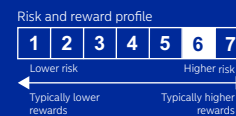




Fund Portrait



Nordea 1 – Global Real Estate Fund

LU0705260189 (BP-USD) / LU0705259504 (BI-USD)



Highlights

- Besides **diversification** to a traditional bond/equity portfolio, global real estate securities are poised to provide **high income** and **downside protection** during equity sell-offs
- Nordea entered into a partnership with **Duff & Phelps**, a **specialist** in the management of global real estate securities
- The active **high conviction** approach has consistently added value for investors thanks to a unique emphasis on owner/operators of **high quality commercial real estate** with revenues driven by **recurring rental income**

- High Income:** global real estate securities – especially REITs – are mandated to distribute the majority (often more than 90%) of their lease-based revenues from their properties as dividends to shareholders. The **high dividend yield** allows the asset class to perform well, even in a low growth environment when capital appreciation is muted

During times of rising equity volatility – such as Q4 2018, but also May and August 2019 – global real estate securities have provided downside protection. At the same time, the asset class has generated strong income over time.

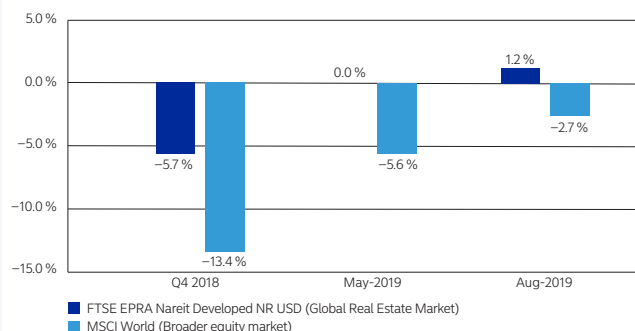
Why global real estate?

Global real estate securities provide investors with exposure to commercial real estate assets – such as offices, retail, health-care facilities, storage space, data centers – via publicly traded securities. Created in the United States more than 50 years ago, listed real estate came of age in the 1990s and have proliferated around the developed world since then, as higher quality assets and management teams **migrated from private- to publicly listed** real estate with more real estate owner/operators seeking public listings.

Global real estate securities have a history of providing **diversification to traditional balanced stock- and bond portfolios**, with low correlations and beta relative to broad equity markets. In general, bond investors search for income within a depressed yield environment, while equity investors look for shelter to cope with rising macro uncertainties. Global real estate securities are at the **sweet spot offering both shelter and high income:**

- Shelter:** A key part of the value proposition of global real estate securities is their **defensive characteristics**. By investing in high-quality owner/operators of commercial real estate, investors can enjoy the benefits of **predictable and stable cash flows** backed by long-term leases and stable income generation

Global real estate securities providing shelter during equity sell-offs



Source: © 2022 Morningstar, Inc. All Rights Reserved as at: 23.01.2020. European Open End Funds database. Performance in USD, net of fees. Period under consideration: 30.09.2018 – 31.12.2019. **The performance represented is historical; past performance is not a reliable indicator of future results. The value of your investment can go up and down, and you could lose some or all of your invested money.**

Regardless of one's view on the staying power of the current business cycle, there are secular trends which positively impact the global real estate securities market over the long-term. The growth of e-commerce and the online economy has fueled rapid growth in demand for industrial properties focused on warehousing and logistics. A related theme is the growth of cloud computing and the "internet of things" which must be accommodated via specialised data centers. These growth themes reflect the change in the infrastructure which supports our daily lives, and will continue to support **rapid growth in demand for specialised real estate** for decades to come.

Duff & Phelps – Specialised in global real estate securities

Variations across the global economic growth picture, the wide spectrum of management, financial, and asset quality, as well as the disparate level of familiarity and securities research around the globe make a **strong case for active management** in global real estate securities. Active management can add significant value in the real estate sector, as inefficiencies exist within small- and mid-cap names.

