

Nordics Punching above its weight

Nordea 1 - Nordic Equity Fund

2024

Advertising Material for professional investors only

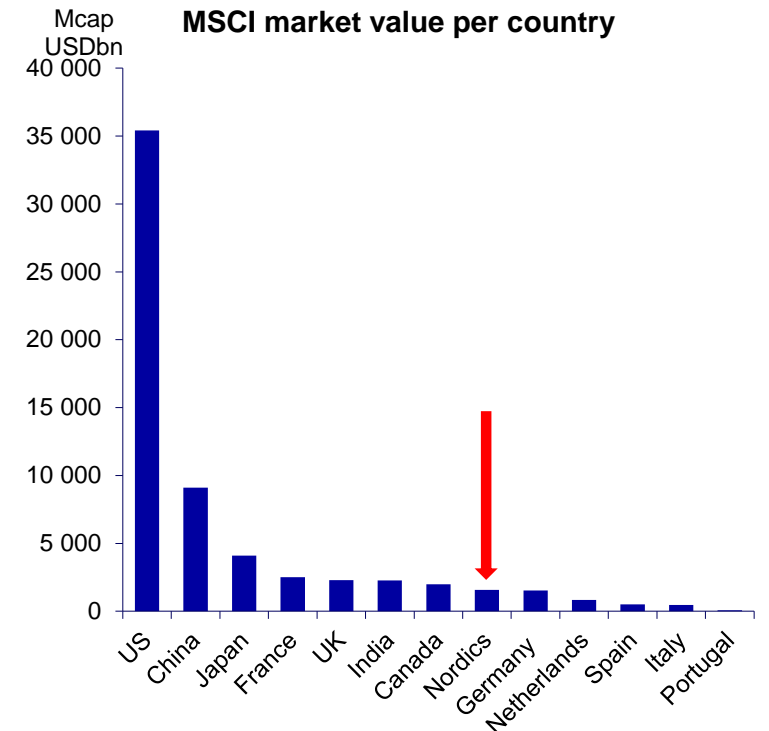
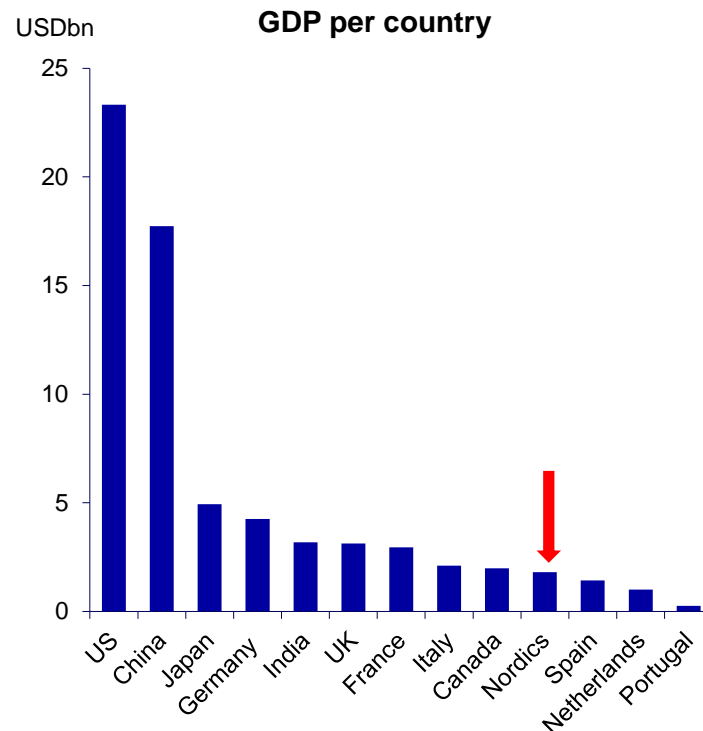
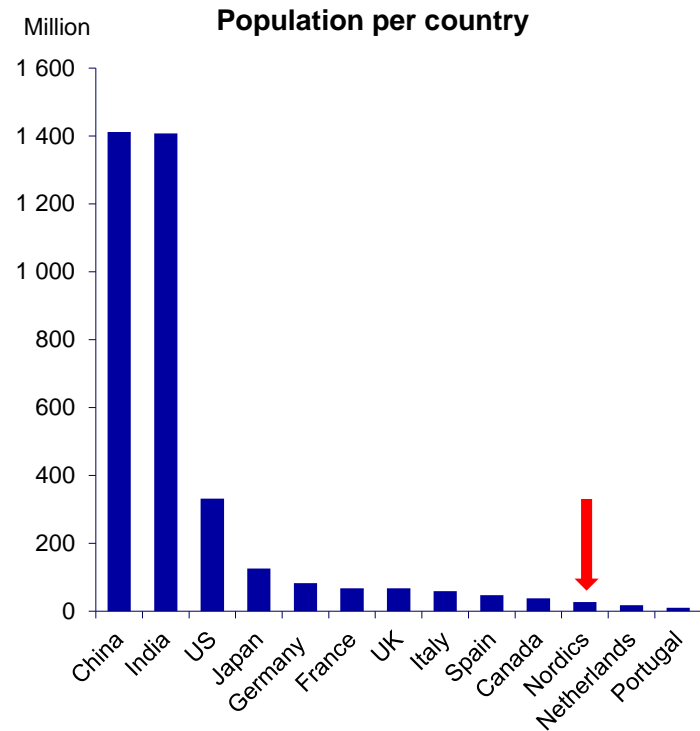
The fund has been classified as an article 8 fund under SFDR.
The fund has environmental and/or social characteristics but does not have sustainable investment as its objective.
The SFDR is a European legislation which applies to products manufactured in the EU

Any investment decision in the sub-funds should be made on the basis of the current prospectus and the Key Information Document (KID) or the Key Investor Information Document (KIID) for UK investors.



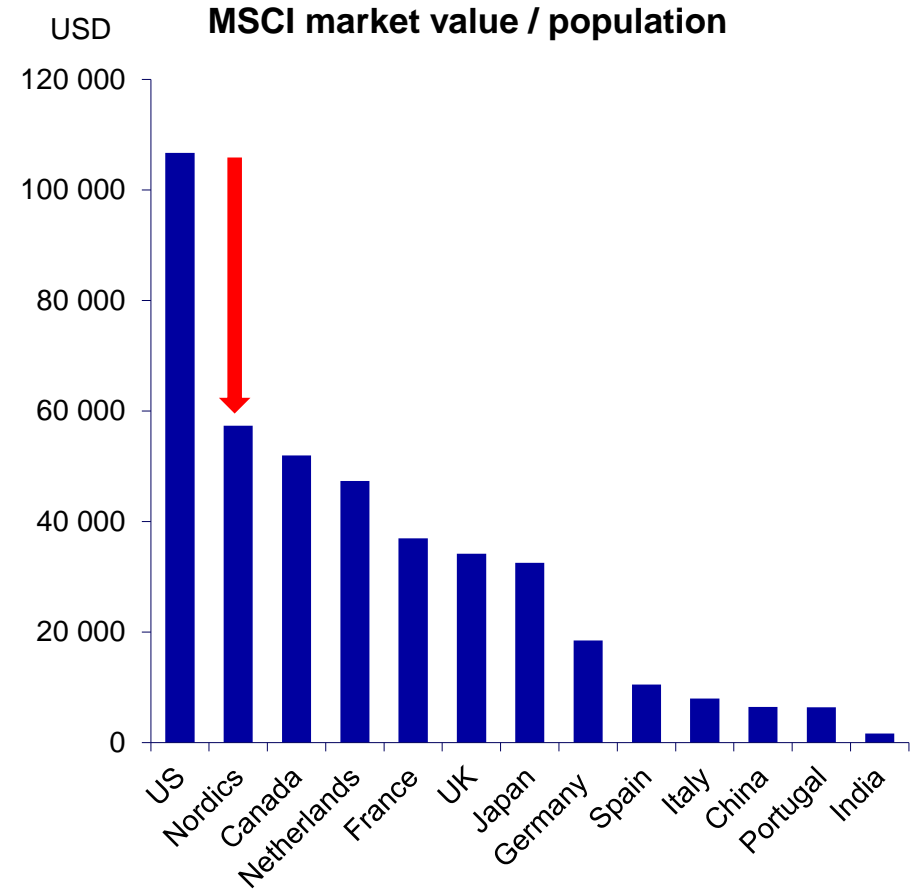
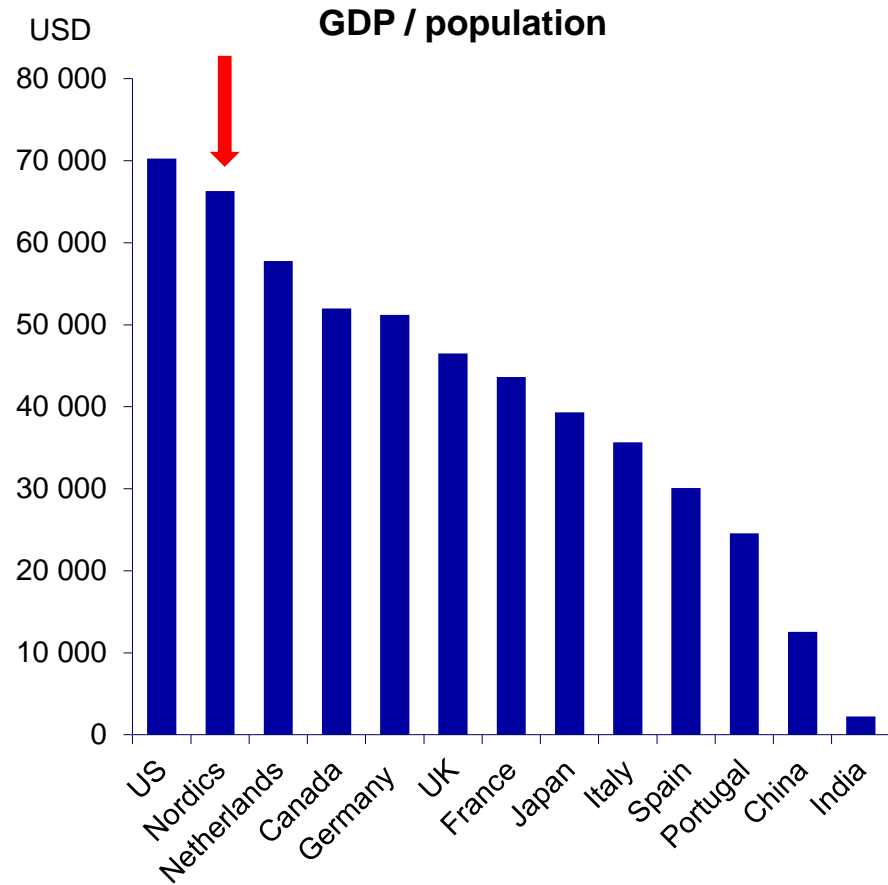
Nordea
FUNDS

