics**

The fund invests within an investment universe that generally exhibits a high level of ESG performance across constituents. Consequently, the exclusion filters that represent the environmental and social characteristics, as described below, have limited impact on the investment universe and the actual investments of the fund, and only serve as an insurance that underlying investments consistently represent the expected environmental and social characteristics of the asset class.

The fund adheres to our Paris-Aligned Fossil Fuel Policy.

Enhanced exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be damaging for the environment and the society at large, including tobacco companies and fossil fuel companies.

**Policy to assess good governance**

An evaluation of the quality of governance is an integral part of the assessment of potential investments. The governance assessment considers accountability, protection of shareholder/bondholder rights and long-term sustainable value creation.

**ESG strategy**

The strategy ensures that applied exclusion filters are reflected in the investment universe.

Our Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.

The inherent limitations on the investment universe resulting from the strategy are monitored and controlled on a regular basis.

**Nordea Funds' Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as Baseline safeguards through Nordea Funds' Responsible Investment Policy which bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold.

Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile, investments may be put on hold or the company may be placed on the exclusion list.

The [Responsible Investment Policy](#) of Nordea Funds Ltd and the [Corporate Exclusion List](#) are available at [www.nordea.fi/funds](http://www.nordea.fi/funds) and at [www.nordea.com](http://www.nordea.com) respectively.

**Implementation of the ESG strategy**

The Paris-aligned fossil fuel screening and other exclusions filters apply to all direct investments of the fund.

The funds may use derivatives and other techniques. The frequency of derivatives use and the purpose are described in the KIID of the fund in question. Any such holdings are not in scope of the ESG criteria.

**More fund-specific information**

Please refer to [www.nordea.fi/funds](http://www.nordea.fi/funds) for more fund-specific information.

**Benchmark and alignment with the sustainability profile of the fund**

These funds mentioned below use a benchmark which is not aligned with the environmental and social characteristics of the fund.

- Nordea Focus Fixed Income Fund
- Nordea Nordic Covered Bond Fund
- Nordea Private Banking FRN Fund
- Nordea Private Banking Obligasjøn Fund

These funds mentioned below do not have a benchmark.

- Nordea Private Banking Kort Obligasjøn Pluss Fund
- Nordea SWE Inflation Linked Bond Fund

Please refer to the official fund prospectus and section “Benchmark indices used by funds” for further information.

**Article 8 funds****– ESG fixed-income funds**

- Nordea Swedish Institutional Short Duration Bond Fund

**Sustainability-related information**

*Sustainability-related information in accordance with article 8 of the Sustainable Finance Disclosure Regulation (SFDR), EU regulation 2019/2088 on sustainability information in the financial services sector.*

*The abbreviation ESG refers to the term Environmental, Social and Governance. The abbreviation NAM refers to Nordea Investment Management AB.*

**Definition of sustainability risk in the SFDR**

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

The fund promotes environmental and social characteristics as per Article 8 of the SFDR.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Sustainability risk integration**

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Exclusions of certain sectors and financial instruments from the investable universe are expected to reduce the sustainability risk of the fund. Conversely, such exclusions may increase the concentration risk of the fund which could, seen in isolation, result in higher volatility and a greater risk of loss.

Examples of sustainability risks and how sustainability risks are integrated in our decision process can be found in the statement on sustainability risk integration in the investment decision-making process available at [www.nordeafunds.com](http://www.nordeafunds.com).

**Assessment of the impact of sustainability risk on returns**

Taking sustainability factors into account in the fund's investment activities is expected to reduce the sustainability risk and thus also the overall risk of the fund's investments. The integration of sustainability risks in the fund's investment decisions is not expected to have a significant impact on the fund's long-term return potential.

**Environmental and social characteristics**

Enhanced exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be damaging for the environment and the society at large, including tobacco companies and fossil fuel companies.

**Policy to assess good governance**

An evaluation of the quality of governance is an integral part of the assessment of potential investments. The governance assessment considers accountability, protection of shareholder/bondholder rights and long-term sustainable value creation.

**ESG strategy**

The strategy ensures that applied exclusion filters are reflected in the investment universe.

The inherent limitations on the investment universe resulting from the strategy are monitored and controlled on a regular basis.

**Nordea Funds' Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as Baseline safeguards through Nordea Funds' Responsible Investment Policy which bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold.

Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile, investments may be put on hold or the company may be placed on the exclusion list.

The [Responsible Investment Policy](#) of Nordea Funds Ltd and the [Corporate Exclusion List](#) are available at [www.nordea.fi/funds](http://www.nordea.fi/funds) and at [www.nordea.com](http://www.nordea.com) respectively.

**Implementation of the ESG strategy**

Exclusion filters apply to all direct investments of the fund.

The funds may use derivatives and other techniques. The frequency of derivatives use and the purpose are described in the KIID of the fund in question. Any such holdings are not in scope of the ESG criteria.

**More fund-specific information**

Please refer to [www.nordea.fi/funds](http://www.nordea.fi/funds) for more fund-specific information.

**Benchmark and alignment with the sustainability profile of the fund**

The fund mentioned below does not have a benchmark.

- Nordea Swedish Institutional Short Duration Bond Fund

Please refer to the official fund prospectus and section “Benchmark indices used by funds” for further information.

**Article 8 funds****– ESG balanced funds**

- Nordea Stable Return
- Nordea Stratega 90 Fund

**Sustainability-related information**

*Sustainability-related information in accordance with article 8 of the Sustainable Finance Disclosure Regulation (SFDR), EU regulation 2019/2088 on sustainability information in the financial services sector.*

The abbreviation ESG refers to the term Environmental, Social and Governance. The abbreviation NAM refers to Nordea Investment Management AB.

**Definition of sustainability risk in the SFDR**

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

The fund promotes environmental and social characteristics as per Article 8 of the SFDR.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Sustainability risk integration**

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Exclusions of certain sectors and financial instruments from the investable universe are expected to reduce the sustainability risk of the fund. Conversely, such exclusions may increase the concentration risk of the fund which could, seen in isolation, result in higher volatility and a greater risk of loss.

Examples of sustainability risks and how sustainability risks are integrated in our decision process can be found in the statement on sustainability risk integration in the investment decision-making process available at [www.nordeafunds.com](http://www.nordeafunds.com).

**Assessment of the impact of sustainability risk on returns**

Taking sustainability factors into account in the fund's investment activities is expected to reduce the sustainability risk and thus also the overall risk of the fund's investments. The integration of sustainability risks in the fund's investment decisions is not expected to have a significant impact on the fund's long-term return potential.

**Environmental and social characteristics**

The fund adheres to our Paris-Aligned Fossil Fuel Policy.

Enhanced exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be damaging for the environment and the society at large, including tobacco companies and fossil fuel companies.

Active ownership and engagement are key components in seeking to influence companies' behaviour.

**Policy to assess good governance**

An evaluation of the quality of governance is an integral part of the assessment of potential investments. The governance assessment considers accountability, protection of shareholder/bondholder rights and long-term sustainable value creation.

**ESG strategy**

The strategy ensures that applied exclusion filters are reflected in the investment universe.

Our Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.

The inherent limitations on the investment universe resulting from the strategy are monitored and controlled on a regular basis.

**Nordea Funds' Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as Baseline safeguards through Nordea Funds' Responsible Investment Policy which bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold.

Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile, investments may be put on hold or the company may be placed on the exclusion list.

The [Responsible Investment Policy](#) of Nordea Funds Ltd and the [Corporate Exclusion List](#) are available at [www.nordea.fi/funds](http://www.nordea.fi/funds) and at [www.nordea.com](http://www.nordea.com) respectively.

**Implementation of the ESG strategy**

The exclusion filters apply to the direct investments of the fund. However, the fund may also hold up to 20% of its assets in investments that are not subject to specific ESG selection criteria or screenings.

The funds may use derivatives and other techniques. The frequency of derivatives use and the purpose are described in the KIID of the fund in question. Any such holdings are not in scope of the ESG criteria.

**More fund-specific information**

Please refer to [www.nordea.fi/funds](http://www.nordea.fi/funds) for more fund-specific information.

**Benchmark and alignment with the sustainability profile of the fund**

The fund mentioned below uses a benchmark which is not aligned with the environmental and social characteristics of the fund.

- Nordea Stratega 90 Fund

The fund mentioned below does not have a benchmark.

- Nordea Stable Return

Please refer to the official fund prospectus and section "Benchmark indices used by funds" for further information.

**Article 8 funds****– ESG equity funds**

- Nordea China Fund
- Nordea Emerging Market Equities Fund
- Nordea European Smaller Companies Fund
- Nordea Global Dividend Fund
- Nordea Pro Stable Return Fund

**Sustainability-related information**

*Sustainability-related information in accordance with articles 8 of the Sustainable Finance Disclosure Regulation (SFDR), EU regulation 2019/2088 on sustainability information in the financial services sector.*

The abbreviation ESG refers to the term Environmental, Social and Governance. The abbreviation NAM refers to Nordea Investment Management AB.

**Definition of sustainability risk in the SFDR**

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

The fund promotes environmental and social characteristics as per Article 8 of the SFDR.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Sustainability risk integration**

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Exclusions of certain sectors and financial instruments from the investable universe are expected to reduce the sustainability risk of the fund. Conversely, such exclusions may increase the concentration risk of the fund which could, seen in isolation, result in higher volatility and a greater risk of loss.

Examples of sustainability risks and how sustainability risks are integrated in our decision process can be found in the statement on sustainability risk integration in the investment decision-making process available at [www.nordeafunds.com](http://www.nordeafunds.com).

**Assessment of the impact of sustainability risk on returns**

Taking sustainability factors into account in the fund's investment activities is expected to reduce the sustainability risk and thus also the overall risk of the fund's investments. The integration of sustainability risks in the fund's investment decisions is not expected to have a significant impact on the fund's long-term return potential.

**Environmental and social characteristics**

The fund adheres to our Paris-Aligned Fossil Fuel Policy.

Enhanced exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be damaging for the environment and the society at large, including tobacco companies and fossil fuel companies.

Active ownership and engagement are key components in seeking to influence companies' behaviour.

**Policy to assess good governance**

An evaluation of the quality of governance is an integral part of the assessment of potential investments. The governance assessment considers accountability, protection of shareholder/bondholder rights and long-term sustainable value creation.

**ESG strategy**

The strategy ensures that applied exclusion filters are reflected in the investment universe.

Our Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.

The inherent limitations on the investment universe resulting from the strategy are monitored and controlled on a regular basis.

**Nordea Funds' Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as Baseline safeguards through Nordea Funds' Responsible Investment Policy which bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold.

Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile, investments may be put on hold or the company may be placed on the exclusion list.

The [Responsible Investment Policy](#) of Nordea Funds Ltd and the [Corporate Exclusion List](#) are available at [www.nordea.fi/funds](http://www.nordea.fi/funds) and at [www.nordea.com](http://www.nordea.com) respectively.

**Implementation of the ESG strategy**

The Paris-aligned fossil fuel screening and other exclusions filters apply to all direct investments of the fund.

The funds may use derivatives and other techniques. The frequency of derivatives use and the purpose are described in the KIID of the fund in question. Any such holdings are not in scope of the ESG criteria.

**More fund-specific information**

Please refer to [www.nordea.fi/funds](http://www.nordea.fi/funds) for more fund-specific information.

**Benchmark and alignment with the sustainability profile of the fund**

The funds mentioned below use benchmarks which are not aligned with the environmental and social characteristics of the funds.

- Nordea China Fund
- Nordea Emerging Market Equities Fund

The funds mentioned below do not have a benchmark.

- Nordea European Smaller Companies Fund
- Nordea Global Dividend Fund
- Nordea Pro Stable Return Fund

Please refer to the official fund prospectus and section “Benchmark indices used by funds” for further information.

**Article 8 funds****– ESG equity funds**

- Nordea World Passive Fund

**Sustainability-related information**

*Sustainability-related information in accordance with articles 8 of the Sustainable Finance Disclosure Regulation (SFDR), EU regulation 2019/2088 on sustainability information in the financial services sector.*

The abbreviation ESG refers to the term Environmental, Social and Governance. The abbreviation NAM refers to Nordea Investment Management AB.

**Definition of sustainability risk in the SFDR**

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

The fund promotes environmental and social characteristics as per Article 8 of the SFDR.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Sustainability risk integration**

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Exclusions of certain sectors and financial instruments from the investable universe are expected to reduce the sustainability risk of the fund. Conversely, such exclusions may increase the concentration risk of the fund which could, seen in isolation, result in higher volatility and a greater risk of loss.

Examples of sustainability risks and how sustainability risks are integrated in our decision process can be found in the statement on sustainability risk integration in the investment decision-making process available at [www.nordeafunds.com](http://www.nordeafunds.com).

**Assessment of the impact of sustainability risk on returns**

Taking sustainability factors into account in the fund's investment activities is expected to reduce the sustainability risk and thus also the overall risk of the fund's investments. The integration of sustainability risks in the fund's investment decisions is not expected to have a significant impact on the fund's long-term return potential.

**Environmental and social characteristics**

The fund adheres to our Paris-Aligned Fossil Fuel Policy.

Enhanced exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be damaging for the environment and the society at large, including tobacco companies and fossil fuel companies.

Active ownership and engagement are key components in seeking to influence companies' behaviour.

**Policy to assess good governance**

An evaluation of the quality of governance is an integral part of the assessment of potential investments. The governance assessment considers accountability, protection of shareholder/bondholder rights and long-term sustainable value creation.

**ESG strategy**

The strategy ensures that applied exclusion filters are reflected in the investment universe.

Our Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes

companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement. The inherent limitations on the investment universe resulting from the strategy are monitored and controlled on a regular basis.

**Nordea Funds' Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as Baseline safeguards through Nordea Funds' Responsible Investment Policy which bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold.

Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile, investments may be put on hold or the company may be placed on the exclusion list.

The [Responsible Investment Policy](#) of Nordea Funds Ltd and the [Corporate Exclusion List](#) are available at [www.nordea.fi/funds](http://www.nordea.fi/funds) and at [www.nordea.com](http://www.nordea.com) respectively.

**Implementation of the ESG strategy**

The Paris-aligned fossil fuel screening and other exclusions filters apply to all direct investments of the fund.

The funds may use derivatives and other techniques. The frequency of derivatives use and the purpose are described in the KIID of the fund in question. Any such holdings are not in scope of the ESG criteria.

**More fund-specific information** is available at [www.nordea.fi/funds](http://www.nordea.fi/funds).

**Benchmark and alignment with the sustainability profile of the fund**

A specific index is designated as a benchmark index, to determine whether this fund is aligned with the environmental and/or social characteristics that it promotes.

**How is the benchmark index continuously aligned with each of the environmental or social characteristics promoted by the fund?**

This customised benchmark index is constructed by using predetermined methodology which supports the environmental and social characteristics of the fund.

The benchmark index which the fund seeks to follow identifies companies that are allegedly involved in breaches of international law and norms related to ESG such as environmental protection and human rights or are involved in certain business activities. Companies with exposure to the following business activities, exceeding a predefined threshold, are excluded, for instance: adult entertainment, alcohol, gambling and tobacco. At the same time, companies with exposure to fossil fuels, exceeding a predefined threshold, are excluded, for instance: companies associated with oil sands, shale oil and shale gas or companies with a certain level of involvement in exploration, production, distribution or services within fossil fuels in general.

The definition of the index including the ESG criteria is presented at the [home page of the index producer MSCI](#).

**How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

The fund is a passive fund seeking a performance close to the index by investing in the companies included in the index. In addition to this, the fund may also exclude securities from the portfolio in accordance with the Responsible Investment Policy of Nordea Funds Ltd or other exclusions the fund follows.

**How does the index designated to the fund differ from a relevant broad market index?**

The fund's benchmark, **MSCI World ex Business Involvement Fossil Fuel Screened Select Index NTR (dividends included after taxes)**, is based on the MSCI World Index, its parent index, and includes large and midcap securities across 23 developed markets countries. The index excludes companies from the parent index based on predefined ESG criteria.

Please refer to the official fund prospectus for further information.

**Article 8 funds****– ESG equity funds**

- Nordea Discretionary Swedish Equity Fund
- Nordea Nordic Fund
- Nordea Nordic Small Cap Fund
- Nordea Swedish Ideas Equity Fund

**Sustainability-related information**

*Sustainability-related information in accordance with articles 8 of the Sustainable Finance Disclosure Regulation (SFDR), EU regulation 2019/2088 on sustainability information in the financial services sector.*

The abbreviation ESG refers to the term Environmental, Social and Governance. The abbreviation NAM refers to Nordea Investment Management AB.

**Definition of sustainability risk in the SFDR**

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

The fund promotes environmental and social characteristics as per Article 8 of the SFDR.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Sustainability risk integration**

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.

Exclusions of certain sectors and financial instruments from the investable universe are expected to reduce the sustainability risk of the fund. Conversely, such exclusions may increase the concentration risk of the fund which could, seen in isolation, result in higher volatility and a greater risk of loss.

Examples of sustainability risks and how sustainability risks are integrated in our decision process can be found in the statement on sustainability risk integration in the investment decision-making process available at [www.nordeafunds.com](http://www.nordeafunds.com).

**Assessment of the impact of sustainability risk on returns**

Taking sustainability factors into account in the fund's investment activities is expected to reduce the sustainability risk and thus also the overall risk of the fund's investments. The integration of sustainability risks in the fund's investment decisions is not expected to have a significant impact on the fund's long-term return potential.

**Environmental and social characteristics**

The fund invests within an investment universe that generally exhibits a high level of ESG performance across constituents. Consequently, the screenings that apply to the strategy have limited impact on the investment universe and the actual investments of the fund, and only serve as an insurance that underlying investments consistently represent the expected environmental and social characteristics of the asset class.

The fund adheres to our Paris-Aligned Fossil Fuel Policy.

Enhanced exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be damaging for the environment and the society at large, including tobacco companies and fossil fuel companies.

Active ownership and engagement are key components in seeking to influence companies' behaviour.

**Policy to assess good governance**

An evaluation of the quality of governance is an integral part of the assessment of potential investments. The governance assessment considers accountability, protection of shareholder/bondholder rights and long-term sustainable value creation.

**ESG strategy**

The strategy ensures that applied exclusion filters are reflected in the investment universe.

Our Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.

The inherent limitations on the investment universe resulting from the strategy are monitored and controlled on a regular basis.

**Nordea Funds' Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as Baseline safeguards through Nordea Funds' Responsible Investment Policy which bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold.

Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile, investments may be put on hold or the company may be placed on the exclusion list.

The [Responsible Investment Policy](#) of Nordea Funds Ltd and the [Corporate Exclusion List](#) are available at [www.nordea.fi/funds](http://www.nordea.fi/funds) and at [www.nordea.com](http://www.nordea.com) respectively.

**Implementation of the ESG strategy**

The Paris-aligned fossil fuel screening and other exclusions filters apply to all direct investments of the fund.

The funds may use derivatives and other techniques. The frequency of derivatives use and the purpose are described in the KIID of the fund in question. Any such holdings are not in scope of the ESG criteria.

**More fund-specific information**

Please refer to [www.nordea.fi/funds](http://www.nordea.fi/funds) for more fund-specific information.

**Benchmark and alignment with the sustainability profile of the fund**

These funds mentioned below use a benchmark which is not aligned with the environmental and social characteristics of the fund.

- Nordea Nordic Fund
- Nordea Nordic Small Cap Fund
- Nordea Swedish Ideas Equity Fund

The fund mentioned below does not have a benchmark.

- Nordea Discretionary Swedish Equity Fund

Please refer to the official fund prospectus and section “Benchmark indices used by funds” for further information.

**Article 8 funds****– ESG equity funds**

- Nordea Private Banking Norsk Aksje Portefølje

**Sustainability-related information**

*Sustainability-related information in accordance with article 8 of the Sustainable Finance Disclosure Regulation (SFDR), EU regulation 2019/2088 on sustainability information in the financial services sector.*

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The fund promotes environmental and social characteristics as per Article 8 of the SFDR.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

**Sustainability risk integration**

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Exclusions of certain sectors and financial instruments from the investable universe are expected to reduce the sustainability risk of the fund. Conversely, such exclusions may increase the concentration risk of the fund which could, seen in isolation, result in higher volatility and a greater risk of loss.

Examples of sustainability risks and how sustainability risks are integrated in our decision process can be found in the statement on sustainability risk integration in the investment decision-making process available at [www.nordeafunds.com](http://www.nordeafunds.com).

**Assessment of the impact of sustainability risk on returns**

Taking sustainability factors into account in the fund's investment activities is expected to reduce the sustainability risk and thus also the overall risk of the fund's investments. The integration of sustainability risks in the fund's investment decisions is not expected to have a significant impact on the fund's long-term return potential.

