

# Nordea



## Annual Report 2024

### Non-UCITS Nordea Global Private Markets (AIF)

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# Annual Report 2024

## Non-UCITS Nordea Global Private Markets (AIF)

### Contents

<b>Managing Director's review</b>	<b>3</b>
<b>Report of the Board of Directors of Nordea Funds Ltd for the financial period from 1 January to 31 December 2024</b>	<b>5</b>
<b>Accounting and valuation principles for the Nordea funds registered in Finland</b>	<b>11</b>
<b>Principles for calculation of key figures and other additional information</b>	<b>12</b>
<b>Non-UCITS Nordea Global Private Markets (AIF)</b>	<b>17</b>
<b>Auditor's report</b>	<b>21</b>
<b>Decision on the distribution of the fund dividend taken by the annual general meeting of Nordea Funds Ltd</b>	<b>26</b>
<b>Nordea Funds Ltd</b>	<b>27</b>

*In accordance with the Finnish Act on Common Funds, the Annual Report 2024 of Non-UCITS Nordea Global Private Markets (AIF) presents, among other things, the following fund-specific information:*

- *a graph illustrating NAV per unit performance of the representative unit class in the Fund*
- *investment allocation*
- *the most central changes in the fund portfolio, January–December 2024*
- *basic facts for the Fund*
- *return figures in the base currency and in other currencies in which the Fund may be subscribed for*
- *risk measures in the base currency or in the primary subscription currency*
- *costs and charges*
- *sustainability-related information*
- *use of derivatives*
- *fund-specific investments*
- *income statements, balanced sheets and notes to these*
- *other information required by law or the authorities*

*The figures presented in the annual report—market shares, market values, new subscriptions, number of owners, basic facts, key figures and the fund's investments—include fund transactions made in Norway, Sweden, Denmark, Finland and Estonia, unless otherwise stated.*

*The annual report is published online at [www.nordea.fi/rahasto](http://www.nordea.fi/rahasto) ([www.nordea.fi/funds](http://www.nordea.fi/funds)) in Finnish and Swedish and at the [Funds Now](#) service. In Finland, the annual report is also available at Nordea branches.*

*The services and products of Nordea Funds Ltd are not available to any resident of the United States of America irrespective of his/her citizenship, any partnership, corporation or entity organised or existing under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust which is subject to United States tax regulations.*

# Managing Director's review

The year 2024 turned out to be mainly positive for both equity and fixed-income investors. The index illustrating the total return of the global equity markets rose by 25% measured in euros, continuing the positive performance of the previous year. Fixed-income investments also ended up generating a positive return, although the rise in long-term interest rates weighed on their returns towards the end of the year. The positive market development was explained by stronger-than-expected economic growth in the US, moderate interest-rate cuts by central banks and strong earnings growth in the technology sector.

The global economy grew at a rate of 3% in 2024, which was as forecast overall. A positive surprise in terms of growth was provided by the US, where GDP grew by an estimated 2.7%, driven by strong consumer demand. Consumer purchasing power was boosted by strong employment, wage rises outpacing inflation, and increased asset values. In addition, the infrastructure investments and green technology projects launched earlier accelerated economic growth. Economic growth also had a positive impact on businesses. Earnings growth remained strong, expanding to an increasing number of sectors.

Economic growth in Europe was more moderate than in the US. The economy of Germany, the largest country in the eurozone, teetered on the brink of recession as recovery in manufacturing was slower than expected. The transition of the German auto industry from combustion engines to electric vehicles has progressed slowly due to weak demand and competition from Chinese auto manufacturers. Economic growth was also subdued in Finland, as rising unemployment kept households cautious and export markets were sluggish. In Southern Europe, growth was faster due to the strong performance of the tourism sector.

The geopolitical environment remained challenging as the war in Ukraine continued and tensions in the Middle East remained high. However, the conflicts' impact on the markets was weaker than expected, as they did not cause major disruptions in the commodities markets or freight traffic. The price of Brent oil fluctuated between 70 and 90 dollars.

Inflation fell below 3% in the early part of the year in both the eurozone and the US. But the central banks' inflation target of 2% was not yet reached in 2024. However, the high real interest rate made it possible for the central banks to start cutting rates. At the close of the year, interest rates were at 3% in the eurozone and 4.5% in the US, still high enough to slow down growth.

The total return index covering the global equity markets rose by 25% in euros during 2024. In North America, equity market returns reached 33%, calculated in euros. Technology equities continued their strong performance, with the seven biggest



technology companies, known as the Magnificent Seven, contributing to a significant part of the return of the S&P 500 Index.

In Europe, equity market returns remained at around 9%. Returns on the Helsinki Stock Exchange ended up close to zero for the second year in a row. Emerging market equities returned 15%, measured in euros. Chinese and Indian equities fared particularly well, whereas in Brazil and Mexico equities markets fell and the currencies depreciated.

Fixed-income investments posted solid returns for the most part. Eurozone investment grade corporate bonds generated a return of about 5% and high-yield corporate bonds even more. Government bonds showed a more modest performance than corporate bonds due to higher long-term interest rates. Short-term fixed-income investments enjoyed a good year, as short-term interest rates remained clearly positive, despite the central banks' policy rate cuts.

Looking at performance on the level of individual funds, the top spot was taken with a return of 32% in euros by Nordea North American Enhanced Fund, which follows the index for the North American market but with some moderate differences in weightings. This was the second year in a row that the fund outperformed the rest. Nearly similar returns were achieved by funds with a global investment universe, such as Nordea Global Enhanced Fund and Nordea Sustainable Equities Global Fund.

Meanwhile, Nordea Innovation Stars Fund achieved the best outperformance relative to its benchmark in 2024, beating the return of its index by nearly 12 percentage points. Similarly, Nordea Global Dividend Fund and Nordea India Fund handily beat their benchmarks.

The only fund to generate a negative return was Nordea Finnish Stars Fund: the NAV per unit fell by about 5%.

On the fixed-income side, Nordea European High Yield Fund put up numbers worthy of an equity fund with its return of 10%. Nordea Global High Yield Fund and Nordea Yield Fund increased their NAV per unit by 6%, while the NAV per unit in Nordea Corporate Bond Fund increased by about 5%.

Nordea's popular balanced funds also generated hefty returns in 2024. The funds which had the biggest weight in equities increased the most in value, as expected. Their return ranged between 5% and 21%.

Nordea funds are at the top in the Nordics in terms of voting activity. Because Nordea funds own a huge number of securities, their votes at annual general meetings can have a significant impact on the investee companies. Representatives of Nordea Funds Ltd voted at approximately 3 400 annual general meetings during the year. Concerning environmental and social issues, Nordea's experts always vote for a more sustainable tomorrow.

In the short term, investing involves even drastic price fluctuations, in both directions. It is important to bear in mind, however, that investing is geared towards long-term returns. Regular

savings in funds on a monthly basis, for example, is an excellent way to increase the diversification of the investments over time. By saving regularly, investors can easily plan their spending and purchase securities from the market automatically, also at times when their valuation is relatively attractive.

Although 2024 was ultimately very good for investors who had widely diversified their assets, it also witnessed some great price fluctuations in the markets. This is in no way extraordinary but rather typical. That is why it is always wise to stay on the market and stick to one's long-term investment plan, so that investors don't miss out on the favourable periods in the market. This also means that it does not necessarily make sense to sell securities prematurely just because they have enjoyed a nice rally. Even though the value of investments will most likely dip again, what is certain is that we will continue our daily efforts to protect the interests of our unitholders as effectively as possible whatever the conditions may be.

Helsinki, February 2025



Josefin Degerholm  
Managing Director, CEO



# Report of the Board of Directors of Nordea Funds Ltd for the financial period from 1 Jan to 31 Dec 2024

## General market development in 2024

2024 was mainly a favourable year for both equity and fixed-income investors. The MSCI All Country World index illustrating the performance of the global equity markets including both developed and emerging markets, rose by no less than 25% in euros, reaching new highs again and again. Fixed-income investments also continued to generate positive returns, although the rise in long-term interest rates weighed on the returns towards the end of the year. The positive market development was explained by strong economic growth in the US, interest-rate cuts by central banks and the strong earnings growth of large technology companies.

The global economy grew at a rate of 3% in 2024, which was as forecast overall. A positive surprise in terms of growth was provided by the US, where GDP grew by about 2.7%, driven by strong consumer demand. Consumer purchasing power was boosted by strong employment, wage rises outpacing inflation, and increased asset values. In addition, massive stimulus programs launched by President Joe Biden spurred investments in green technology as well as in semiconductor production and infrastructure. Strong economic growth also had a positive impact on businesses. Earnings growth accelerated and expanded to more and more sectors as the year progressed. Investment flows into the US equity market increased considerably during the year, which was reflected in positive price development.

By contrast, economic growth in the eurozone remained weaker than forecast at less than 1%. The economy of Germany, the largest country in the eurozone, teetered on the brink of recession as recovery in manufacturing was slower than expected. A particular challenge for Germany is the automotive industry, whose transition from combustion engine vehicles to electric cars has progressed slowly due to weak demand and competition from Chinese auto manufacturers. Economic growth was also subdued in Finland, as rising unemployment kept households cautious and export markets were sluggish. In Southern Europe, growth was faster as the recovery of the important tourism sector from the Covid-19 crisis continued. The overall performance of European companies was subdued, and the rise in the equity market was more moderate than in the US.

The geopolitical environment remained challenging as the crisis in the Middle East escalated several times and the war in Ukraine continued well into its third year. However, the conflicts had a limited impact on the markets, as they did not cause major disruptions in the commodities markets or freight traffic. The price of Brent oil fluctuated between USD 70 and USD 90, with the

highest price occurring in April, when Iran launched a missile strike on Israel. Oil prices would have been significantly lower if OPEC+ countries had not continued their massive production cuts.