The Nordics is a small gem globally...



Source: Nordea Investment Management AB, Bloomberg, World Bank. As of March 2023

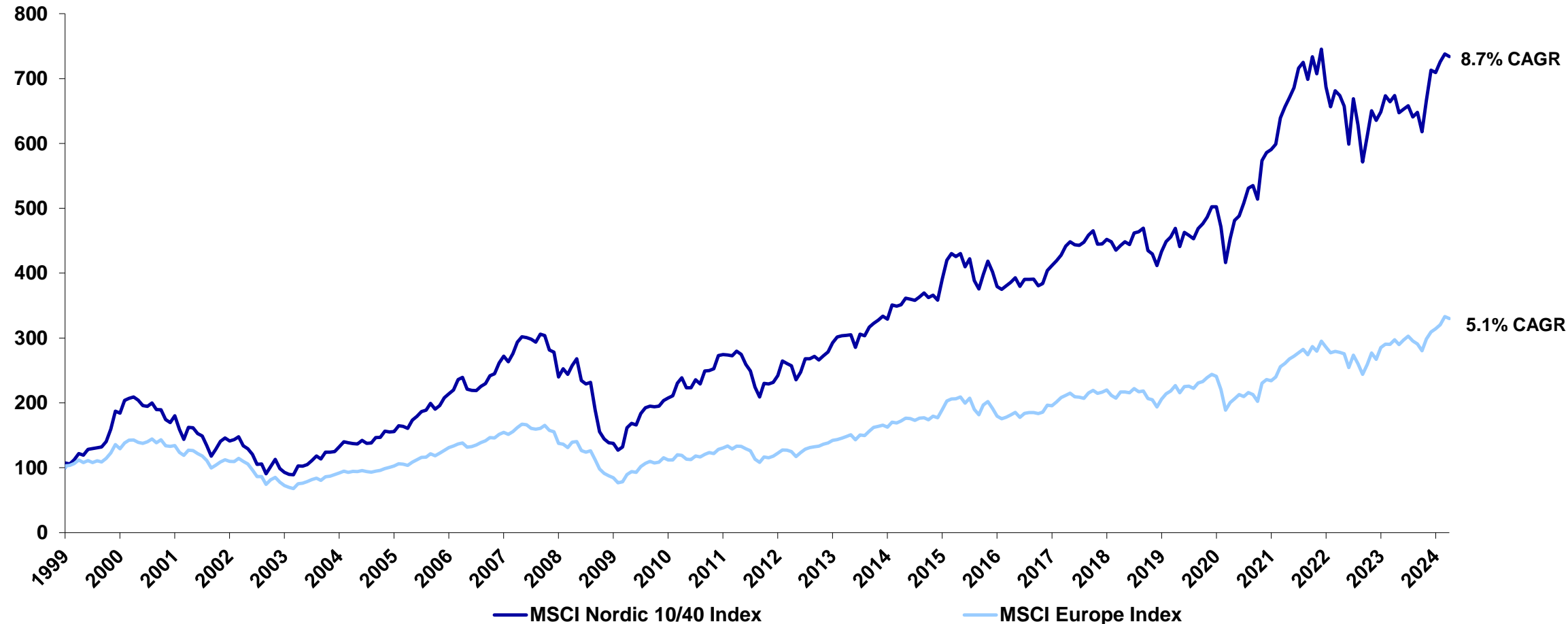
...Clearly punching above its weight



Source: Nordea Investment Management AB, Bloomberg, World Bank. As of March 2023

Nordic equity markets outperformance over time c4% p.a.

Total Return in EUR



Source: Bloomberg

4 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.

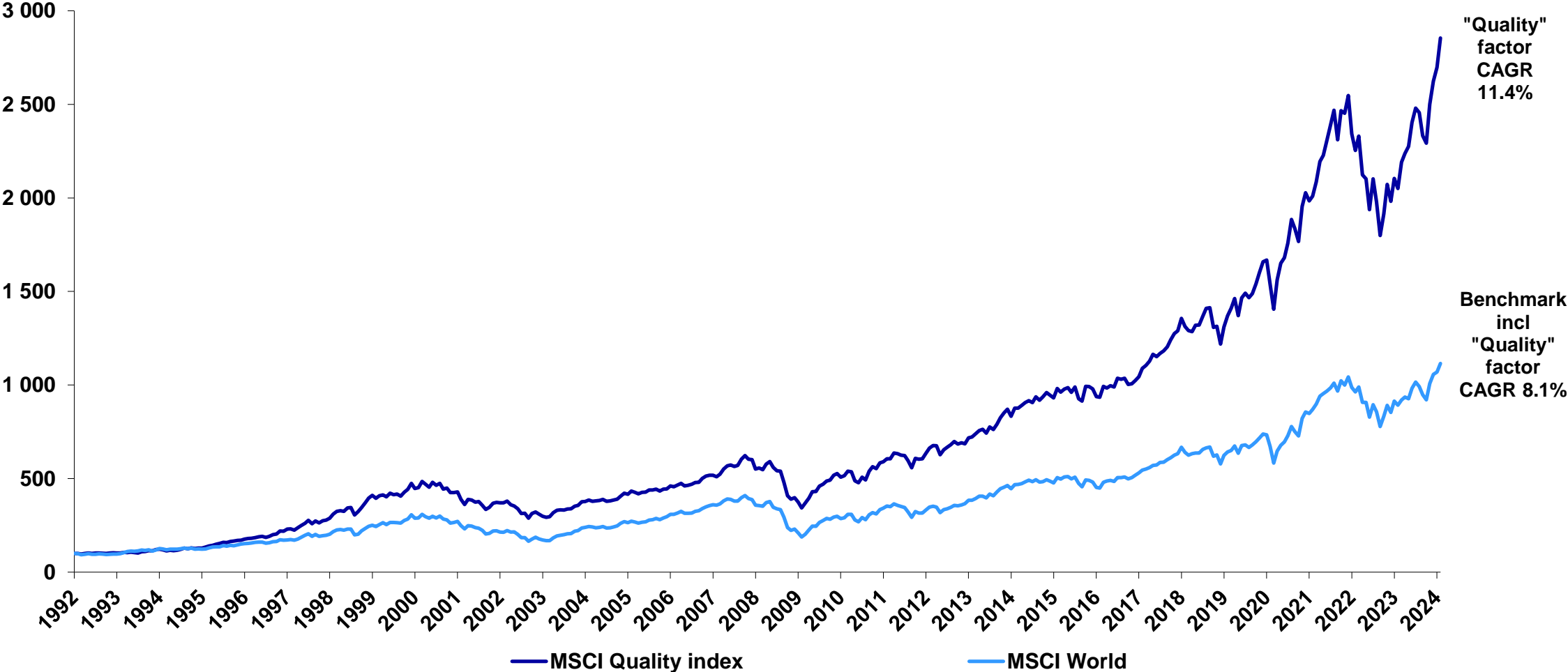
Overtime quality have been an enduring factor in relation to Europe