**Environmental and social characteristics**

Enhanced exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be damaging for the environment and the society at large, including tobacco companies.

Active ownership and engagement are key components in seeking to influence companies' behaviour.

**Policy to assess good governance**

An evaluation of the quality of governance is an integral part of the assessment of potential investments. The governance assessment considers accountability, protection of shareholder/bondholder rights and long-term sustainable value creation.

**ESG strategy**

The strategy ensures that applied exclusion filters are reflected in the investment universe.

The inherent limitations on the investment universe resulting from the strategy are monitored and controlled on a regular basis.

**Nordea Funds' Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as Baseline safeguards through Nordea Funds' Responsible Investment Policy which bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold.

Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile, investments may be put on hold or the company may be placed on the exclusion list.

The [Responsible Investment Policy](#) of Nordea Funds Ltd and the [Corporate Exclusion List](#) are available at [www.nordea.fi/funds](http://www.nordea.fi/funds) and at [www.nordea.com](http://www.nordea.com) respectively.

**Implementation of the ESG strategy**

Exclusion filters apply to all direct investments of the fund.

The funds may use derivatives and other techniques. The frequency of derivatives use and the purpose are described in the KIID of the fund in question. Any such holdings are not in scope of the ESG criteria.

**More fund-specific information**

Please refer to [www.nordea.fi/funds](http://www.nordea.fi/funds) for more fund-specific information.

**Benchmark and alignment with the sustainability profile of the fund**

The fund mentioned below does not have a benchmark.

- Nordea Private Banking Norsk Aksje Portefølje

Please refer to the official fund prospectus and section “Benchmark indices used by funds” for further information.

# **PROSPECTUS**

**Nordea Funds Ltd**

## **SFDR appendix II**

**This is an appendix to the prospectus with pre-contractual disclosure for financial products in accordance with article 8(1) of the Sustainable Finance Disclosure Regulation (SFDR) EU 2019/2088 on sustainability-related information in the financial services sector as well as in accordance with article 6 of the EU Taxonomy Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment.**

## Contents 1.7.2022

- Nordea Asian Stars Fund
- Nordea Bærekraftige Obligasjoner Global Fund
- Nordea Euro Bond Fund
- Nordea Euro Medium Term Bond Fund
- Nordea European Stars Fund
- Nordea Finnish Stars
- Nordea Hållbarhetsfond Obligationer Global Fund
- Nordea Innovation Stars Fund
- Nordea Institutionella Småbolagsfonden Sverige Fund
- Nordea Kredit Stars Fund
- Nordea Norwegian Stars Fund
- Nordea Obligasjon Stars Fund
- Nordea Pro Euro Bond Fund
- Nordea Pro Finland Fund
- Nordea Sustainable Equities Global Fund
- Nordea Sustainable Fixed Income Global Fund
- Nordea Sustainable Selection Balanced Fund
- Nordea Sustainable Selection Balanced Fund (NOK)
- Nordea Sustainable Selection Balanced Fund (SEK)
- Nordea Sustainable Selection Growth Fund
- Nordea Sustainable Selection Growth Fund (NOK)
- Nordea Sustainable Selection Growth Fund (SEK)
- Nordea Sustainable Selection Moderate Fund
- Nordea Sustainable Selection Moderate Fund (NOK)
- Nordea Sustainable Selection Moderate Fund (SEK)
- Nordea Sustainable Selection Return Fund (master)
- Nordea Sustainable Selection Return Fund (NOK)
- Nordea Sustainable Selection Return Fund (SEK)

### Integration of sustainability risk in investment decision in the funds listed above

Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

An enhanced analysis on Environmental, Social and Governance issues is performed on each financial instrument in the fund, and included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

Sustainability risk may significantly increase the volatility of the investment return of the fund.

Exclusions of certain sectors and/or financial instruments from the investable universe are expected to reduce the sustainability risk of the fund. In addition, the sustainability risk profile of this fund benefits further from the application of specific, proprietary ESG analysis. Conversely, such exclusions may increase the concentration risk of the fund which could - seen in isolation - result in higher volatility and a greater risk of loss.

Examples of sustainability risks and how sustainability risks are integrated in our decision process can be found in the statement on sustainability risk integration in the investment decision-making process available at [www.nordeafunds.com](http://www.nordeafunds.com).

The minimum proportions to which the funds have committed specified in Appendix II will come into force on 1.8.2022.

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Asian Stars Fund

**Legal entity identifier:** 549300Z6YEQ8TU0FFP49

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund invests in companies that have been analysed and scored in NAM's proprietary ESG tool to ensure that only securities issued by companies that meet the minimum required ESG score are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund is managed according to the Stars investment strategy which includes a commitment to apply the NAM proprietary ESG model to analyse and select investments that epitomize the ESG characteristics of the fund.

The analysis is performed via an enhanced due diligence on material ESG issues that are relevant to the investee company. Furthermore, each company's business model alignment with relevant UN SDGs is taken into consideration as well the company's approach to managing ESG risks. Depending on the outcome of the analysis, the company will be assigned an ESG score from C to A. Stars eligible investments must have an ESG score in the B or A range.

ESG scores are reassessed regularly, and any breach of international norms or severe company specific events will trigger an ad hoc reassessment of the ESG score.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum threshold for ESG score.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

***What is the policy to assess good governance practices of the investee companies?***

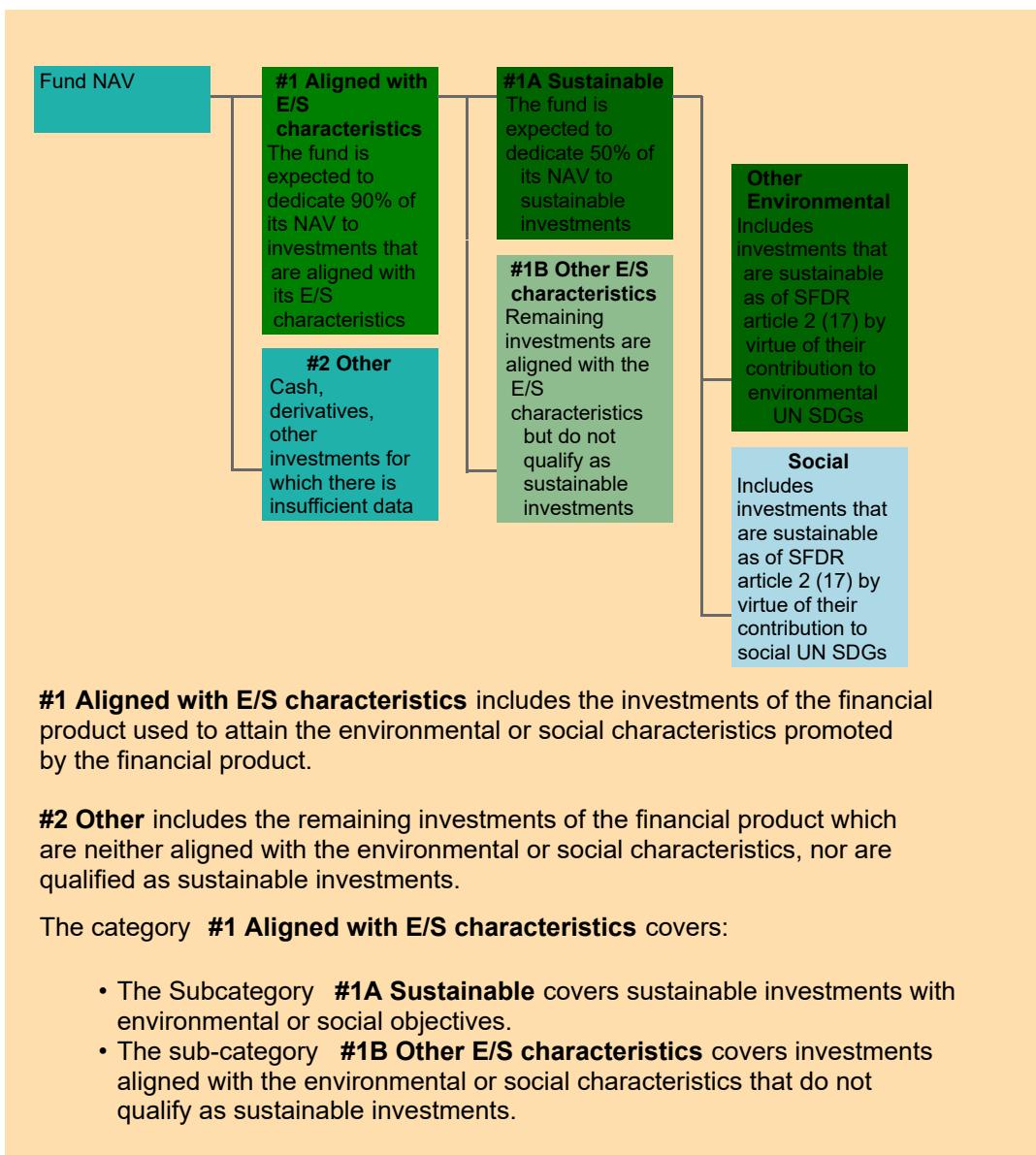
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



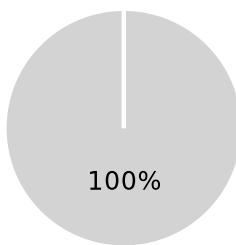
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

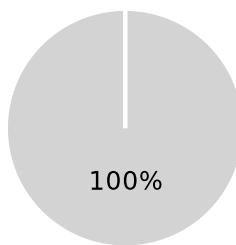
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Bærekraftige Obligasjoner Global Fund

**Legal entity identifier:** 549300DRBP2V0PV11U23

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?***

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

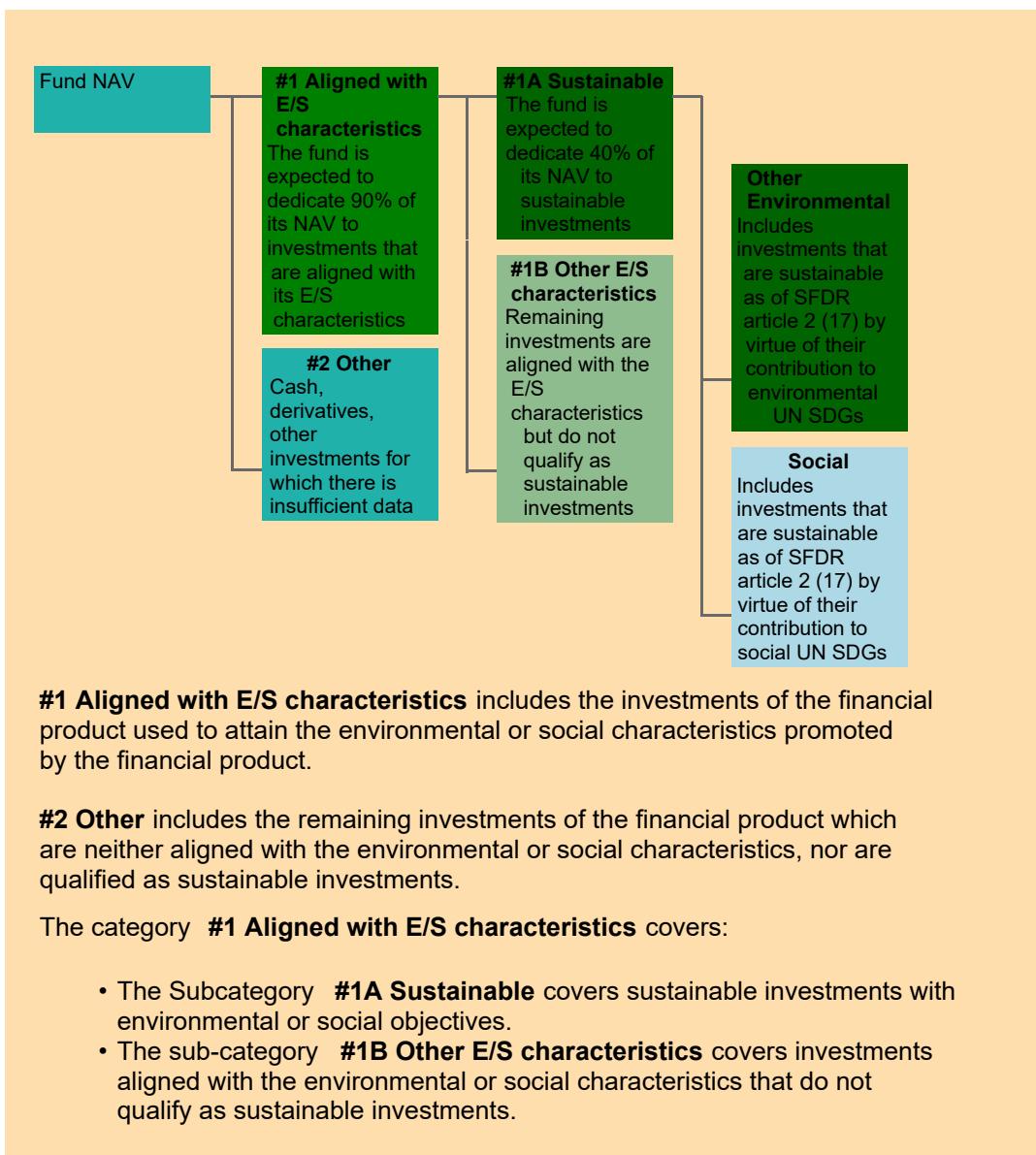
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



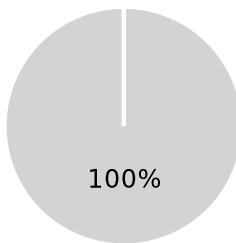
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

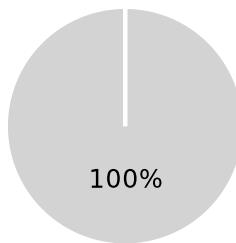
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Euro Bond Fund

**Legal entity identifier:** 549300QLN77O2B3SSL35

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

ESG is integrated into the strategy by excluding companies and issuers due to their exposure to certain activities that have been deselected based on ESG considerations.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
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- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

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**Good governance**  
practices include  
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structures,  
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● ***What is the policy to assess good governance practices of the investee companies?***

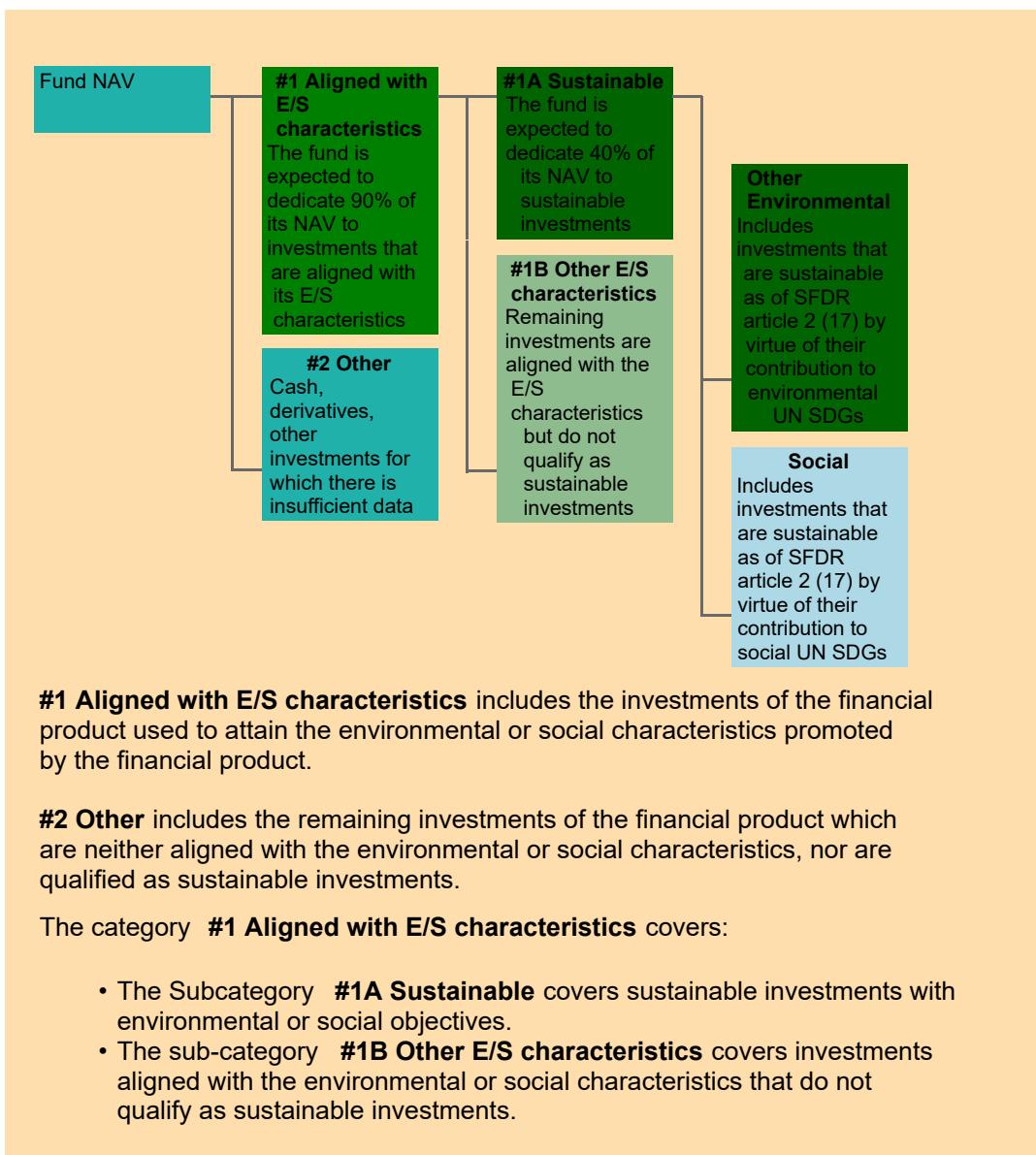
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## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



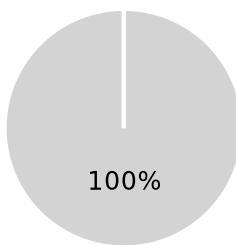
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

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The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

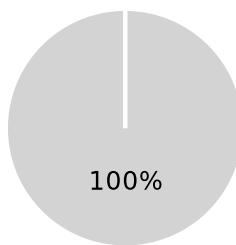
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## What is the minimum share of investments in transitional and enabling activities?

