



Fund Portrait

2024

Nordea 1 – Global Sustainable Listed Real Assets Fund

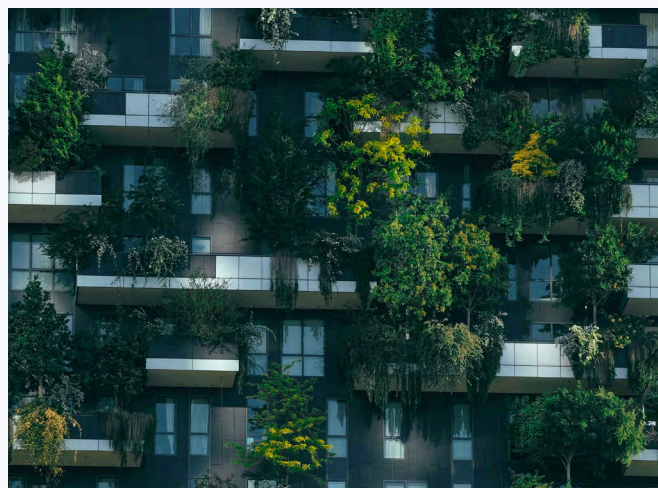
LU2500361329 (BP-USD) / LU2500361675 (BI-USD)

SFDR classification

 ARTICLE **9**

Highlights

- Real assets provide **resiliency** during periods of economic uncertainty, while benefitting from **secular tailwinds** over the long term
- Framework for Investments in Sustainable Real Assets to form a **proprietary sustainable investment universe**
- Equal allocation to listed real estate and infrastructure which in the past acted as great **diversifier** to a traditional portfolio
- An **Article 9 Fund** managed by Nordea Asset Management and CBRE IM, a partnership that boasts unparalleled expertise in responsible investment and an information edge for sustainable real assets



What are Global Listed Real Assets?

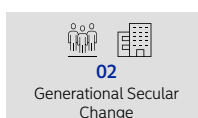
Real assets are essential physical assets with consistent demand profile that are inclusive of both infrastructure and real estate assets. From a sector perspective, real assets include sectors such as data centers, global utilities and renewable energy operators, but also other property types like global healthcare, industrial, office, and retail assets. They are the foundation of our daily lives and have a series of common characteristics: regulated or contracted cash flows, stable income and offer a history of inflation protection, with resilient earnings.

Additionally, real assets are leading over 75% of global investment in decarbonization, energy efficiency, and the promotion of economic growth in a lower carbon footprint. The world cannot accomplish its net zero and emission reduction goals without real asset investment. Collectively, the investment opportunity in real assets totals over \$130trn over the next three decades to support these endeavors.¹

Sustainable and secular growth

Essential to a healthy, prosperous society, real assets are at the epicenter of modern life. As society and economies evolve, so do their roles. Given governments and companies' commitment to the green transition and carbon neutrality by 2050, it thus becomes crucial for real assets to adapt to net-zero emissions targets.

The growth story of sustainable real assets is due to significant investment required to ensure increased efficiency and reliability of existing infrastructure and real estate assets to meet the evolving needs of society. We have identified three main pillars which fuel these momentums to guide us in our selection of companies:



Environmental Stewardship

Over the next two decades, over \$2.7 trillion² in real assets can be invested to support environmental stewardship per year. Spread across initiatives such as installation of hydroelectric power and transmission system upgrades, real assets lead the deployment of renewable and low-carbon technologies that are cost-competitive and that constitutes the bulk of the global generation fleet over time.

Societal Stewardship

Real assets are fundamental to support the needs of our communities and citizens. Relevant projects include but are not limited to affordable housing, medical offices, and road networks to ease congestion and support commuters.

1) Sources: Global Infrastructure Hub, International Renewable Energy Agency (IRENA) and CBRE Investment Management, June 2022. 2) Sources: Global Infrastructure Hub, International Renewable Energy Agency (IRENA) and CBRE Investment Management, June 2022.

Technological Evolution

At the forefront of technological advancements lie real asset companies. They support the mobilization of 5G data networks, adoption of e-commerce and emerging renewable technologies, among others.

