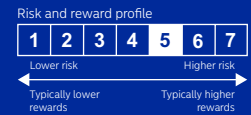




Fund Portrait



Fourth quarter 2020

Nordea 1 – Global Stars Equity Fund

ISIN: LU0985320562 (BP-USD) / LU0985319804 (BI-USD)

Highlights

- A Global Equities solution where ESG investing meets performance. One of the best track-records available in the ESG Global Equities investment universe¹
- High conviction portfolio with a long-term fundamental bottom-up approach
- A true ESG investing solution where our dedicated Responsible Investment team conducts detailed ESG research and aims at engaging actively on all portfolio companies
- A two-tier portfolio, combining stocks with high expectation gaps and stocks with a strong sustainable competitive advantage, or Moat



Asset Management at Nordea

As an active investment manager, Nordea Asset Management manages asset classes across the full investment spectrum and aims to serve its clients in every market condition. Nordea's success is based on a sustainable and unique multi-boutique approach that combines the expertise of specialized internal resources with exclusive external competences with the aim to deliver alpha over time for the benefit of our clients.

Since its launch in May 2016, the Nordea 1 – Global Stars Equity Fund has been managed internally by Johan Swahn in Nordea's Fundamental Equities team. In 2019 Joakim Ahlberg became the co-PM of the fund and the team is composed by more than 20 seasoned investment professionals and exhibits significant diversity with 11 different nationalities. The investment team uses a fundamental bottom-up investment process to identify and analyse companies that are mispriced relative to their ability to generate future cash flows.

Introduction to the STARS concept

Nordea's STARS funds proactively select high-quality ESG companies with the objective to identify tomorrow's winners, which, we believe, have sustainable business models and conduct their businesses responsibly in relation to their stakeholders – employees, suppliers, customers, investors and society at large.

Nordea's Fundamental Equities team works closely with Nordea's Responsible Investment team in order to:

- **Outperform the benchmark:** actively managing a concentrated high conviction portfolio²
- **Meet Nordea's ESG standards:** analysing each individual stock to ensure that the fund invests only in companies that meet our minimum ESG criteria. The idea is to invest in leading companies or companies with a sufficiently rising ESG profile, thus avoiding the laggards (lower rated companies)
- **Exercise active ownership:** proactively engaging with companies and encouraging them to improve corporate governance, their overall ESG performance, as well as exercising voting rights

Investment approach

The Nordea 1 – Global Stars Equity Fund focuses on selecting companies that are mispriced relative to their ability to generate future cash flows. The portfolio fully integrates ESG factors into the **fundamental analysis**, including **verifying expectations gaps** and **valuation**.

1) The performance represented is 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. 2) 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.



Fundamental analysis

Our fundamental analysis has three primary components, which form the basis for a repeatable investment process.

Verifying Expectation Gaps. Expectation gaps are the differences between our expectations and the market valuation. We collect and analyse all relevant data to verify our expectations and understand the market's expectations through a two-stage process:

- We build conviction in the company outlook by analysing its financial data, industry data, industry expert comments, sell-side research and a variety of other sources
- We gauge market's expectations through consensus estimates and implied valuation

Identifying Moats. We make assessments of companies' strategic position before investing. We believe companies with sustainable competitive advantages (Moat) have better long-term opportunities for profitable growth and exhibit less risk. We use proprietary models to score each company according to their Moat and risks.



Valuation

Valuation is the numerical illustration of Expectation Gaps and we perform extensive work based on proprietary discounted cash flow (DCF) models to determine the upside potential. Results are cross-checked with absolute and peers relative valuation multiples as well as the overall market.

Our current investment universe is based on listed global equity securities with sufficient liquidity (typically with a market capitalisation of at least \$1bn – \$3bn).

ESG research

All STARS products are based on an integrated approach to in-house ESG analysis, which is conducted by our independent and seasoned Responsible Investment team on all companies considered for investment. The team draws on multiple sources of information in their proprietary analysis and engages directly with companies. Like our fundamental investment analysis, the ESG analysis is performed "bottom-up" and focuses on how the company deals with potential conflicts of interest among various stakeholders. For each sector we have identified material issues which are included in our evaluation. As a result, we assign a rating (A/B/C) and only companies with a rating above the relevant minimum threshold are eligible for investment.