Nordea has selected **Duff & Phelps Investment Management** (“Duff & Phelps”) – a specialist in investing in global real estate securities – to sub-manage the **Nordea 1 – Global Real Estate Fund** starting from June 2019. Duff & Phelps stands out among peers for several reasons:

- **Deep team and Continuity:** **Geoffrey Dybas and Frank Haggerty** have been co-Portfolio Managers of the Duff & Phelps Global Real Estate Securities Strategy for **more than ten years** and are surrounded by an experienced and collaborative team
- **Team Structure:** The fund benefits from a centrally located team and is marked by a **collaborative culture**. The global real estate securities analysts cover multiple sectors which leads to cross sharing of industry knowledge, a mitigation of property sector coverage concentration risk, and allows analysts to cover sectors that are in- and out-of-favor. This structure and culture fosters **exceptional idea generation**. Make no mistake about it, team members – including the analysts and the portfolio managers – spend a great deal of time travelling the globe to conduct property tours to gain a real-time view and stay ahead of the Wall Street consensus
- **Quality Focus on Durable Businesses:** the fund invests in owner/operators of commercial real estate, which delivers **more reliable and consistent cash flows** than those generated by speculative real estate companies such as land developers and homebuilders. This approach has historically delivered a superior risk-adjusted investment return¹

Disciplined to build a high-conviction portfolio

A disciplined process is applied to build a diversified portfolio comprised of our **50–70 best ideas** within the global real estate space:

1) Market and sector opportunities inform our views:

We start by researching the interaction between the three dimensions of the real estate market: a) the macro environment, b) the real estate rental market, and c) the real estate investment market. This step is the **foundation** to the rest of the investment process, helping **drive our preferences for real estate assets** by property sector, geographic location, and lease duration, to name a few variables.

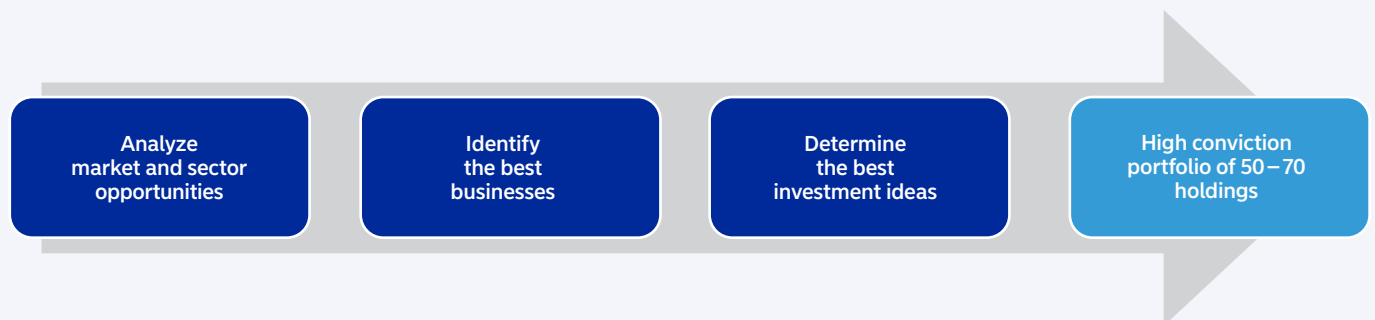
2) Identify the best businesses:

We seek to identify true owner/operators of commercial real estate that generate a significant portion of their cash flows from recurring rents of their underlying properties. We call this our **“business model suitability test”**. Historically, these companies have delivered superior risk-adjusted returns versus the overall universe.

A **proprietary scoring system** is applied to ensure that we focus our active research efforts on securities which meet our quality criteria. It is an 11-point system which awards up to a maximum of six points across a collection of fundamental factors and a maximum of five points across valuation factors. We focus our active research efforts on those companies that are ranked well on the proprietary scoring system.