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are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



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## **What is the minimum share of socially sustainable investments?**

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## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

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More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Euro Medium Term Bond Fund

**Legal entity identifier:** 5493007TZYJRE6PKR62

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___ % <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___ %  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

ESG is integrated into the strategy by excluding companies and issuers due to their exposure to certain activities that have been deselected based on ESG considerations.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

● ***What is the policy to assess good governance practices of the investee companies?***

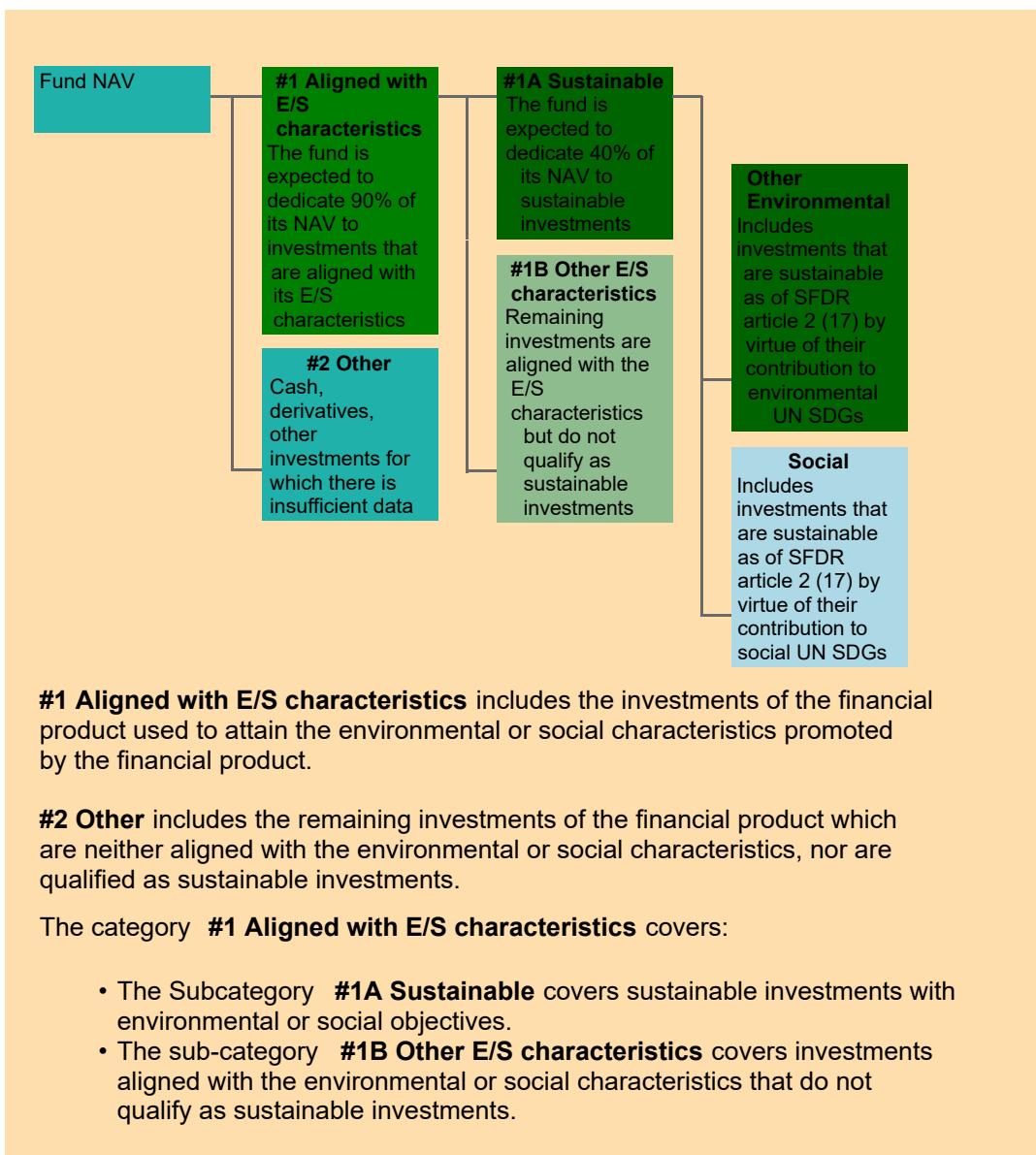
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



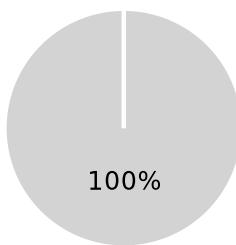
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

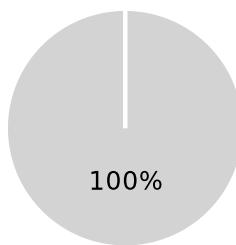
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea European Stars Fund

**Legal entity identifier:** 54930070IKWTBTWG2U46

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___ % <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___ %  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund invests in companies that have been analysed and scored in NAM's proprietary ESG tool to ensure that only securities issued by companies that meet the minimum required ESG score are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund is managed according to the Stars investment strategy which includes a commitment to apply the NAM proprietary ESG model to analyse and select investments that epitomize the ESG characteristics of the fund.

The analysis is performed via an enhanced due diligence on material ESG issues that are relevant to the investee company. Furthermore, each company's business model alignment with relevant UN SDGs is taken into consideration as well the company's approach to managing ESG risks. Depending on the outcome of the analysis, the company will be assigned an ESG score from C to A. Stars eligible investments must have an ESG score in the B or A range.

ESG scores are reassessed regularly, and any breach of international norms or severe company specific events will trigger an ad hoc reassessment of the ESG score.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum threshold for ESG score.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

**What is the policy to assess good governance practices of the investee companies?**

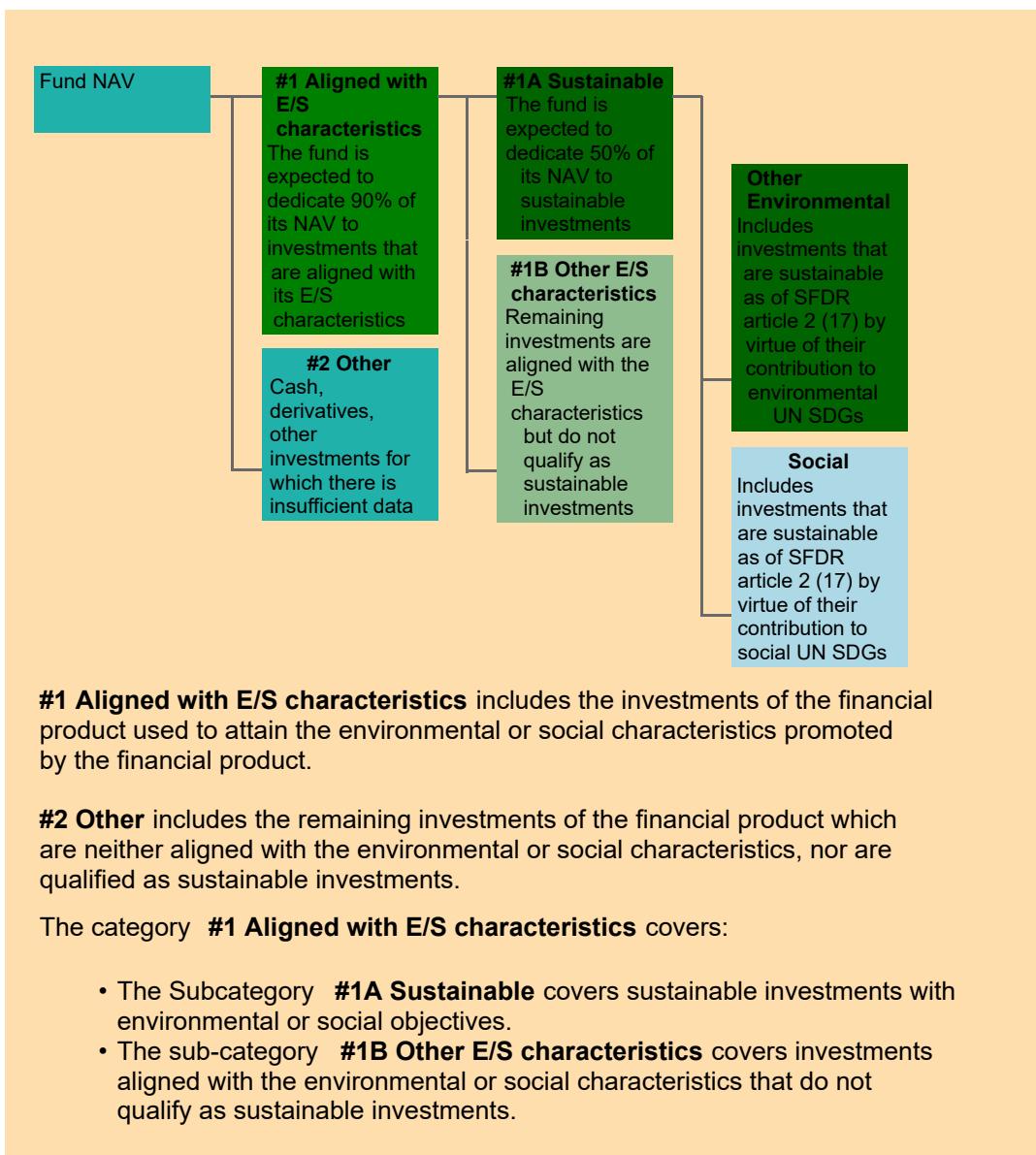
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



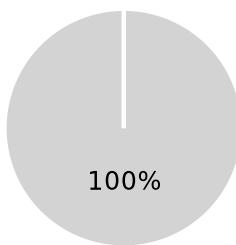
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

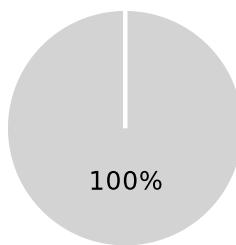
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Finnish Stars Fund

**Legal entity identifier:** 549300MI2MQKPNCVIU88

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |  |
|--|--|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___ % <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___ % | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b> |
|--|--|



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund invests in companies that have been analysed and scored in NAM's proprietary ESG tool to ensure that only securities issued by companies that meet the minimum required ESG score are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund is managed according to the Stars investment strategy which includes a commitment to apply the NAM proprietary ESG model to analyse and select investments that epitomize the ESG characteristics of the fund.

The analysis is performed via an enhanced due diligence on material ESG issues that are relevant to the investee company. Furthermore, each company's business model alignment with relevant UN SDGs is taken into consideration as well the company's approach to managing ESG risks. Depending on the outcome of the analysis, the company will be assigned an ESG score from C to A. Stars eligible investments must have an ESG score in the B or A range.

ESG scores are reassessed regularly, and any breach of international norms or severe company specific events will trigger an ad hoc reassessment of the ESG score.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum threshold for ESG score.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

***What is the policy to assess good governance practices of the investee companies?***

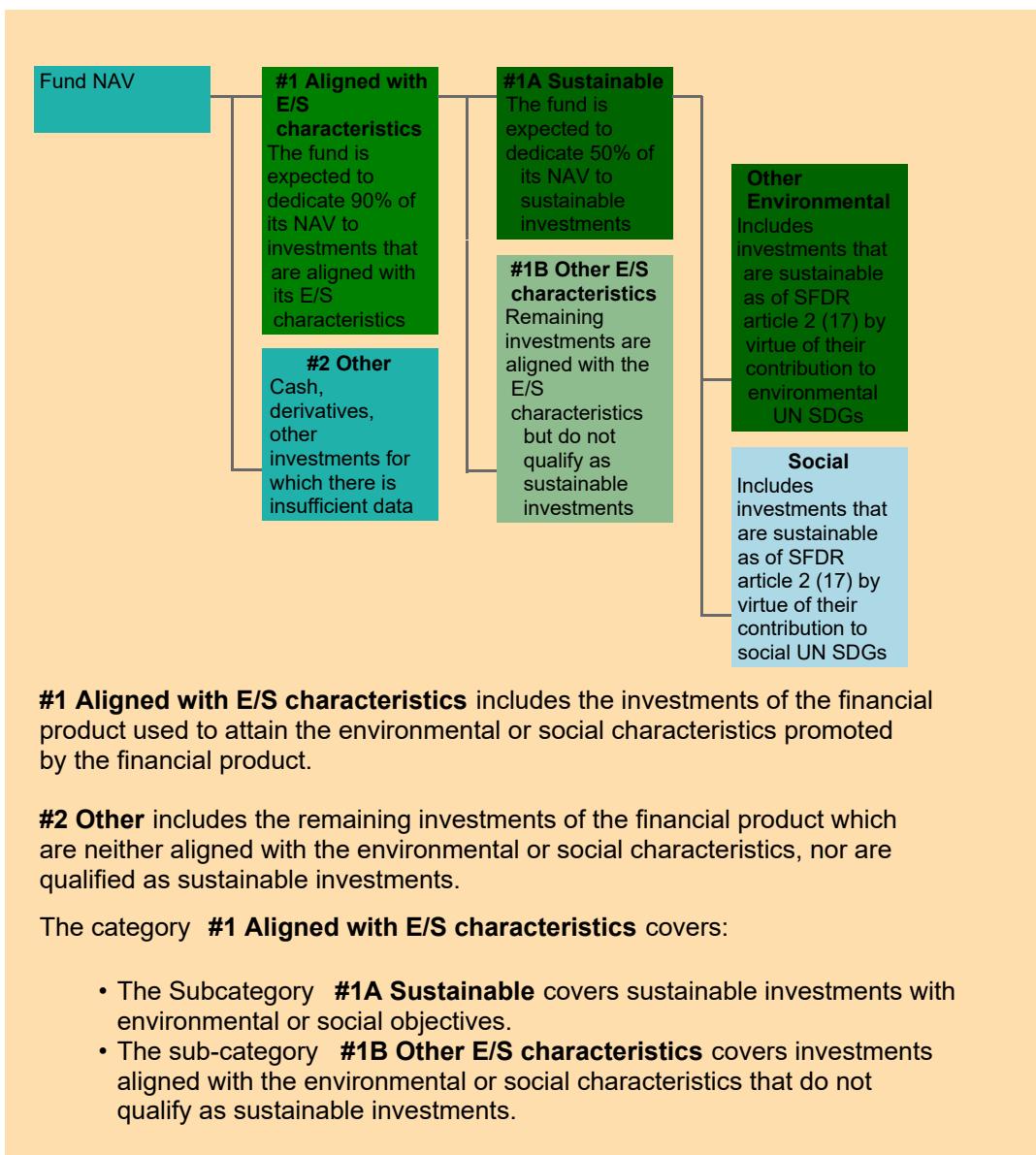
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



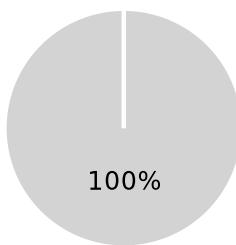
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

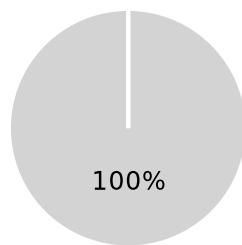
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Hållbarhetsfond Obligationer Global Fund

**Legal entity identifier:** 549300TJ314IIW1BOW85

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?***

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

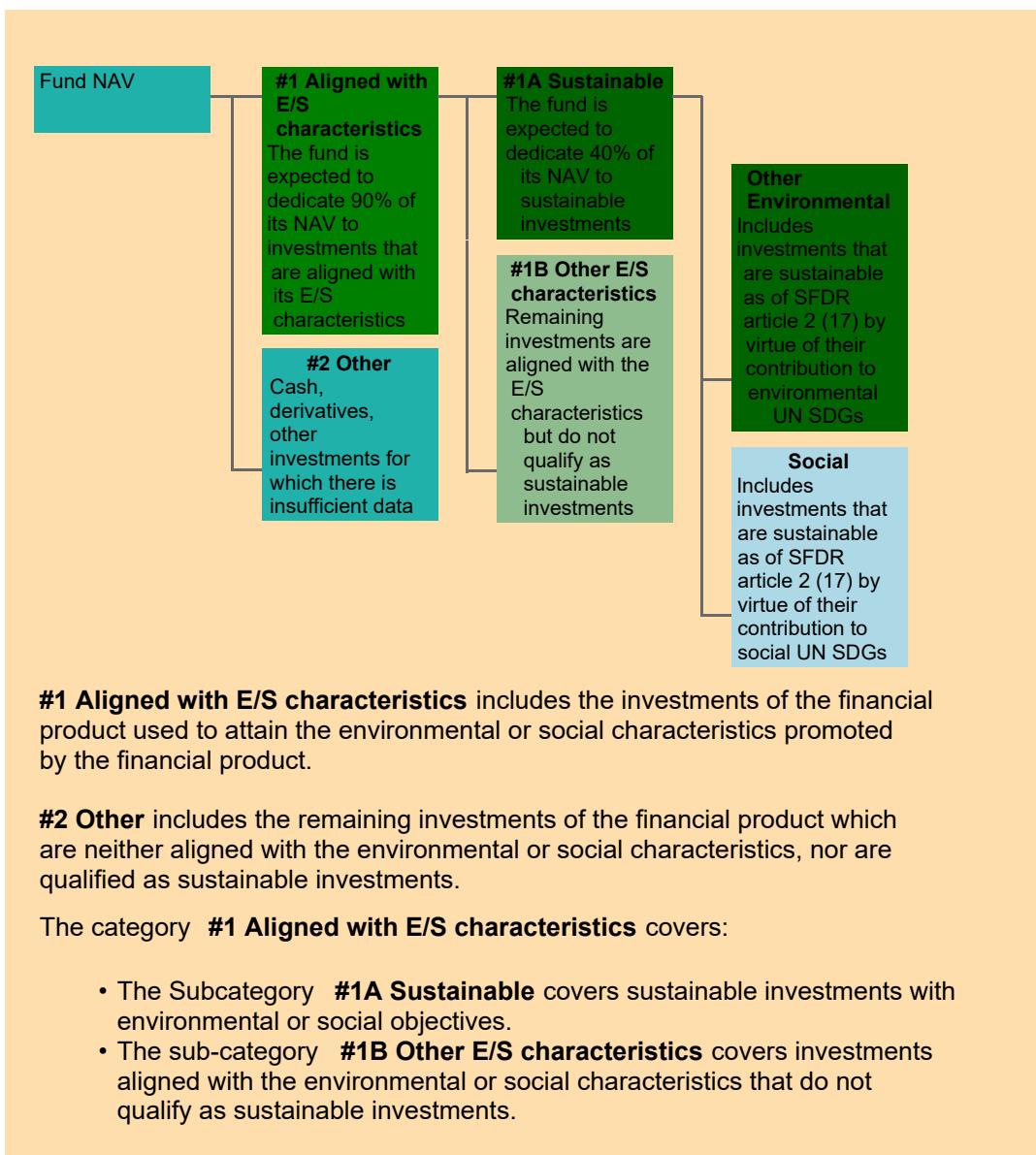
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



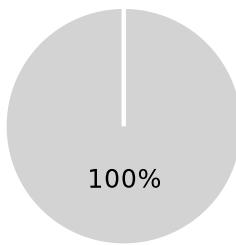
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

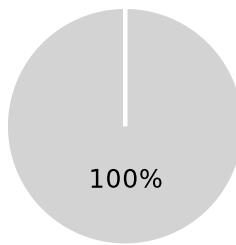
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Innovation Stars Fund

**Legal entity identifier:** 5493003HVF4772ZX8M27

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund invests in companies that have been analysed and scored in NAM's proprietary ESG tool to ensure that only securities issued by companies that meet the minimum required ESG score are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund is managed according to the Stars investment strategy which includes a commitment to apply the NAM proprietary ESG model to analyse and select investments that epitomize the ESG characteristics of the fund.

The analysis is performed via an enhanced due diligence on material ESG issues that are relevant to the investee company. Furthermore, each company's business model alignment with relevant UN SDGs is taken into consideration as well the company's approach to managing ESG risks. Depending on the outcome of the analysis, the company will be assigned an ESG score from C to A. Stars eligible investments must have an ESG score in the B or A range.