Inflation, which had accelerated due to the Covid-19 crisis and the war in Ukraine, fell below 3% in the early part of the year in both the eurozone and the US. But the central banks' inflation target of 2% was not yet reached in 2024. However, the high real interest rate made it possible for the central banks to start cutting rates. The European Central Bank cut its policy rates for the first time in June and the US Federal Reserve followed suit in September. Despite the rate cuts continuing at a steady pace, at the end of the year interest rates in the eurozone and the US were still at levels that slow down economic growth, at 3% and 4.5% respectively.

2024 was also a year of many elections. The markets witnessed strong but short-lived movements following the presidential elections in Taiwan, the Indian parliamentary elections and the European Parliament elections. The biggest market movements were seen in November after the US presidential election. The strong election victory of Donald Trump, who is considered to have a pro-investor agenda, got a positive reception on Wall Street, but a lukewarm one elsewhere. There is a lot of uncertainty surrounding the policies of the new Trump administration, and their economic impact is difficult to assess yet. If Trump focuses on deregulation and taxation, US economic growth could strengthen further. If, on the other hand, his main focus is on tariffs and the deportation of migrants, these measures could slow global economic growth and accelerate inflation in the US.

## Strong year for the equity market

In 2024, the benchmark index covering developed markets without emerging markets, MSCI World, delivered a return of almost 27% calculated in euros. This is significantly higher than for an average year. In North America, equity market returns reached as high as 33% in euros, as the New York Stock Exchange's S&P 500 Index rose more than 1,000 points and the dollar strengthened nearly 7% against the euro. Technology equities continued their triumphal march on the back of strong earnings growth, and more than half of the return of the S&P 500 Index was generated by the seven largest technology companies, also known as the Magnificent Seven. The share prices of the Magnificent Seven increased by a whopping 60% on average.

Measured by the MSCI Europe index in euros,, the European equity market returns remained at around 9% which is line with the return for an average year, as previously popular large pharmaceutical companies and luxury goods manufacturers performed weakly towards the end of the year. Returns on the Helsinki Stock Exchange remained at zero for the second year in a row due to weak earnings growth.

According to the MSCI Emerging Markets index, emerging market equities posted a return of 15%, but there were large differences between the countries. Returns from the Chinese equity market (MSCI China index) reached 28% after three years of decline. The downturn in China's real estate sector continued, weighing on household confidence and consumer demand. In the autumn, China's leaders announced a number of stimulus measures aimed at stabilising the country's housing market and reducing local government debt. Investors were excited about the news of the stimulus, and equity prices rose by tens of per cent in September and October, but fell again slightly towards the end of the year.

In contrast, in the major Latin American countries of Brazil and Mexico, equity prices fell and currencies depreciated due to political uncertainty. Donald Trump's election victory poses a significant risk to Mexico, as nearly 80% of Mexican exports go to the US and Trump has threatened to impose significant tariffs on Mexican goods. The wildest rally was experienced in Argentina, where the 'chainsaw revolution' of libertarian Javier Milei saw share prices soar by triple digits.

The biggest equity market drop of the year took place in early August, when employment data from the US came in weaker than expected, fuelling fears of a recession. At the same time, the Bank of Japan's surprisingly large interest-rate hike strengthened the yen, pushing the Japanese equity market into a steep decline. Nervousness spread to other equity markets, and technology equities in particular suffered. However, the market jitters were short-lived, and the strong US economic data released towards the end of the year pushed recession worries into the background.

## Corporate bonds perform favourably

Fixed-income investments generated solid returns for the most part. Eurozone investment grade corporate bonds posted a return of nearly 5% and high-yield corporate bonds even more. The default rate remained low, which resulted in narrower credit spreads across the board. This means higher returns on bonds. Historically, credit spreads were relatively low at the end of the year, so they are not likely to narrow further, at least not significantly.

Government bonds generated more modest returns than corporate bonds due to higher long-term interest rates. Long-term interest rates shifted back and forth in 2024, but ended the year near their peak. Early in 2024, it seemed likely that long-term interest rates would decline during the year, as inflation fell to a more moderate level and central banks were expected to cut their policy rates at a brisk pace. Towards the end

of the year, however, the decline in inflation came to a halt, which sent long-term interest rates climbing again, particularly in the US and, to a lesser extent, in Europe. They were driven up by growing concerns among investors about the rise of national debt in the US. The same concern was expressed in France and the UK. As market interest rates rise, bond values decline.

For short-term fixed-income investments, 2024 was a good year. Short-term market interest rates anticipate central banks' future policy rates, which, in turn, determine the expected return offered by short-term fixed-income funds. Policy rates are expected to continue declining, but to remain clearly positive.

## Outlook for 2025

Global economic growth is expected to continue at around 3% also in 2025. In the US, growth is expected to slow slightly but remain above 2%. Europe's recovery is expected to continue and growth to accelerate in the second half of the year. China's stimulus measures are likely to stabilise the country's economic growth at 4-5% if Donald Trump's administration does not impose particularly high import tariffs on Chinese goods.

Corporate earnings growth is expected to reach double digits, creating a good foundation for the equity market rally to continue. In the US, large technology companies are likely to see slower earnings growth, while earnings growth in other sectors will probably strengthen, accelerating earnings growth as a whole. In Europe, earnings growth is expected to accelerate from the second quarter onwards. Moreover, the Helsinki Stock Exchange is finally expected to generate positive returns after two years of contraction. The huge differences in returns within regions and sectors seen over the past couple of years will likely decrease as the earnings growth gap narrows.

Valuations in the US equity market have risen significantly higher than in other regions due to an incomparable rise in equity prices. The valuations of technology companies, in particular, are historically high. Although the US is likely to remain a favourite among investors due to strong growth prospects, investors should make sure their equity investments are well-diversified across regions and sectors alike. Worse-performing regions, such as Europe, may provide a positive surprise when expectations are low.

Investment is expected to pick up as a result of lower interest rates and easing cost inflation also in Europe, and the bond market has already seen an uptick. The new European Commission wants to reduce the huge amount of regulation in the EU which many companies feel is limiting business growth. The depreciation of the euro against the dollar has already improved the competitiveness of European exporters, providing protection against possible tariffs imposed by Trump.

Equities have had two strong years, and as a whole, equity returns are expected to become more moderate but remain positive. The biggest risk factors would be an escalation of the trade war, a halt in earnings growth for technology companies or tighter monetary policy by the Fed. But for the time being, the probability of these risks materialising seems low. However, it is possible that the equity market will see higher volatility in 2025 than in 2024.

The expected return on fixed-income investments remains positive, and they are a good option for risk-averse investors. It is also good to remember that fixed-income investments play a significant part in improving portfolio diversification, as their values typically rise when the equity market is more volatile. With central banks lowering their policy rates, the returns offered by the money markets will gradually decline, so investors in the fixed-income segment may want to focus on longer-term bonds.

## Fund market development in 2024

The year 2024, dominated by geopolitical tensions related to Ukraine and the Middle East, inflation and other concerns, offered an exceptionally good opportunity for fund investors to achieve high returns. As in the previous year, however, price fluctuations were high, especially in certain market areas. The favourable development contributed to the capital growth in the investment funds registered in Finland. The capital reached a new record level in 2024, based on the fund statistics of Finance Finland (FA). According to FA, the average return in European equity funds was 6%, North American equity funds 26% and global funds 18%.

FA reports that equity funds investing in Finland performed poorly, as the funds posted a slightly negative return on average, i.e. -1%. It is pleasing that the annual return for all categories within the long-term fixed-income fund segment was positive. Funds investing in high-yield corporate bonds performed particularly well. The average return on high-yield corporate bonds was 9% globally and 7% in the eurozone. The average return on government bonds in the eurozone was 2%.

According to FA's fund statistics, the investment fund market grew in Finland by 23% in 2024 (the market grew by 12% in 2023). The total assets under management in the investment funds registered in Finland reached EUR 183 539,3 million at the end of December 2024, compared to EUR 149 030,0 million the year before.

According to the FA's report, the assets under management in the investment funds registered in Finland increased by EUR 34 509,3 million in January–December 2024. The value of net subscriptions was EUR 9 324,8 million during the financial period.

As for the investment funds registered in Finland, subscriptions were primarily made in the equity funds and long-term fixed-income funds during the review period.

## Performance of the Nordea funds and assets under management

From the point of view of fund investors, 2024 was a very good year for the most part, as the values of both equities and fixed-income instruments rose sharply, except for certain areas.

Among the Nordea funds registered and sold in Finland, equity funds generated the best returns in 2024. The performance figures ranged between +32% and -5%. The top-performing fund was Nordea North American Enhanced, with a +32% return. Nordea Global Enhanced and Nordea Global

Passive also posted a return of more than +27%. The Nordea Finnish Stars fund showed the weakest performance, at -5%.

The returns on short-term fixed-income funds varied between +6% and +4%.

The returns on long-term fixed-income funds ranged from +10% to +2%. The most successful were funds investing in European high-yield corporate bonds, while funds investing in European government bonds had the weakest performance.

The returns on balanced funds ranged from +21% to +5%. The funds with the largest weighting on equities saw the most success.

Nordea Innovation Stars, Nordea Global Dividend and Nordea India outperformed their benchmarks in 2024, by 4–11 percentage points.

Strong market development also increased investors' interest in funds. According to Finance Finland, the Nordea funds registered in Finland had net subscriptions of EUR 7 029,7 million. Subscriptions for units in the Nordea funds registered in Finland made in connection with internal, for example cross-border mergers, are generally not included in the net subscriptions reported by FA. It is important to mention that subscriptions made in connection with mergers were exceptionally large in 2024.