Factor Analysis MSCI Nordic / MSCI Europe

% of time > Z score +1/-1	Factor	KPI	Jan 2024	Jul 2023	Jan 2023	Jul 2022	Jan 2022	Jul 2021	Jan 2021	Jul 2020	Jan 2020	Jul 2019	Jan 2019	Jul 2018	Feb 2018
23%	Growth	Earnings Growth	0,6	0,4	0,9	1,2	1,1	0,9	0,4	0,1	-1,0	-1,0	-0,4	0,0	0,3
20%	Growth	Sales Growth	2,1	1,4	0,7	0,9	1,5	1,7	0,8	0,6	0,2	0,3	0,4	0,5	0,4
27%	Growth	Forecast Growth 12M	0,8	0,3	0,3	-1,0	0,2	-0,8	-0,8	0,9	0,6	1,1	1,1	-0,2	-1,2
98%	Quality	Return on Equity	1,3	1,3	1,3	1,1	1,5	1,4	1,6	1,9	1,5	1,2	0,9	1,2	1,4
82%	Quality	Net Profit Margin	1,6	0,8	2,2	2,3	2,3	2,0	1,9	1,8	0,7	0,6	2,1	2,6	2,4
3%	Quality	Low Earning	0,1	0,2	0,3	0,0	0,5	1,0	0,5	0,2	0,4	0,4	0,5	0,8	0,0
5%	Quality	Earnings Growth Stability	0,6	0,3	0,1	-0,3	-0,8	-0,6	-1,0	-0,7	-0,2	-0,4	0,4	0,5	0,3
38%	Size	Market Cap	-0,3	-0,9	-0,2	-0,2	-0,4	-0,5	-0,5	-0,6	-0,9	-1,4	-1,4	-1,4	-1,4
2%	Volatility	Volatility 3Y	0,2	0,0	-0,2	0,0	0,0	0,1	0,1	0,6	0,6	1,1	0,4	0,0	-0,1
33%	Momentum	Momentum ST	0,6	-0,8	-1,2	1,8	-1,7	1,8	0,2	1,7	2,0	-1,0	0,6	0,2	1,8
32%	Momentum	Momentum MT	0,8	-0,4	0,5	0,5	0,3	0,9	1,5	1,6	0,6	0,2	1,4	0,5	0,6
27%	Momentum	Forecast FY1 Revisions	1,2	1,3	-0,5	1,4	0,2	1,3	1,1	1,5	0,9	0,3	-1,2	0,3	-0,7
3%	Other	Debt to Equity	-0,1	-0,2	-0,3	-0,6	-0,9	-1,0	-0,5	-0,2	-0,4	-0,4	0,5	0,8	0,8
93%	ESG	MSCI ESG Overall	-1,1	-1,0	0,8	1,3	1,2	1,1	2,0	1,6	1,7	1,9	1,6	2,0	1,7
87%	ESG	MSCI ESG Governance	0,5	0,5	0,5	0,3	1,8	1,8	2,7	1,8	1,7	2,7	2,6	3,0	2,6

Source: Nordea Investment Management AB, Style Analytics

Quality = high return on capital = compounding -> outperformance

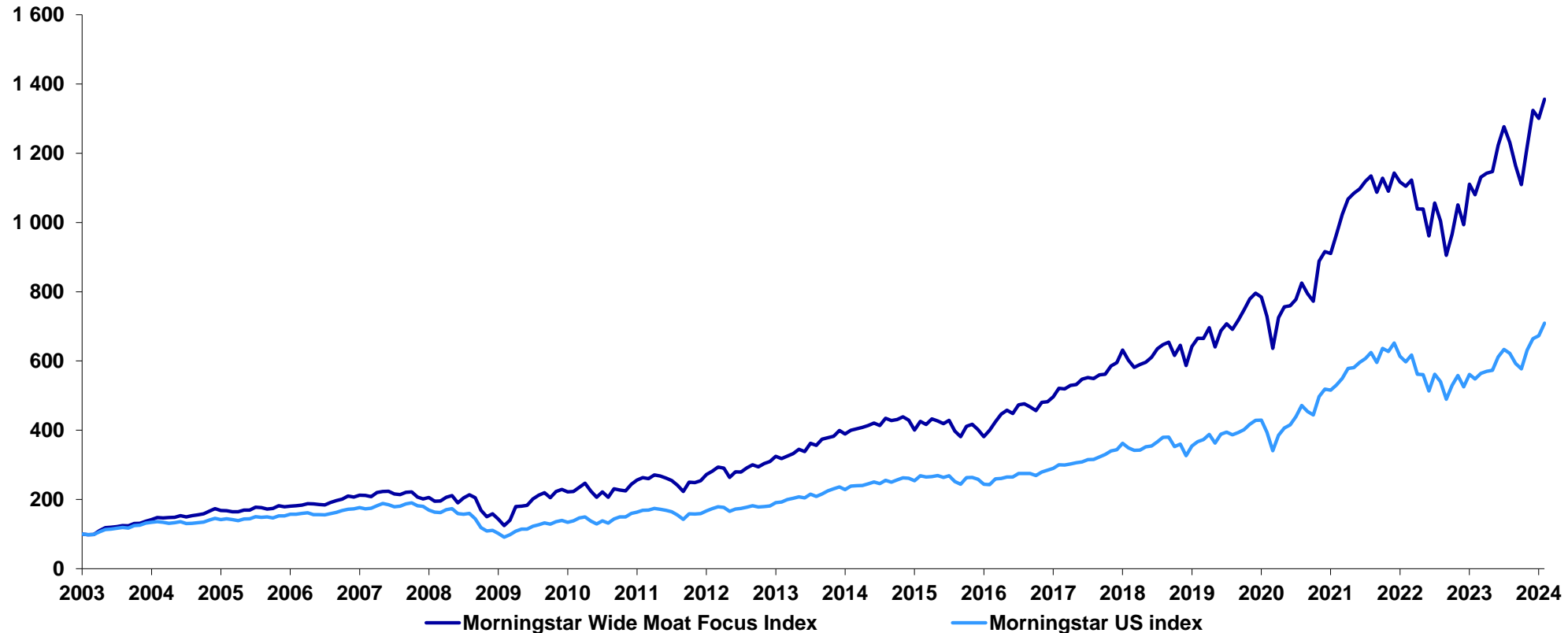


Source: Nordea Investment Management AB, Bloomberg

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Competitive advantages is more commonly found in the Nordics

Competitive advantages adds durability to high returns on capital



The Nordic market have a higher degree of companies with competitive advantages.

According to Morningstars ratings 38% of the Nordic 10/40 index is represented by wide and narrow moat companies.

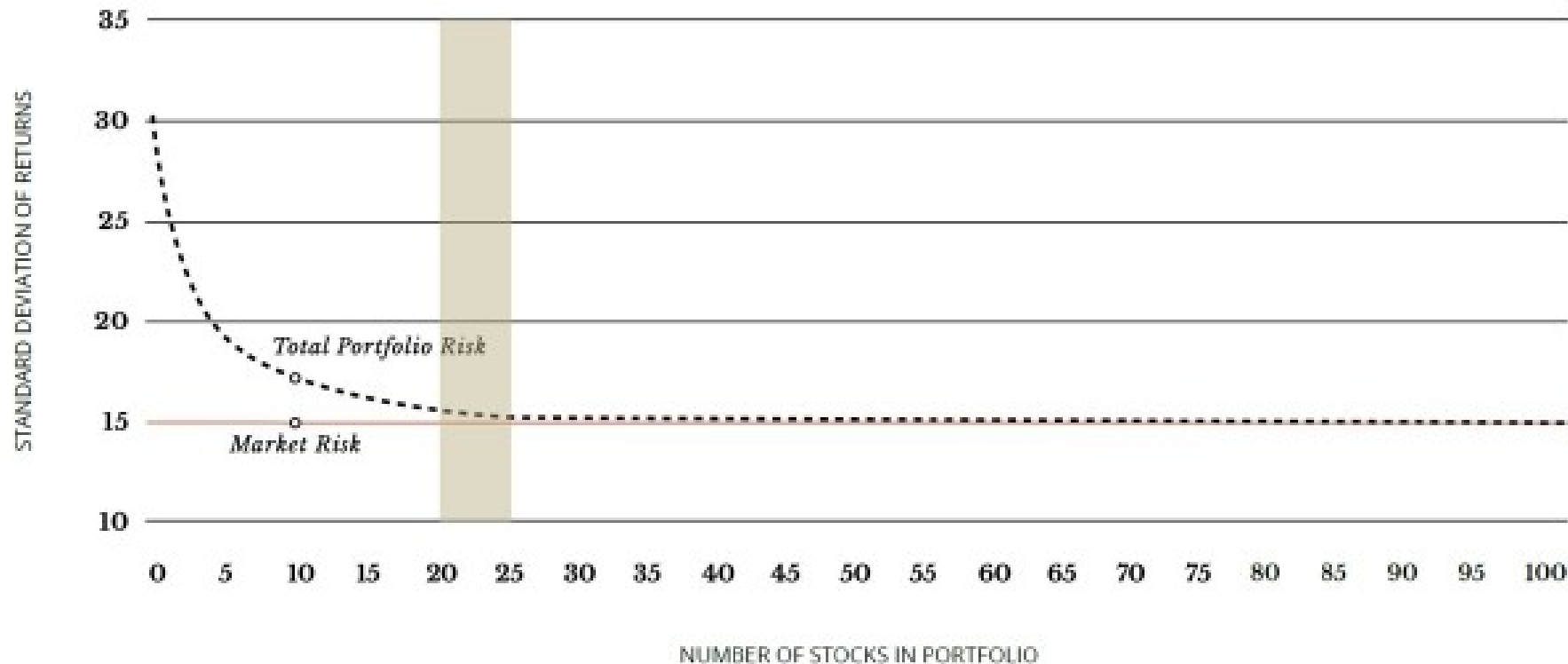
The corresponding figure for Europe (ex Nordic) is 32%.

Source: Nordea Investment Management AB, Bloomberg

Concentration helps supercharge performance

Benefits of Diversification Decay Quickly

A Nordic index have between 1/5 to 1/8 the # of companies as a European index



Top 20 companies of an EU index weighs 32%.