ESG scores are reassessed regularly, and any breach of international norms or severe company specific events will trigger an ad hoc reassessment of the ESG score.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum threshold for ESG score.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

**What is the policy to assess good governance practices of the investee companies?**

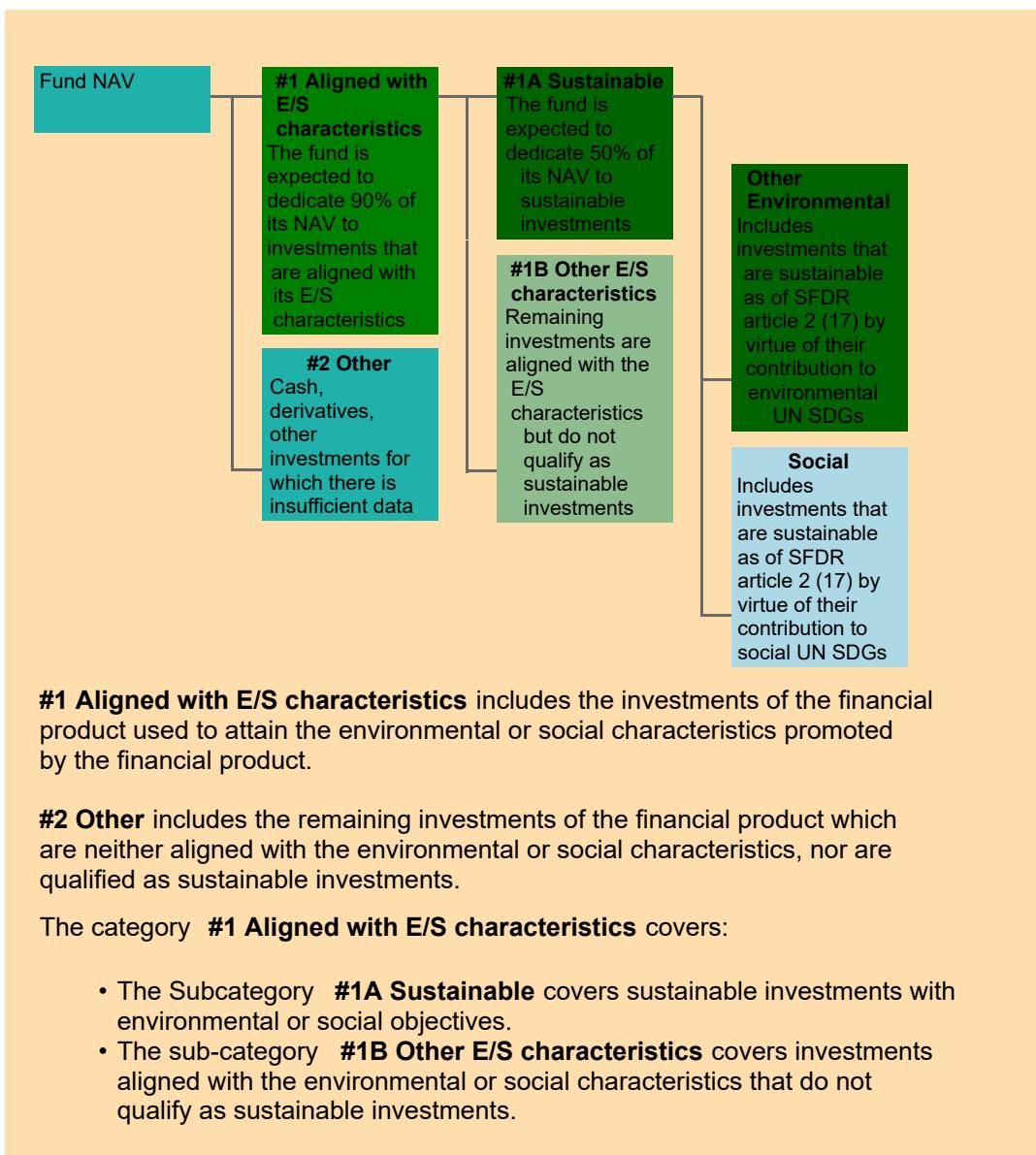
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



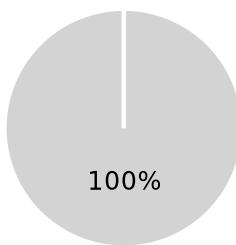
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

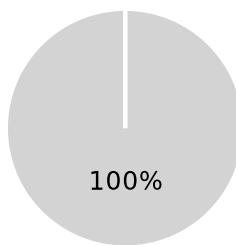
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Institutionella Småbolagsfonden Sverige Fund

**Legal entity identifier:** 549300ZLGQXEJM8TQM79

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |  |
|--|--|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b> |
|--|--|



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

### Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

### Principal adverse impacts

are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Carbon footprint** The fund's CO2 footprint is measured and limited by a maximum threshold.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund invests in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

ESG is integrated into the strategy by excluding companies and issuers due to their exposure to certain activities that have been deselected based on ESG considerations.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

The fund's Carbon footprint is measured and limited against the carbon footprint level of the benchmark.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?***

- Maximum limits on carbon footprint
- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ● ***What is the policy to assess good governance practices of the investee companies?***

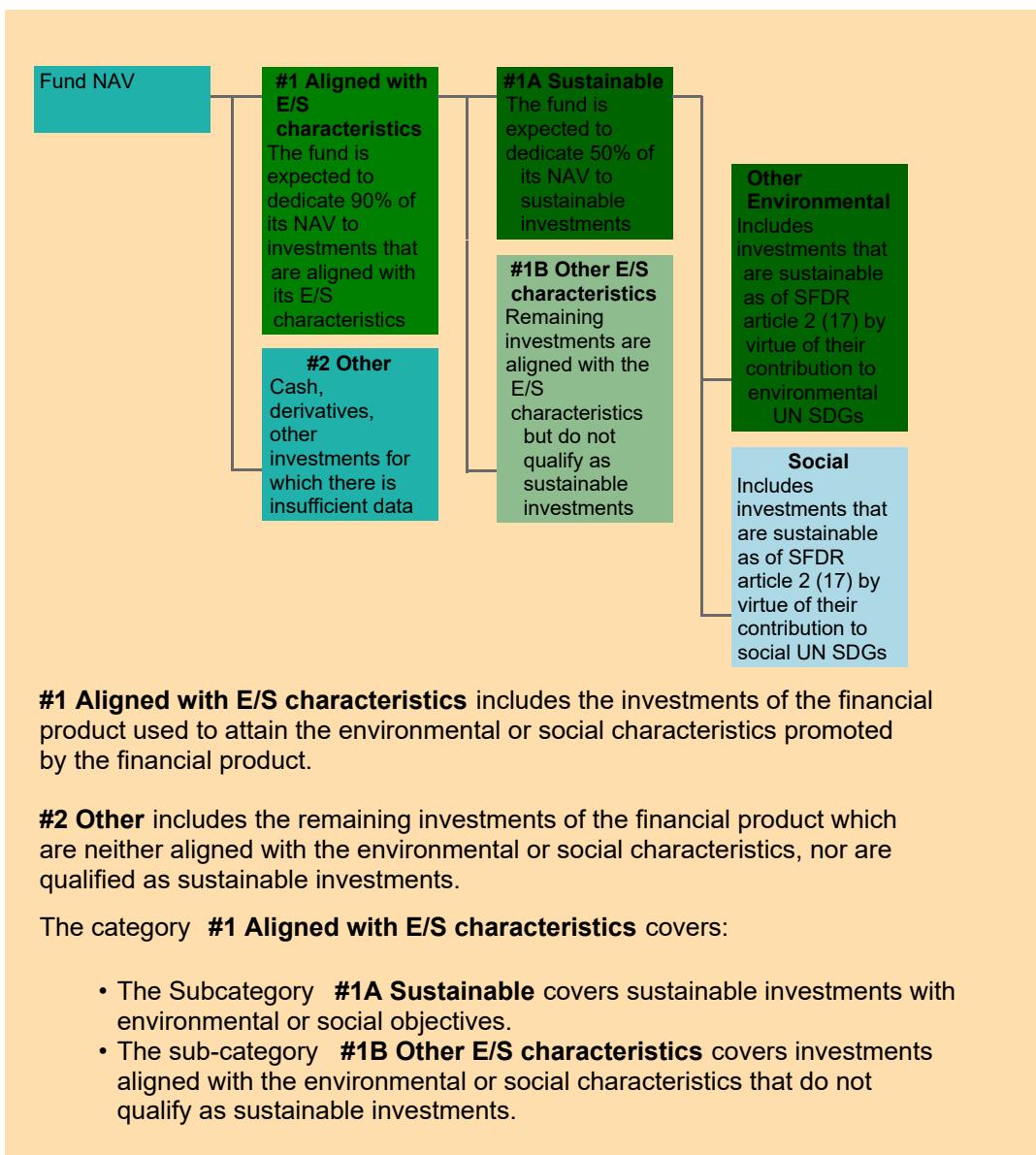
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



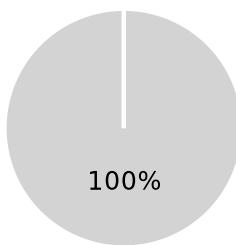
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

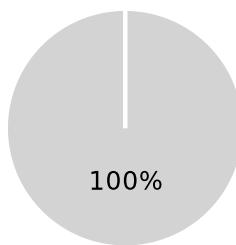
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Kredit Stars Fund  
**Legal entity identifier:** 5493000ZTSPIDSJE0Q50

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___ % <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___ %  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund invests in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider and analysed by NAM, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund invests according to the Stars investment strategy which includes a commitment to apply the NAM proprietary ESG methodology to analyse and select investments that epitomize the ESG characteristics of the fund.

The analysis is performed via an enhanced due diligence on material ESG issues relevant to the issuer and considers how issuers manage their ESG risk.

Depending on the outcome of the analysis, the company will be assigned an ESG score from C to A. NAM applies a minimum ESG score requirement for inclusion in Stars funds. Stars eligible investments must have an ESG score in the B or A range or equivalent score if using an external provider.

ESG scores are reassessed regularly. Any breach of international norms or severe company specific events will trigger an ad hoc reassessment of the ESG score.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?***

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

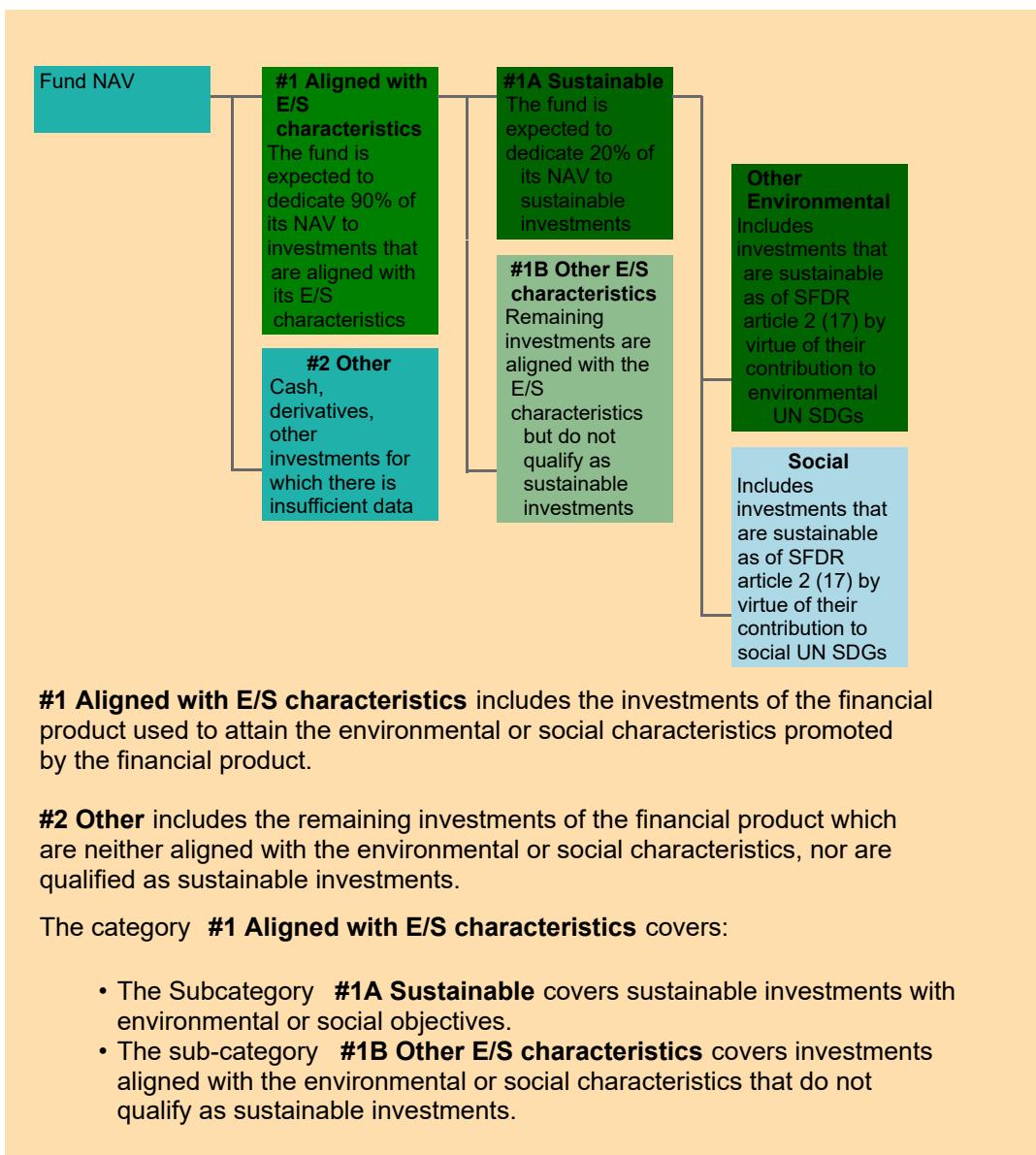
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



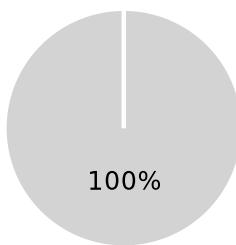
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

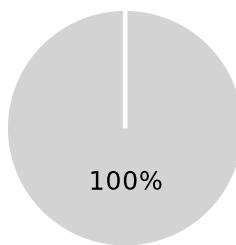
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Norwegian Stars Fund

**Legal entity identifier:** 549300R6FK8CCVQMSK36

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund invests in companies that have been analysed and scored in NAM's proprietary ESG tool to ensure that only securities issued by companies that meet the minimum required ESG score are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund is managed according to the Stars investment strategy which includes a commitment to apply the NAM proprietary ESG model to analyse and select investments that epitomize the ESG characteristics of the fund.

The analysis is performed via an enhanced due diligence on material ESG issues that are relevant to the investee company. Furthermore, each company's business model alignment with relevant UN SDGs is taken into consideration as well the company's approach to managing ESG risks. Depending on the outcome of the analysis, the company will be assigned an ESG score from C to A. Stars eligible investments must have an ESG score in the B or A range.

ESG scores are reassessed regularly, and any breach of international norms or severe company specific events will trigger an ad hoc reassessment of the ESG score.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum threshold for ESG score.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

**What is the policy to assess good governance practices of the investee companies?**

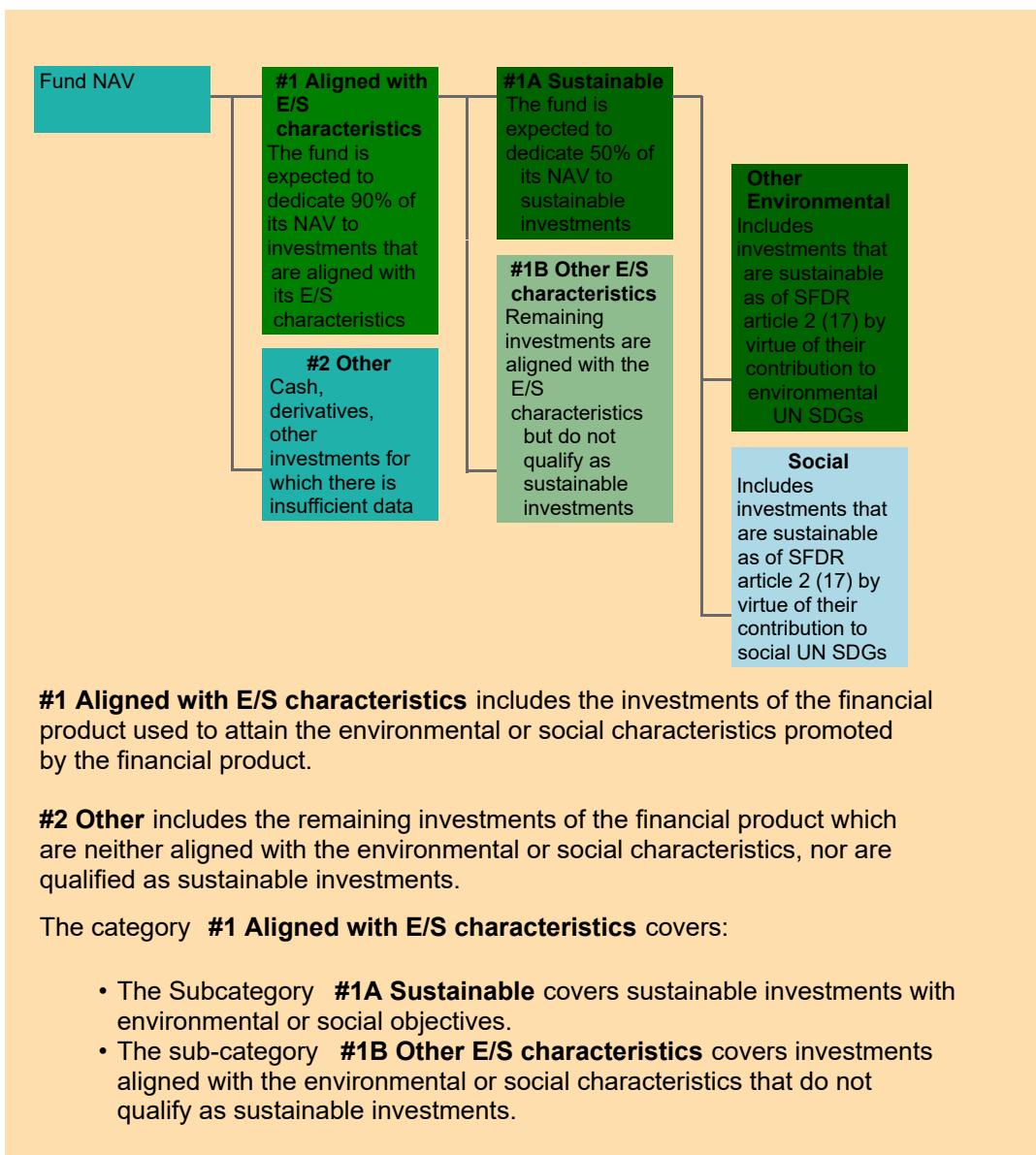
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



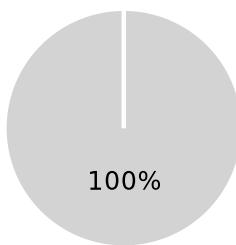
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

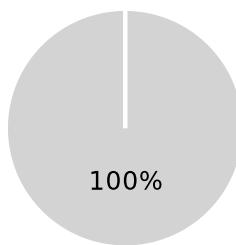
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Obligasjon Stars Fund

**Legal entity identifier:** 5493005ECUA2AOK5MT63

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund invests in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider and analysed by NAM, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund invests according to the Stars investment strategy which includes a commitment to apply the NAM proprietary ESG methodology to analyse and select investments that epitomize the ESG characteristics of the fund.

The analysis is performed via an enhanced due diligence on material ESG issues relevant to the issuer and considers how issuers manage their ESG risk.

Depending on the outcome of the analysis, the company will be assigned an ESG score from C to A. NAM applies a minimum ESG score requirement for inclusion in Stars funds. Stars eligible investments must have an ESG score in the B or A range or equivalent score if using an external provider.

ESG scores are reassessed regularly. Any breach of international norms or severe company specific events will trigger an ad hoc reassessment of the ESG score.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

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- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?***

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ● ***What is the policy to assess good governance practices of the investee companies?***

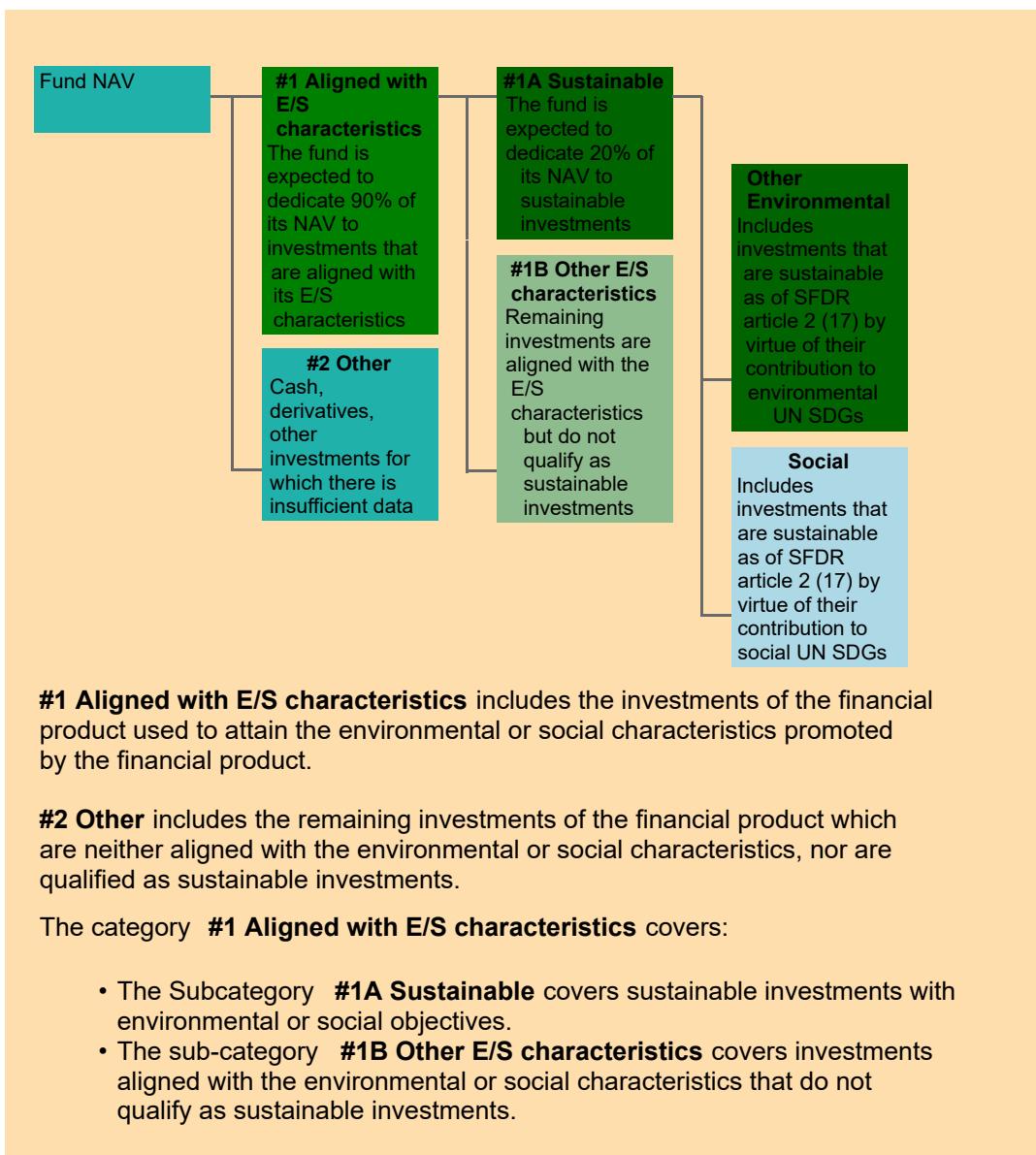
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