According to Finance Finland, the Nordea funds had a market share of 47,5% of all the investment funds registered in Finland at the end of 2024 (EUR 87 132,0 million). This means that the market share of Nordea funds in Finland increased by 5,0 percentage points from 42,6% in the preceding year (EUR 63 479,3 million). The market value of the Nordea funds registered in Finland increased by EUR 23 652,6 million, in other words by as much as 37,3%.

The sharp increase in the market value during the financial period is mainly explained by numerous mergers which were executed in May, September and December. The Nordea funds registered in Norway were merged with similar funds which were introduced to the investment fund market in Finland. In addition, the NOK-denominated funds managed by Danske Bank in Norway and in Denmark were merged with the Nordea funds registered in Finland. The market values and market shares of the Nordea funds, reported by FA, generally also include assets coming from outside Finland into funds registered in Finland.

As a market leader, Nordea funds still hold the largest market share in Finland. The funds managed by Nordea Funds Ltd, registered in Finland had 1 586 163 unit holders at the end of the year. This represents an increase of approximately 194 000 investors year-on-year. Nordea is also Finland's largest asset manager in terms of the number of unit holders.

*'Nordea funds' refers to the funds managed by Nordea Funds Ltd and registered in Finland.*

### *Conflicts of interest*

There were no conflicts of interest between the portfolio management organisation and Nordea fund investments in the financial period.

## Significant events in 2024

Nordea acquired Danske Bank's retail customer and private banking operations in Norway and completed the acquisition in late 2024. As part of the transaction, a total of 15 funds managed by Danske were also merged with funds managed by Nordea Funds Oy. The acquisition fits well with Nordea's strategy and strengthens Nordea's position in the private customer market in Norway. During 2024, the offering of funds managed by Nordea Funds Ltd was also harmonised by merging Norwegian funds with Finnish funds; the funds will continue to be marketed in Norway.

Sanctions against Russia and restrictions by Russian authorities on non-Russian investors continued into 2024 as the war in Ukraine continued. As a result of sanctions and trade restrictions, the liquidations of the Nordea Russia and Nordea Eastern Europe funds are still pending.

The project to reform the statutory documents of the funds continued for the Danish funds.

In August 2024, the European Securities Authority (ESMA) published guidelines on fund names containing terms related to the environment, social responsibility and corporate governance (ESG) or sustainability. The project to implement these new guidelines has started. Existing funds must comply with the requirements of the guidelines as of 21.5.2025.

Towards the end of the year, the implementation project concerning the Regulation of the European Parliament and of the Council on digital operational resilience for the financial sector was completed. The Regulation aims to improve cybersecurity in the financial sector (including fund management companies) and management of operational risks related to information and communication technology (ICT). The requirements of the Regulation must be complied with from the beginning of 2025.

According to the supervision release published by the Finnish Financial Supervisory Authority (FIN-FSA) in January 2024, unitholders entered directly in the fund's unitholder register are customers of the fund management company under the Finnish AML Act, i.e. the Money Laundering Act. The FIN-FSA's statement applies to all the funds registered in Finland. The implementation was completed during the year.

## Significant events after the end of the financial period

There have been no other significant events since the end of the financial year.

## Relaunches and new funds

Nordea Funds Ltd continuously develops and harmonises its assortment of funds, and the company's goal is to offer customers high-quality and responsible investment products. As part of this work, the fund management company launched 19 new funds in Finland in 2024. The funds started their operations as a result of numerous mergers. The mergers were implemented in two parts. The mergers are related to Nordea's acquisition of Danske Bank's retail and private banking operations in Norway. The Nordea funds registered in Norway were merged into similar funds that were introduced to the fund market in Finland.

- Nordea Avkastning – equity fund – 20.9.2024
- Nordea FRN Kreditt – short-term fixed-income fund – 17.5.2024
- Nordea FRN OMF – short-term fixed-income fund – 20.9.2024
- Nordea FRN Pensjon – short-term fixed-income fund – 20.9.2024
- Nordea Global Statsobligasjon – long-term fixed-income fund – 20.9.2024
- Nordea Kort Obligasjon – short-term fixed-income fund – 20.9.2024
- Nordea Kort Obligasjon Pluss – short-term fixed-income fund – 17.5.2024
- Nordea Norge Pluss – equity fund – 17.5.2024
- Nordea Norge Verdi – equity fund – 20.9.2024
- Nordea Norwegian Passive – passive equity fund – 20.9.2024
- Nordea Obligasjon II – long-term fixed-income fund – 17.5.2024
- Nordea Obligasjon III – long-term fixed-income fund – 17.5.2024
- Nordea Plan Balansert – balanced fund – 20.9.2024
- Nordea Plan Konservativ – balanced fund – 20.9.2024
- Nordea Plan Moderat – balanced fund – 20.9.2024
- Nordea Plan Offensiv – balanced fund – 20.9.2024
- Nordea Plan Vekstorientert – balanced fund – 20.9.2024
- Nordea Stabile Aksjer Global – equity fund – 20.9.2024
- Nordea Stabile Aksjer Global Valutasikret – equity fund – 20.9.2024

Russia's invasion of Ukraine marked 2024 in the same way as the preceding two years. The consequences of the conflict have continued to impact the Nordea Eastern Europe and Nordea Russia funds. Resulting from sanctions and trading restrictions, the liquidations of the Nordea Russia and Nordea Eastern Europe funds are still pending.

As for the funds registered in Finland, one merger was implemented in 2024. The equity fund Nordea Asian Stars was merged into the equity fund Nordea 1, SICAV – Asian Stars Equity Fund, registered in Luxembourg. The merger was implemented on 26.6.2024.

The Nora Two (EUR) and Nora Two (NOK) funds were liquidated on 25.3.2024.

## Sustainability remained a priority area in 2024

Nordea Funds Ltd has a comprehensive portfolio of investment funds that promote responsibility and sustainability across all asset classes—fixed-income, balanced and equity funds. Over the past year, the fund management company has continued to re-classify its funds into a higher sustainability category.

As in previous years, the management company has continued development work during the financial period 2024, related to the regulation on information disclosure obligations. In English, the regulation is called the Sustainable Finance Disclosure Regulation and is abbreviated as SFDR.

Sustainability has been a key theme during the financial period. During spring 2024, the fund management company has renewed, updated and published sustainability-related information, which is defined in the template in the SFDR Regulation (pre-contractual information on financial products). The fund company has transferred to a new structure, in which Article 8 and 9 funds are divided into different categories based on their ESG characteristics. *The abbreviation ESG refers to the term Environmental, Social and Governance, i.e. international standards on the environment, society and good governance.* The aim of this restructuring was to harmonise exclusions and restrictions concerning companies/industries and all funds belonging to the same fund category, and thus create a more uniform and clear



product structure. The SFDR templates prepared in accordance with the new structure have been published in the fund prospectus in the Funds Now service during 2024.

When publishing sustainability-related information during the review period in accordance with the SFDR, the funds are classified under Articles 6, 8 and 9.

At the end of December 2024, the fund offering in Finland included 116 funds, out of which 38 were classified as Article 6 funds, and 78 were classified as Article 8 funds. Nordea Funds Ltd did not manage any Article 9 funds in Finland in 2024.

## Risk management principles and risks

Nordea Funds Ltd applies Nordea Group's risk management principles. In addition, there are specific guidelines on the risk management function for the funds and the fund management company. Nordea Funds Ltd has an internal, independent risk management function and a compliance function, both of which also report to Nordea Group. The employees in the risk management function are responsible for monitoring the risks associated with funds, the fund management company and outsourced services and reporting their findings to the Board of Directors and the managing director in accordance with agreed guidelines.

According to the risk management guidelines, the fund management company must continuously endeavour to identify, analyse, measure, monitor and manage risks related to the company's operations. In general, attention is paid to the market, liquidity, counterparty and credit risks of funds, as well as their operational and sustainability risks. In accordance with the risk management guidelines, a risk profile is defined for each fund, and the other risks associated with the fund are assessed. The guidelines set requirements for establishing an ongoing risk management process and monitoring the risks that materialise to ensure that the fund invests in accordance with pre-confirmed principles.

## Corporate governance actions of the Nordea funds in 2024

### Nordea funds are actively engaged in promoting corporate governance

The starting point for Nordea Funds Ltd's active corporate governance is to act on behalf of the unitholders and ensure that their interests are taken into account. Corporate governance work is done actively in all the Nordic countries and around the world. The document [Corporate Governance Principles](#) (in English) sets out Nordea Funds Ltd's principles.

Nordea Funds Ltd's corporate governance principles aim to promote shareholder value, reduce the risk related to investments and increase transparency in the interactions between the company and its shareholders. The corporate governance principles lay down the fund management company's views on several owner issues, such as the composition of the Board of Directors, share issuance authorisations, remuneration and sustainability.

A corporate governance committee consisting of independent board members and Nordea representatives is responsible for the fund management company's corporate governance work. The committee's duty is to take a position on individual ownership questions and decide on the action to take in accordance with the fund management company's principles. The corporate governance committee's long-term objective is to develop its operations even more actively.

Promoting good governance practices in the companies in which the funds invest and advocating in the interests of the unitholders are important aspects of the funds' corporate governance activities. Long-term, positive development in the company's management practices benefits not only the unitholders in the Nordea funds but also the company's shareholders, employees and other stakeholders. The objective is to enhance the return on fund investments and to ensure a functioning and reliable capital market.

