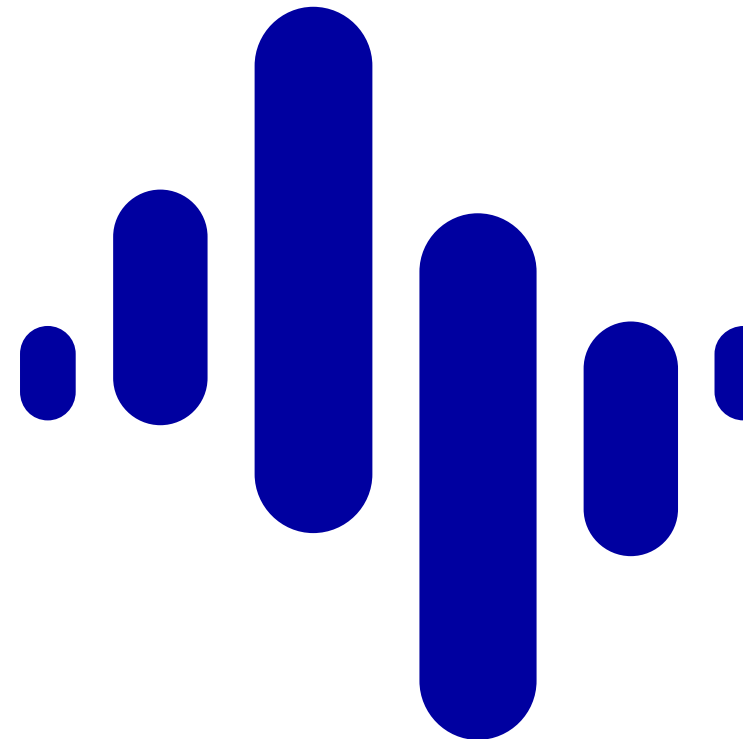
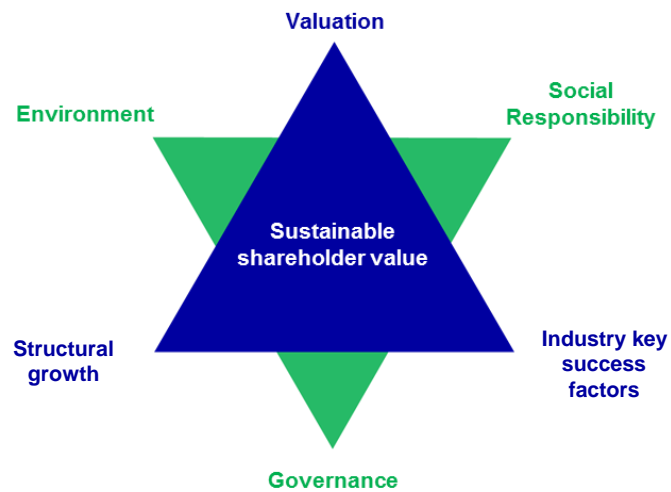


Nordea – Emerging STARS Equity Strategy

Returns with responsibility



September 2020

*Regulated Qualified Investors are regulated financial intermediaries such as banks, securities dealers, fund management companies, asset managers of Funds, central banks and regulated insurance institutions.

Nordea Asset Management
Our longstanding commitment to ESG



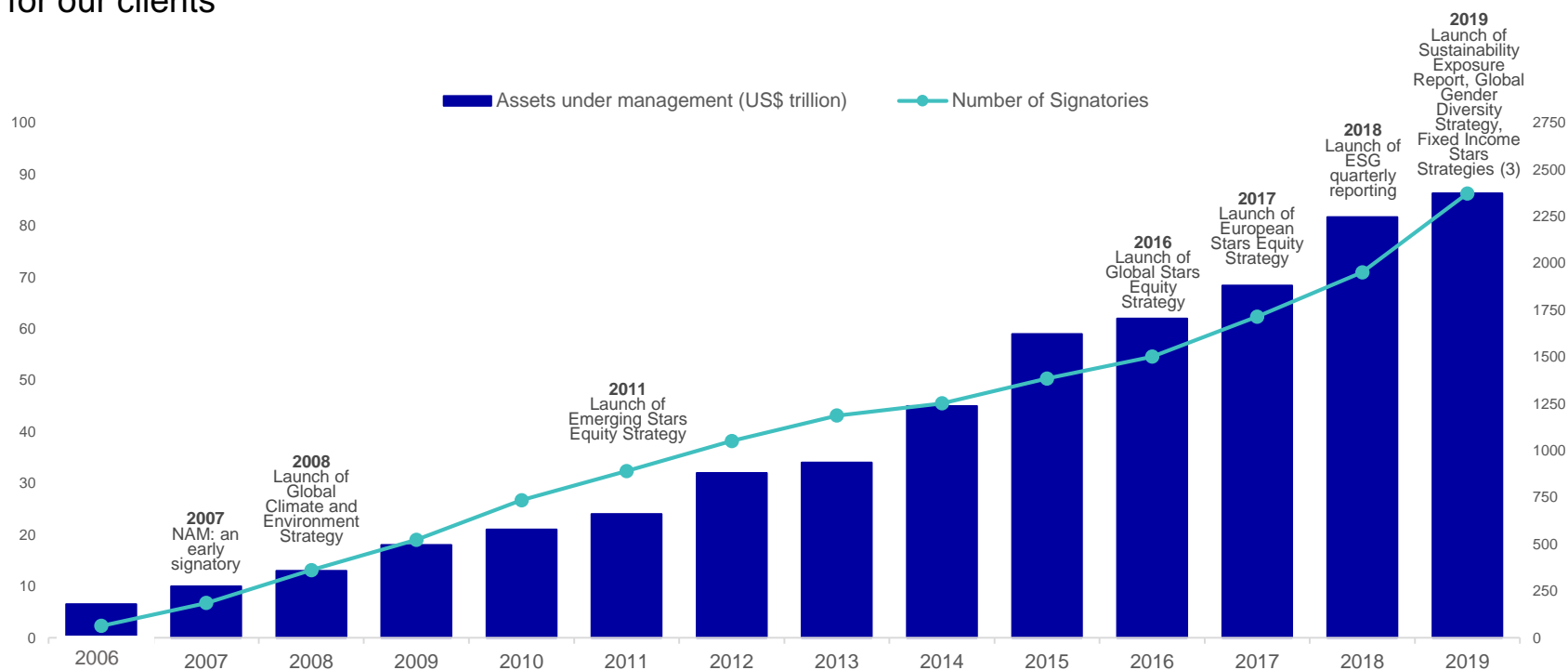
Nordea Asset Management: An early adopter of UNPRI

A commitment rooted in who we are

- Deeply rooted in our Nordic DNA: our corporate culture and philosophy of “Returns and Responsibility”
- Supported by the conviction that ESG can create long-term value for our clients