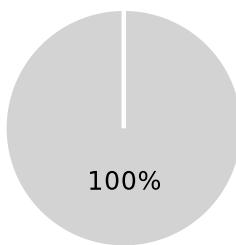
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

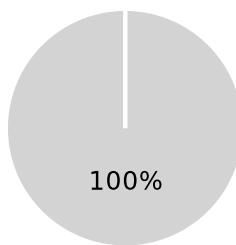
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Pro Euro Bond Fund

**Legal entity identifier:** 549300MSRXNT9GM6JF18

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

ESG is integrated into the strategy by excluding companies and issuers due to their exposure to certain activities that have been deselected based on ESG considerations.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

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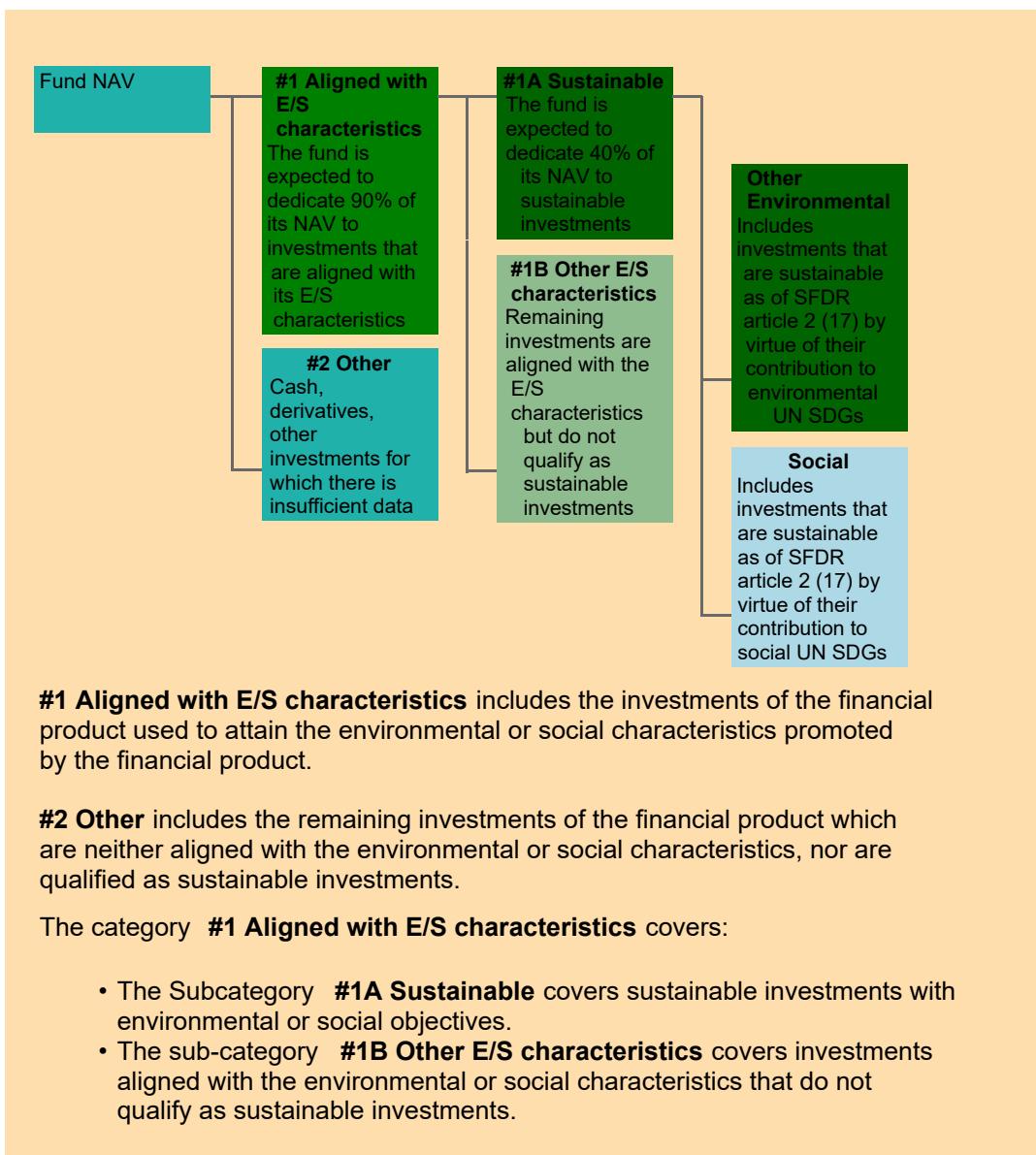
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



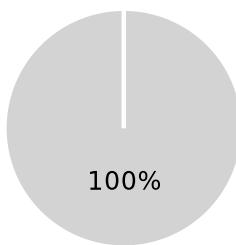
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

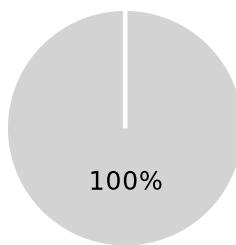
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Pro Finland Fund

**Legal entity identifier:** 549300IH6530YSK1ED94

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |  |
|--|--|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b> |
|--|--|



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

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**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

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More information on the general investment policy of the fund is available in the KIID for the fund.

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### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

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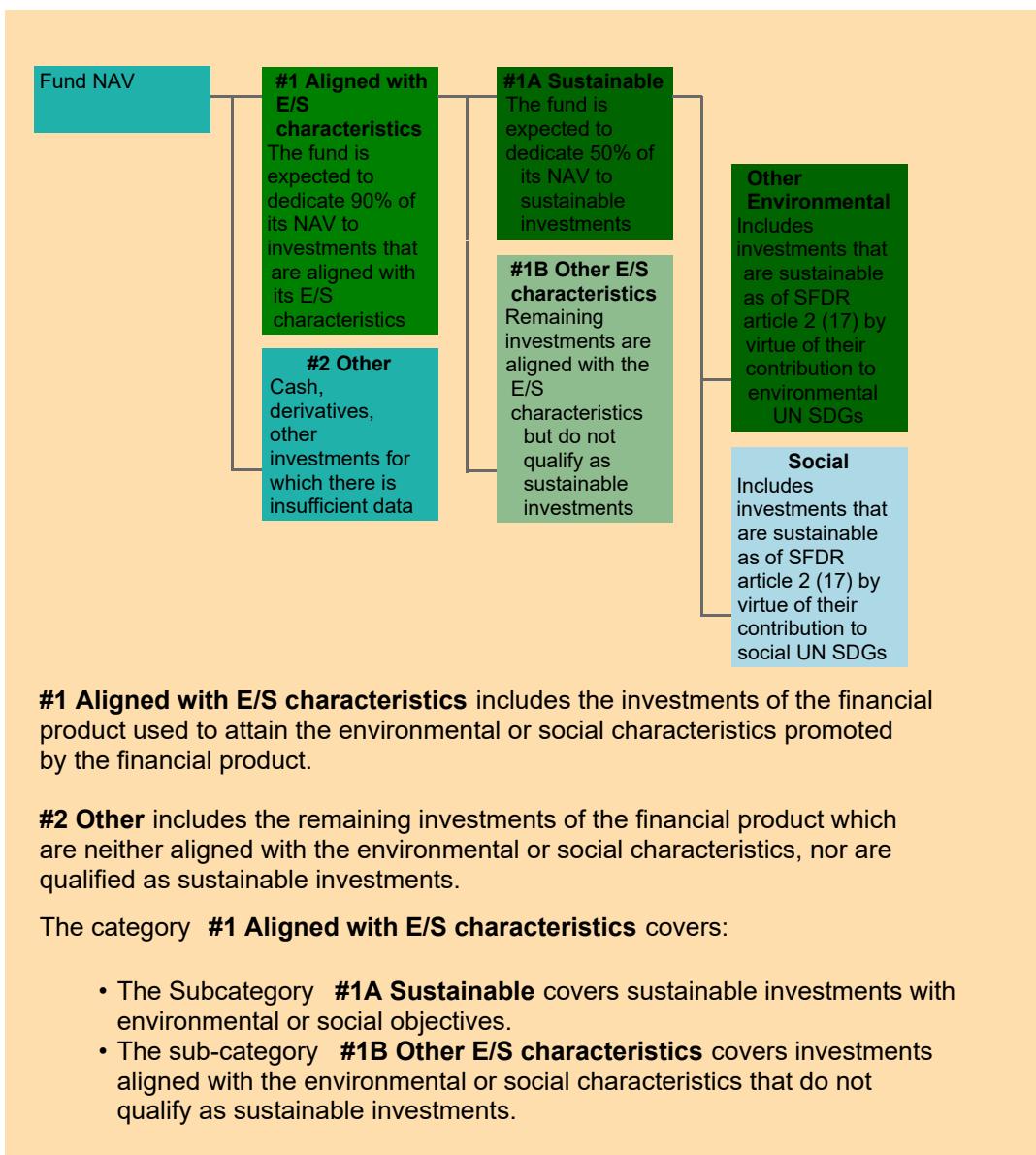
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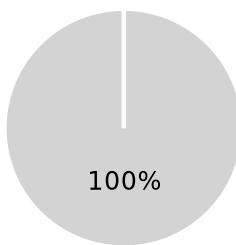
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

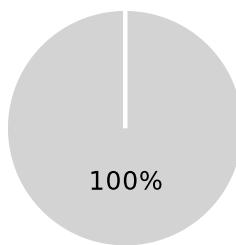
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## ● What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Equities Global Fund

**Legal entity identifier:** 549300884E63XAEKCZ79

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 50% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

### Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

### Principal adverse impacts

are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**Carbon footprint** The fund's CO2 footprint is measured and limited by a maximum threshold.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund invests in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

ESG is integrated into the strategy by excluding companies and issuers due to their exposure to certain activities that have been deselected based on ESG considerations.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

The fund's Carbon footprint is measured and limited against the carbon footprint level of the benchmark.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

### **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Maximum limits on carbon footprint
- Direct investments must meet the minimum threshold for ESG score.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

● ***What is the policy to assess good governance practices of the investee companies?***

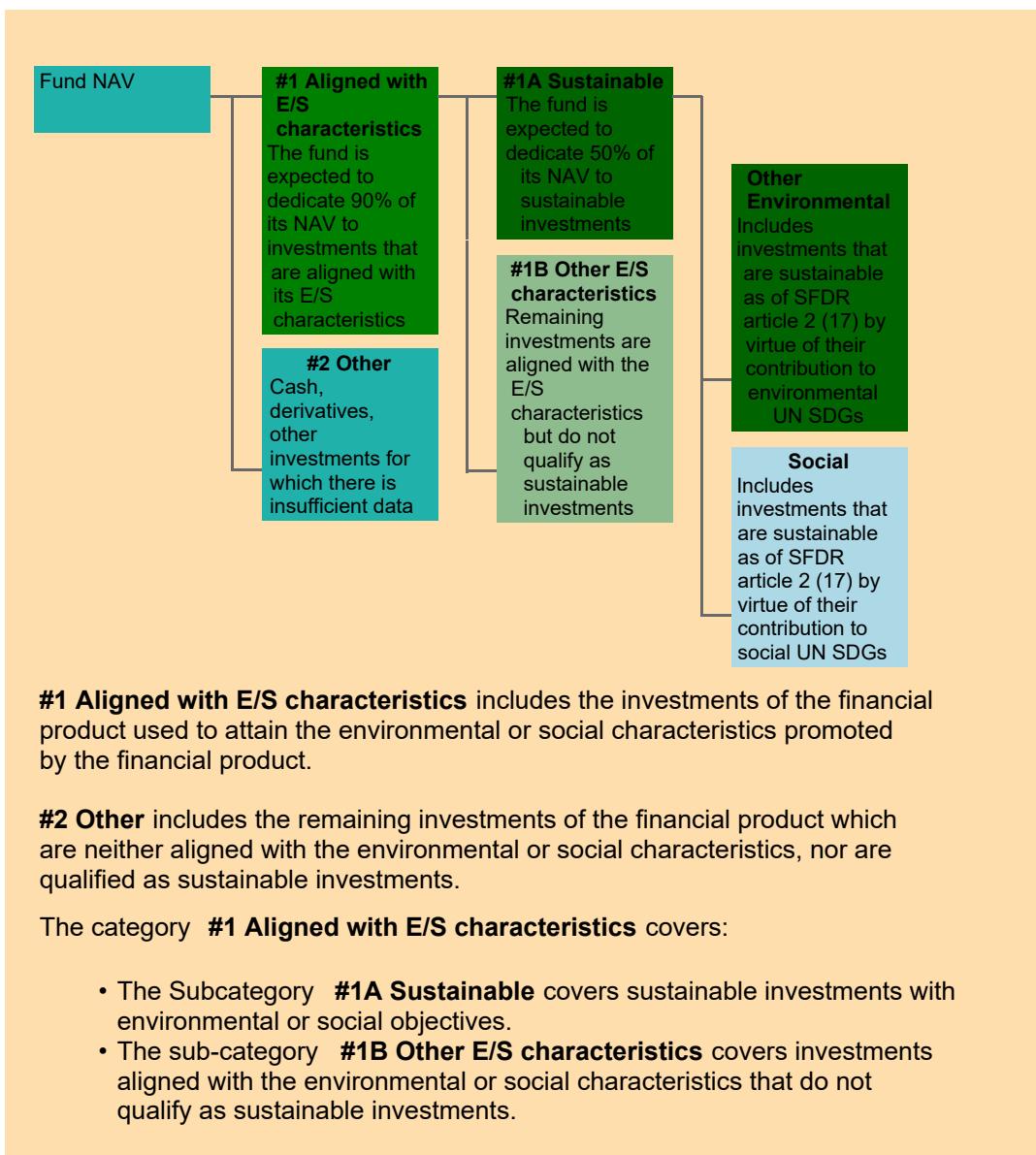
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



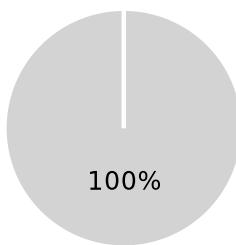
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

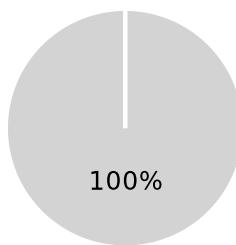
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Fixed Income Global Fund

**Legal entity identifier:** 549300ZXFH50WOIVRU97

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?***

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

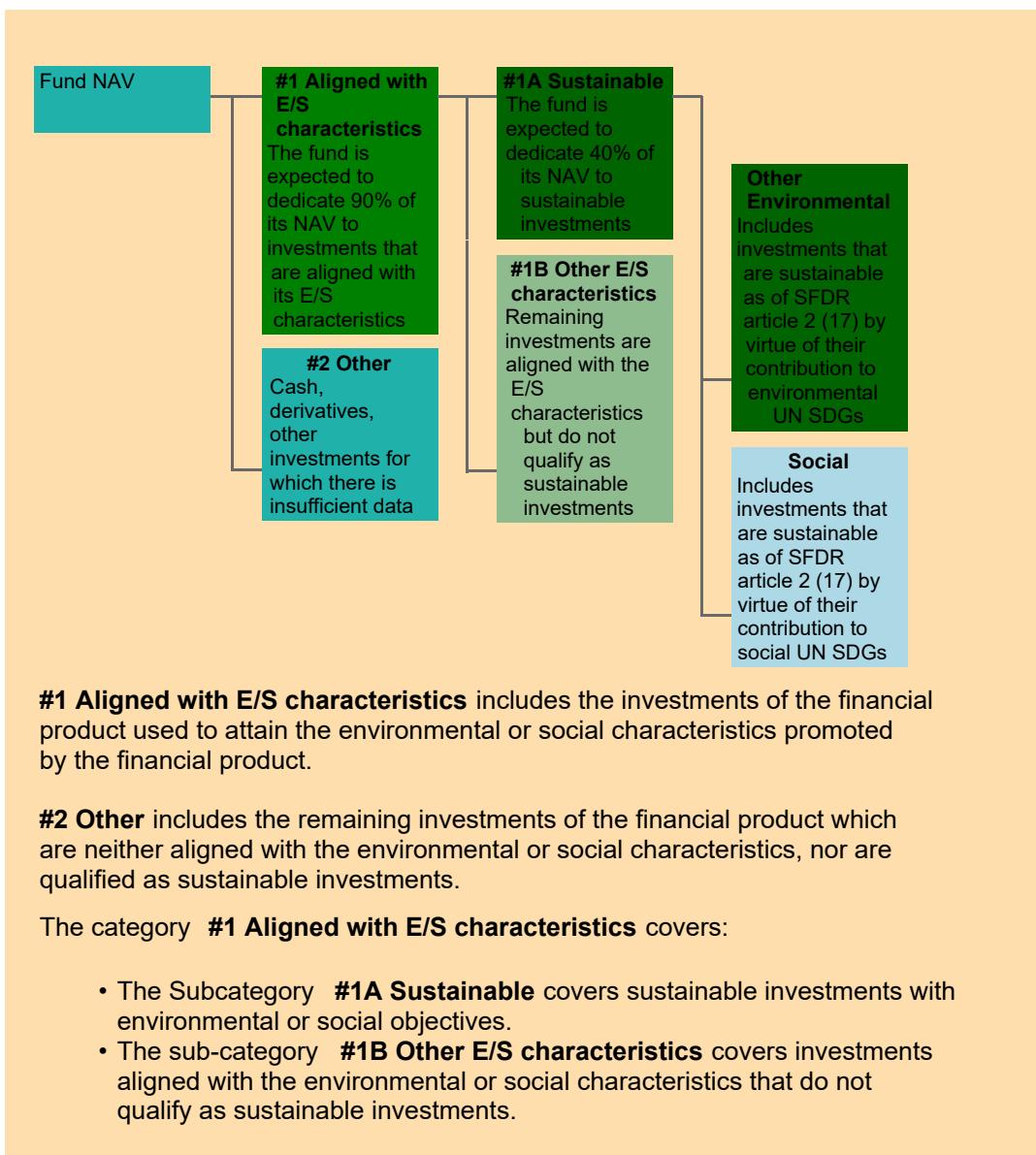
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



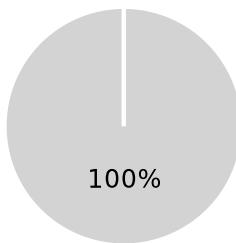
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

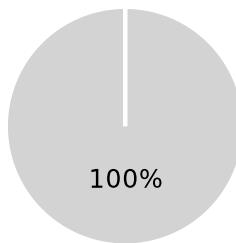
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Selection Balanced Fund

**Legal entity identifier:** 5493004KN0VPUS35KM57

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |  |
|--|--|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___ % <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___ % | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b> |
|--|--|



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments. At least 50% of the fund is expected to be invested in funds or direct investment portfolios that display a strong sustainability profile by dedicating at least 40% to sustainable investments. A maximum of 10% of the fund may be invested in funds that do not promote any specific E/S characteristics.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