Top 20 companies in the Nordic index weighs 60%

Avg. company of an EU index weighs 0.2%

Avg. company in the Nordic index weighs 1.3%

European index

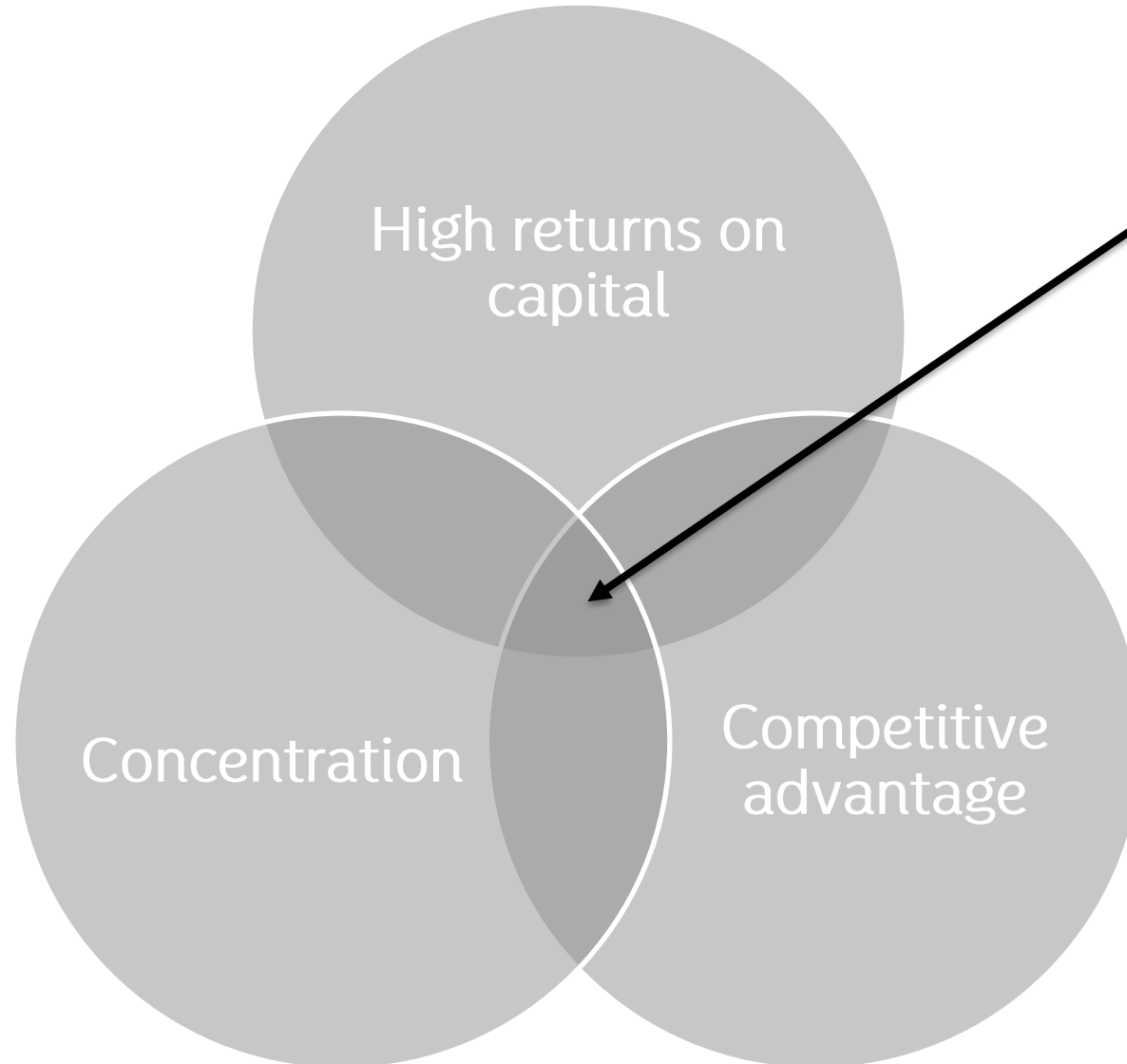
- MSCI Europe have >420 companies
- EURO Stoxx 600 = 600 companies

Nordic index

- MSCI Nordic have 78 companies

Source: Chart based on data from *A Random Walk Down Wall Street* by Burton Malkiel. For illustrative purposes only.

The Nordics: Compound, Extend & Supercharge



Nordic market sits at a sweetspot in relation to the general European market;

Nordic companies have significantly better economics with higher returns on capital which enables them to compound faster.

The Nordic market have a higher degree of companies with competitive advantages which in turn help superior economics to get extended over time.

Since the Nordic index consist of significantly fewer companies than a European index the above mentioned characteristics of Nordic companies represents a significantly higher share of the total index. This leaves the Nordic index supercharging these characteristics.

Source: Nordea Investment Management AB

Nordea

Nordic Markets at a Glance

Norway

(9% of market value)



Major industries:

More cyclical due to large exposure towards energy and materials

Major exports:

Oil and gas, machinery and fish

GDP USD*: 593bn

Unemployment*: 3%

Export / GDP*: 38%

Denmark

(28% of market value)



Major industries:

Transportation sector, health care, financials and consumer goods

Major exports:

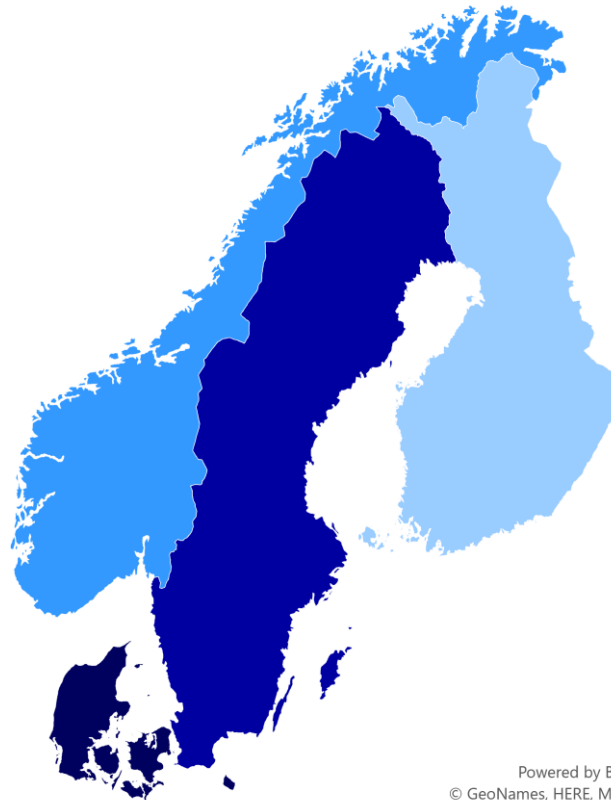
Pharmaceuticals, services, industrial machinery and food products

GDP USD*: 400bn

Unemployment*: 8%

Export / GDP*: 70%

~27 Mn inhabitants*
~1,900 Bn EUR
Stock Market Value



Sweden

(48% of market value)



Major industries:

Dominated by industrial and financial sector, health care and IT

Major exports:

Services, industrial machinery, minerals and paper products

GDP USD*: 592bn

Unemployment*: 7%

Export / GDP*: 53%

Finland

(15% of market value)



Major industries:

Telecommunication, IT, industrials and materials

Major exports:

Services, electronics, industrial machinery and paper products

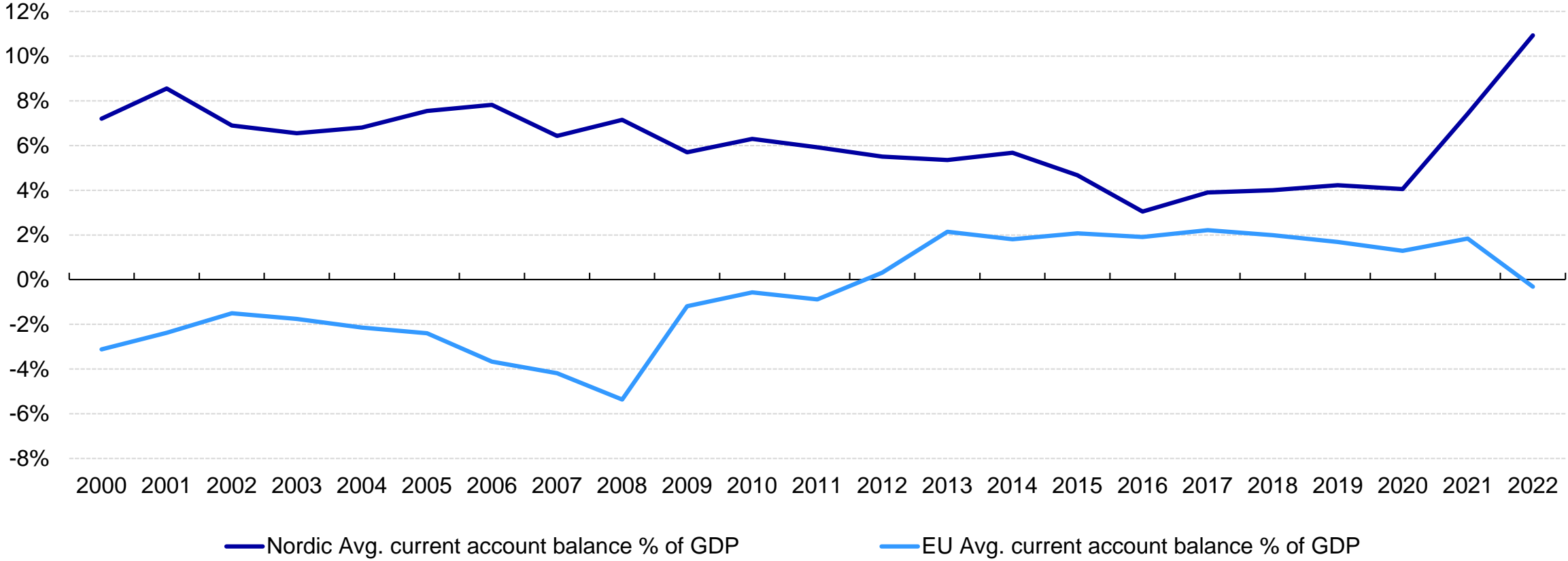
GDP USD*: 283bn

Unemployment*: 7%

Export / GDP*: 45%

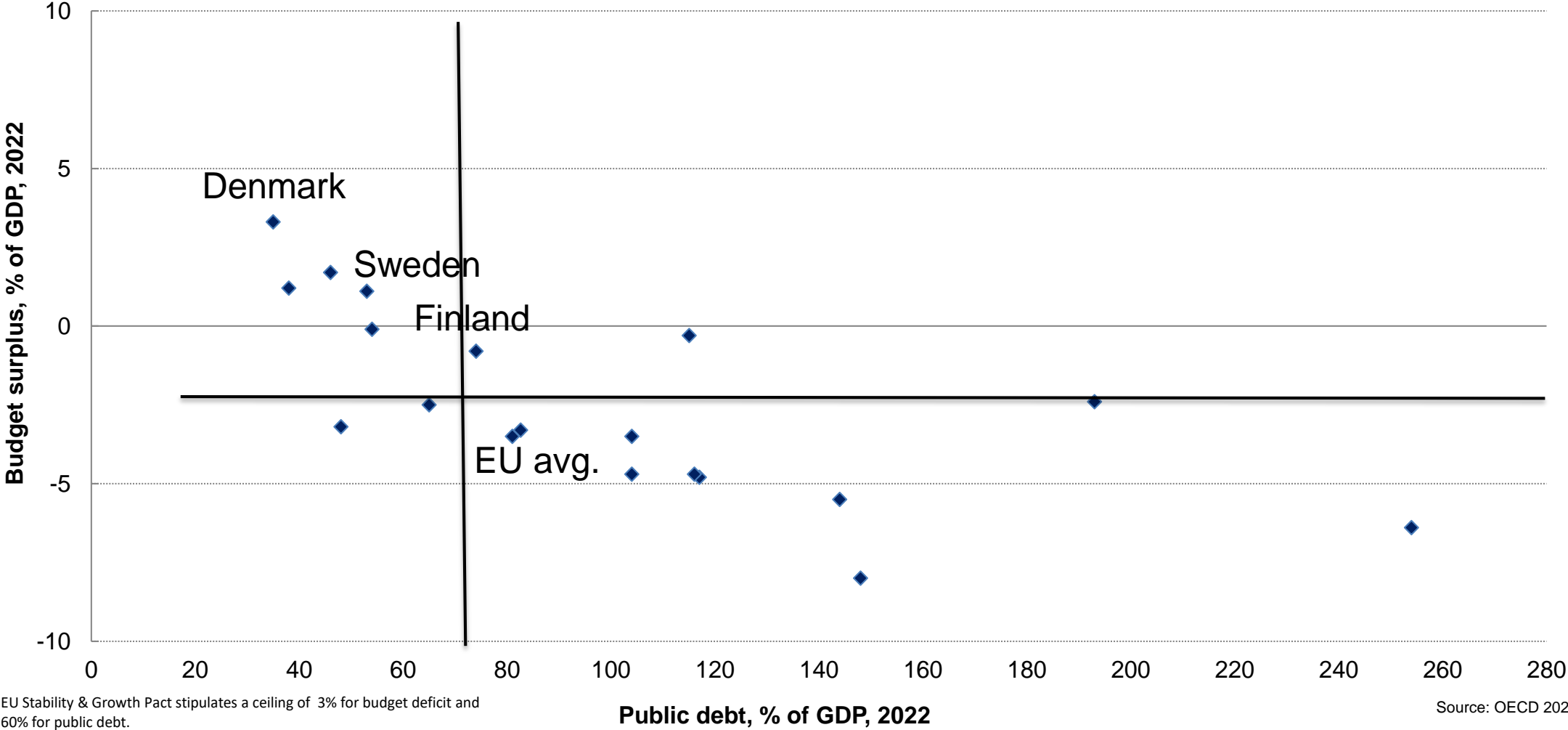
Source: Nordea Investment Management AB, *The World Bank Data 2022, 4/3/2024

Export driven economies generates account surpluses in the Nordics...



Source: Ekonomifakta.se

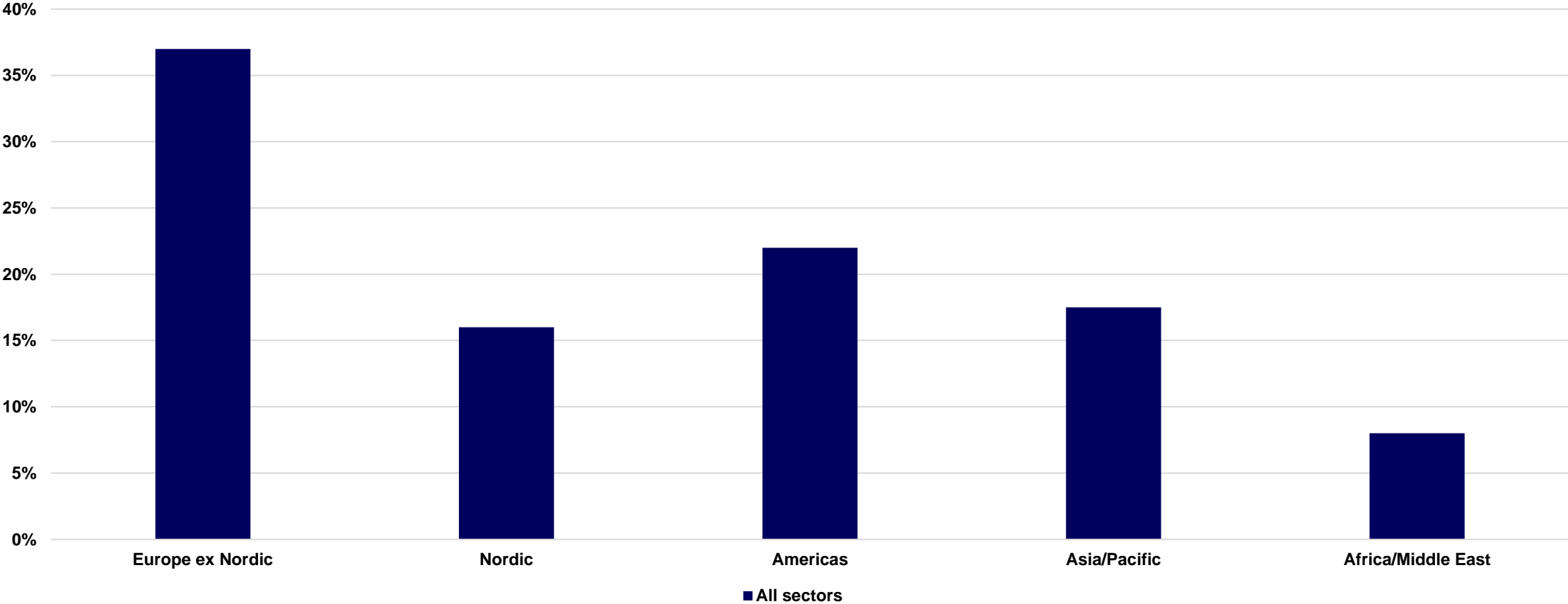
...leaves the Nordic region with strong public finances



Typically associated with a more resilience during a global downturn

Nordic Companies Offer a Global Exposure

Nordic companies sales exposure



Source: Nordea Markets, Nordea Investment Management AB, Selection: 41 large cap Nordic companies (No banks and insurance companies)

Leading Global Brands - Created in the Nordics



Economist, January 2013

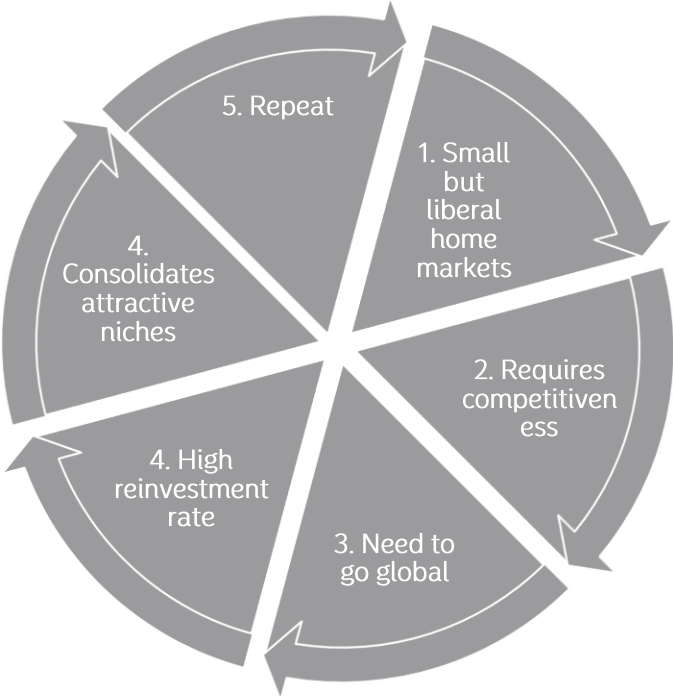


Source: Nordea Investment Management AB

14. The reference to specific company or securities is to illustrate the investment process and should not be taken as a recommendation to buy or sell specific securities.