A journey that started long ago

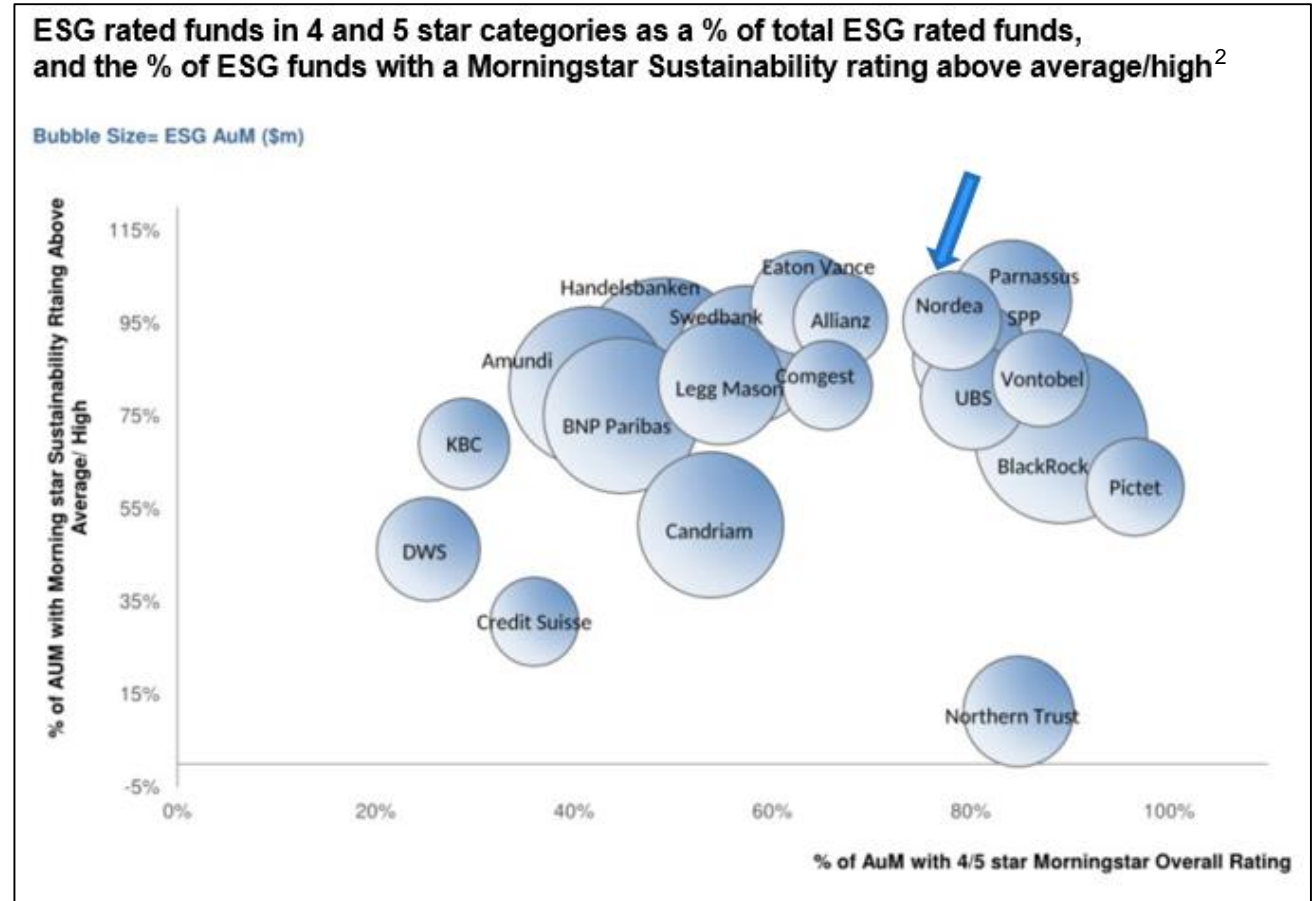
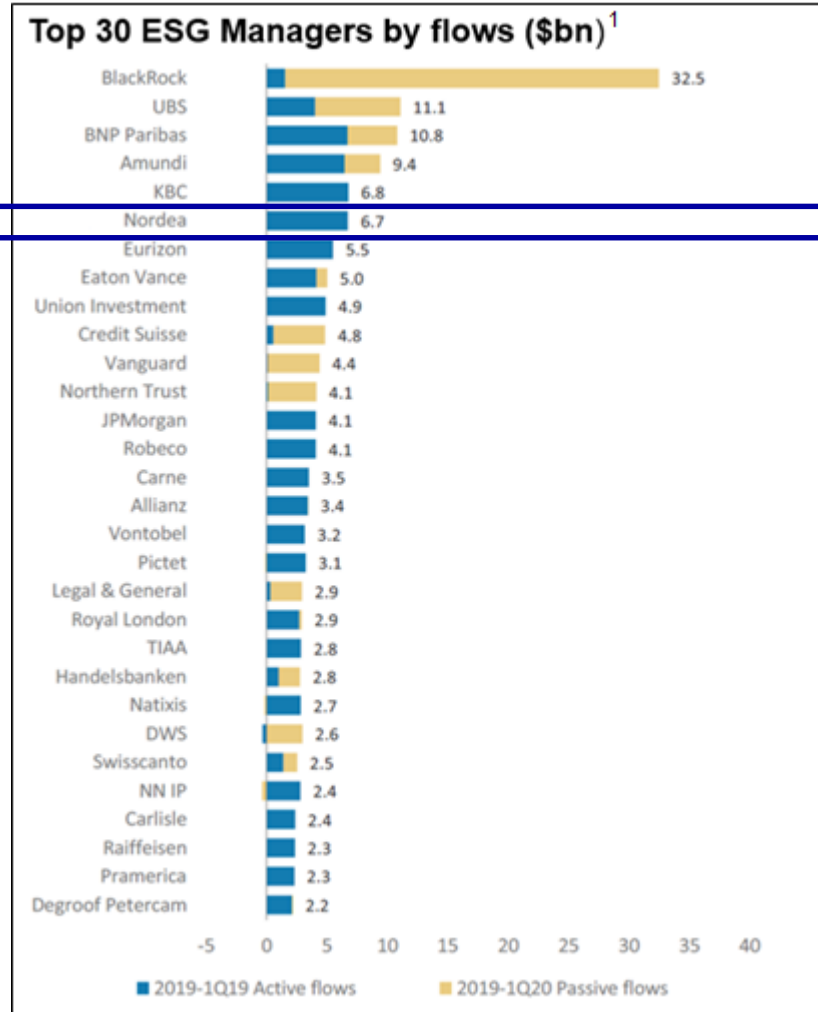
- Early signatory of United Nations Principles for Responsible Investments (2007)
- Responsible Investment Committee chaired by NAM CEO (2007)



Source: UNPRI (<https://www.unpri.org/about>). Data as of May 2019

The quality our ESG expertise has been recognised by independent parties

Firmly positioned amongst the top ESG players



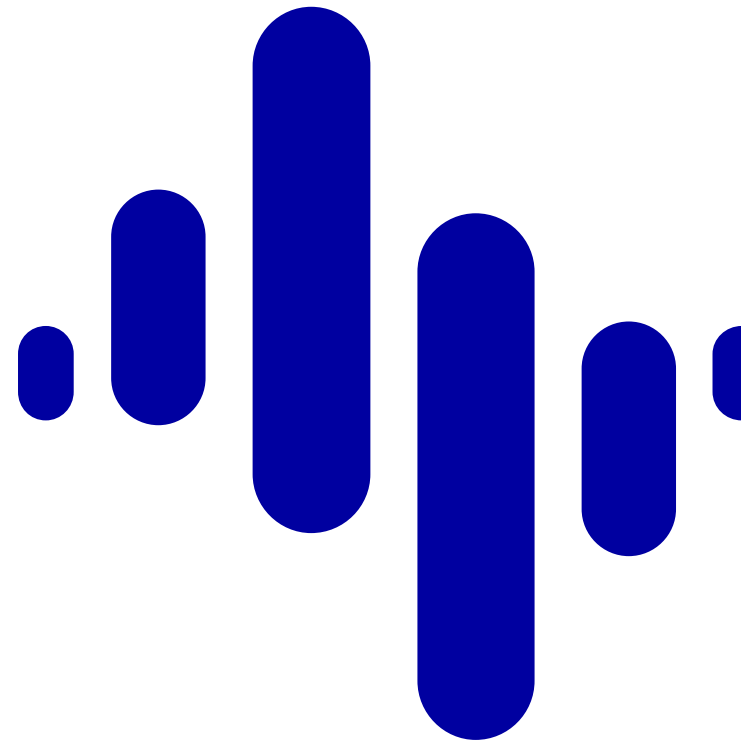
¹ Data Source - © 2020 Morningstar, Inc. All Rights Reserved

² © 2020 Morningstar, Inc. All Rights Reserved as of 31.08.2020. The Morningstar Rating is an assessment of a fund's past performance — based on both return and risk — which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision. **Past performance is no guarantee of future results.**