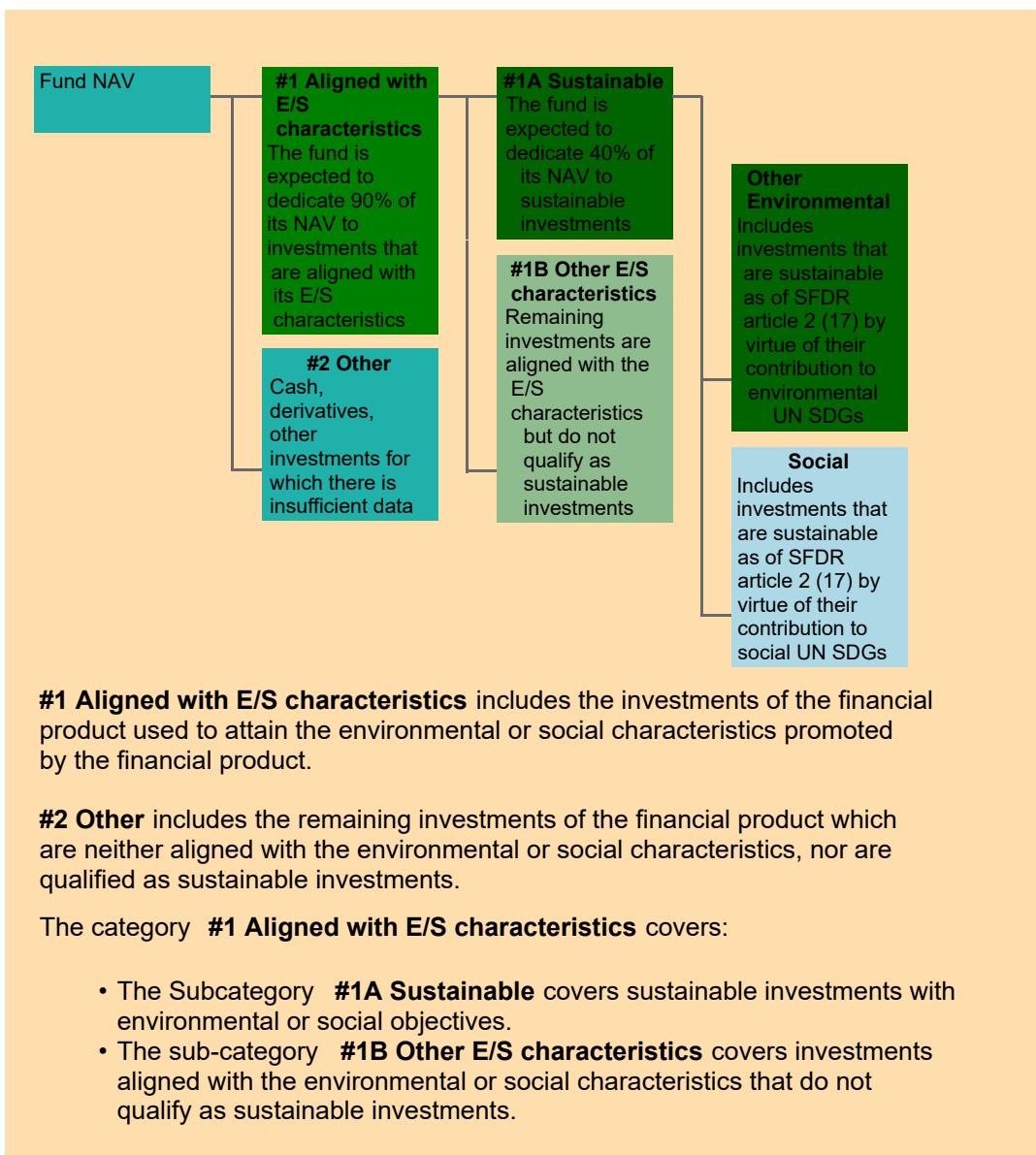
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



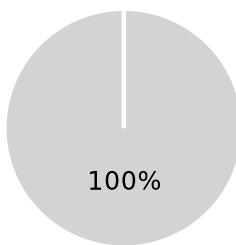
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

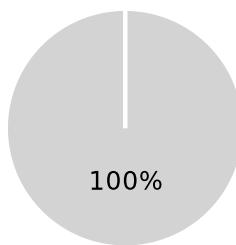
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Selection Balanced Fund (NOK)

**Legal entity identifier:** 549300DDIRYIH6T55H79

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___ % <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___ %  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments. At least 50% of the fund is expected to be invested in funds or direct investment portfolios that display a strong sustainability profile by dedicating at least 40% to sustainable investments. A maximum of 10% of the fund may be invested in funds that do not promote any specific E/S characteristics.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

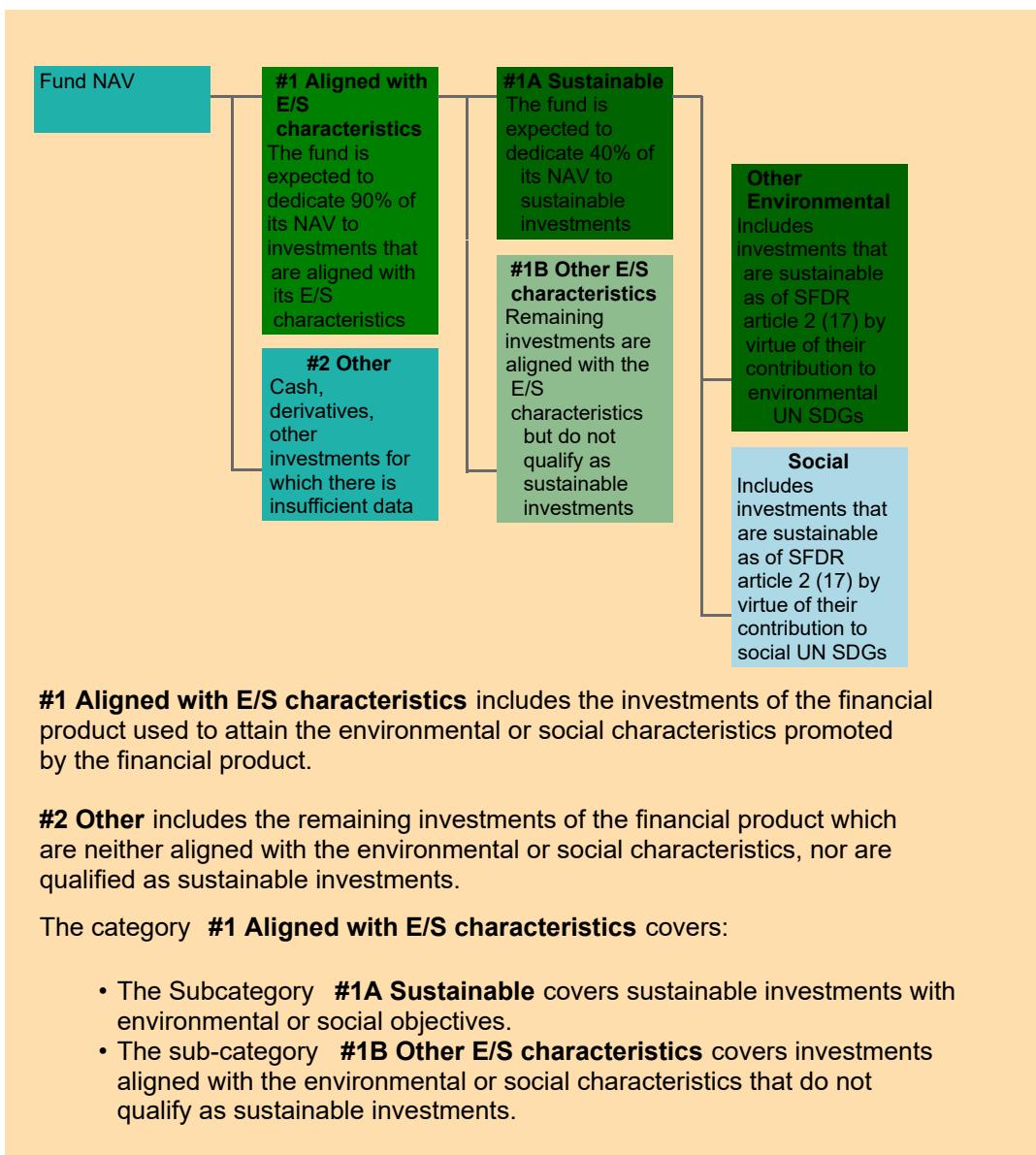
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



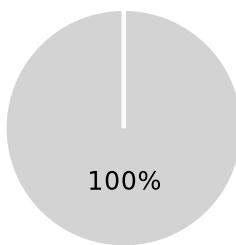
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

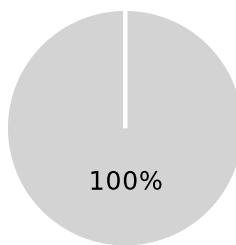
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Selection Balanced Fund (SEK)

**Legal entity identifier:** 549300JTDIKITPJOLJ76

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___ % <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___ %  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments. At least 50% of the fund is expected to be invested in funds or direct investment portfolios that display a strong sustainability profile by dedicating at least 40% to sustainable investments. A maximum of 10% of the fund may be invested in funds that do not promote any specific E/S characteristics.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

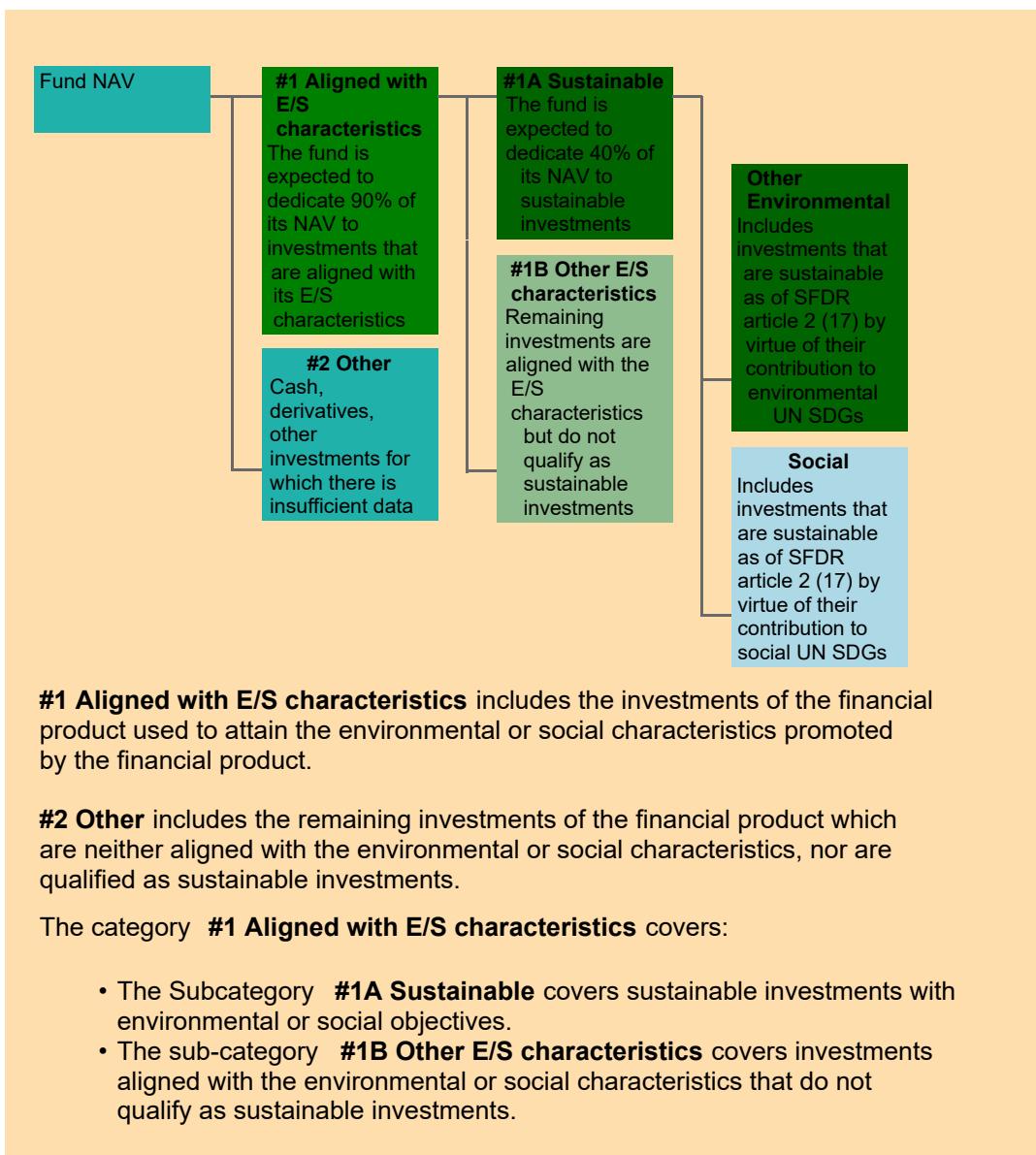
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



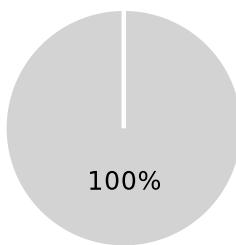
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

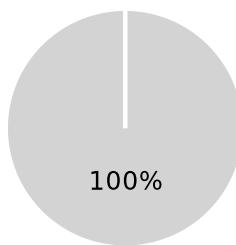
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## ● What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Selection Growth Fund

**Legal entity identifier:** 549300DEN4ZLW33T4067

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments. At least 50% of the fund is expected to be invested in funds or direct investment portfolios that display a strong sustainability profile by dedicating at least 40% to sustainable investments. A maximum of 10% of the fund may be invested in funds that do not promote any specific E/S characteristics.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

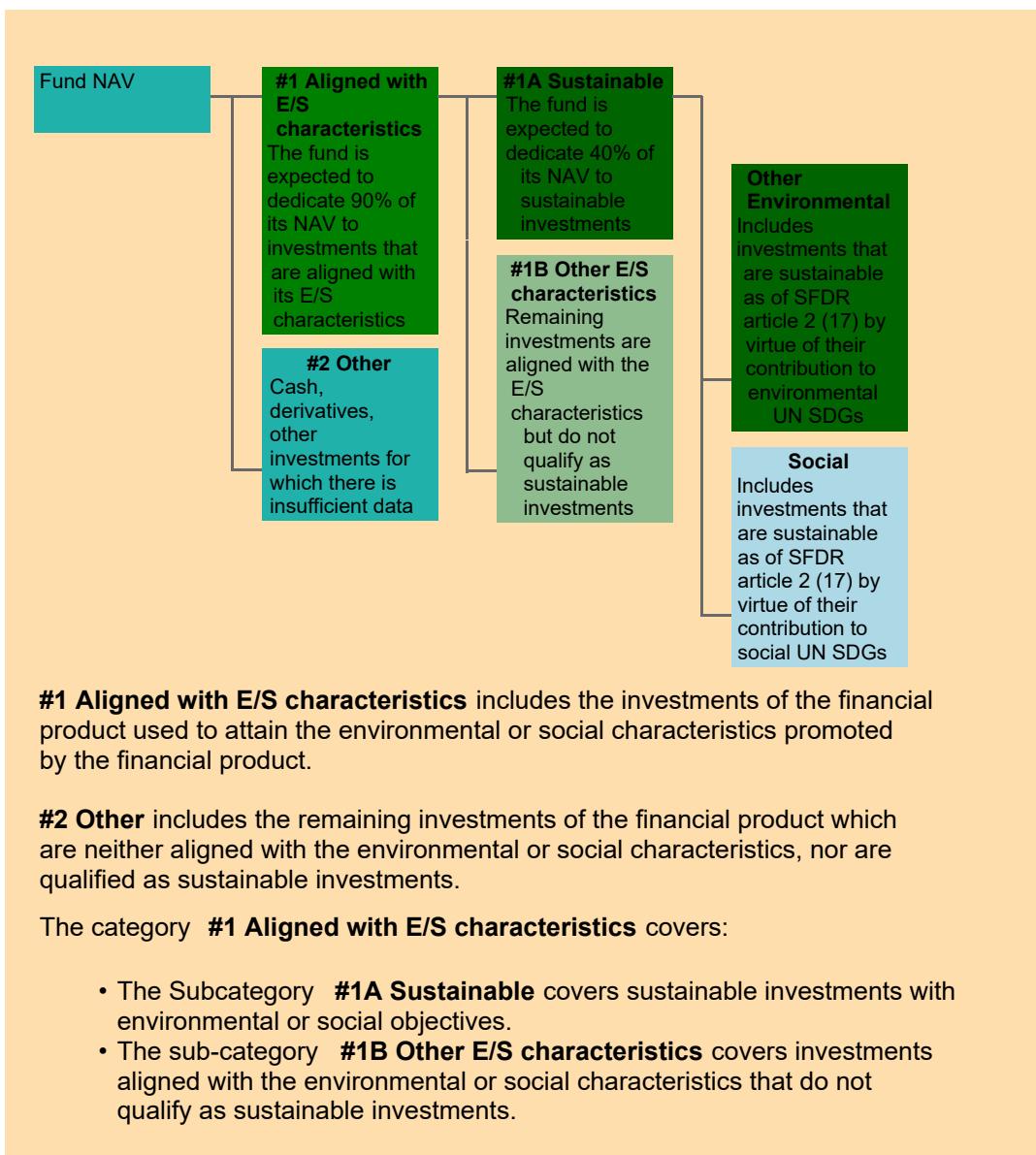
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



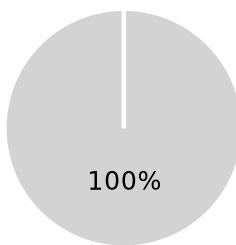
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

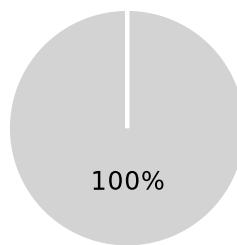
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Selection Growth Fund (NOK)

**Legal entity identifier:** 54930052AMBY5S0HMA76

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |  |
|--|--|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b> |
|--|--|



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments. At least 50% of the fund is expected to be invested in funds or direct investment portfolios that display a strong sustainability profile by dedicating at least 40% to sustainable investments. A maximum of 10% of the fund may be invested in funds that do not promote any specific E/S characteristics.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

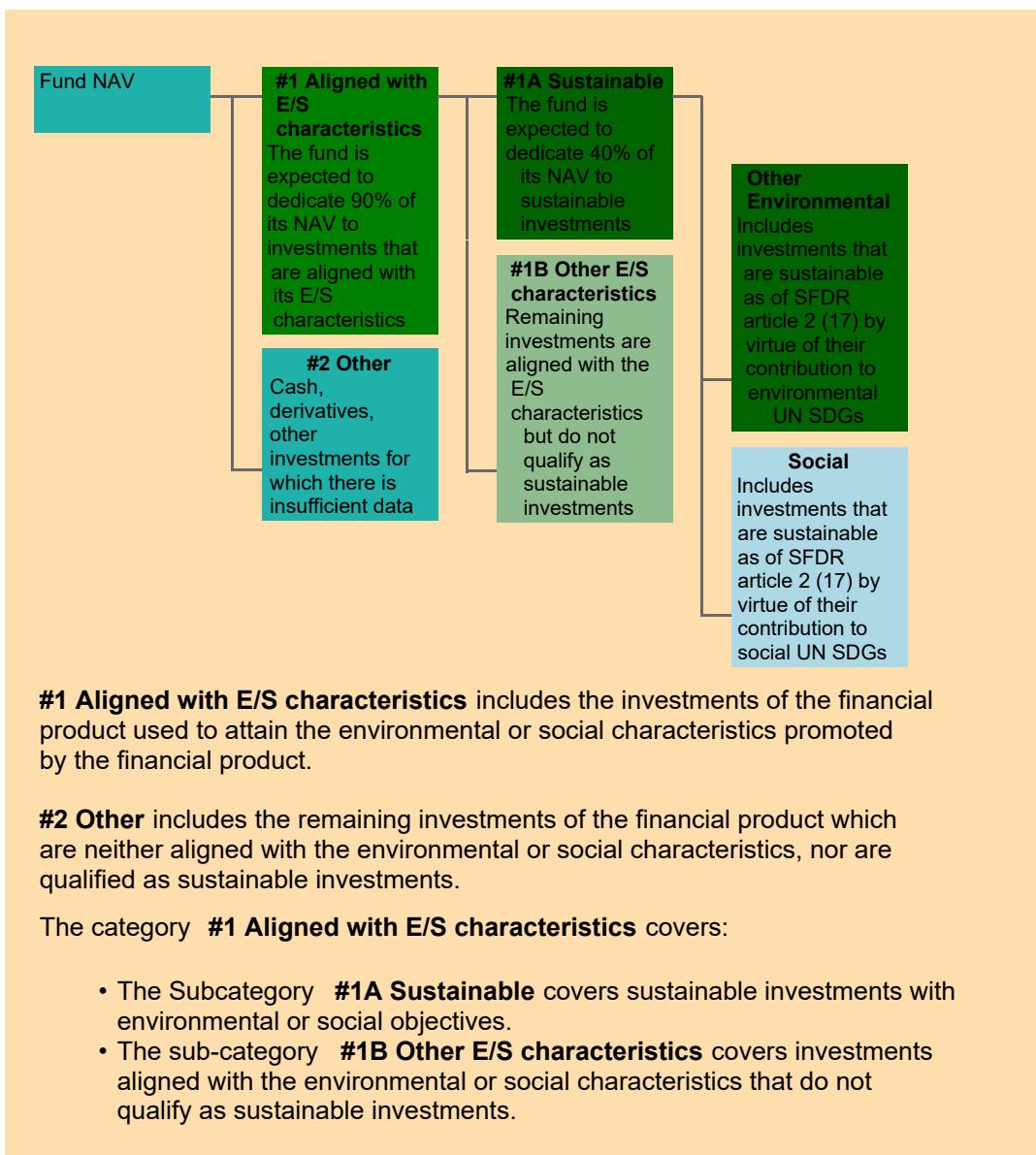
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