### Active ownership is an inseparable part of responsible investment

Corporate governance is closely linked to responsible investing. Nordea aims to be the leading service provider in responsible investment. For this reason, Nordea Funds Ltd's corporate governance unit works together with Nordea's Responsible Investments (RI) unit. The unit is responsible for tasks related to the responsible investment of Nordea funds together with the portfolio management organisation.

In 2024, the fund management company engaged in dialogue on ESG issues with a number of companies, often together with other teams in the RI unit. *ESG stands for Environmental, Social and Governance*. In 2024, the fund management company supported several shareholder proposals related to climate issues, tax reporting and social issues.

Further information [on responsible investment](#) (in English) is available at the Nordea funds website [www.nordeafunds.com](http://www.nordeafunds.com), at the branch websites, and in the appendix [Responsible investment policy for Nordea funds](#) (in English).

### Events in 2024 at a glance

In 2024, the fund management company continued its work with the goal of voting at the general meetings of at least 90% of the companies the funds invest in. In 2024<sup>(1)</sup>, Nordea's corporate governance unit voted at more than 3 400 general meetings (approximately 3 600 general meetings in 2023<sup>(1)</sup>).

<sup>(1)</sup> Refers to periods 1 January to 10 December 2024 and 1 January to 10 December 2023

During the year, Nordea Funds Ltd used two external voting advisors in the proxy voting process referred to in the Finnish Securities Markets Act, namely ISS and Glass Lewis. External voting advisers are used in order to get analysed background information. However, the evaluation and voting decisions are always made by Nordea Funds Ltd.

Swedish companies, a few Finnish companies, and certain Norwegian companies have nomination committees where the principal shareholders are represented. In Finland, representatives of the government and pension companies traditionally sit

on nomination committees. In some cases, Nordea's representatives have also been invited to participate in nomination committees. Nordea funds welcome the opportunity to participate in the nomination committees of companies. In 2024, they participated in 41 nomination committees.

Further information on the ownership policy and [Nordea Funds Ltd's corporate governance principles](#) (in English) is available to unitholders/investors at the [Nordea funds website](#) and at the branch websites.

Nordea Funds Ltd has a [voting portal](#) (in English) that provides detailed information about how the fund management company's representatives have voted during the year.

## Proposals by the Board of Directors of Nordea Funds Ltd for distribution of fund dividend

The majority of the funds managed by Nordea Funds Ltd in Finland have both growth and distribution units.

All of the investment funds, excluding those which only have growth units, may, by virtue of their rules, distribute fund dividend for 2024 despite the result, meaning profit or loss, for the financial period. The fund dividend for the financial period to be distributed to the unitholders of distribution units in the fund

is determined at Nordea Funds Ltd's annual general meeting.

The fund dividends are paid on the date determined by the general meeting for all the distribution units in the register of unitholders on the day before the general meeting (the record date). In other words, fund dividends are paid for the distribution units for which a subscription order was given on the record date before the fund's specific cut-off time (for most Nordea funds, the trading day changes at 4:30 p.m. Finnish time: this is the cut-off time) and executed on the same banking day. Exceptions include so-called delayed funds.

The distribution of fund dividend does not affect the value of growth units.

## Principles for distribution of fund dividend in the Nordea funds – distributed and reinvested fund return for 2024

Nordea funds can have several classes of units (A/B/C/I/S or P/Y/I). The units in certain unit classes are categorised as growth or yield units depending on the distribution of returns.

No fund dividends are distributed for growth units in the Nordea funds. Instead, the returns on the investments are reinvested to increase the value of the growth unit.

# Accounting and valuation principles for the Nordea funds registered in Finland

**These accounting and valuation principles apply to all the Nordea funds registered in Finland.**

## Accounting principles

The financial statements of the investment funds are prepared in accordance with Ministry of Finance Decrees 231/2014 and 258/2019, the Act on Common Funds, and other laws and regulations in force in Finland concerning financial statements. The financial statements of 31 December 2024 are based on the calculation of the net asset value (NAV) of the funds on 31 December 2024.

Capital gains and losses on securities are recognised according to the average price principle. The difference between the purchase price and market value of securities is recognised in the fund's value. Unrealised value changes are recognised through profit or loss. Unrealised value changes and realised capital gains and losses are presented in the income statement under 'Net income for securities' and itemised in the notes to the income statement. The gains and losses on derivatives contracts are determined for each contract individually.

The income statement item 'Other expenses' includes account management fees, other fees, and exchange-rate losses. Exchange-rate gains and losses arise from converting financial items denominated in foreign currencies into euros or, in general, into the fund's base currency. Similarly, exchange rate gains are presented under 'Other income'.

## Valuation principles

Assets and liabilities are recognised at face value in the financial statements. Securities and derivatives contracts are valued at market value.

Deposits are valued by adding the accrued interest on the capital, which can also be negative.

Equities, equity-related securities and derivatives contracts are valued at their market value at the latest trading price prior to the valuation point in accordance with section 13 of the fund-specific rules or the common fund rules on the balance sheet date. If no market value is available for an equity or equity-related security, it is valued in accordance with the valuation principles approved by the fund management company's Board of Directors. The market value of fund units and units in collective investment undertakings is their latest published or available value.

Bonds and receivables from banks (cash at banks) are valued at market value in accordance with the common fund rules. Primarily, bonds are valued based on quotes published through market information sources, or, if no reliable value can be obtained for a bond through market information systems, the bonds are valued at the market interest rate which best corresponds to the remaining term to maturity, plus a security-specific risk premium.

If no reliable value can be obtained for a money-market instrument (government debt security, certificate of deposit, or municipal or commercial paper) through market information systems, the money-market instrument is valued at the market interest rate which best corresponds to the remaining term to maturity, plus a security-specific risk premium. If no reliable valuation is available, interest-bearing securities are valued in accordance with the valuation principles approved by the fund management company's Board of Directors.

The risk premium can be positive or negative.

Items denominated in foreign currencies are valued using the exchange rates prevailing at the valuation point on the balance sheet date.

The valuation principles approved by the fund management company's Board of Directors are available on the fund management company's website and at subscription places and fund management companies during their opening hours

# Principles for calculation of key figures and other additional information

Nordea funds present fund-specific key figures in their semi-annual and annual reports in accordance with the recommendation of the Finnish Investment Fund Association and Ministry of Finance Degrees 231/2014 and 258/2019.

Nordea funds report the following key figures: volatility, tracking error, Sharpe ratio, turnover rate, administrative costs, trading expenses/transaction costs, brokerage fees paid to the Group, sensitivity to interest-rate movements (modified duration) and interest-rate risk (duration).

When reporting about the use of derivatives contracts the ESMA\* guidelines are applied to a certain degree. Nordea funds have not engaged in securities lending in their investment activities since spring 2019, despite the fact that the funds may have the possibility to do so according to their rules. Certain provisions of EU regulation 2015/2365\*\* are applied when reporting about securities lent and total return swaps or repurchase agreements.

*\* European Securities and Market Authority. ESMA 2014/937FI: Guidelines for competent authorities and UCITS management companies, Guidelines on ETFs and other UCITS issues*

*\*\* Regulation EU 2015/2365 on the reporting and transparency of securities financing transactions and of reuse*

## Use of derivatives

The use of derivatives is described on the page where the 'The most central changes in the fund portfolio' are disclosed in the annual report, which states the frequency and purpose of using derivatives during the calendar year. 'Additional information' on the next page shows the types of derivatives used during the reporting period.

## Active share and calculation method for the global exposure

Nordea funds have also reported the active share in accordance with the fund management company's own recommendation since 2015.

Nordea funds also report which of the three methods is used when calculating the global exposure:

- The commitment approach (measuring the degree of committed capital)
- The absolute Value-at-Risk method
- The relative Value-at-Risk method

The CESR\*\*\* guidelines apply to the calculation of global exposure. If the global risk exposure is calculated using the VaR method, the annual report also includes the utilisation rates of the internal VaR limit and the leveraging levels used during the review period.

*\*\*\* Committee of European Securities Regulators. CESR 2010/10-788: CESR's Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS.*

## A consistent calculation and reporting practice for key figures increases the comparability between funds

The purpose of reporting is to provide greater transparency into investment fund activities and make it easier for customers to compare funds when weighing up investment decisions. Nordea Funds Ltd reports various return and key figures, either in its annual reports and other publications, or in the Funds Now service at [www.nordea.fi/rahasto](http://www.nordea.fi/rahasto).

Fund-specific key figures are reported in the annual and semi-annual reports (in Finnish and Swedish only). These reports are published at [www.nordea.fi/rahasto](http://www.nordea.fi/rahasto).

## What do the key figures reveal?

*Volatility* is a key figure that measures the variation in the return of an investment. A high volatility figure indicates that the uncertainty, or risk, associated with the variation in the return of the fund unit is likely to be high, and vice versa. Nordea funds disclose the volatility of both the fund unit and the benchmark index, if a benchmark has been defined for the fund.

In contrast, *tracking error (TE)* indicates how much the return on a fund unit differs from the benchmark. If the investments in the portfolio deviate significantly from the benchmark breakdown, there is a greater possibility of the return on investment being above or below the benchmark return. If the fund has a low TE, the return on the unit is likely to reflect the benchmark fairly closely.

The *active share (AS)* figure describes how much of the content of the fund's portfolio differs from the benchmark breakdown. The higher the figure, the more the equities in the portfolio and/or their weights deviate from the benchmark index and the more actively the fund's investment activities have been managed.

The *Sharpe ratio* is a ratio used to measure the return and risk of a fund unit. The higher the figure, the better return the investment has generated relative to its risk.

The *turnover rate* indicates how many times securities have been purchased or sold in relation to the fund's total assets.



The higher the turnover rate, the more the fund has traded in addition to the turnover resulting from the subscription for and redemption of fund units.