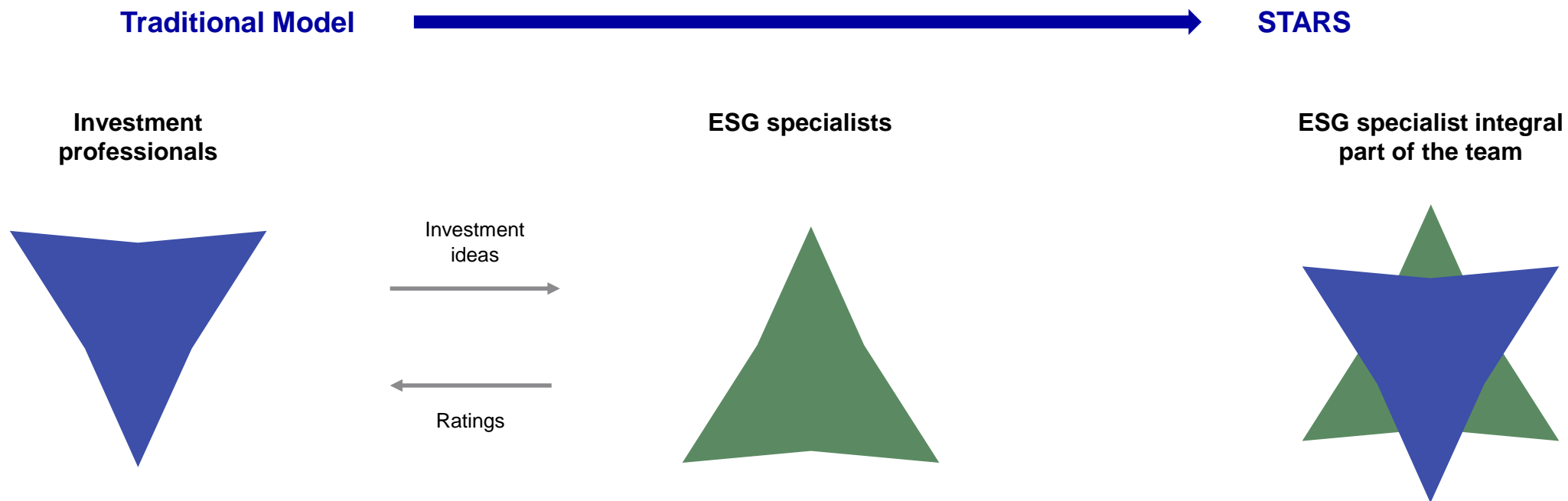
Note: Chart includes Top 25 Managers by size of ESG AuM (as per Morningstar), data as of March 2020

The Emerging STARS Equity Strategy

ESG Integration



ESG integration: Why we believe the STARS model is best practice



Key Challenges:

- Limited information sharing
- Inefficient research process

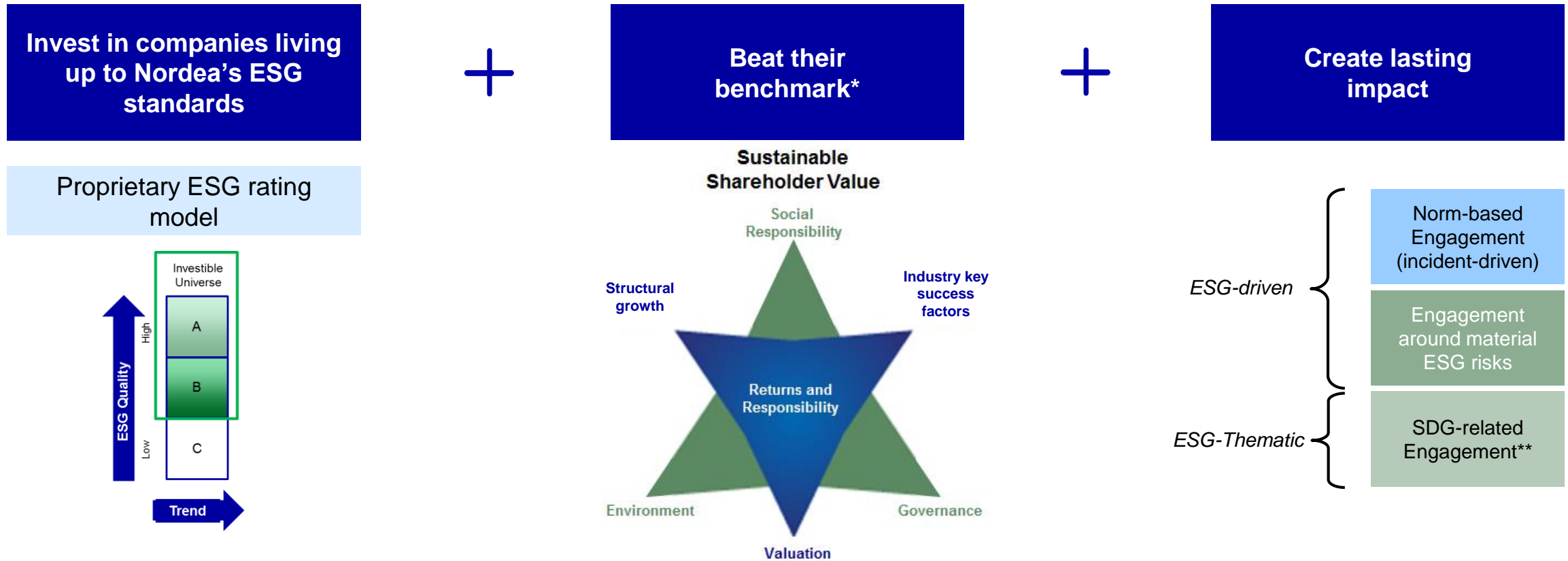
Results:

- Full transparency and information sharing
- ESG issues flagged early in the process

Source: Nordea Investment Management AB Fundamental Equities. For illustrative purposes only.

The STARS Concept Explained

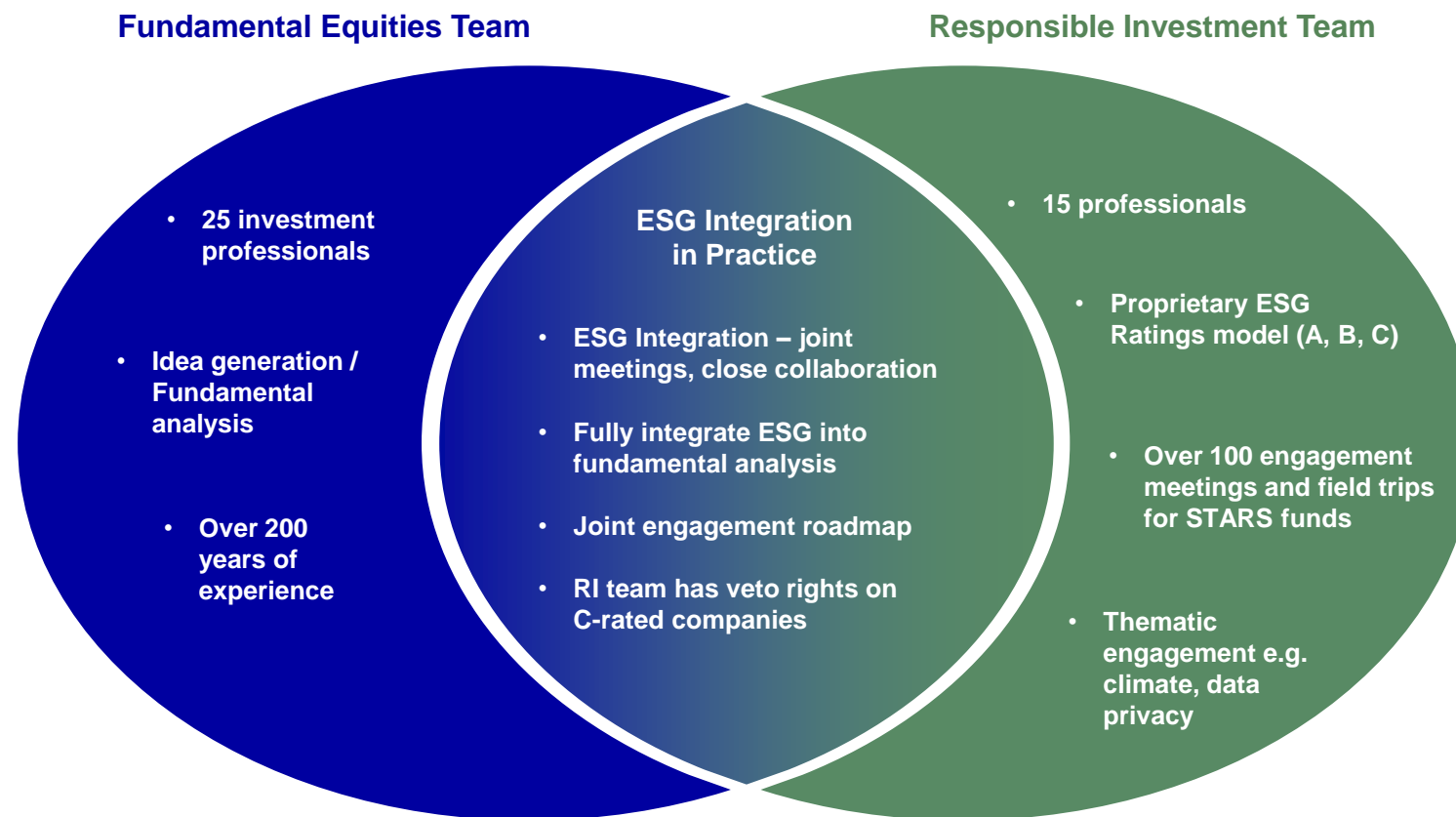
- We believe that companies that meet higher ESG standards will be more successful over the long term
- The STARS concept ensures a true integration of ESG research and fundamental analysis