Additionally, the ESG analysis identifies ESG risks and opportunities which are included in the fundamental assessment of each company. When valuing a company, the managers evaluate the company's projected growth rate, cash flows and balance sheet strength, among many variables. Companies able to conduct their business responsibly with respect to their stakeholders (employees, suppliers, customers, investors and society at large) are likely to have a more sustainable business model. In the DCF framework, companies with strong ESG profiles tend to generate superior excess returns above their cost of invested capital. Other things being equal, this results in a greater fair value estimate for strong ESG performers.

Investment objective

The bottom-up stock selection process results in a high conviction portfolio of 50 to 75 positions and offers investors a diversified exposure to ESG Global Equities avoiding top-down, country-specific bets. The fund's objective is to consistently outperform the global equity markets (as measured by its benchmark the MSCI All Country World – Net Return Index) by a minimum of 300bps (gross of fees) over a full investment cycle while aiming for a tracking error between 3% – 5%³.

Engagement is key for active ownership

Engagement is a key part of the investment process as we conduct extensive and structured engagement activities. The portfolio managers together with the ESG analysts build an engagement roadmap, identifying the most relevant companies and topics to engage with. Engagement activities are typi-

³⁾ 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.

cally performed by the Responsible Investment team; however, our portfolio managers are in frequent dialogue with the ESG analysts and they also take part in company meetings. We see engagement as a way to enhance long-term shareholder value in addition to benefitting the broader society.

Adhering to Nordea's Responsible Investment policy, the fund excludes companies involved in the production of nuclear weapons and cluster munitions as well as companies with large exposure to coal mining (5% revenue threshold on extraction of both metallurgical and thermal coal). However, excluding a company from our portfolio is always a last resort: the STARS concept aims for positive selection with the objective to influence companies to improve their ESG profiles. Engagement therefore takes on a new dimension with the STARS products. It does not only consist of the traditional forms of engagement, like the exercise of voting rights or entering into a dialogue to encourage companies to improve their management systems, their ESG performance or their reporting. When assessing a company's ESG risk profile, the Responsible Investment team also focuses on specific themes utilising UN Sustainable Development Goals. Thus, we distinguish between two types of engagement:

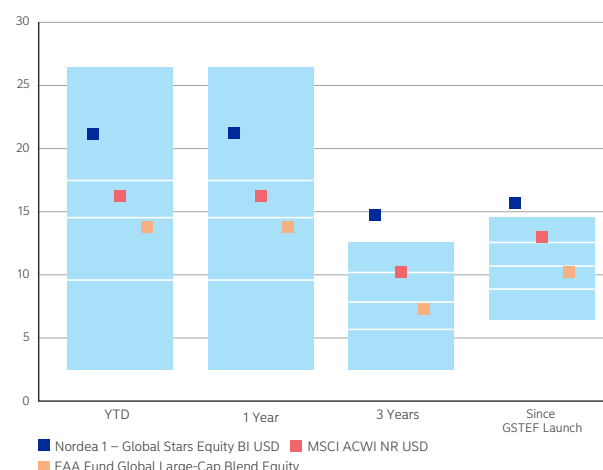
- **Risk Engagement:** if a company is not managing its material ESG risks well, the Responsible Investment team engages with the company on the issue. The ESG risks can be company specific or stem from the country in which the company operates or its industry. Violations of international norms and conventions are also addressed under Risk Engagement
- **SDGs Engagement:** We believe the UN Sustainable Development Goals (SDGs) form a useful framework, which helps us to understand company strategy in the context of global ESG themes. While companies' exposure to SDGs varies greatly, these exposures can be both a source of opportunity and risk, and hence a valuable area for engagement

Delivering shareholder value

Since inception, the Nordea 1 – Global Stars Equity Fund has successfully integrated a strong fundamental view on the companies with a comprehensive ESG analysis. The broad capabilities and extensive resources available within Nordea have been key in this process. The Portfolio Manager profits from a strong analytical platform with both regional and sector experts.

Since its launch the fund delivered strong outperformance – compared to its benchmark the MSCI All Country World Net Return index – of 7.5%, 3.9%, 5.3% and 5.0% in 2017, 2018, 2019 and 2020, respectively.⁴ The fund is hence ranked top quartile according to Morningstar across most time periods⁵.