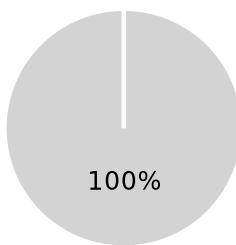
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

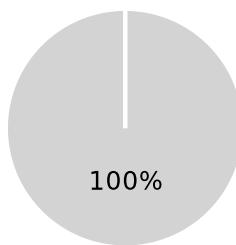
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## ● What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Selection Growth Fund (SEK)

**Legal entity identifier:** 5493003WE527W7V5Y298

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |  |
|--|--|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b> |
|--|--|



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments. At least 50% of the fund is expected to be invested in funds or direct investment portfolios that display a strong sustainability profile by dedicating at least 40% to sustainable investments. A maximum of 10% of the fund may be invested in funds that do not promote any specific E/S characteristics.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
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#### ***What is the policy to assess good governance practices of the investee companies?***

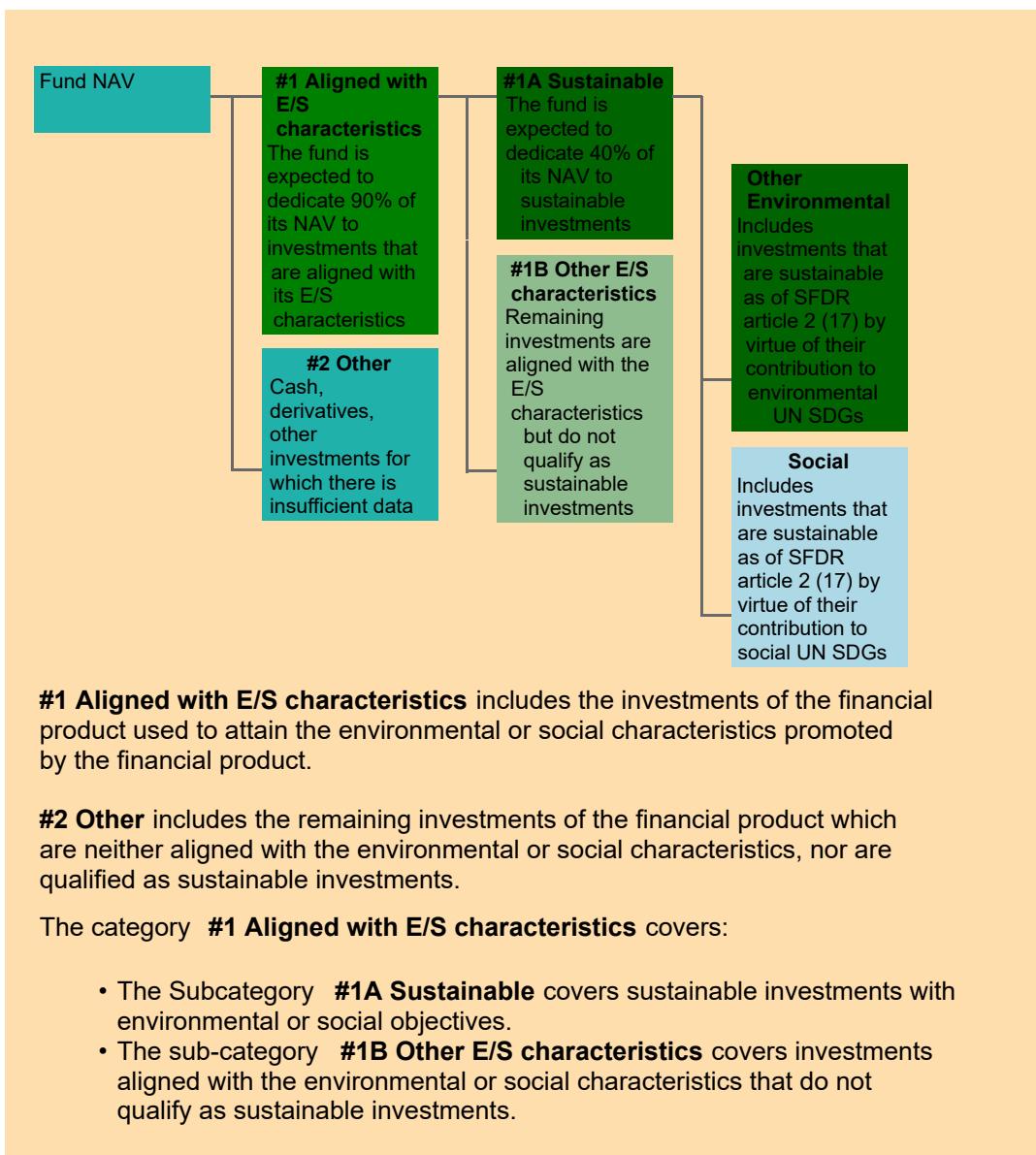
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



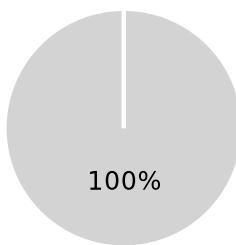
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

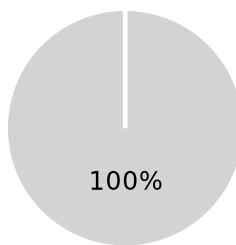
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Selection Moderate Fund

**Legal entity identifier:** 549300A6GDX4W1YQBT24

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments. At least 50% of the fund is expected to be invested in funds or direct investment portfolios that display a strong sustainability profile by dedicating at least 40% to sustainable investments. A maximum of 10% of the fund may be invested in funds that do not promote any specific E/S characteristics.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

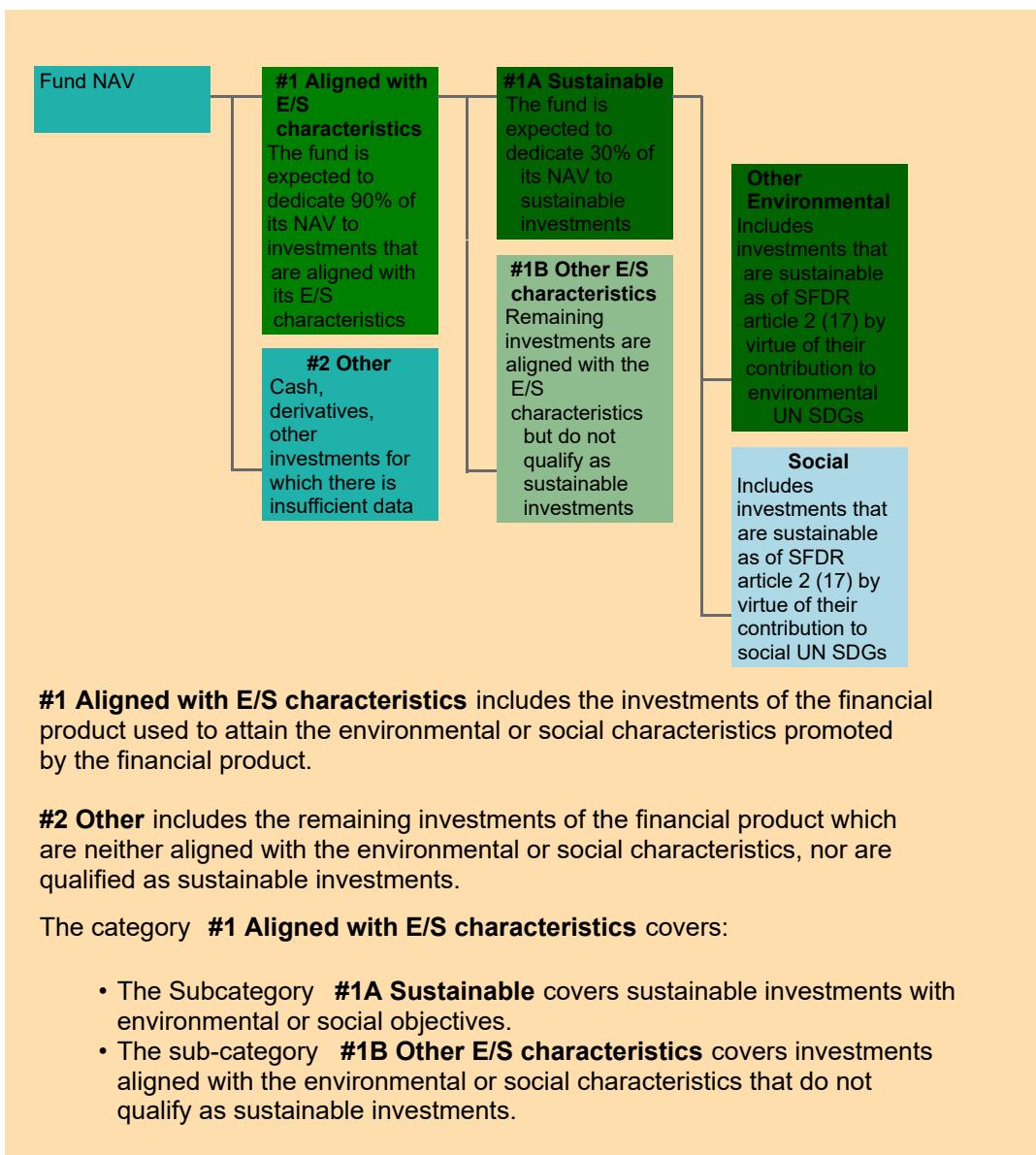
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



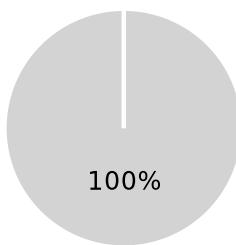
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

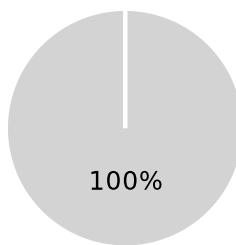
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Selection Moderate Fund (NOK)

**Legal entity identifier:** 549300WXAN7F7VRL6V22

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |  |
|--|--|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b> |
|--|--|



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments. At least 50% of the fund is expected to be invested in funds or direct investment portfolios that display a strong sustainability profile by dedicating at least 40% to sustainable investments. A maximum of 10% of the fund may be invested in funds that do not promote any specific E/S characteristics.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
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compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

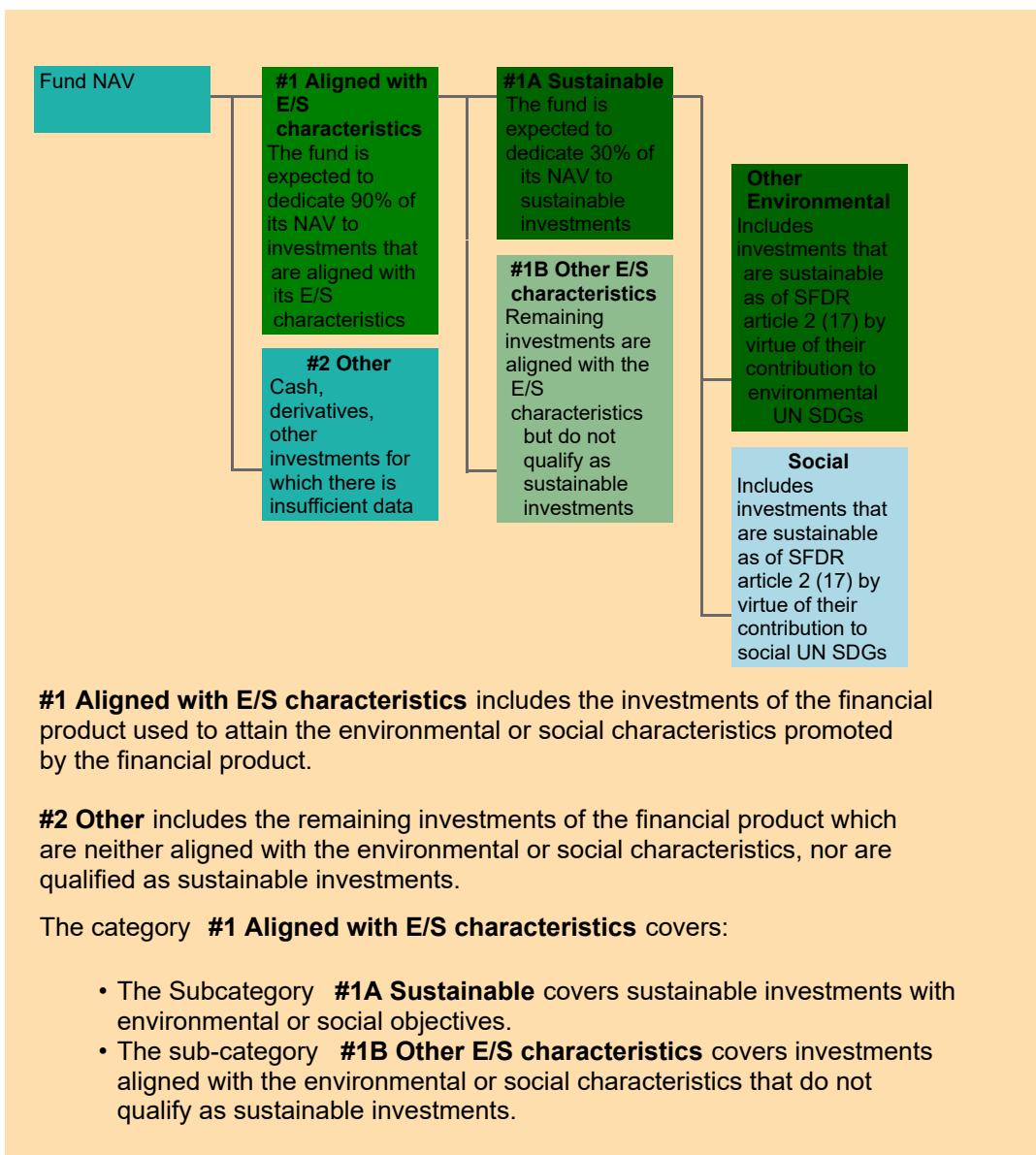
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



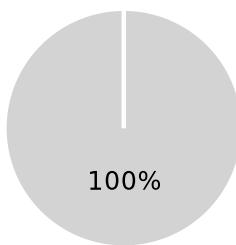
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

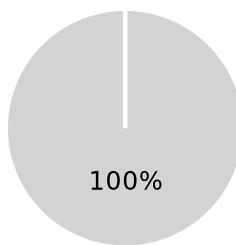
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Selection Moderate Fund (SEK)

**Legal entity identifier:** 549300S5BYWNDDMOPA16

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |  |
|--|--|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b> |
|--|--|



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### ● **What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?**

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### ● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### ● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments. At least 50% of the fund is expected to be invested in funds or direct investment portfolios that display a strong sustainability profile by dedicating at least 40% to sustainable investments. A maximum of 10% of the fund may be invested in funds that do not promote any specific E/S characteristics.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

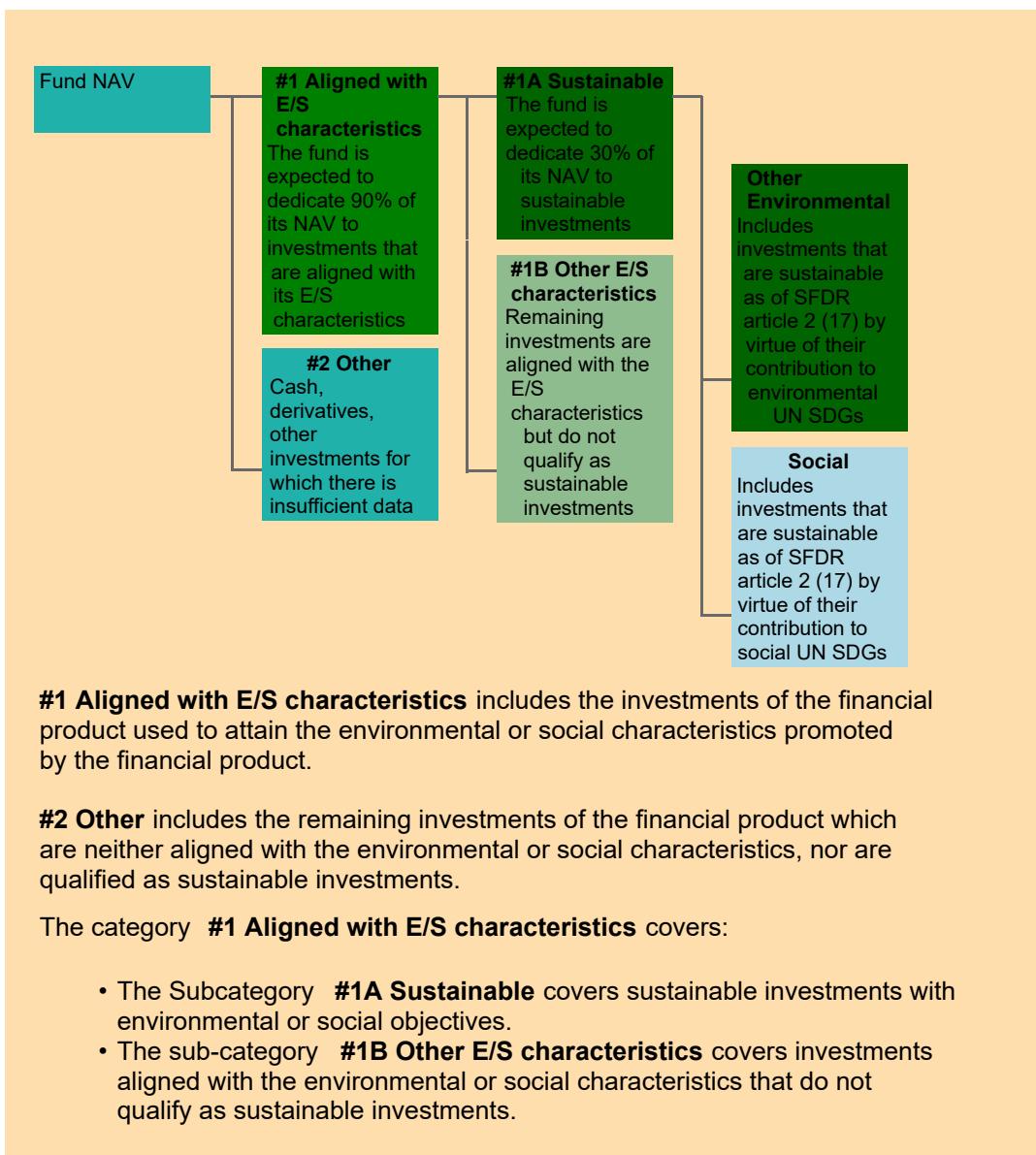
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



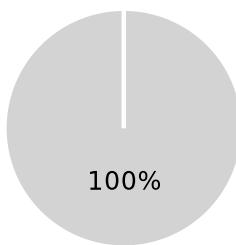
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

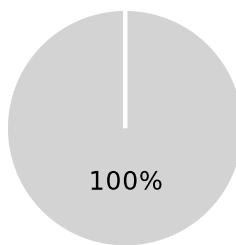
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- █ Taxonomy-aligned
- █ Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Selection Return Fund

**Legal entity identifier:** 5493009PS3FSWJ57AR54

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |   |
|--|---|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments |
| <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy        | <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___%         | <input checked="" type="checkbox"/> with a social objective   |
|  | <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>  |



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

*The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

Information on PAI on sustainability factors will be made available in the annual report to be disclosed pursuant to SFDR Article 11(2).



## What investment strategy does this financial product follow?

The fund combines direct investments with investments in funds that are approved by Nordea for [Nordea's Sustainable Selection concept](#).

The fund partly invests in other funds that commit to a minimum proportion of sustainable investments. At least 50% of the fund is expected to be invested in funds or direct investment portfolios that display a strong sustainability profile by dedicating at least 40% to sustainable investments. A maximum of 10% of the fund may be invested in funds that do not promote any specific E/S characteristics.

To manage overall risk in the most cost efficient way, the fund also includes exposure to tactical asset allocation via derivatives which are not aligned with the E/S characteristics of the fund.

Direct investments are screened based on ESG scores. A minimum ESG score limit ensures that companies in the lowest ESG score categories are excluded.

Companies and issuers are analysed and screened using NAM's proprietary methodology to identify and select sustainable investments that will contribute to the proportion of such investments.