*There can be no warranty that an investment objective, targeted returns and results of an investment structure is achieved. The value of your investment can go up and down, and you could lose some or all of your invested money. **SDG refers to the UN's Sustainable Development Goals, 17 high level goals launched in 2015 to end poverty, protect the planet and ensure prosperity for all.

Integration of Portfolio Management and Responsible Investments

Example: STARS Equity strategy



Identify tomorrow's winners

Source: Nordea Investment Management AB Fundamental Equities. Data as of: 31.03.2020. For illustrative purposes only.

ESG Company Scorecard



ESG Scorecard: Company PLC					Rating: A-C / + -
Business model	Corporate Governance	Business ethics	Environment	Social	
Development Contribution	Board structure and independence	Key issue	Key issue	Key issue	
Country/Sector Risk	Board compensation practices	Key issue	Key issue	Key issue	
	Minority shareholder influence	Key issue	Key issue	Key issue	
	Diversity of Board & Executive management				
	Audit & Accounting practices				
	Sustainability governance				
Rating	A-C	A-C	A-C	A-C	A-C
- Risk exposure			1-3	1-3	1-3
- Financial impact			1-3	1-3	1-3
- Reputational			1-3	1-3	1-3
Weight	30%	10%	Variable%	Variable%	Variable%

- Rating**
- Key sector issues are identified
 - These are complemented with key company specific issues
 - Each pillar is rated – one overriding factor can not arbitrarily set the rating
 - Policy, strategy, performance are KPIs evaluated
 - Voting and engagement conducted with companies to improve rating

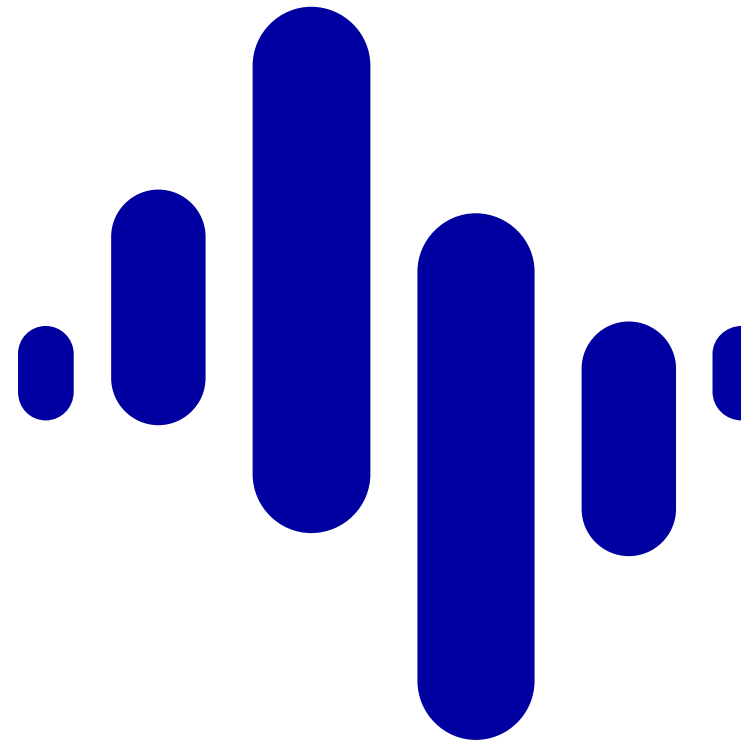
- Weighting**
- Business model 30%
 - Governance Quality 10% (implicitly assessed in the remaining 3 pillars)
 - Business ethics, Environment and Social have variable weights based on
 - Risk exposure
 - Financial Impact
 - Reputational

Risk Mitigation & Value Creation

Source: Nordea Investment Management AB. For illustrative purposes only

The Emerging STARS Equity Strategy

Portfolio Characteristics & Sustainability Profile



Emerging Stars Equity Strategy Representative Account Portfolio Structure & Active Weights as of July 31st, 2020

Active Weight	COM. SERVICES	CONSUM DISC.	CONSUM STAP.	ENERGY	FINANCIALS	HEALTH CARE	INDUSTRIALS	INFO TECH.	MATERIALS	REAL ESTATE	UTILITIES	SUM
Argentina	0,0%			0,0%				-0,1%				-0,1%
Brazil	-0,1%	0,8%	1,7%	-0,7%	0,5%	0,9%	-0,4%	0,0%	-0,9%	0,7%	-0,3%	2,1%
Chile	0,0%	0,0%	-0,1%	-0,1%	-0,1%				-0,1%	0,0%	-0,2%	-0,6%
China	-0,2%	-1,6%	0,3%	-0,8%	-2,0%	-0,4%	-0,4%	1,1%	-0,9%	-1,8%	-0,8%	-7,5%
Colombia				0,0%	-0,1%						0,0%	-0,2%
Czech Republic					0,0%						-0,1%	-0,1%
Egypt			0,0%		-0,1%		0,0%					-0,1%
Greece	-0,1%	-0,1%		0,0%								-0,1%
Hong Kong					3,0%							3,0%
Hungary				0,0%	1,8%	-0,1%						1,7%
India	-0,4%	-0,6%	2,8%	-1,5%	4,5%	-0,5%	0,5%	-1,4%	-0,6%	0,5%	-0,2%	3,1%
Indonesia	-0,2%	-0,1%	-0,2%	-0,1%	1,5%	0,0%			-0,1%		0,0%	0,8%
Malaysia	-0,1%	-0,1%	-0,3%	-0,1%	-0,5%	-0,3%	-0,2%		-0,1%		-0,2%	-1,8%
Mexico	-0,4%		-0,6%		1,5%		-0,1%		-0,3%	0,0%	1,0%	1,0%
Netherlands		1,3%										1,3%
Pakistan				0,0%	0,0%							0,0%
Peru					-0,1%				-0,1%			-0,2%
Philippines	-0,1%	0,0%	-0,1%		-0,1%		0,0%			-0,2%	0,0%	-0,4%
Poland	-0,2%	0,0%	0,0%	-0,1%	-0,2%				-0,1%		0,0%	-0,7%
Qatar	0,0%			0,0%	-0,6%		-0,1%		0,0%	0,0%	0,0%	-0,8%
Republic Of Korea	-1,1%	-1,0%	-0,6%	-0,2%	-0,9%	-0,7%	-0,8%	3,9%	-0,8%		-0,1%	-2,2%
Russian Federation	1,7%		1,5%	-1,5%	1,5%				-0,6%		0,0%	2,5%
Saudi Arabia	-0,3%	-0,1%	-0,1%	-0,2%	-1,1%				-0,6%	0,0%	-0,1%	-2,5%
Singapore												0,0%
South Africa	-0,2%	1,1%	-0,3%	0,0%	-0,8%	-0,1%	0,0%		-0,8%	-0,1%		-1,2%
Taiwan, Province of C	1,6%	-0,4%	-0,3%	-0,1%	-1,8%		-0,2%	2,7%	-0,8%	0,0%		0,8%
Thailand	-0,2%	-0,1%	-0,3%	-0,3%	-0,2%	-0,1%	-0,2%		-0,2%	-0,1%	-0,2%	-2,0%
Turkey	0,0%	0,0%	-0,1%	0,0%	-0,1%		-0,1%		0,0%			-0,4%
United Arab Emirates	-0,1%				-0,3%					-0,1%		-0,5%
United Kingdom									1,3%			1,3%
United States		2,3%										3,8%
SUM	-0,4%	1,3%	3,3%	-5,7%	5,2%	-1,3%	-2,0%	6,1%	-5,7%	-1,3%	-1,2%	