Performance Relative to Peer group



Source – © 2021 Morningstar, Inc. All Rights Reserved as of 31.12.2020, EAA Fund Global Large-Cap Blend Equity. Performance in USD. Period under consideration: 17.05.2016 – 31.12.2020. Performance calculated NAV to NAV (net of fees and Luxembourg taxes) in the currency of the respective share class, gross income and dividends reinvested, excluding initial and exit charges as per 31.12.2020. Initial and exit charges could affect the value of the performance. The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the full amount invested. The value of shares can greatly fluctuate as a result of the sub-fund's investment policy and cannot be ensured, you could lose some or all of your invested money. If the currency of the respective share class differs from the currency of the country where the investor resides the represented performance might vary due to currency fluctuations.

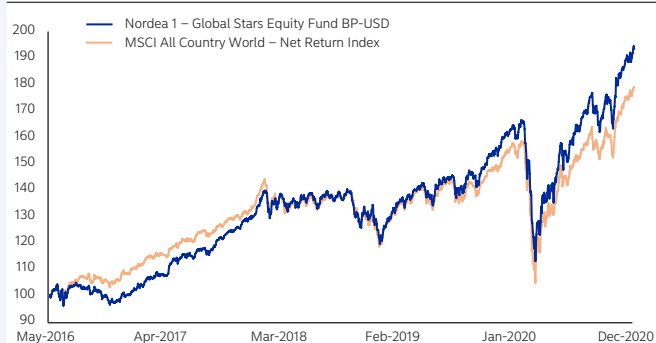
4) Launch date: 17.05.2016. Note: BI-USD. Source: Nordea Investment Funds S.A. Period under consideration: 31.12.2016 – 31.12.2020. The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the full amount invested. The value of shares can greatly fluctuate as a result of the sub-fund's investment policy and cannot be ensured, you could lose some or all of your invested money.
5) © 2021 Morningstar, Inc. All Rights Reserved as of 31.12.2020, Fund Global Large Cap Blend Equity. Performance in USD. Past performance is no guarantee of future results.

Cumulative returns in % (31.12.2020)	Fund ⁶	Index
YTD	20.22	16.25
1 month	4.30	4.64
3 months	15.55	14.68
6 months	27.20	24.01
1 year	20.22	16.25
3 years	47.69	33.32
Since launch (17.05.2016)	92.88	78.53

Calendar year returns in %	Fund ⁶	Index
2019	30.96	26.60
2018	-6.19	-9.42
2017	30.44	23.97

Nordea 1 – Global Stars Equity Fund	
Fund manager	Fundamental Equities Team
Fund domicile	Luxembourg
ISIN code*	LU0985320562 (BP-USD) LU0985319804 (BI-USD) ⁷
Annual management fees	1.50% (BP-USD) 0.75% (BI-USD) ⁷
Base currency	USD
Fund size in millions	1,689.75
Reference index	MSCI All Country World – Net Return Index
No. of holdings	77
Launch date	17.05.2016

Performance (17.05.2016 – 31.12.2020)



Risks

Please be aware that there are risks associated with investing in this sub-fund, amongst others in: **Depository receipt, Derivatives, Emerging and frontier markets, Securities handling, Taxation.** For further details, please refer to the Key Investor Information Document, which is available as described in the disclaimer at the end of this document.

To find out more, visit our local microsite:

nordea.lu/STARS
nordea.ch/STARS
nordea.co.uk/STARS



*Other share classes may be available in your jurisdiction. 6) BP-USD share class. 7) BI-USD share class: only for distribution towards institutional clients. Minimum investment amount: EUR 75,000 (or the equivalent).