Strategy overview

In a nutshell, the Nordea 1 – Global Sustainable Listed Real Assets Fund is a global portfolio of sustainable champions in the listed infrastructure and real estate markets.

The fund allocates its assets evenly between listed real estate and infrastructure. It will be broadly diversified across the main sectors of both asset classes, aiming to yield attractive total return through both capital appreciation and income with a concentrated portfolio of 50 – 80 securities.³

Given the diversified nature of the Real Assets universe of companies (ranging from utilities, transportation and data centers to offices, lodging and shopping malls), there is not a one-size-fits-all approach which can be applied to form a sustainable investment universe. Therefore, the investment manager has established social and environmental tests, which can vary across sectors, to capture companies with the highest alignment with sustainable actions and standards to form a SFDR Article 9 compliant portfolio as described below.

FISRA process

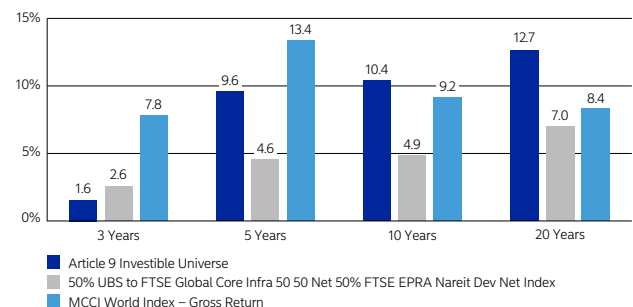
Through CBRE IM's proprietary Framework for Investment in Sustainable Real Assets ("FISRA"), we construct an investible universe with these key sustainability characteristics:

1. **Do no significant harm:** This is a threshold test which must be met to gain first entry into our universe.
2. **Social alignment:** only top-quartile companies are considered based on 7 social factors and alignment with selective Sustainable Development Goals.
3. **Environmental alignment:** companies that have superior environmental credentials and meet revenue or capex thresholds on environmental criteria.
4. **Subsector alignment:** minimum sub-sector specific thresholds for environmental or social sustainability with a revenue eligibility for SDG-aligned activities.

FISRA is not an exclusionary framework, but rather a detailed evaluation of the listed real asset universe informed by both quantitative and qualitative assessments. The methodology leads to a highly selective group of companies considered for investment. It comprises approximately 160 companies which represent more than \$2 trillion in market capitalization that are diverse across real asset sectors with superior sustainability credentials.

This proprietary universe not only forms the most sustainable part of the Real Assets universe, it also historically showed superior characteristics, which is quite intuitive. Companies who meet the challenges of all stakeholders often have better community relations and shorter development hurdles. Shorter development drives lower construction costs and better returns on capital. Those companies with exposure to renewable development, led by net zero targets, or green building certification can see superior growth rates in cash flow or command premium pricing in their rents. Lastly, FISRA-eligible companies tend to have superior governance characteristics relative to peers. With this backdrop, it is unsurprising that the FISRA investible universe, as determined today, has outperformed collective real assets in the past over longer periods such as 5, 10 and 20 years.

FISRA Performance



Source: CBRE Investment Management. Global Real Asset returns consider the blended performance of the FTSE Global Core Infrastructure 50/50 Net Tax Index and the FTSE EPRA Nareit Developed Index as of 31.12.2023. **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.**

Specialized ESG integration for listed real assets

Not only do we fully incorporate ESG factors in our universe evaluation, portfolio construction, assessment and engagement with corporates, we also ensure that a specialized process is in place when it comes to ESG integration for real assets.

The process enables us to overcome a few shortcomings of current practices. For instance, ensuring relevant forward-looking information over bias caused by backward-looking data, addressing a lack of correlation between third-party ESG rating agencies, or identifying company fundamentals in tandem with the goal of delivering real impact and alpha for investors.³

This unique combination of the FISRA process and its qualifying criteria to enter the sustainable investment universe, the rigorous ESG integration throughout all levels of the investment process and the engagement with the invested companies sets a robust framework to invest with the highest possible level of impact for listed infrastructure and real estate available.