Blueprint of Nordic outperformance vs. rest of Europe

The Nordic Flywheel



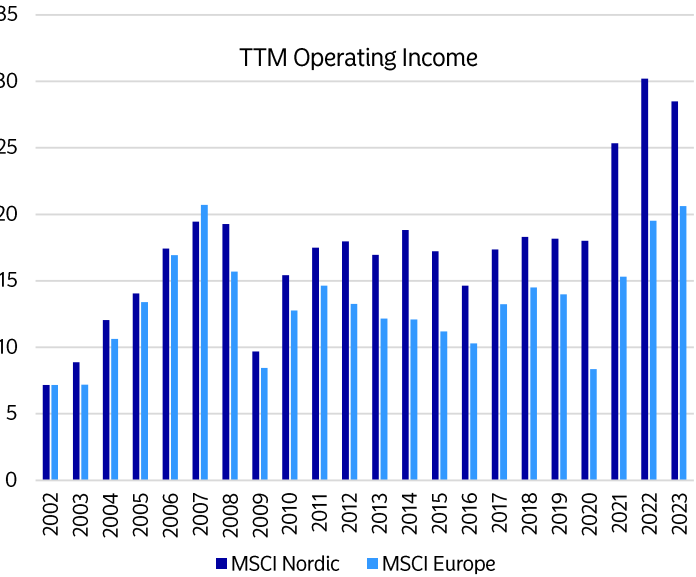
Source: Nordea Investment Management AB, Bloomberg

Generates superior characteristics

	Nordics	Europe ex Nordics
EBIT margins	21%	16%
ROCE	19%	9%
Moat* companies % of index	38%	33%

*Morningstars assessment of a competitive advantage
Source: Nordea Markets, Nordea Investment Management AB

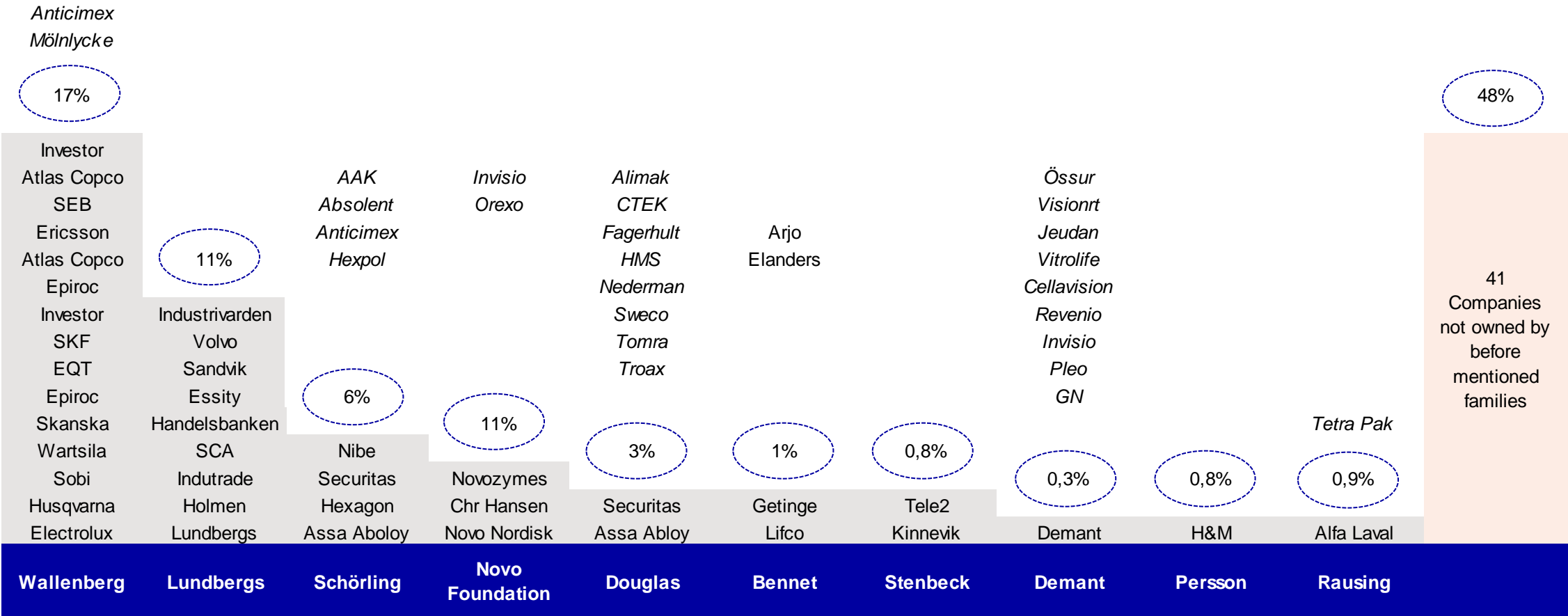
Which help compound earnings faster



Source: Nordea Investment Management AB, Bloomberg

Ecosystem of active owners in the Nordics (52% of MSCI Nordic benchmark)

Ecosystem of active owners in the Nordics (52% of MSCI Nordic benchmark)



39 companies in total out of 80 have active owners.
 World class PE industry (EQT, Nordic Capital etc), VC (Lifeline Ventures, Verdane, Creandum, VNV) and activist (Cevian)

16 Reference to companies or other investments mentioned should not be construed as a recommendation to the investor to buy or sell the same but is included for the purpose of illustration.

High proportion of spin-offs from the Nordic

Year	Nordic Spin-off %	Europe (ex. Nordic) Spin-off %	US Spin-off %
2013	0.26%	0.07%	0.08%
2014	0.09%	0.06%	0.12%
2015	0.18%	0.11%	0.03%
2016	0.00%	0.03%	0.03%
2017	0.00%	0.03%	0.04%
2018	0.16%	0.05%	0.06%
2019	0.25%	0.02%	0.04%
2020	0.41%	0.02%	0.01%
2021	0.09%	0.04%	0.02%
2022	0.00%	0.01%	0.01%
Average	0.14%	0.04%	0.04%
Median	0.12%	0.04%	0.03%

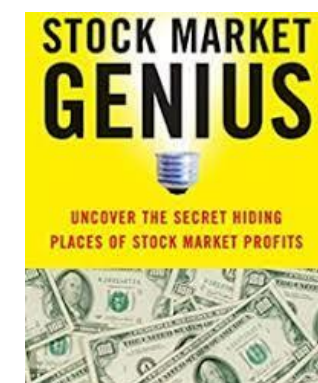
Indication of more rational capital allocators in the Nordics

Source: Goldman Sachs. For illustrative purposes only.

Many success stories comes out of spin-offs

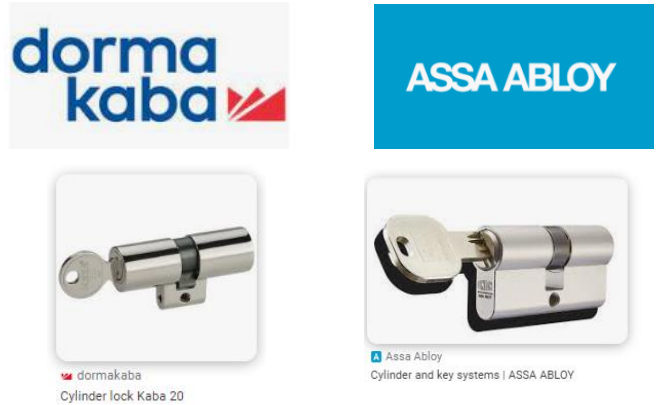


Company	Novo Nordisk	Securitas	Atlas Copco	Getinge	
Founded	1923	1934	1873	1904	
Company spun-out	Novozymes	Assa Abloy	Epiroc	Lifco	Arjo
Spin-off year	2000	1994	2018	1998	2017
Market cap at spin-off year (mUSD)					
Remain-co	13 520	650	35 358	683	5382
Spin-co	1 509	181	12 742	30	780
Market cap today					
Remain-co	405 048	4 625	62 786	4853	4853
Spin-co	11 532	24 058	21 632	7820	987
Market cap change (multiplier)					
Remain-co	30	7	2	7	1
Spin-co	8	133	2	261	1
Active owner	Novo Foundation	Melker Schöring	Wallenberg	Carl Bennet	