The *Administrative costs\* figure* (previously Ongoing charges) include the management fee actually charged from the fund's assets in euros during the 12 months preceding the end of the review period and other expenses charged from the fund's assets over the year. However, the figure does not take into account performance-based fees or trading expenses, which are reported separately.

*\* Administrative costs refer to management fees and other administrative or operating costs (the percentage includes management fee). Administrative costs are also presented in the Key Information Document (PRIIPS KID) and the Funds Now service at [www.nordea.fi/rahasto](http://www.nordea.fi/rahasto). If the management fee has changed since the start of the year, the key information document and the Funds Now service present a forward-looking estimate of the administrative costs instead of the administrative costs for the previous calendar year.*

The *fund's trading expenses* are reported in the annual and semi-annual reports for the preceding 12 months. This indicator describes how the commissions and brokerage fees paid from the fund's assets to brokers for trades affect the fund's value on an annual basis.

The trading expenses, also called fund transaction costs, reported in the funds' annual and semi-annual reports are calculated in a different way and are regulated by different legislation than the transaction costs disclosed in the Key Information Document. For this reason, they do not describe the expenses related to the funds' trades in the same way, for example, because the first is calculated over 12 months, while the latter is calculated over 36 months. There are also other differences in the calculation principles.

Under the MiFID II directive, which came into force at the beginning of 2018, asset managers must itemise the costs of research related to portfolio management, such as analysis, from other trading expenses. One of the aims of the directive is to raise transparency in financial markets and make investment services more comparable. The asset manager can decide whether it will be liable for the costs itself or whether it will pass on the costs to customers in the fees charged from the fund.

Nordea has decided to bear the costs of external research itself, effective from the beginning of 2018 when the MiFID II directive came into force. Research costs will therefore no longer reduce the returns that unitholders receive from their fund investment in 2018 and onwards.

*Brokerage fees paid to the Group* is a key figure that indicates the proportion of the value of all the securities trades in euros where a broker belonging to the same Group was used.

The *interest-rate sensitivity, modified duration*, refers to the sensitivity of a fund to changes in the interest-rate level and describes how many per cent the value of the fund will rise or fall if the general interest-rate level suddenly falls or rises by one percentage point.

The *interest-rate risk (Macaulay duration)*, given in years, refers to the uncertainty of returns caused by changes in the interest rates. In other words, it indicates how the value of the fund

vary depending on the interest rate level. When interest rates increase, values of bonds generally decrease. This risk is generally higher the longer the term-to-maturity or duration of a bond investment.

## How are the key figures calculated in the annual and semi-annual reports?

### Performance of the NAV per unit

The NAV per unit performance chart is based on monthly observations taken on the last NAV calculation day of each month. It describes the performance of the NAV per unit over the past five years or since the launch date of the fund.

### Return figures

The return figures of the fund/unit series are calculated based on the development of the value of a growth unit and are expressed in the fund's base currency, as well as in the other currencies that can be used to subscribe for fund units. The funds that only have distribution units are an exception to this. Due to computational reasons, small differences in the return figures can occur between the growth and distribution units.

If the fund has a benchmark index, the benchmark index return will be shown in the fund's base currency and in other currencies in which the fund's units can be subscribed for. If the growth unit in a fund's unit series has been launched after the previous reporting period, the benchmark index return shown will be the benchmark index return of the fund's representative unit series.

### Risk measures

#### **Variation in return/volatility/standard deviation (%)**

Investments in securities involve fluctuations in the market value of the investment: the value of the investment can rise and fall. When the value fluctuates, there is uncertainty over the return on the investment. This is called risk. The magnitude of a risk is indicated by the variation in the annual return, also known as volatility (standard deviation).

Volatility refers to the fluctuation of the return on the growth unit in the fund around its average value. The volatility of the benchmark is also calculated for each Nordea fund that has had a benchmark for at least three years.

The volatility of a fund unit is calculated based on the monthly returns of the growth unit over the preceding 36 months, and then the figure is annualised. The funds that only have distribution units are an exception to this.

If the fund has operated for between two and three years, the fund's volatility over the relevant operating period is calculated and reported as an annualised figure.

#### **Tracking error/active risk (%)**

The tracking error (TE) is the difference in the return between a growth unit in the fund and the benchmark. It describes how high the fund's risk is relative to the benchmark. The TE is

calculated based on the differences between the monthly returns of a growth unit in the fund and the benchmark over the preceding 36 months. It is expressed as an annual percentage. The swing pricing method used in certain funds increases the calculated TE, although the fund's active risk does not increase. This particularly affects the TE in passive equity funds.

A TE can be calculated if the fund has had a benchmark for at least three years.

### **Active share (%)**

The active share (AS) figure is usually calculated for equity funds that have a benchmark. The AS is expressed as a percentage and describes how much of the content of the fund's portfolio differs from the breakdown of the benchmark.

The AS is a measure of active portfolio management. If the AS figure is between 0% and 20%, the fund is a passive or index-type fund.

The higher the figure, the more the equities in the portfolio and/or their weights deviate from the index breakdown and the more actively the fund's investment operations have been managed.

Certain funds, such as Nordic country-specific equity funds, are actively managed and have a concentrated investment universe. The degree of concentration generally limits the AS figure that can be attained.

### **Sharpe ratio**

The Sharpe ratio represents how much more a fund unit has generated return over a risk-free deposit per percentage of volatility. The Sharpe ratio is the difference between the return on a fund unit and the risk-free return divided by the volatility. The return and volatility of a fund unit are calculated using observations over the preceding 36 months. The Sharpe ratio can be calculated if the fund has a history of at least 24 months.

## **Other key figures**

### **Portfolio turnover rate (%)**

The portfolio turnover rate is calculated by deducting the aggregate value of the securities purchased and sold by the fund (sum 1, expressed in euros) from the aggregate value of the subscriptions and redemptions (sum 2, expressed in euros). The turnover rate is the difference stated above (sum 2 minus sum 1) divided by the average market value of the fund calculated using the daily market values over the preceding 12 months.

If the turnover rate is 0%, the turnover caused by subscriptions and redemptions of fund units has largely steered the fund's trading activities. This calculation method also permits a negative turnover rate in cases where the aggregate value of the fund's purchases and sales is less than the aggregate value of the subscriptions and redemptions.

In the semi-annual or annual reports, the turnover rate of the portfolio is not annualised if the fund has operated for less than a year.

Under the definition of turnover rate, a security refers to any financial instrument that the fund has traded in, except for transactions related to certain options, forward contracts or equity borrowing/lending agreements, among other things.

Turnover rate is not disclosed if the fund has operated for less than six months.

### **Interest-rate sensitivity, modified duration**

Changes in the general interest-rate level have an inverse effect on the prices of the fund's fixed-income investments.

Example: if the modified duration, i.e. interest-rate sensitivity, of a fund is 6–10 and the general interest-rate level suddenly falls by 1 percentage point, the value of the fund will rise by an average of 6–10%, and vice versa. In other words, a rise in the general interest-rate level will lower the value of the fund by the amount indicated by the interest-rate sensitivity.

The figure is presented on the second fund-specific page.

### **Interest-rate risk (Macaulay duration), years**

The interest-rate duration is the average remaining term-to-maturity, weighted by the present values of the cash flows from the fund's money-market and bond investments, and it is presented on the second fund-specific page.

The average term to maturity of the investments of fixed-income funds is presented in the "The most central changes in the fund portfolio" section on the first fund-specific page.

## **Costs and charges**

### **Administrative costs (%) \***

The administrative costs describe the proportion of the fees charged by the fund management company from the value of the fund. The administrative costs are an annualised figure representing the sum of the four cost items charged from the fund's assets. The administrative costs do not include the fund's performance-based fee or trading expenses. The effects of these on the fund's value are disclosed separately.

The fund's unit series-specific administrative costs have been calculated in the annual report and semi-annual report based on the management fees and other expenses related to the growth unit. Due to computational reasons, small differences in the administrative costs can occur between the growth and distribution units.

Those Nordea funds which are fund of funds do not pay subscription or redemption fees when investing in domestic or foreign Nordea funds. As a rule, when a fund invests in other Nordea funds, no management fee is charged from the assets of the underlying funds. Consequently, these expenses do not affect the administrative costs figure of the Nordea funds. Other expenses charged from the assets of a Nordea fund or UCITS in which a fund invests are included in the fund's administrative costs if possible. The calculation uses either the exact amount or an estimate of the other expenses. In certain funds of funds, subscription taxes and other expenses are not usually charged from the assets of the underlying funds. However, these other expenses are usually charged from the UCITS assets under normal circumstances.

Nordea funds disclose the management fee as a percentage (varying by fund between 0,10% and 1,85% p.a.) in the semi-annual and annual reports in addition to the administrative costs.

**Administrative costs = A + B + C + D**

A = The amount of the management fee in euros charged from the fund's assets in practice, divided by the market value of the fund calculated from average daily observations over the 12 months preceding the end of the review period, expressed as a percentage p.a. The management fee is expressed as an annualised percentage if the fund has operated for less than a year when the review period ends.

Performance-based fees, if any, are not included in the administrative costs figure—they must always be disclosed separately.

**Administrative costs in different calendar years**

The administrative costs are calculated in accordance with regulations. Due to computational reasons, the management fee component of the administrative costs and, consequently, the administrative costs themselves may, in certain cases, be below the official management fee percentage, even though a fee calculated according to the official management fee percentage is charged daily. Similarly, in some calendar years, the management fee component of the administrative costs may, in certain cases and depending on the number of NAV calculation days, be slightly higher than the official management fee percentage.