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 17.05.2016 – 31.12.2020. Performance calculated NAV to NAV (net of fees and Luxembourg taxes) in the currency of the respective share class, gross income and dividends reinvested, excluding initial and exit charges as per 31.12.2020. Initial and exit charges could affect the value of the performance. **The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the full amount invested. The value of shares can greatly fluctuate as a result of the sub-fund's investment policy and cannot be ensured, you could lose some or all of your invested money.** If the currency of the respective share class differs from the currency of the country where the investor resides the represented performance might vary due to currency fluctuations. The sub-funds mentioned are part of Nordea 1, SICAV, an open-ended Luxembourg-based investment company (Société d'Investissement à Capital Variable), validly formed and existing in accordance with the laws of Luxembourg and with European Council Directive 2009/65/EC of 13 July 2009. **This document is advertising material and does not disclose all relevant information concerning the presented sub-funds.** Any investment decision in the sub-funds should be made on the basis of the current prospectus and the Key Investor Information Document (KIID), which are available, along with the current annual and semi-annual reports, electronically in English and in the local language of the market where the mentioned SICAV is authorised for distribution, without charge upon request from Nordea Investment Funds S.A., 562, rue de Neudorf, P.O. Box 782, L-2017 Luxembourg, from the local representatives or information agents, or from our distributors. Investments in derivative and foreign exchange transactions may be subject to significant fluctuations which may affect the value of an investment. **Investments in Emerging Markets involve a higher element of risk. The value of shares can greatly fluctuate as a result of the sub-fund's investment policy and cannot be ensured. Investments in equity and debt instruments issued by banks could bear the risk of being subject to the bail-in mechanism (meaning that equity and debt instruments could be written down in order to ensure that most unsecured creditors of an institution bear appropriate losses) as foreseen in EU Directive 2014/59/EU.** 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. Nordea Investment Funds S.A. has decided to bear the cost for research, i.e. such cost is covered by existing fee arrangements (Management/Administration-Fee). Nordea Investment Funds S.A. only publishes product-related information and does not make any investment recommendations. Published by Nordea Investment Funds S.A., 562, rue de Neudorf, P.O. Box 782, L-2017 Luxembourg, which is authorized by the Commission de Surveillance du Secteur Financier in Luxembourg. Further information can be obtained from your financial advisor. He/she can advise you independently of Nordea Investment Funds S.A. **Please note that all sub-funds and share classes might not be available in your country of jurisdiction. Additional information for investors in Switzerland:** The Swiss Representative and Paying Agent is BNP Paribas Securities Services, Paris, Succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland. **Additional information for investors in Germany:** The Information Agent in Germany is Société Générale S.A. Frankfurt Branch, Neue Mainzer Straße 46-50, 60311 Frankfurt am Main, Germany. A hard copy of the above-mentioned fund documentation is also available here. **Additional information for investors in Austria:** The Information and Paying Agent in Austria is Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, 1100 Vienna, Austria. **Additional information for investors in the Netherlands:** Nordea 1, SICAV is a Luxembourg Undertaking for Collective Investment in Transferable Securities (UCITS) registered in the Netherlands in the register kept by the AFM, and as such is allowed to offer its shares in the Netherlands. The AFM register can be consulted via www.afm.nl/register. **Additional information for investors in France:** With the authorisation of the AMF the shares of the sub-funds of Nordea 1, SICAV may be distributed in France. Centralising Correspondent in France is CACEIS Bank, located at 1-3, place Valhubert, 75206 Paris cedex 13, France. **Investors are advised to conduct thorough research before making any investment decision. Additional information for investors in Belgium:** The Financial Service Agent in Belgium is BNP Paribas Securities Services S.C.A., Brussels Branch, Rue de Louvain, 25, 1000-Brussels, Belgium. A hard copy of the above-mentioned fund documentation is available upon demand free of charge. **Additional information for investors in Spain:** Nordea 1, SICAV is duly registered in the CNMV official registry of foreign collective investment institutions (entry no. 340) as authorised to be marketed to the public in Spain. The Depository of the SICAV's assets is, J.P. Morgan Bank Luxembourg S.A. In Spain, any investment must be made through the authorised distributors and on the basis of the information contained in the mandatory documentation that must be received from the SICAV's authorised distributor prior to any subscription. The Representative Agent is Allfunds Bank S.A.U., C/ de los Padres Dominicos, 7, 28050 Madrid, Spain. A complete list of the authorised distributors is available in the CNMV's webpage (www.cnmv.es). **Additional information for investors in Portugal:** The Management Company of the SICAV, Nordea Investment Funds