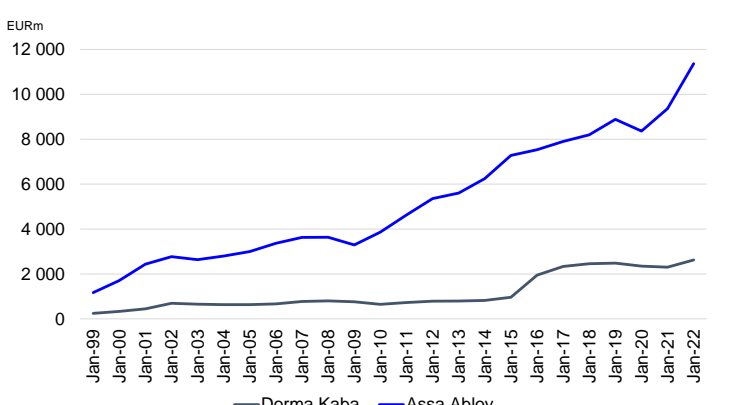


Nordic companies outperforming non-Nordic peers

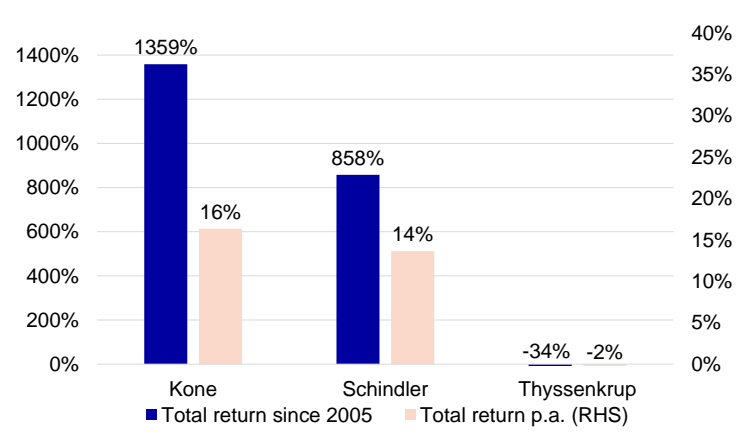
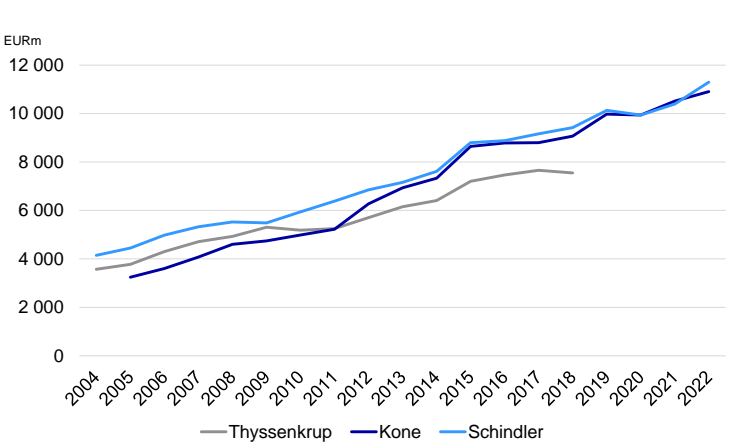
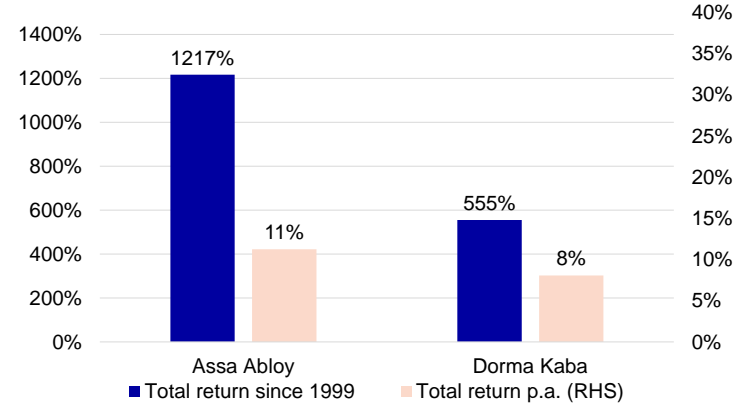
Same products



Diverging outcomes



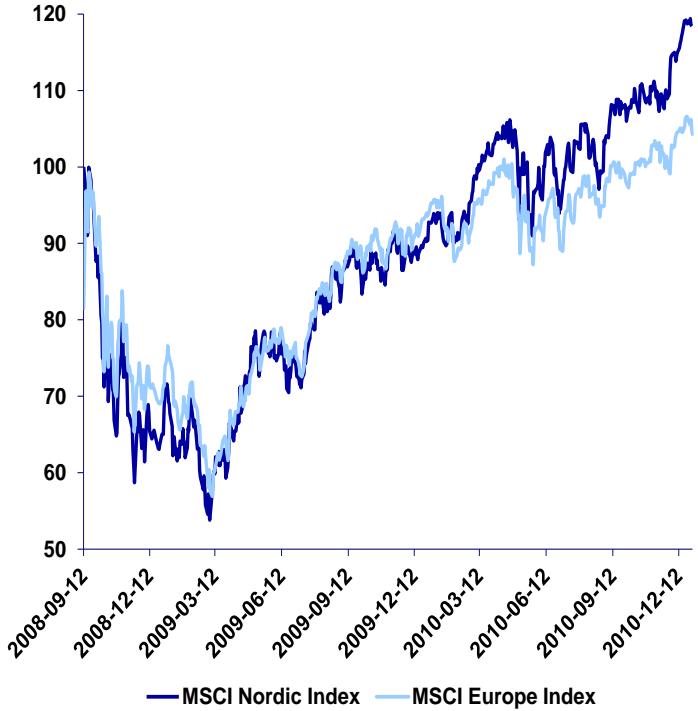
Different results



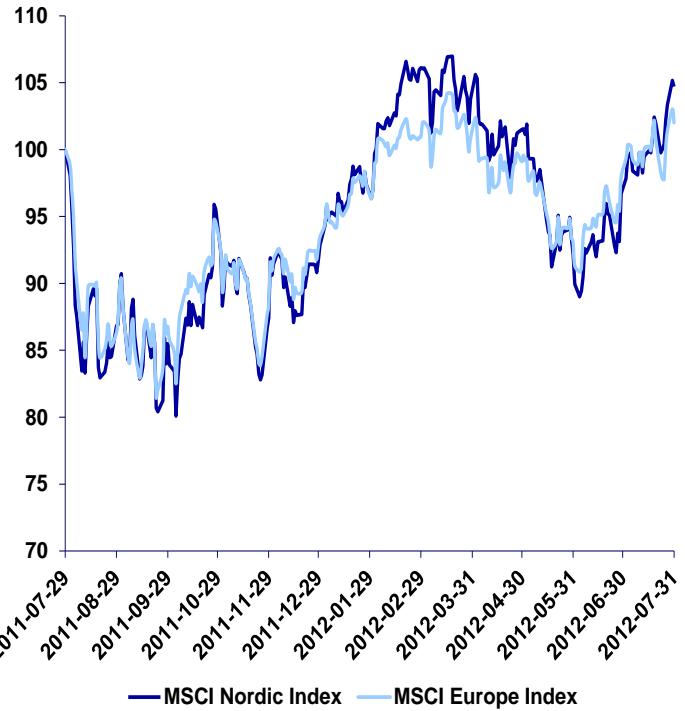
Source: Nordea Investment Management AB, Bloomberg. The reference to specific company or securities is to illustrate the investment process and should not be taken as a recommendation to buy or sell specific securities.