Note:

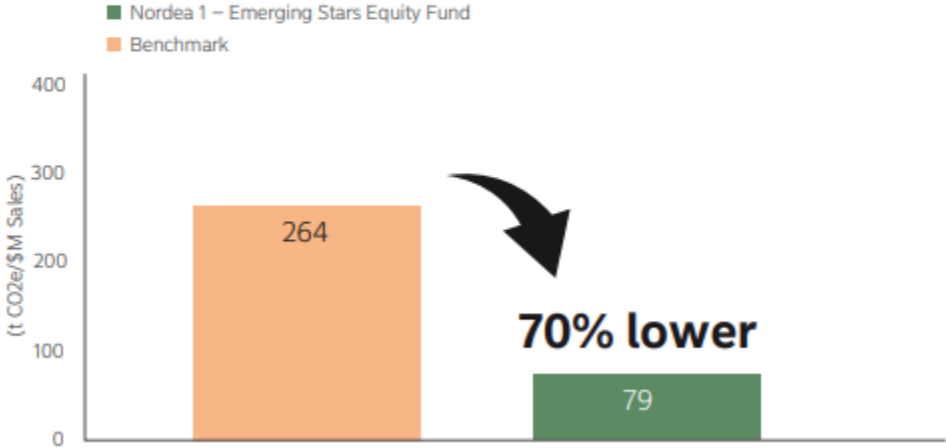
- Hong Kong: AIA, Asian listed insurance company
- Netherlands: Prosus, holding company of Naspers
- US: MercadoLibre, US listed Latin America e-commerce company
- UK: Antofagasta, UK listed, assets in Chile

Source: Nordea Investment Management AB. Date July 31th, 2020. Active weights are calculated relative to the MSCI Emerging Markets (NDR) Index. It is not possible to invest directly in an index. For illustrative purposes only. The reference to specific securities is to illustrate the investment process and should not be taken as a recommendation to buy or sell specific securities. **Historical allocations are not a reliable indicator of future results and may vary.**

Emerging Stars Equity Strategy Carbon Footprint

Carbon intensity

The fund has a carbon footprint 70% lower than the benchmark.



Comparison with other financial products or benchmarks is only meant for indicative purposes.

Note: Scope 1 & 2. Preliminary data as at 30.06.2020. The carbon footprint metric relies on carbon data gathered by Nordea Investment Funds S.A., MSCI Inc. and is based on the Swedish Fund Association's recommendation. Further information on the calculation approach is available at: https://www.nordea.lu/documents/responsible-investments---carbon-footprint-disclosure/RI-CFD_eng_INT.pdf/. Source: Nordea Investment Funds S.A., MSCI Inc.

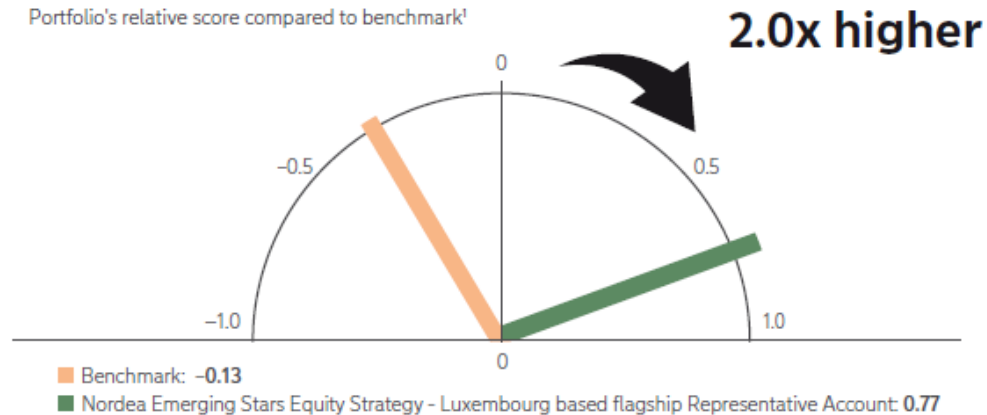
Benchmark: MSCI Emerging Markets NR USD Index

Sources: Nordea Investment Funds S.A and ©2020 MSCI ESG Research LLC. Reproduced by permission. MSCI ESG Research LLC. and its affiliates (the "ESG Parties"), obtain information from sources they consider reliable none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness of any data herein. None of the ESG Parties makes any express or implied warranties of any kind, and the ESG Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to any data herein. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein. Further, without limiting any of the foregoing, in no event shall any of the ESG Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damage. Benchmark: MSCI Emerging Markets NR USD Index

Emerging Stars Equity Strategy Exposure to UN Sustainable Development Goals

The contribution of the portfolio to the 15 objectives (social and environmental) is 2.0x higher than the benchmark.

Portfolio's relative score compared to benchmark¹



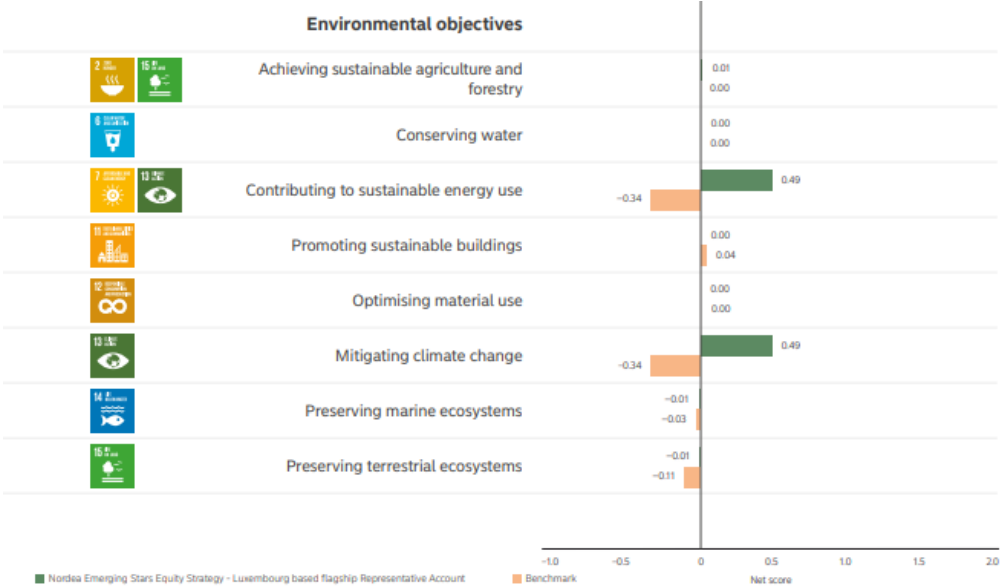
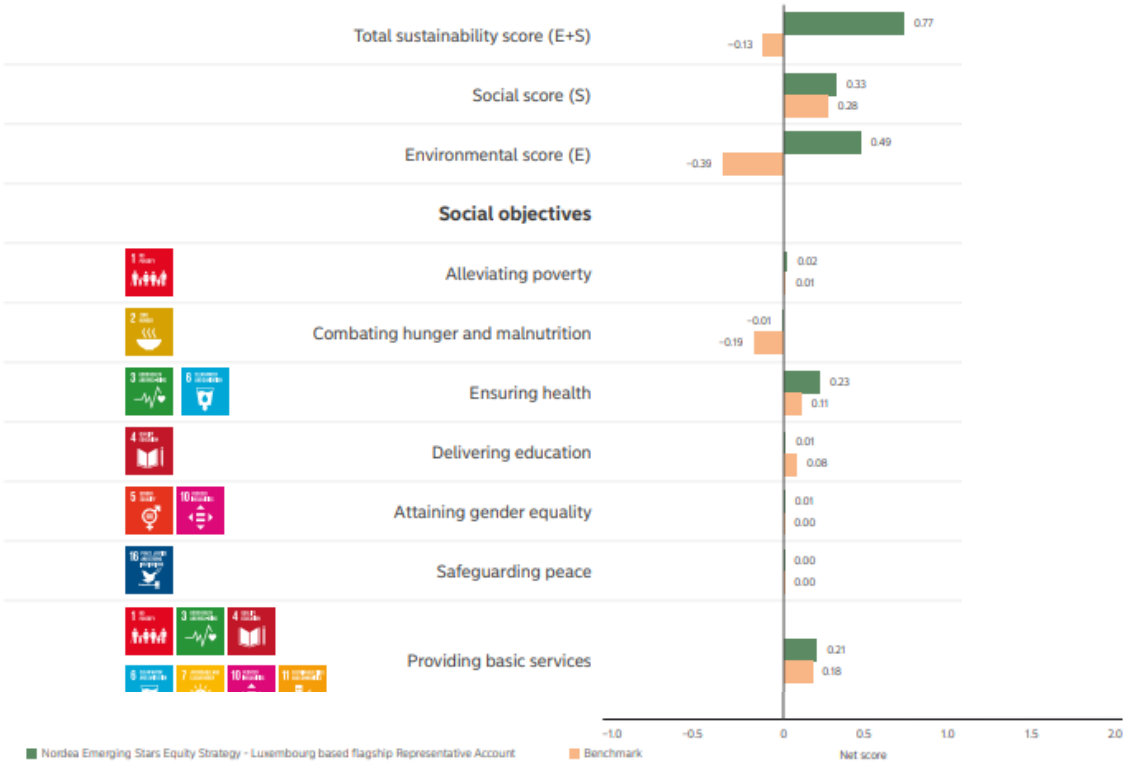
1) The relative score is calculated as follow: $(\text{Portfolio net score}) / (\text{Benchmark net score})$. Should the score of the benchmark be close to nil the relative score multiple might be distorted. **Comparison with other financial products or benchmarks is only meant for indicative purposes.**