More information on the general investment policy of the fund is available in the KIID for the fund.

### **Active ownership**

On behalf of its clients, NAM undertakes a range of engagement activities with investee companies and corporate- and sovereign issuers in order to encourage them to improve their ESG practices, and promote a long-term approach to decision-making.

### **Responsible Investment Policy**

A Nordea Funds level overlay of norms-based screening and exclusion list is deployed as baseline safeguards through Nordea Funds' Responsible Investment Policy that bans investments in companies active in the production of illegal or nuclear weapons and companies with exposure to coal mining exceeding a predefined threshold. Based on regular screenings, NAM's Responsible Investment Committee instigates appropriate action for any company that is allegedly involved in breaches of, or controversies around, international laws and norms. If engagement fails or is deemed futile investments may be put on hold or the company may be placed on the exclusion list. More information can be found on the website in the [Responsible Investment Policy](#) and the [Corporate Exclusion List](#).

- **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the financial product?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- Direct investments must meet the minimum ESG score requirement. Issuers that are not assigned an ESG score at the time of issuance, are allowed based on a preliminary internal assessment of the ESG profile until a formal score is assigned.
- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
- Sector- or value-based exclusions prevent investments into activities that are deemed to be inappropriate for the strategy. More information on the exclusion policy is available in the sustainability related website information in accordance with SFDR article 10.
- NAM's Paris-Aligned Fossil Fuel Policy sets thresholds for companies' exposure to fossil fuel production, distribution and services and excludes companies that are involved beyond these thresholds if they do not have a documented transition strategy that aligns with the Paris agreement.
- The fund adheres to Nordea Funds' Responsible Investment policy and does not invest in companies that are on Nordea's exclusion list due to violation of international norms or involvement in controversial business activities.

The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

NAM conducts a thorough due diligence on external data vendors to clarify applied methodologies and verify data quality. However, as the regulation and standards of non-financial reporting is rapidly developing, data quality, coverage and accessibility remains challenging – especially for smaller companies and less developed markets.

**Good governance**  
practices include  
sound management  
structures,  
employee relations,  
remuneration of  
staff and tax  
compliance.

#### ***What is the policy to assess good governance practices of the investee companies?***

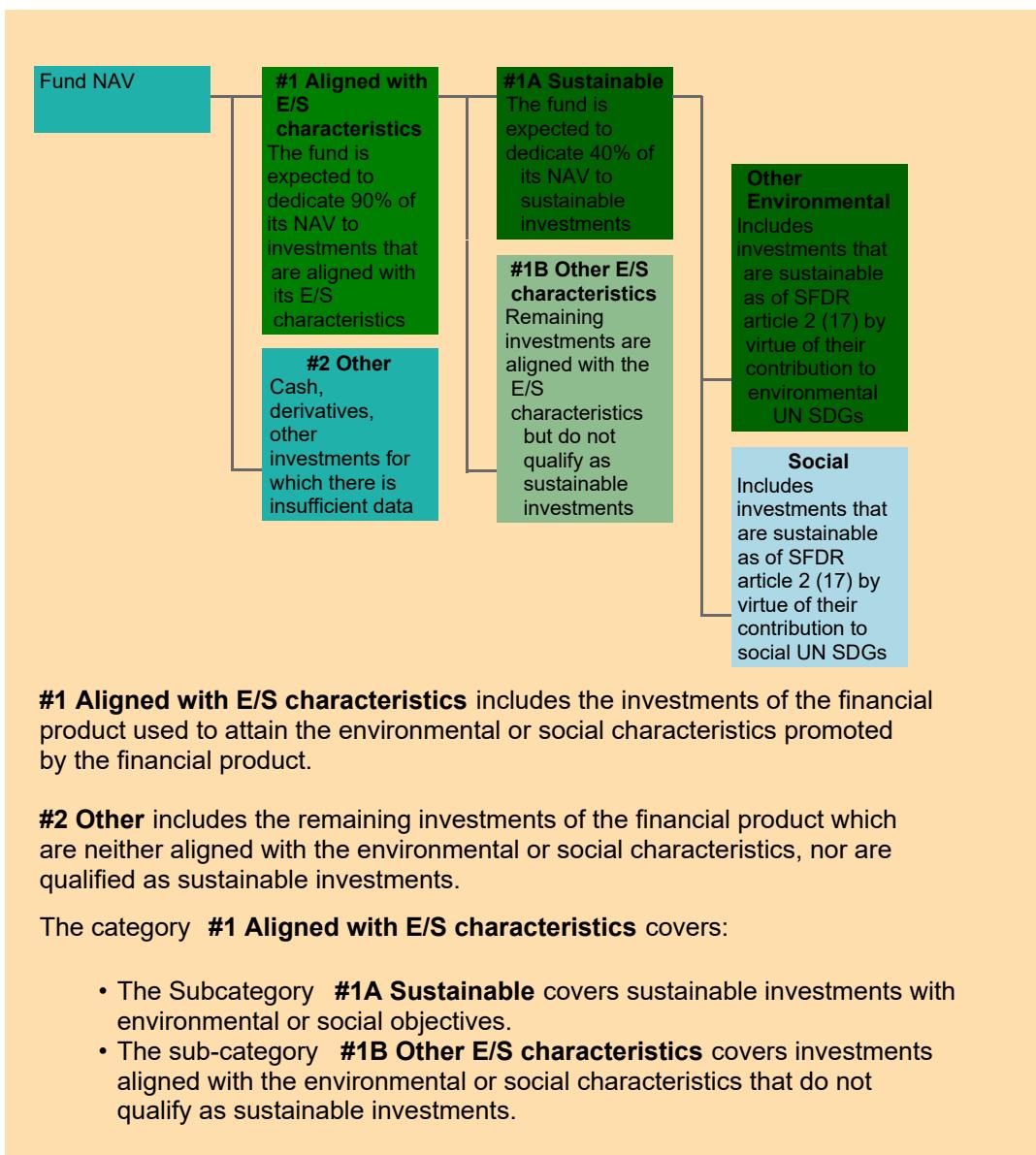
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



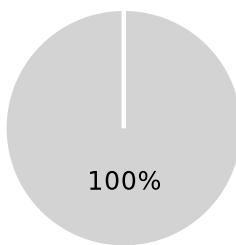
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

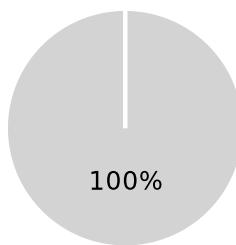
### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned
- Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned
- Other investments



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

More product-specific information can be found on [nordefunds.com](http://nordefunds.com)

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Selection Return Fund (NOK)

**Legal entity identifier:** 5493002CIPYJI4WUEK44

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |  |
|--|--|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b> |
|--|--|



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?***

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments using NAM's "PAI tool".

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**Does this financial product consider principal adverse impacts on sustainability factors?**

- No,
- Yes, NAM's proprietary quantitative PAI tool assesses the performance of NAM's full investment universe across multiple PAI indicators. Portfolio managers are required to consider the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. The exact form of integration of PAI into the investment process can vary according to the individual investment strategy and its investment universe. The specific PAI indicators that are taken into consideration are subject to data availability and may evolve with improving data quality and availability.

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- Proportion of sustainable investments as defined by NAM's proprietary methodology that identifies sustainable investments based on contribution to UN SDGs and/or Taxonomy-aligned activities.
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The binding elements are documented and monitored on an ongoing basis. Separately, NAM has in place risk management processes to control financial and regulatory risk and ensure appropriate escalation of any potential issues within a clear governance structure.

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**Good governance**  
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#### ***What is the policy to assess good governance practices of the investee companies?***

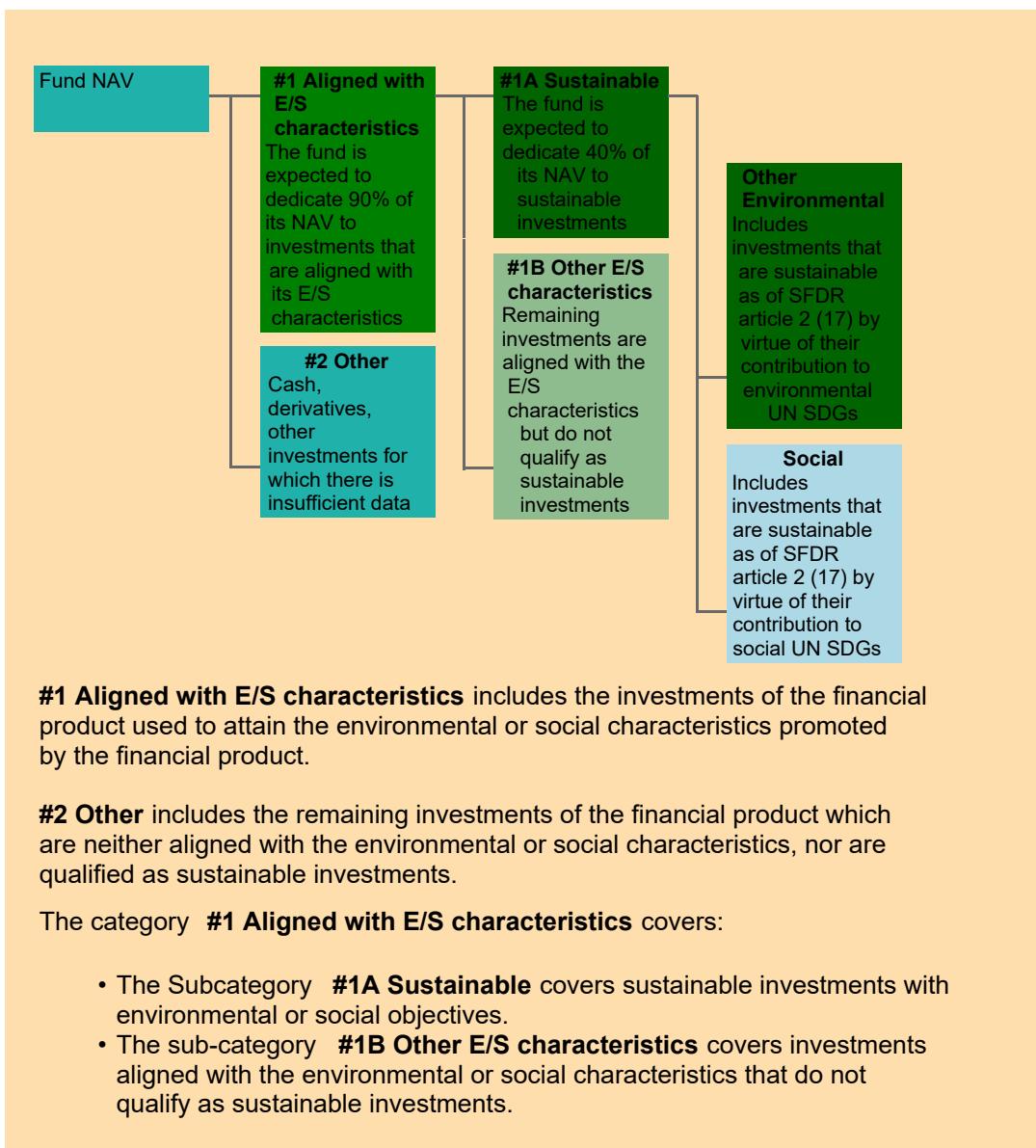
Good governance practices of investee companies is addressed in various layers of the security selection process. Governance safeguards are inherent in the NAM level norms-based screening as well as the NAM PAI processes. Additionally, at the fund level, companies are screened for good governance by assessing their employee relations, pay practices, management structures and tax compliance. In respect of sovereign issuers, the assessment of good governance practices is based on three pillars; 1) The principles of governance (democratic governance), 2) Execution of governance and 3) Efficiency of governance.



## What is the asset allocation planned for the financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The above asset allocation is indicative only. Allocations may change over time and percentages should be seen as an average over an extended period of time. Calculations may rely on incomplete or inaccurate company or third party data.

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directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



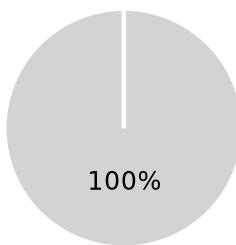
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Sufficiently reliable data on Taxonomy alignment is scarce and the data coverage remains too low to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments in this fund. It cannot be excluded that some of the fund's holdings qualify as Taxonomy-aligned investments. Disclosures and reporting on taxonomy alignment will develop as the EU framework evolves and data is made available by companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

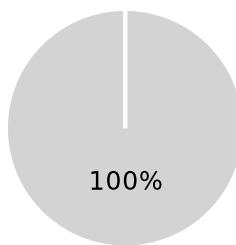
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- █ Taxonomy-aligned
- █ Other investments



### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- █ Taxonomy-aligned
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## What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund may invest in economic activities that are not yet deemed to be environmentally sustainable economic activities in accordance with the EU Taxonomy. Company data is not yet widely available for all environmental objectives and data quality is currently inadequate. Investments may be linked to environmental objectives by virtue of their contribution to UN SDG's.



## **What is the minimum share of socially sustainable investments?**

The fund contains investments with both an environmental and a social objective. There is no prioritization of environmental and social objectives, and the strategy does not target any specific allocation or minimum proportion for either of these categories. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of investment opportunities.



## **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash may be held as ancillary liquidity or for risk balancing purposes. The fund may use derivatives and other techniques for the purposes described in the KIID for the fund. This category may also include securities for which relevant data is not available.



## **Can I find more product specific information online?**

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**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Nordea Sustainable Selection Return Fund (SEK)

**Legal entity identifier:** 549300MPFQKI6DS32K18

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

- |  |  |
|--|--|
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ___% <ul style="list-style-type: none"><li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li></ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ___% | <input checked="" type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 40% of sustainable investments <ul style="list-style-type: none"><li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li><li><input checked="" type="checkbox"/> with a social objective</li></ul> <input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b> |
|--|--|



## What environmental and/or social characteristics are promoted by this financial product?

The E/S characteristics of this fund include:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

**ESG focused fund selection** The fund partly invests in other funds within a selection of funds whose E/S characteristics, as well as the investment manager's integration of sustainability risk in the investment process, is approved by Nordea.

**Minimum proportion of sustainable investments** The fund partly invests in sustainable investments, which means companies and issuers involved in activities that contribute to an environmental or social objective as outlined in UN SDGs and/or the EU Taxonomy, while not significantly harming any other environmental or social objectives.

**ESG scoring** The fund partly makes direct investments in securities issued by entities whose ESG profiles have been scored by NAM, or by an external data provider, to ensure that only securities issued by entities that meet the minimum required ESG score for the fund are eligible for inclusion.

**Sector- and value-based exclusions** Exclusion filters are applied to the portfolio construction process to restrict investments in companies and issuers with significant exposure to certain activities deemed to be detrimental to the environment or the society at large, including tobacco companies and fossil fuel companies.

**NAM's Paris-Aligned Fossil Fuel policy** Exposure to fossil fuel companies is governed by the fund's adherence to NAM's Paris-Aligned Fossil Fuel Policy which aims at limiting the carbon footprint resulting from the investment portfolio.

**Principal Adverse Impact ("PAI")** The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

**Active ownership** NAM undertakes a range of engagement activities on behalf of its clients to encourage investee companies and corporate- and sovereign issuers to improve their environmental, social and governance practices, and promote a long-term approach to decision-making.

### What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use climate-, other environmental and social indicators to the extent that relevant data is available. More information on the indicators can be found in the sustainability related website disclosures in accordance with SFDR article 10.

### What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objectives of the sustainable investments that the fund partially intends to make, is to contribute to one or several of the UN SDGs or alternatively be involved in Taxonomy aligned activities. Sustainable investments contribute to the objectives through the fund's investments in companies that support the UN SDGs or Taxonomy aligned activities by passing a minimum threshold for revenue alignment with UN SDGs or the EU Taxonomy.

### How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The sustainable investments have passed a test determining that they do not significantly harm any other social or environmental objectives (DNSH test). NAM has developed a proprietary quantitative "PAI tool" that assesses the performance of NAM's full investment universe across multiple PAI indicators. The tool utilises a diverse range of data sources across numerous ESG thematic areas in order to ensure that investee companies' performance is appropriately analysed, using a rigorous in-house methodology. The output from the PAI tool is the basis for the DNSH test and the results are further enriched with additional third party data covering environmental and social factors to arrive at the test result.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

PAI indicators are assessed in NAM's PAI tool and the results are a material part of the DNSH test.

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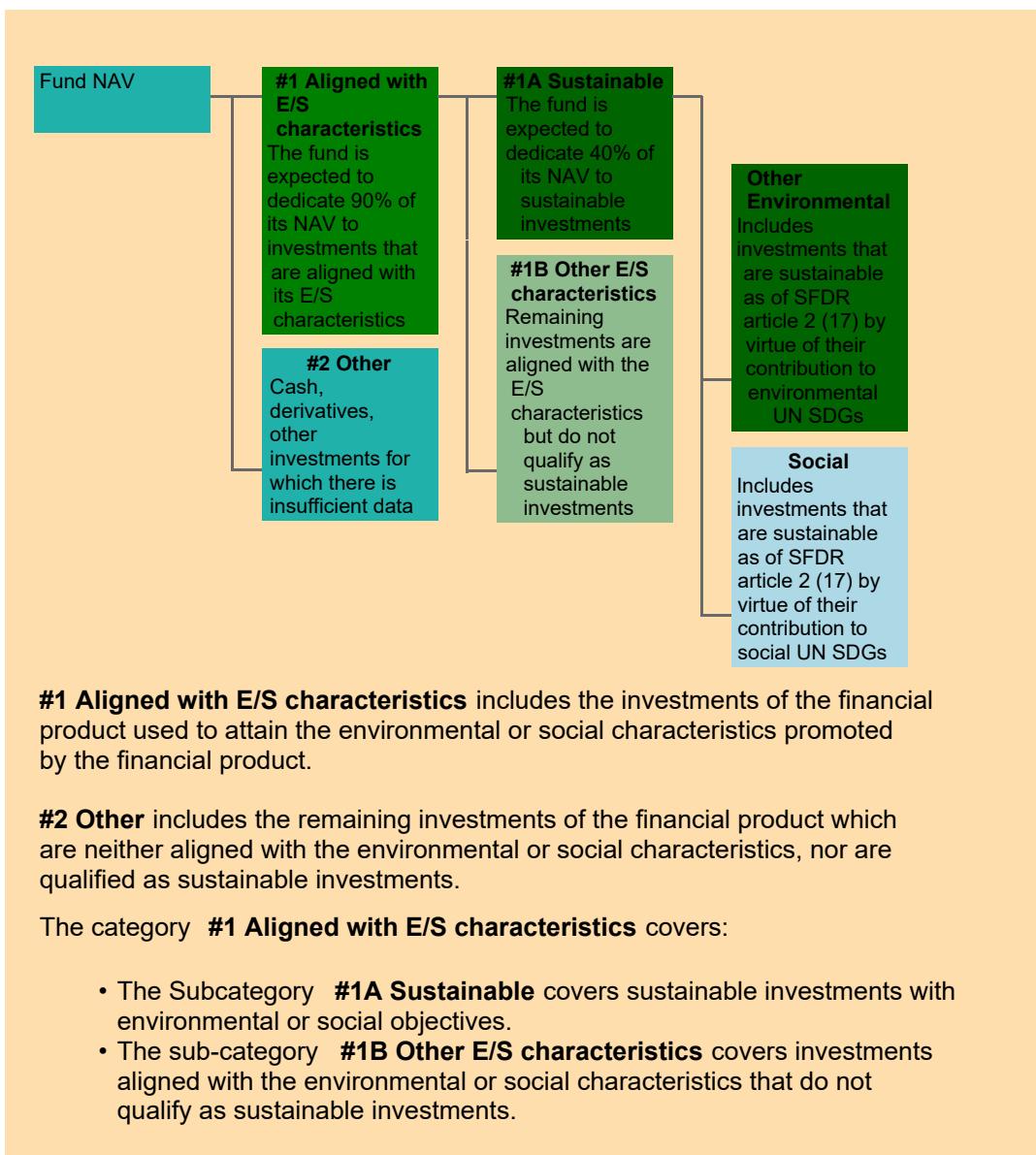
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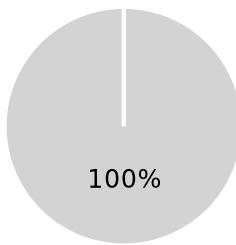
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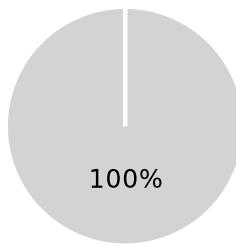
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