**Investments in domestic or foreign Nordea funds**

The administrative costs figure for a fund of funds (investor fund) is not usually affected by the management fees of the underlying domestic or foreign Nordea Funds (underlying funds). When an investor fund invests in a domestic or foreign Nordea fund, a sum corresponding to the management fee for the investment charged from the underlying fund's assets and paid to the fund management company, is refunded in the investor fund's assets so as to avoid charging the management fee twice.

The investor fund does not pay any subscription or redemption fees when investing in domestic or foreign Nordea underlying funds or when selling underlying fund units.

**Investments in funds managed by entities other than Nordea**

When an investor fund invests in an external, i.e. non-Nordea fund, the aim is to select such a unit series for which subscription, redemption and management fees are not charged.

The subscription, redemption and management fees of external underlying funds are stated in the annual or semi-annual reports in connection with the fund's investments but are not included when calculating the investor fund's administrative costs figure.

**Exchange-traded funds (ETFs)**

In addition to the investment fund's annual management fee, the performance of the NAV per unit in the fund is affected by the management fees charged from the assets of the ETFs that the fund invests in. The fund does not pay subscription or redemption fees when investing in ETFs. ETF units are traded like equities on stock exchanges. Thus, normal trading fees are paid when buying and selling exchange-traded fund units, and these are included in the investor fund's trading expenses.

The management fees charged from the assets of the ETFs are included when calculating the investor fund's administrative costs figure.

B = Fee paid to the custodian (%), if any, charged from the fund's assets. The management fee includes the compensation paid to the custodian for all the domestic Nordea funds, so it is not charged separately.

C = Fees related to management of bank accounts and other fees that may be charged from the fund's assets. Since the other fees included in the management expenses figure are also annual, the account management and other fees are annualised if the fund has operated for less than one year at the end of the review period.

D = Any other fees that may be charged directly from the fund's assets, according to the fund rules. Nordea funds registered in Finland have no such costs other than trading expenses or performance-based fees. The administrative costs figure does not include these costs/fees—they are reported separately.

The alternative fund Nordea Global Private Markets (AIF) is an exception to the above: according to its fund rules, other expenses, such as the operating expenses mentioned in the fund-specific pages in the annual and semi-annual reports, may also be charged from the fund's assets.

Unlike the funds registered in Finland, in addition to the management fee, other fees specified in the sub-fund rules, may be charged from the assets of a foreign SICAV target fund, for example a fund registered in Luxembourg. Such fees may include, for example, fees paid to the custodian, the costs of producing statutory documents (fund prospectus, semi-annual and annual reports), other notification expenses, legal fees and audit fees.

The above fees affect the investor fund's administrative costs figure when it invests in such funds, including feeder funds where the underlying fund is also a fund of funds. The fees (D) charged from the assets of external foreign UCITS are not included in the administrative costs presented in this report. The administrative costs of foreign funds are calculated and published in the annual and interim reports of those funds.

*According to current practice in Finland, the above expenses (D) are included in the management fee charged by the fund management company.*

**Fund trading expenses (%)**

A fund's trading expenses (in this report 'Fund transaction costs') are calculated by dividing the fund's aggregated trading expenses (in euros), including foreign exchange expenses, over the 12 months preceding the end of the review period, by the fund's maximum market value during the corresponding period. The trading expenses related to fixed-income investments made by fixed-income and balanced funds cannot be reported separately because the trading expenses/brokerage fees are included in the trading prices of bond investments.

### Commissions/brokerage fees paid to the Group (%)

The percentage of the total trading expenses paid in brokerage fees to the fund management company's related party—the investment service company belonging to the same Group—is reported for each fund individually. Under section 6 of the Act on Investment Service Companies, an investment service company or credit institution is considered a related party if it belongs to the same consolidated group of companies.

## Nordea Funds Ltd's remuneration policy

The Board of Directors of Nordea Funds Ltd confirms the fund management company's remuneration policy annually. Sections 1 and 2 below present the remuneration that the fund management company paid its employees in 2024.

Nordea's internal audit has reviewed the fund management company's remuneration system and processes for the financial period 2024. According to the audit findings, the employee remuneration processes that materially affect the risk profile of the fund management company or the funds it manages were considered relevant. No material changes were made to the policy during the financial period 2024.

The fund management company has outsourced portfolio management to Nordea Investment Management AB (NIM). Section 3 below presents the remuneration that the portfolio management organisation paid its employees in 2024. The amounts of such fixed remuneration and variable compensation are calculated based on the aggregate market value of funds managed by Nordea Funds Ltd as a proportion of the total assets under management at NIM at the end of 2024.

Information on the fund management company's remuneration principles and the compensation committee is also available at [www.nordeafunds.com](https://www.nordeafunds.com) (in English).

## Swing pricing method in use in certain funds

*The method applies to almost all the equity funds and certain fixed-income funds such as funds investing in corporate bonds or emerging markets, registered in Finland.*

Subscriptions and redemptions of fund units cause the fund to incur costs, as the portfolio manager must purchase new securities for the fund in order to invest the assets received from subscriptions for units in the fund or sell such assets to obtain the cash to pay for redemptions. All the fund's unitholders incur the expenses of this.

The swing pricing method allows the above expenses to be allocated to unitholders who make subscriptions and redemptions that necessitate trading. Therefore, the method seeks to promote equality among unitholders.

The NAV per unit is adjusted on such NAV calculation days on which the fund's net inflows or net outflows exceed a pre-determined threshold. This is referred to as the partial swing pricing method. This means that the NAV per unit is adjusted either upwards or downwards using the swing factor. The impact of the swing pricing method on the daily NAV per unit is 1,75%, at the maximum. Information on the use of the swing factor is presented on the fund-specific pages of the annual and semi-annual reports. The fund rules and the fund prospectus provide more information about the method.

*One of the fundamentals of investing is that higher risk is counter-balanced by better return expectations. The NAV per unit in a fund may increase or decrease depending on the market conditions. Historical performance of a fund investment is no guarantee of future results.*

### 1. Remuneration paid by the fund management company to its employees in 2024 (EUR)

Fixed salaries	3 932 807,53
Variable compensation	249 979,89
Number of recipients (fixed salaries)	56
Number of recipients (variable compensation)	15

### 2. Total remuneration paid by the fund management company in 2024 (EUR)

Senior management and personnel in risk-taking positions	171 915,88
Personnel in the fund management company's internal control	253 897,31

### 3. Total remuneration paid by the portfolio management organisation to its employees in 2024 (EUR)

Fixed salaries	11 924 615,78
Variable compensation	8 822 719,95



# Nordea Global Private Markets

## The most central changes in the fund portfolio, January–December 2024

In 2024, the fund increased its allocation to all of its private asset classes on an absolute basis and further increased diversification by investing in timberland. On a relative basis, the fund increased its exposure to infrastructure and, through the new investment, to timberland, while decreasing its exposure to private credit and cash. As of end of December, the fund's exposure to private equity remained at 48% which was the same percentage exposure level as of end of December 2023.

The Fund does not have a benchmark as no standard benchmark available matches its investment profile. Using such a benchmark would potentially lead to evaluating the risk and performance of the fund on irrelevant grounds.

## Sustainability-related information

The fund is classified as an article 6 fund in accordance with the SFDR regulation (Sustainability-related disclosures in the financial services sector). Additional information is available in the fund prospectus and at [www.nordea.fi/funds](http://www.nordea.fi/funds). The abbreviation ESG refers to the international standards on the environment, social issues and good governance.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Use of derivatives

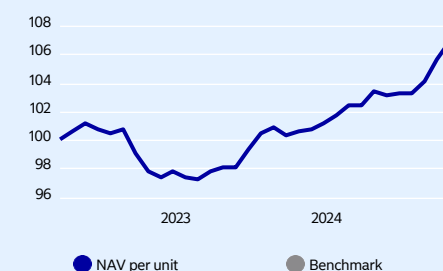
The fund did not use derivatives in its investment operations during the review period.

**Responsible portfolio manager**  
Nordea Investment Management AB  
**Country of registration** Finland  
**Start date** 13 May 2022  
**Base currency** EUR  
**SFDR category** Article 6

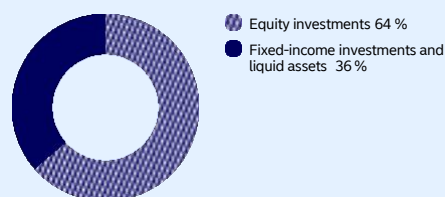
## Risk level



## NAV per unit performance, A growth



## Investment allocation



The graph shows the allocation of investments, including derivatives.

*One of the fundamentals of investing is that higher risk is counter-balanced by better return expectations. The NAV per unit in a fund may increase or decrease depending on the market conditions. Historical performance of a fund investment is no guarantee of future results.*

## Basic facts

	31 Dec 2024	31 Dec 2023	31 Dec 2022
Fund value (EUR million)	261,1	113,5	26,0
NAV per unit A growth (EUR)	10,68339	10,05067	9,76166
NAV per unit A growth (NOK)	125,64239	112,75338	102,62901
NAV per unit A growth (SEK)	122,23399	111,88905	108,55172
NAV per unit B growth (EUR)	10,78251	10,10848	9,78353
NAV per unit B growth (NOK)	126,80810	113,40192	102,85894
NAV per unit B growth (SEK)	123,36807	112,53262	108,79492
NAV per unit C growth (EUR)	11,06408	10,34194	-
NAV per unit C growth (NOK)	130,11951	-	-
NAV per unit C growth (SEK)	126,58965	-	-
NAV per unit I growth (EUR)	10,89661	10,17466	9,80830
NAV per unit I growth (NOK)	128,14997	114,14436	103,11936
NAV per unit I growth (SEK)	124,67355	113,26937	109,07037

## Costs and charges

Management fee A (% p.a.)	1,75
Management fee B (% p.a.)	1,40
Management fee C (% p.a.)	1,00
Management fee I (% p.a.)	1,00
Administrative costs* A (%)	2,97
Administrative costs* B (%)	2,62
Administrative costs* C (%)	2,31
Administrative costs* I (%)	2,21
Performance fee (%)	-
Fund transaction costs (%)	-
Brokerage fees paid to the Group (%)	-
Management fee (EUR thousand)	2 531,0

\* Administrative costs refer to management fees and other administrative or operating costs (the percentage includes management fee).