Top contributors

- 1. Taiwan Semi conductor (TW, Semiconductors).** The company mainly contributes to the environmental objective "Contributing to sustainable energy use" through the supply of energy-efficient chips with the Energy Star label.
- 2. Raia Drogasil (BR, Retail).** The company mainly contributes to the social objectives "Ensuring Health" through pharmaceuticals, basic health care products, preventative care products.
- 3. Samsung SDI (KR, Electronic Components).** The company mainly contributes to the environmental objectives "Mitigating Climate Change" and "Contributing to Sustainable Energy Use" through the offering of energy storage systems (ESS), which are crucial for the renewable energy sector, and batteries for hybrid and electric vehicles.

Emerging Stars Equity Strategy Exposure to UN Sustainable Development Goals

Sustainability score details

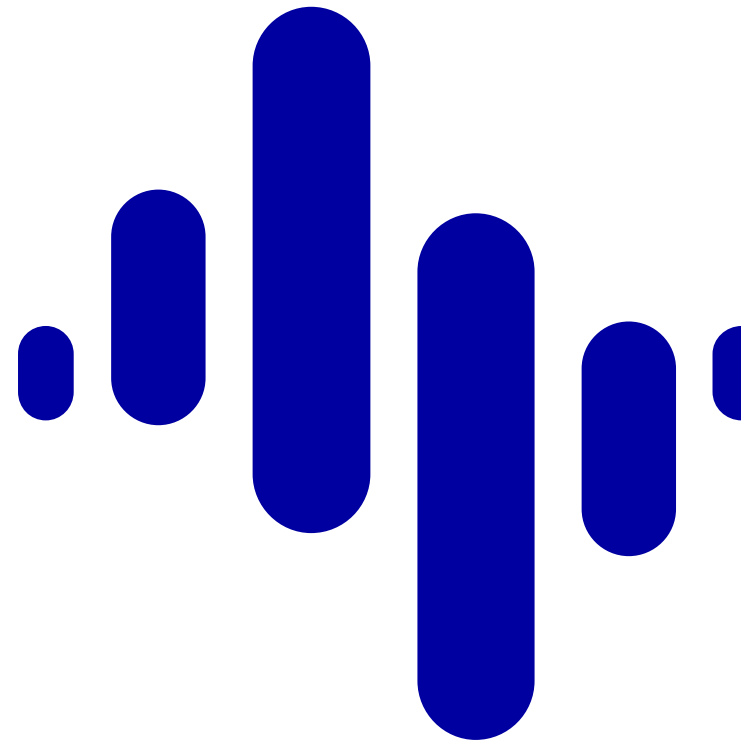


Please note that the Overall SDG Solutions score may slightly differ from the aggregated figures of the social and environmental scores due to rounding differences. Further information on SDGs is available at <https://www.un.org/development/desa/en/news/sustainable/sustainable-development-goals.html>.

Benchmark: MSCI Emerging Markets NR USD Index
 Source: Nordea Investment Funds S.A, as of end Q2 2020

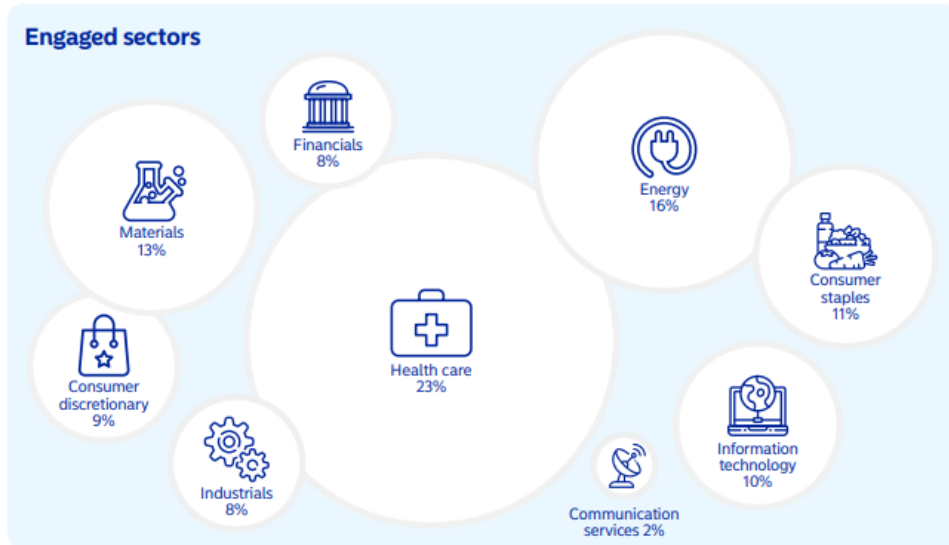
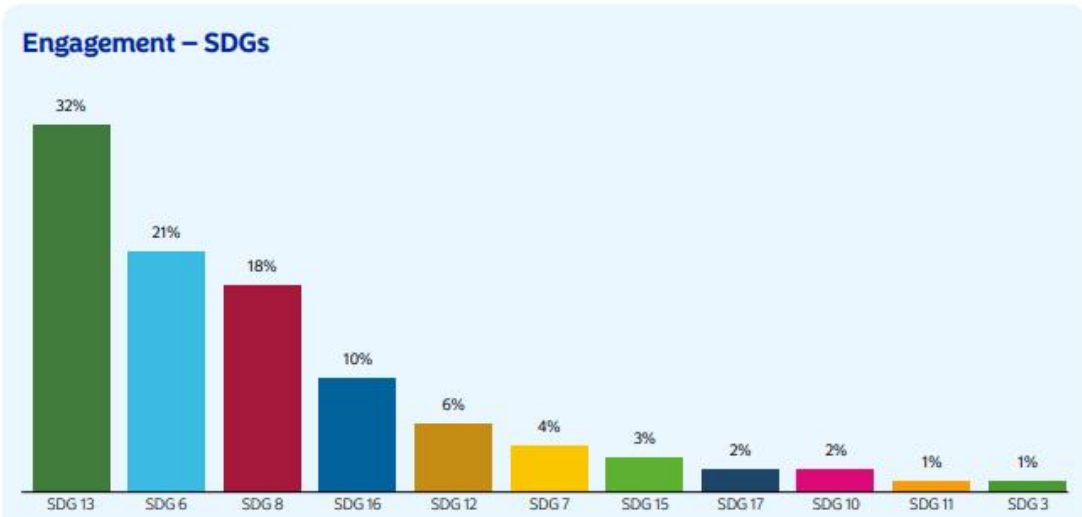
Engagement at Nordea Asset Management

The Samsung Electronics Case



Creating lasting impact through engagement

NAM Engagement – 2019 at a glance



The **Sustainable Development Goals (SDGs)** are a collection of 17 global goals set by the United Nations General Assembly for the year 2030. They address the global challenges we face, and at NAM we try to align our risk assessment with the SDGs. Furthermore, we engage with companies where SDG related themes might represent a significant material risk.