Nordic Equities typically outperforms following global macro shocks

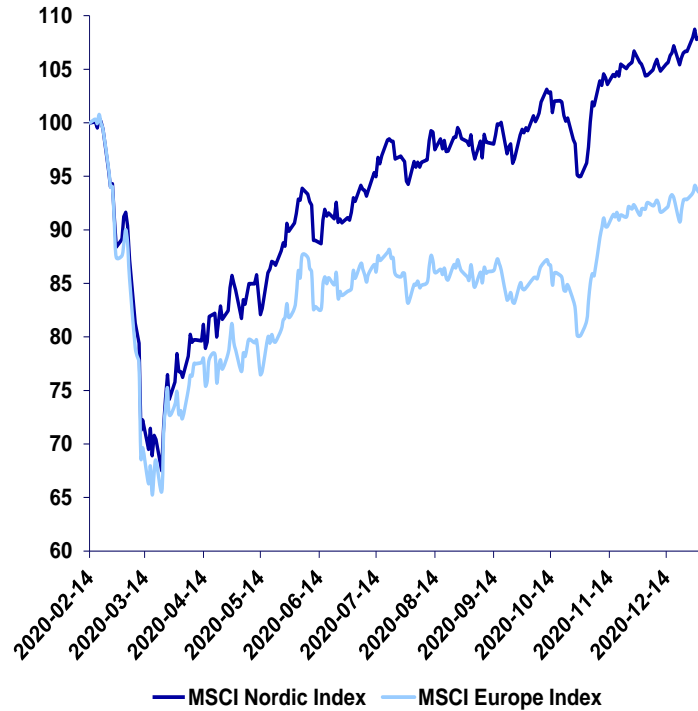
GFC 2008-2010



European debt crisis 2011-2012



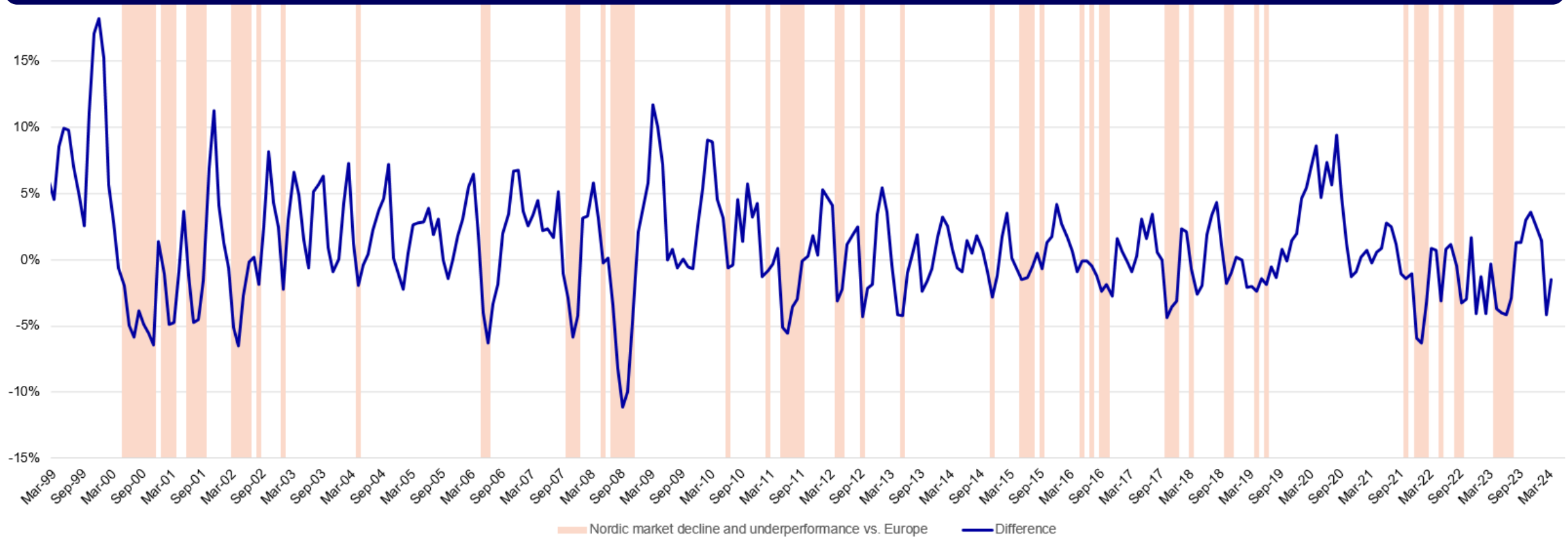
Corona outbreak 2020-



Source: Bloomberg. GFC: 12.09.2008 – 12.12.2010. European Debt Crisis: 29.07.2011 - 31.07.2012. Corona Outbreak: 14.02.2020 - 31.12.2020

Good set-up for outperformance when markets decline and the Nordics underperform Europe

3month performance of MSCI Nordic 10/40 vs. MSCI Europe



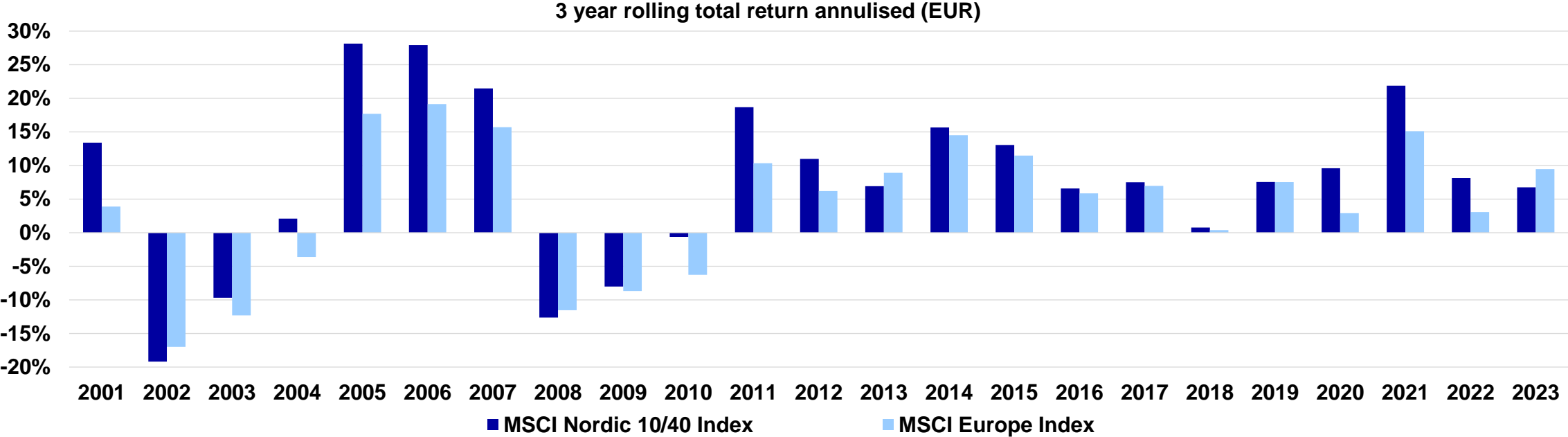
- In 20% of the periods the Nordic market declined and underperformed Europe.
- If buying the Nordic the subsequent month and holding for one year the avg. outperformance vs. Europe have been 3.4%.
- 58% of those periods the Nordic market outperformed.
- When outperforming the avg. outperformance have been 8.2%.
- When underperforming the avg. underperformance have been -3.5%

- Total of 253 three months periods. Excluded 2000-2001 period given an extraordinary Nordic weight towards the telecom sector which is no longer the case.

Source: Bloomberg

Nordic Equity Markets Outperformance Over Time

Annualised Total Return rolling 3 years



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Nordic	13%	-19%	-10%	2%	28%	28%	21%	-13%	-8%	-1%	19%	11%	7%	16%	13%	7%	7%	1%	8%	10%	22%	8%	7%
Europe	4%	-17%	-12%	-4%	18%	19%	16%	-12%	-9%	-6%	10%	6%	9%	15%	11%	6%	7%	0%	8%	3%	15%	3%	9%
Diff.	10%	-2%	3%	6%	10%	9%	6%	-1%	1%	6%	8%	5%	-2%	1%	2%	1%	1%	0%	0%	7%	7%	5%	-3%

Source: Bloomberg. Data as of 31/12/2023.

How do we differ

Nordic Equity Fund versus competing offerings

Active managers

Inhouse analysts

This is our home turf with
100% focus on Nordic Equities

Concentration with high active share

Long term

Index funds

Novo Nordisk
28% of MSCI Nordic (31 Jan 2024)

Get exposure to multibaggers

Get the numbers right

ESG analysis

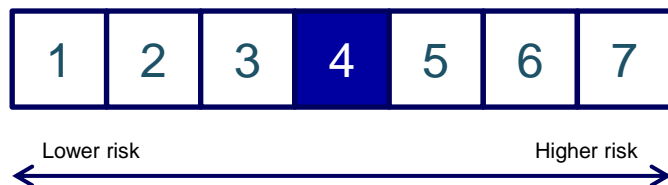
Control of factors

*Global asset managers have inhouse research but this its not common in the Nordic region. If look at the global asset managers who have the resource some of them are running multiple funds. For example, a European Fund and a Nordic fund, hence they are not putting all their energy on the Nordics.

Nordea 1 – Nordic Equity Fund

Risk considerations and key information

Risk indicator



The risk indicator assumes you keep the product for 5 years

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this Fund as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the Fund's capacity to pay you.

Be aware of currency risk. In some circumstances you will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

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.

Fund key information

Investment Policy

The fund mainly invests in equities of Nordic companies. Specifically, the fund invests at least 75% of total assets in equities and equity-related securities issued by companies that are domiciled, or conduct the majority of their business, in the Nordic region. The fund will be exposed (through investments or cash) to other currencies than the base currency.

Sub-fund's name	Nordea 1 - Nordic Equity Fund
Fund Manager	Nordic, Finnish and Swedish Equities Team
Fund Domicile	562, rue de Neudorf, 2220 Luxembourg, Luxembourg
Share class	BI-EUR
Annual Man. Fee	0.850%
Security number (ISIN)	LU0335102843
Security number (WKN)	A0M87U
Fund Size in millions	240.46
Currency	EUR
Reference index	MSCI Nordic 10/40 - Net Return Index
Management Style	Actively managed
Benchmark Constraints	Benchmark used for performance comparison only.
No. of holdings	30
Launch date	02/01/2008
Minimum investment (EUR)	75,000

General disclaimer

Nordea Asset Management is the functional name of the asset management business conducted by the legal entities Nordea Investment Funds S.A. and Nordea Investment Management AB and their branches and subsidiaries. The funds mentioned are part of Nordea 1, SICAV, an open-ended Luxembourg-based investment company. The prospectus, the Key Information Document (KID) and the Key Investor Information Document (KIID) for UK investors, and the annual and semi-annual reports are available electronically or in hard copy in English and in the local language of the market where the mentioned SICAV is authorised for distribution, without charge upon request from the management company 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 as well as on www.nordea.lu.

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All investments involve risks; losses may be made. For details on risks associated with these funds, please refer to the prospectus and the relevant KID or KIID. The investments promoted concern the acquisition of units or shares in a fund, not in any given underlying asset such as shares of a company, as these are only the underlying assets owned by the fund.

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In Denmark: The Representative Agent is Nordea Danmark, Filial af Nordea Bank Abp, Finland, Grønlandsvej 10, Postbox 850 0900 Copenhagen C, Denmark.

In France: With the authorisation of the AMF the shares of the-funds of Nordea 1, SICAV may be distributed in France. Centralising Correspondent in France is CACEIS Bank, located at 89-91 rue Gabriel Peri, 92120 Montrouge, France.

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