The total annual expenses of the Nordea Global Private Markets fund and its underlying funds, which may also be funds of funds, are as follows (per 31 December 2024): the management fee for the fund's series of units + 1,21% (other fees related to the fund and other fees from target funds and their underlying funds). Administrative costs do not include potential incidental costs, such as carried interests paid out for the profits of the fund's investments.

When the fund invests in other Nordea funds, no management fee is charged from the target funds' or from the underlying funds' assets. When the fund invests in UCITS managed by Nordea and external fund managers, other expenses, such as legal expenses or costs related to drawing down loans, may also be deducted from the UCITS assets and are included in the administrative costs of this fund. Between 1 January and 31 December 2024, the fund did not exercise its opportunity to draw down loans for the investment fund or investment activities.

The management fee of the Nordea Global Private Markets alternative fund includes fees for the use of an agent and the monthly custodial fee paid by the fund management company to the custodian for holding the fund's securities and fulfilling the custodian's other legal obligations.

In addition to the above fees, the following operating expenses may be deducted from Nordea Global Private Markets' assets:

1. legal, specialist, consulting, registration and trading fees when investing, divesting or preparing for such transactions, as well as taxes and other tax-related charges;
2. costs related to drawing down loans, such as interest paid to the lender, and other expenses directly related to the loans;
3. expenses related to the valuation of the fund's assets and assessment expenses, insofar as such activities are outsourced.

## Swing pricing method

The Fund may employ the swing pricing method. Provided that the Fund employs the swing pricing method, it is implemented when the AIF experiences net inflows or net outflows exceeding a pre-determined threshold. If the AIF experiences net inflows, the NAV per unit is adjusted upwards using a swing factor (the NAV per unit will increase), and in case of net outflows the NAV per unit is adjusted downwards using a swing factor (the NAV per unit will decrease). The swing factor in use may not exceed 5%. The fund did not employ the swing pricing method between 1 January and 31 December 2024.

## Return and risk

	31 Dec 2024
Unit series A growth EUR return (%)	6,30
Unit series A growth NOK return (%)	11,43
Unit series A growth SEK return (%)	9,25
Unit series B growth EUR return (%)	6,67
Unit series B growth NOK return (%)	11,82
Unit series B growth SEK return (%)	9,63
Unit series C growth EUR return (%)	6,98
Unit series C growth NOK return (%)	3,81
Unit series C growth SEK return (%)	3,56
Unit series I growth EUR return (%)	7,10
Unit series I growth NOK return (%)	12,27
Unit series I growth SEK return (%)	10,07
Return on benchmark EUR (%)	-
Return on benchmark NOK (%)	-
Return on benchmark SEK (%)	-
Fund volatility (%)	2,49
Benchmark volatility (%)	-
Active Share (%)	-
Sharpe ratio	-0,13
Turnover rate (%)	-17

## Tracking error

31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020
-	-	-	-	-

The fund's risk indicators were calculated based on the value trends of the euro-denominated unit series A growth.

The returns on the NAVs per unit were calculated based on the performance of the growth unit series.

Calculating principles for the key figures and other additional information are presented in a separate section in the report.

The annual report of 31 December 2024 is based on the NAV calculation on 31 December 2024.

## Benchmark

No benchmark

## Method of calculating the global risk exposure

The fund's global risk exposure is calculated using a method known as the commitment approach.

## AIF's risk profile and risk management system

The fund is an alternative investment fund (AIF) as it may make investments that are not possible for funds covered by the UCITS Directive. The fund primarily invests in alternative funds that implement alternative investment strategies, such as real estate investment, forest investment, infrastructure, private equity or private debt strategies. No more than 50% of the fund's assets may be invested in a single underlying fund.

The risk of this AIF mainly consists of the following risk factors:

- Liquidity: The fund may carry a liquidity risk, which means the risk that it might not be possible to convert the fund's investments into cash in the planned timetable or at the desired price. In both normal and exceptional market conditions, the amount of redemptions may exceed the subscriptions, which can lead to a situation where the fund's liquid assets, operating cash flow or a drawable short-term loan do not cover the redemption need.
- Investment strategy: The underlying alternative funds in which the fund invests use alternative investment strategies, the risks related with which may have a significant impact on the performance of the fund unit.
- Risks related to drawing down loans: The availability and price of financing can considerably vary in different market situations, which may adversely affect the fund's re-turn on its investments.

The fund has an internal risk management process to regularly monitor risk factors, which may include overall risk, interest-rate risk, credit risk, currency risk, counterparty risk, operational risk and the development of the fund's risk indicator. The fund does not have any such investments where special arrangements have been made due to their inherently poor liquidity.

## More information about leverage

The leveraging arrangements do not grant the right to reuse any collateral or guarantees. The highest, lowest, and average levels of leverage during the year, in accordance with the commitment method, were 103%, 83%, and 96%, respectively. The highest, lowest, and average levels of leverage during the year, calculated according to the gross method, were 97%, 83%, and 91%, respectively.

## Investments, 31 December 2024 (EUR)

## Other securities

	Number/ nominal value (thousand)	Price /%	Market value/ Value change (thousand)	%
<b>Investment funds</b>			<b>246 309,0</b>	<b>94,32</b>
<b>Equity funds</b>			<b>158 389,2</b>	<b>60,66</b>
NSIF - Global Infrastructure Fund Y-EUR	252,0	127,06	32 020,9	12,26
NSIF - Global Private Equity Fund Y-EUR	4 238,9	29,81	126 368,4	48,39
<b>Long-term fixed income funds</b>			<b>79 985,4</b>	<b>30,63</b>
NSIF - Global Private Credit Fund Y-EUR	657,9	121,57	79 985,4	30,63
<b>Alternative funds</b>			<b>7 934,4</b>	<b>3,04</b>
Nuveen Global Timberland Fund LUX SCSp	7,6	1 049,88	7 934,4	3,04
			<b>Market value/ Value change (thousand)</b>	<b>%</b>
<b>Securities in total</b>			<b>246 309,0</b>	<b>94,32</b>
<b>Cash and other assets, net</b>			<b>14 822,0</b>	<b>5,68</b>
<b>Fund value</b>			<b>261 131,0</b>	<b>100,00</b>

## Allocation

	No. of units (thousand)	%
Unit series B growth	8 252,5	34,08
Unit series A growth	7 513,1	30,74
Unit series C growth	5 198,3	22,03
Unit series I growth	3 154,1	13,16

## Additional information on derivatives and securities financing

The information is based on the status on 31 December 2024 unless otherwise stated. The market values and other monetary amounts are in the fund's base currency (EUR thousand) unless otherwise stated.

The fund did not employ securities lending or borrowing during the reporting period. The fund had no total return swaps, repurchase agreements, reversed repurchase agreements or secured margin lending transactions. The fund did not use derivatives during the period.

**Income statement (EUR)**

**1.1. - 31.12.2024**

**1.1. - 31.12.2023**

Income and changes in value

Net income for securities	15 112 975,41	3 490 454,32
Net income from derivative contracts	-	-704,14
Interest income	625 185,80	226 758,35
Other income	259 912,55	144 936,11

Expenses

Fees		
Management fees	-2 531 026,58	-955 242,82
Other expenses	-200 359,37	-125 922,79
<b>Profit/loss for the financial year</b>	<b>13 266 687,81</b>	<b>2 780 279,03</b>

**Balance sheet (EUR)**

**31.12.2024**

**31.12.2023**

Assets

Securities at market value	246 309 023,36	105 827 513,87
Other receivables		
Accrued income	45 411,45	31 840,42
Cash in hand and at banks	26 079 193,45	7 747 515,42
<b>Total assets</b>	<b>272 433 628,26</b>	<b>113 606 869,71</b>

Liabilities

Net asset value of the fund	261 130 985,59	113 479 178,93
Liabilities		
Payable for securities purchased	11 000 000,00	-
Other payables		
Accrued expenses	302 642,67	127 690,78
<b>Total liabilities</b>	<b>272 433 628,26</b>	<b>113 606 869,71</b>

**Notes**

Notes to the income statement (EUR)

**1.1. - 31.12.2024**

**1.1. - 31.12.2023**

Net income from securities		
Equity-related items		
Unrealised net change in value	9 660 035,55	1 543 070,82
Interest-rate-related items		
Unrealised net change in value	5 452 939,86	1 947 383,50
<b>Total</b>	<b>15 112 975,41</b>	<b>3 490 454,32</b>
Net income from derivative contracts		
Other than equity- or interest-rate-related items		
Profits	-	8,11
Losses	-	-712,25
<b>Total</b>	<b>-</b>	<b>704,14</b>
Increases in the fair value of investments	15 112 975,41	3 490 454,32

Notes to the balance sheet (EUR)

**31.12.2024**

**31.12.2023**

Total assets 1.1.	113 479 178,93	25 955 636,68
Subscription of fund units	145 446 849,68	85 105 664,78
Redemption of fund units	-11 061 730,83	-362 401,56
Profit for the financial year	13 266 687,81	2 780 279,03
Total net assets 31.12.	261 130 985,59	113 479 178,93
Disposable funds for profit distribution as at 31.12 in accordance with the fund rules	261 130 985,59	113 479 178,93



# Report of the Board of Directors and Financial Statements 2024 – signatures

Helsinki, 11 March 2025

## Board of Directors of Nordea Funds Ltd

**Jukka Perttula**  
Chairperson

**Søren Thorius Mølhav** Andresen

**Per Långsved**

**Vesa Ollikainen**

**Marianne Philip**

**Henrika Vikman**

**Josefin Degerholm**  
Managing Director, CEO

### Auditor's note

All the investment funds managed by Nordea Funds Ltd except for the following investment funds:  
Nordea European Stars, Nordea India, Nordea China and Nordea Conservative Yield

A report on the audit has been issued today.