Complete list of SDGs:



Source: un.org/development/desa/en/news/sustainable/sustainable-development-goals.html

Source: Nordea Investment Management AB. Date: 31.12.2019. For illustrative purposes only.
 Source: un.org/development/desa/en/news/sustainable/sustainable-development-goals.html

ESG Analysis and Engagement Example

Samsung Electronics

ESG Scorecard: SAMSUNG ELECTRONICS CO LTD					Rating: B /
					2019-09-11
Key issues	Business model	Corporate Governance	Business ethics	Environment	Social
Red	Development Contribution	Governance Quality	Business ethics	Energy management	Data security and customer privacy
Green	Country/Sector Risk	Independence of Board structure	Competitive behavior	Environmental management	Employee Health and Safety
White		Board compensation practices	Supply chain management	GHG Emissions	Human Capital
		Minority shareholder influence	Systemic risk management	Lifecycle impacts of products and services	Labour Practices
		Sustainability governance	Supply chain management	Waste and hazardous materials management	
		Diversity of Board & Executive management		Water and wastewater management	
		Audit & Accounting practices			
		Incidents			
Score	B	B	C	A	B
- Risk exposure			3	2	3
- Financial impact			1	1	2
- Reputational			3	1	3
Weight	30%	10%	22%	13%	25%
Score	0,60	0,20	0,66	0,13	0,51

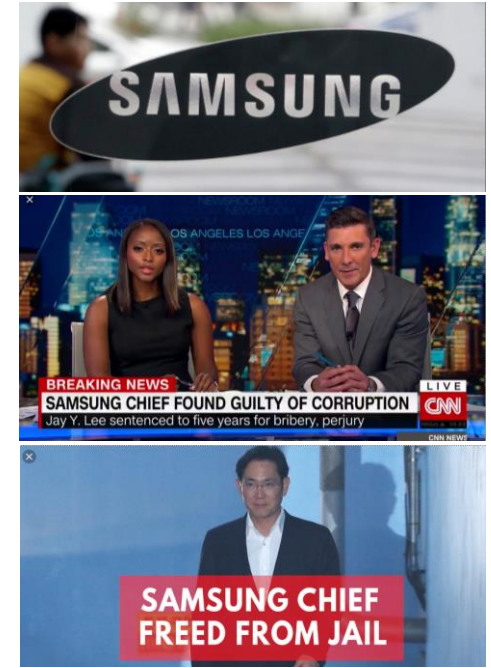
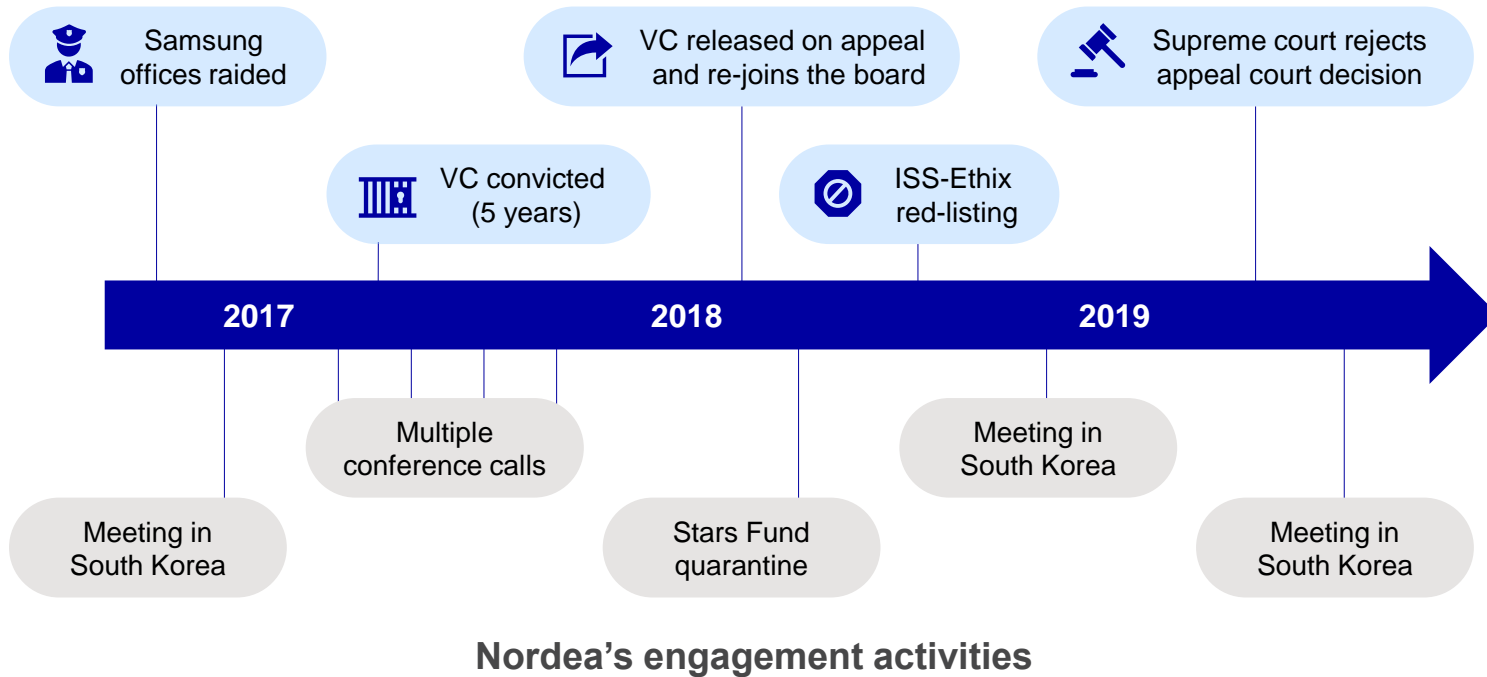
Source: Nordea Investment Management AB Fundamental Equities and Responsible Investments. For illustrative purposes only. The reference to specific securities is to illustrate the investment process and should not be taken as a recommendation to buy or sell specific securities.

ESG Analysis and Engagement Example

Samsung Electronics

Incident:

- Vice-chairman implicated and convicted in the highest profile corruption case in the South Korea's history.
- After being released on appeal, the vice-chairman maintained his position on the board. However, he remained inactive and did not participate in board meetings.
- Vice-chairman's board term ends in October 2019.