3) Determine the best ideas:

Field research and company modeling are hallmarks of our research process. Our research combines financial statement analytics and field visits. We reach proprietary conclusions by following a time-tested and team-oriented investment style. We thoroughly analyse the companies that rank well through our filtering process across five key areas: Management, Property Analysis, Cash Flow Analysis, Forecast Future Growth Prospects and Duff & Phelps Multi-Valuation Process. By utilising **multiple valuation metrics**, we mitigate the risk that one will not work in a particular market cycle, geography or sector, and seek to ensure that we have consistent performance over time.



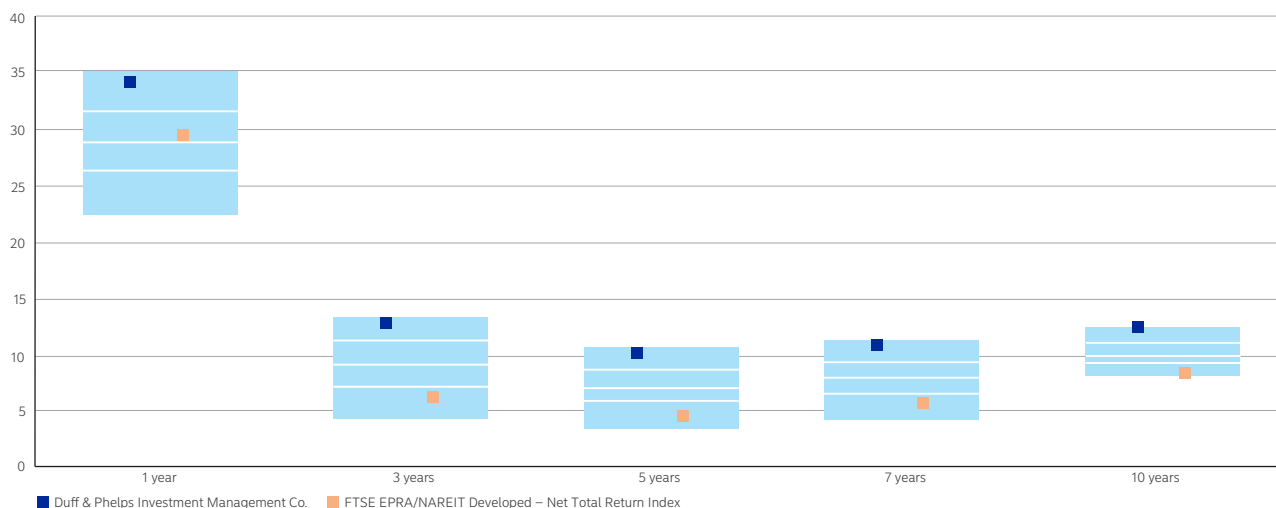
¹ The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the full amount invested. The value of your investment can go up and down, and you could lose some or all of your invested money.

Strong track record

The Duff & Phelps Global Real Estate Securities Strategy has outperformed the benchmark in all the rolling 3-year periods since the strategy's inception in March 2009.

In other words, the **strategy has historically always added returns on top of the benchmark for investors who remain invested for 3 years**. The strategy does not only add value relative to its benchmark. It has also been among the **top performers in the eVestment Global REIT peer group**.

Consistently among top performers in its peer group



Source: eVestment. Date: 30.09.2021. Performance annualized, gross of fees in USD. Peer group: eVestment Global REIT. **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.**

Nordea 1 – Global Real Estate Fund

Fund manager	Duff & Phelps Investment Management Co.
Fund domicile	Luxembourg
ISIN codes	LU0705260189 (BP-USD) LU0705259504 (BI-USD)
Annual management fee	1.50% (BP-USD) 0.85% (BI-USD)
Base currency	USD
Reference index	FTSE EPRA/NAREIT Developed – Net Total Return Index
Launch date	15.11.2011

Risks

Please be aware that there are risks associated with investing in this sub-fund, amongst others in: **Depositary receipt, Derivatives, Emerging and frontier markets, Liquidity, Real estate investments, 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.

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A hard copy of the above-mentioned fund documentation is also available here. **Additional information for investors in Austria:** The Facility 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. 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