S.A., and the Depository of the SICAV's assets, J.P. Morgan Bank Luxembourg S.A., are validly formed and existing in accordance with the laws of Luxembourg and authorized by the Commission de Surveillance du Secteur Financier in Luxembourg. Our distributor in Portugal is BEST – Banco Electrónico de Serviço Total, S.A., duly incorporated under the laws of Portugal and registered with the CMVM as a financial intermediary. **Additional information for investors in Italy:** Fund documentation as listed above is also available in Italy from the distributors and on the website www.nordea.it. The updated list of distribution agents in Italy, grouped by homogenous category, is available from the distributors themselves or from the Paying Agents: State Street Bank International GmbH – Succursale Italia, Allfunds Bank S.A.U. – Succursale di Milano, Société Générale Securities Services S.p.A., Banca Sella Holding S.p.A., Banca Monte dei Paschi di Siena S.p.A., CACEIS Bank S.A., Italian Branch and on the website www.nordea.it. Any requests for additional information should be sent to the distributors. **Before investing, please read the prospectus and the KIID carefully.** We recommend that you read the most recent annual financial statement in order to be better informed about the fund's investment policy. **The prospectus and KIID for the sub-funds have been published with Consob.** For the risk profile of the mentioned sub-funds, please refer to the fund prospectus. **Additional information for investors in the United Kingdom:** The Facilities Agent is FE Fundinfo (UK) Limited, 3rd Floor, Hollywood House, Church Street East, Woking GU21 6HJ, United Kingdom. **Additional information for investors in Ireland:** The Facilities Agent is Maples Fund Services (Ireland) Limited, 32 Molesworth Street, D02 Y512 Dublin 2, Ireland. **Additional information for investors in Sweden:** The Paying Agent is Nordea Bank Abp, Swedish Branch, Smålandsgratan 17, 105 71 Stockholm, Sweden. **Additional information for investors in Denmark:** The Representative Agent is Nordea Danmark, Filial af Nordea Bank Abp, Finland, Grønlandsvej 10, Postboks 850 0900 Copenhagen C, Denmark. A hard copy of the above-mentioned fund documentation is available here. **Additional information for investors in Norway:** The Nordea 1, SICAV is registered in Norway. **Additional information for investors in Finland:** The Representative Agent is Nordea Funds Ltd, Satamaradankatu 5, 00020, Helsinki, Finland. **Additional information for investors in Latvia:** The Representative Agent is Luminor Bank AS, 62 Skanste iela 12, 1013 Riga, Latvia. **Additional information for investors in Estonia:** The Representative Agent in Estonia is Luminor Bank AS, Liivalaia 45, 10145 Tallinn, Estonia. **Additional information for investors in Lithuania:** The Representative Agent in Lithuania is Luminor Bank AB, Konstitucijos pr. 21 A, 03601 Vilnius, Lithuania. Shareholders must evaluate possible investment risks and take this into consideration when making investment decisions. **Additional information for investors in Brazil:** This is a strictly privileged and confidential document for the purposes of a potential investment in foreign securities on a one-on-one basis with potential investors with a pre-existing relationship with Nordea Investment Funds S.A. This document contains information addressed only to a specific individual and is not intended for distribution to, or use by, any other person. This document (i) is provided for informational purposes only, (ii) should not be construed in any manner as any solicitation or offer to buy or sell any securities or any related financial instruments, (iii) should not be construed in any manner as a public offer of any securities or any related financial instruments, and (iv) will be addressed to a potential investor with restrict access of information. Nordea 1, SICAV has not been, and will not be, registered with the Brazilian Securities Commission (Comissão de Valores Mobiliários - CVM), and must not be offered or sold in Brazil except in circumstances which do not constitute a public offering or distribution under Brazilian laws and regulations. Any public offering, placement or distribution, as defined under Brazilian laws and regulations, of securities in Brazil, is not legal without prior registration under Law No. 6.385 of December 7, 1976, as amended. Documents relating to the offering of the Nordea 1, SICAV, as well as information contained therein, must not be supplied to the general public in Brazil (as the offering of the Nordea 1, SICAV is not a public offering of securities in Brazil) or used in connection with any offer for subscription or sale of the Nordea 1, SICAV to the general public in Brazil. Investors within Brazil should consult with their own counsel as to the applicability of these laws and regulations or any exemption therefrom. Source (unless otherwise stated): Nordea Investment Funds S.A. Unless otherwise stated, all views expressed are those of Nordea Investment Funds S.A. This document may not be reproduced or circulated without prior permission and must not be passed to private investors. This document contains information only intended for professional investors and financial advisers and is not intended for general publication. Reference to companies or other investments mentioned within this document should not be construed as a recommendation to the investor to buy or sell the same but is included for the purpose of illustration. The level of tax benefits and liabilities will depend on individual circumstances and may be subject to change in the future.