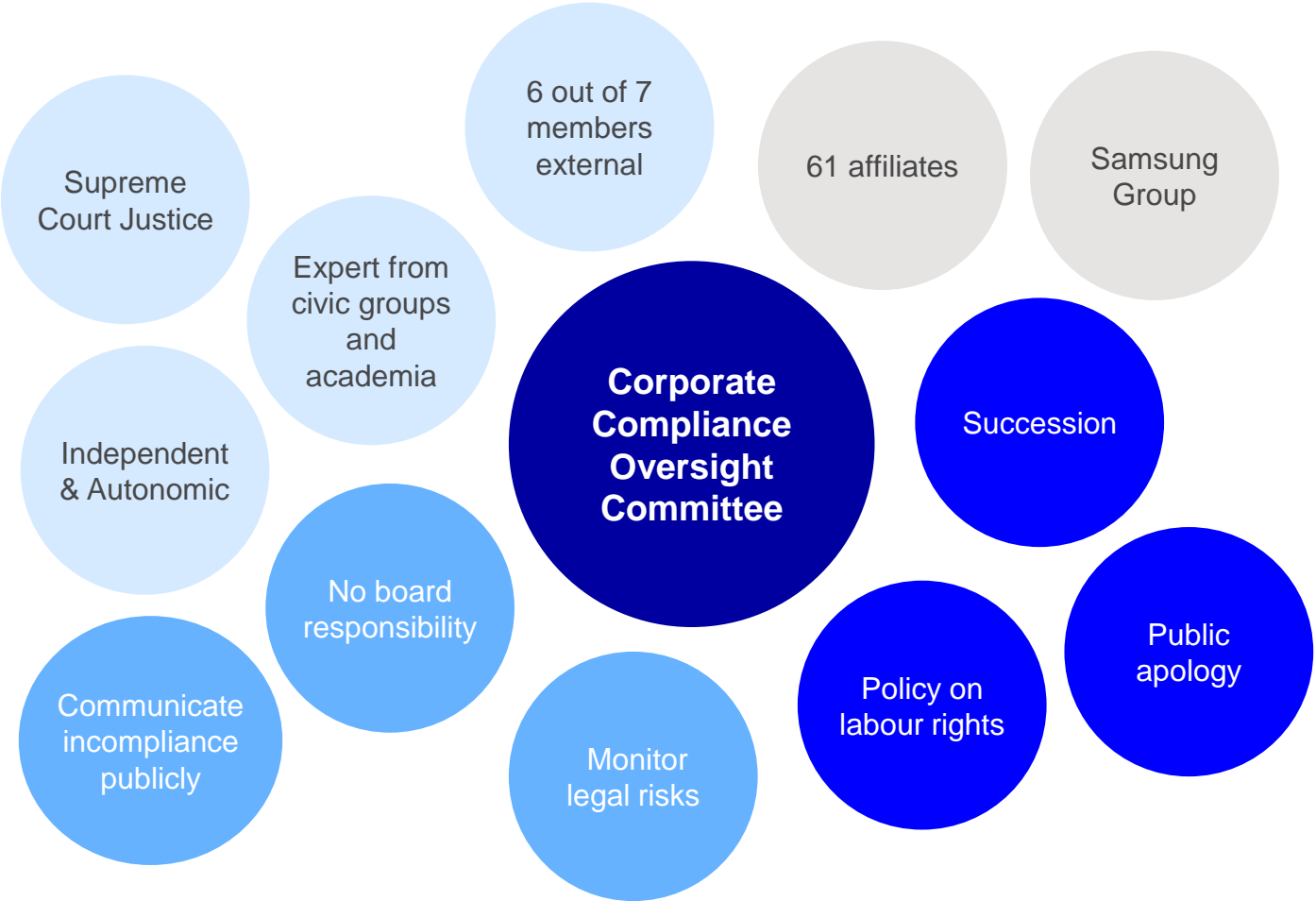
Improvements by Samsung Electronics

- By-laws
- Corporate governance
- Transparency
- Audit and control
- Board level accountability
- Corporate Compliance Oversight Committee

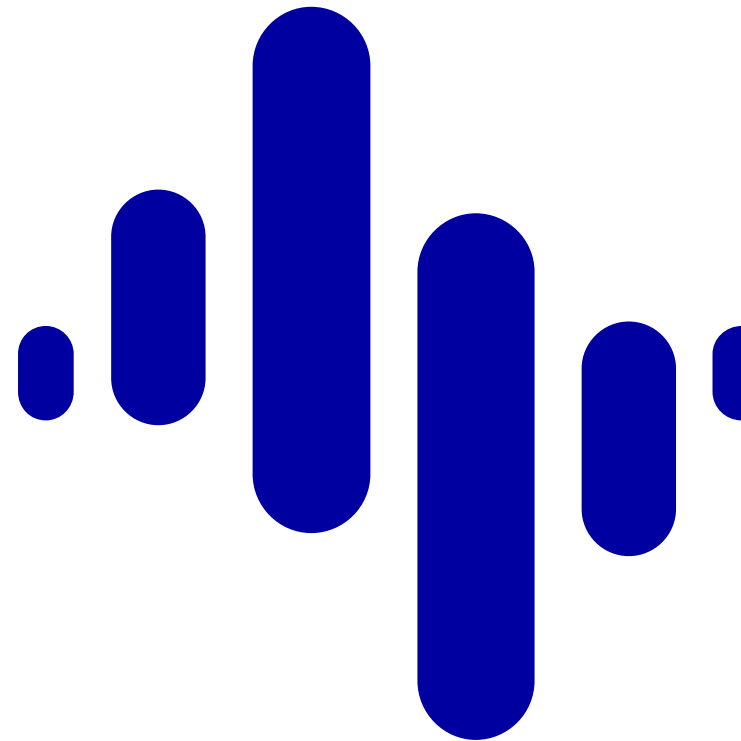
Source: Nordea Investment Management AB Fundamental Equities and Responsible Investments. The pictures are from CNN, Samsung, IBTimes UK. For illustrative purposes only. The reference to specific securities is to illustrate the investment process and should not be taken as a recommendation to buy or sell specific securities.

ESG Analysis and Engagement Example

Samsung Electronics



The Emerging STARS Equity Strategy Performance

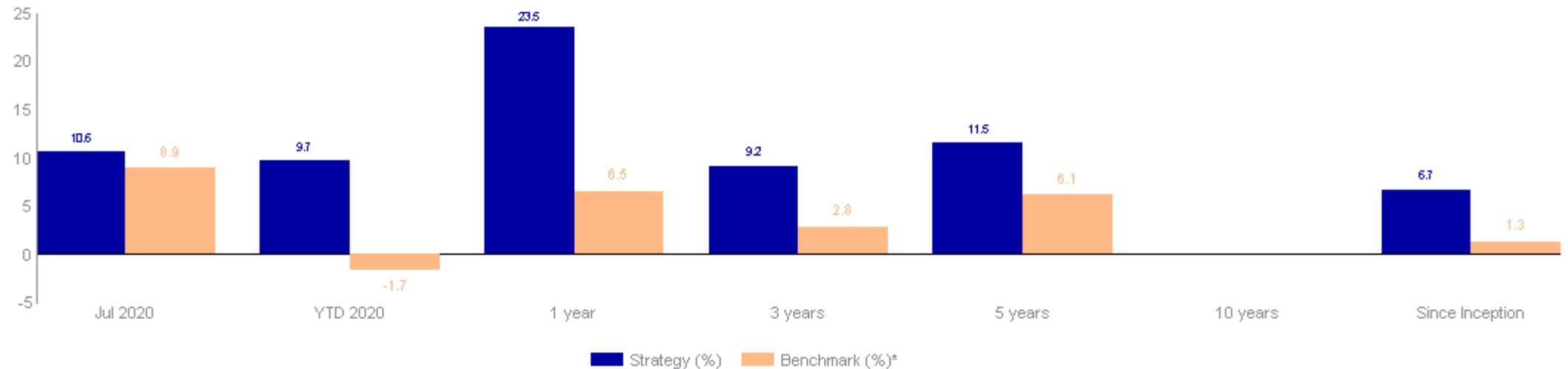


Emerging Stars Equity Strategy (USD)

Performance Cumulative

	Strategy (%)	Benchmark (%)*	Relative Return (%)	Tracking Error (%)	Information Ratio
Jul 2020	10.61	8.94	1.68		
YTD 2020	9.68	-1.72	11.40		
1 year	23.55	6.55	17.00	3.90	4.36
3 years	9.16	2.84	6.31	5.13	1.23
5 years	11.54	6.15	5.40	5.10	1.06
10 years					
Since Inception	6.68	1.31	5.38	4.81	1.12

*MSCI Emerging Markets (NDR)



Source: Nordea Investment Management AB. Date: 31/07/2020. Performance figures are in USD. Periods longer than 1 year are annualised. Product Inception: 30/04/2011. **The performance represented is gross of fees, composite and historical; past performance is not a reliable indicator of future results and investors may not recover the full amount invested. The value of your investment can go up and down, and you could lose some or all of your invested money. For illustrative purposes only.**

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For further details of investment risks associated with these sub-funds, please refer to the relevant Key Investor Information Document (KIID), available as described above.

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