Helsinki, 11 March 2025

**PricewaterhouseCoopers Oy**  
Firm of Authorised Public Accountants

**Taru Mäenpää**  
Authorised Public Accountant

### Auditor's note

Nordea European Stars, Nordea India, Nordea China and Nordea Conservative Yield

A report on the audit has been issued today.

Helsinki, 20 March 2025

**PricewaterhouseCoopers Oy**  
Firm of Authorised Public Accountants

**Taru Mäenpää**  
Authorised Public Accountant

# Auditor's report

To the annual general meeting of Nordea Funds Ltd and the unitholders of the investment funds and alternative funds registered in Finland and managed by Nordea Funds Ltd

## Report on the Audit of the Financial Statements

### Opinion

In our opinion, the financial statements of the investment funds and alternative funds managed by Nordea Funds Ltd and registered in Finland give a true and fair view of the performance and financial position of the investment funds managed by the fund management company in accordance with the regulations governing the preparation of financial statements in Finland, and the financial statements comply with statutory requirements.

### Object of the audit

We have audited the financial statements of the investment funds and alternative funds listed below, managed by Nordea Funds Ltd (business ID 1737785-9), for the financial period from 1 January to 31 December 2024. The financial statements comprise the balance sheet, income statement and notes.

***The investment funds and alternative funds managed by Nordea Funds Ltd, registered in Finland, are:***

***Investment funds:*** Nordea Japan Fund, Nordea Finnish Stars Fund, Nordea World Fund, Nordea Euro Bond Fund, Nordea Pro Euro Bond Fund, Nordea Pro Finland Fund, Nordea Nordic Fund, Nordea Euro Medium Term Bond Fund, Nordea Nordic Small Cap Fund, Nordea Pro Stable Return Fund, Nordea Corporate Bond Fund, Nordea Swedish Institutional Short Duration Bond Fund, Nordea Premium Asset Management Growth Fund, Nordea Eastern Europe Fund, Nordea North American Dividend Fund, Nordea Premium Asset Management Moderate Fund, Nordea Premium Asset Management Balanced Fund, Nordea Global High Yield Fund, Nordea SWE Inflation Linked Bond Fund, Nordea Savings 75 Fund, Nordea Savings 50 Fund, Nordea Emerging Market Bond Fund, Nordea Savings 30 Fund, Nordea European High Yield Fund, Nordea Emerging Market Equities Fund, Nordea Russia Fund, Nordea Stable Return Fund, Nordea Finnish Passive Fund, Nordea European Passive Fund, Nordea Moderate Yield Fund, Nordea Yield Fund, Nordea Savings Fixed Income Fund, Nordea Stratega Fixed Income Fund, Nordea Savings 15 Fund, Nordea Focus Fixed Income Fund, Nordea Global Passive Fund, Nordea Global Dividend Fund, Nordea European Smaller Companies Fund, Nordea Obligasjon Stars Fund, Nordea Swedish Ideas Equity Fund, Nordea Premium Asset Management Conservative Fund, Nordea Defensive Fund, Nordea Global Equity Allocation Fund, Nordea Equity Opportunities Fund, Nordea Fixed Income Credit Opportunities Fund, Nordea Allokeringfond Fund, Nordea Sustainable Selection Growth Fund, Nordea Sustainable Selection Moderate Fund, Nordea Sustainable Selection Balanced Fund, Nordea Discretionary Global Equity Fund, Nordea Discretionary Asset Allocation Fund, Nordea Discretionary Corporate Credit Fund, Nordea Discretionary Swedish Equity Fund, Nordea Global Enhanced Fund, Nordea North American Enhanced Fund, Nora Fund Two (SEK), Nora Fund Three (SEK), Nora Fund Four (SEK), Nora Fund Five (SEK), Nora Fund Three (EUR), Nora Fund Four (EUR), Nora Fund Five (EUR), Nora Fund Three (NOK), Nora Fund Four (NOK), Nora Fund Two Master, Nora Fund Three Master, Nora Fund Four Master, Nora Fund Five Master, Nordea Kreditt Stars Fund, Nordea Sustainable Equities Global Fund, Nordea Hållbarhetsfond Obligationer Global Fund, Nordea Sustainable Fixed Income Global Fund, Nordea Bærekraftige Obligasjoner Global Fund, Nordea Tactical Asset Allocation Fund, Nordea Norwegian Stars Fund, Nordea Sustainable Selection Moderate Fund (SEK), Nordea Sustainable Selection Growth Fund (SEK), Nordea Sustainable Selection Balanced Fund (SEK), Nordea Sustainable Selection Moderate Fund (NOK), Nordea Sustainable Selection Growth Fund (NOK), Nordea Sustainable Selection Balanced Fund (NOK), Nordea Institutionella Småbolagsfonden Sverige Fund, Nordea Innovation Stars Fund, Nordea Nordic Covered Bond Fund, Nordea Sustainable Selection Return Fund, Nordea Sustainable Selection Return Fund (NOK), Nordea Sustainable Selection Return Fund (SEK), Nordea Stratega 90 Fund, and Nordea World Passive Fund, Nordea Emerging Europe Fund, Nordea Avkastning Fund, Nordea FRN Kreditt Fund, Nordea FRN OMF Fund, Nordea FRN Pensjon Fund, Nordea Global Statsobligasjon Fund, Nordea Kort Obligasjon Fund, Nordea Kort Obligasjon Pluss Fund, Nordea Norge Pluss Fund,

*Nordea Norge Verdi Fund, Nordea Norwegian Passive Fund, Nordea Obligasjon II Fund, Nordea Obligasjon III Fund, Nordea Plan Balansert Fund, Nordea Plan Konservativ Fund, Nordea Plan Moderat Fund, Nordea Plan Offensiv Fund, Nordea Plan Vekstorientert Fund, Nordea Stabile Aksjer Global Fund and Nordea Stabile Aksjer Global Valutasikret Fund.*  
**Alternative investment funds:** *Non-UCITS Nordea Private Banking Norsk Aksje Portefølje, Non-UCITS Nordea Navigo, and Non-UCITS Nordea Global Private Markets (AIF).*

## Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the investment fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the investment fund or cease operations, or there is no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- *Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.*
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*
- *Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the investment fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the investment fund to cease operating as a going concern.*
- *Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Other Reporting Requirements

### Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information that we have received prior to the date of this auditor's report is the Report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report this fact. We have nothing to report in this regard.

Helsinki, 11 March 2025

PricewaterhouseCoopers Oy  
Firm of Authorised Public Accountants

Taru Mäenpää  
Authorised Public Accountant

This document is a translation of the original auditor's report in Swedish.

# Decision on the distribution of the fund dividend, taken by the annual general meeting of Nordea Funds Ltd

**The financial statements of the funds managed by Nordea Funds Ltd were adopted by the annual general meeting of Nordea Funds Ltd held on 12 March 2025 and 20 March 2025.**

The general meeting decided on the distribution of fund dividend for the Nordea funds registered in Finland in accordance with the table including the proposal by the Board of Director's for distribution of fund dividend on pages 11–14. The table shows both the percentage and fixed fund dividend in euros per each distribution unit.

## **The following principle applies to the calculation of the fund dividend in euro**

As for the most Nordea funds, the aim is to annually distribute as stable a fund dividend for distribution units, as possible, while taking into consideration the income received by the fund (dividends and coupon interests) during the financial period, general market trends, as well as other possible factors affecting the amount of the fund dividend.

Helsinki, 20 March 2025

Josefin Degerholm  
Managing Director, CEO



# Nordea Funds Ltd

## Board of Directors

Jukka Perttula\*  
Chairman  
Finnish citizen  
Board professional

Søren Thorius Mølhave Andresen  
Danish citizen  
Head of COO and Funds,  
Nordea Asset & Wealth Management

Per Långsved  
Swedish citizen  
Head of Personal Banking Sweden &  
Country Senior Executive, Nordea

Vesa Ollikainen  
Finnish citizen  
Head of Partnerships, Nordea Asset Management

Marianne Philip\*  
Danish citizen  
Attorney-at-Law, Partner, Kromann Reumert

Henrika Vikman  
Finnish citizen  
Head of Nordea Asset Management Governance

\* independent board member

## Nordea Funds Ltd

Josefin Degerholm  
Managing Director, CEO  
Finnish citizen

## Nordea Funds Ltd's branches

### **Norway**

Nordea Funds, Norwegian branch  
Branch Director Bjørn Stolpestad  
Norwegian citizen

### **Sweden**

Nordea Funds Ab, Svensk filial  
Branch Director Maria Rengefors  
Swedish citizen

### **Denmark**

Nordea Fund Management, Filial af Nordea Funds Oy, Finland  
Branch Director Rasmus Eske Bruun  
Danish citizen

## Auditors of Nordea Funds Ltd and the Nordea funds registered in Finland

PricewaterhouseCoopers Oy, Firm of Authorised Public Accountants

- Principal Auditor Taru Mäenpää, Authorised Public Accountant,
- Deputy Auditor Jukka Paunonen, Authorised Public Accountant

The auditors are Finnish citizens