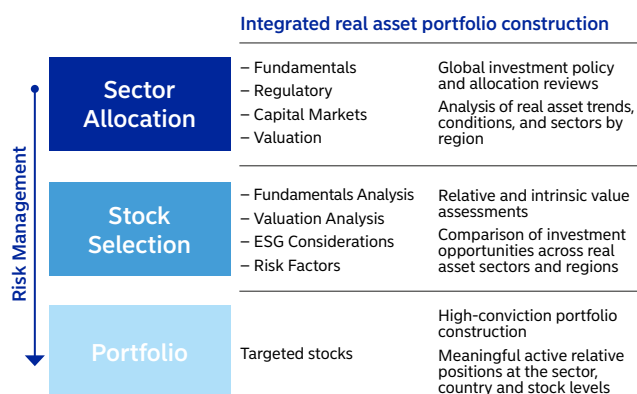
³) There can be no warranty that an investment objective, targeted returns and results of an investment structure is achieved. The value of your investment can go up and down, and you could lose some or all of your invested money.

Portfolio Construction

The fund seeks to generate meaningful outperformance versus global infrastructure and real estate markets utilizing top-down sector allocation along with stock selection through fundamental market research and analysis.⁴ While the sector allocation allows the team to develop investment themes and risk considerations that feed into the top-down market assessment, the in-depth and rigorous securities analysis by sector specific experts identifies stocks that appear inexpensive relative to their long-term growth opportunities, offer an attractive risk and reward profile and demonstrate stable and consistent cash flows. The result is a high conviction portfolio which is well diversified across sectors and countries.

Nordea 1 – Global Sustainable Listed Real Assets Fund

Portfolio Construction



Source: CBRE Investment Management.

CBRE Investment Management

Nordea continues the successful partnership with CBRE Investment Management ("CBRE IM"), who since 2016 has been a sub-manager of the Nordea 1 – Global Listed Infrastructure Fund. CBRE IM is an industry leading global investment management firm specialized in the management of real assets including private, listed infrastructure and real estate companies. Its established track record in real estate dates back to 1984, and in infrastructure since 2012.

CBRE IM's dedicated global listed real assets investment team, led by Jeremy Anagnos and Joseph Smith, consists of investment professionals with significant industry experience. In an asset class where on-the-ground presence is essential to building relationships, underwriting market potential, assessing regulatory risk and identifying investment opportunities, the investment team can leverage and benefit from CBRE IM's extensive global network and research locations worldwide.

Nordea 1 – Global Sustainable Listed Real Assets Fund

Fund manager	Nordea Investment Management
Sub-fund manager	CBRE Investment Management
Fund domicile	Luxembourg
ISIN codes*	LU2500361329 (BP-USD) LU2500361675 (BI-USD)
Annual management fees	1.75% p.a. (BP-USD) 0.80% p.a. (BI-USD)
Base currency	USD
Reference index ⁵	50% FTSE EPRA Nareit Developed Index (Net Return) and 50% FTSE Global Core Infra 50/50 Index (Net Return)
Launch date	17.08.2022

To find out more, visit our local microsite:

nordea.lu/YourClimateExpert
nordea.ch/YourClimateExpert
nordea.co.uk/YourClimateExpert



4) 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. *Other share classes may be available in your jurisdiction. 5) The fund uses a benchmark that is not aligned with the aligned with the sustainable investment objective of the fund.

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Risk indicator



Risks

The summary risk indicator is a guide to the level of risk of this product compared to other products.

For more information on risks the fund is exposed to, please refer to the section "Risk Descriptions" of the prospectus.

Other risks materially relevant to the PRIIP not included in the summary risk indicator:

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.

Real estate investments: Real estate and related investments, including real estate investment trusts (REITs), can be hurt by any factor that makes an area or individual property less valuable.

For UK investors, please refer to the SRRI and risks as per the Key Investor Information Document (KIID) and Prospectus, which are available on nordea.co.uk.

Investment policy

The fund mainly invests in listed real assets such as listed infrastructure and real estate companies from anywhere in the world. Specifically, the fund invests at least 75% of total assets in equities and equity-related securities of infrastructure companies and real estate companies and real estate investment trusts. The fund will be exposed (through investments or cash) to other currencies than the base currency. The fund is actively managed.

SFDR classification

The fund has been classified as an article 9 fund under SFDR. The fund has sustainable investment as its objective.

For more information on sustainability-related aspects of the fund, please visit:

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