DNB FUND

Société d'Investissement à Capital Variable

A Luxembourg Collective Investment Fund

organized under the part I of the law dated 17 December 2010 on undertakings for collective investment

Prospectus

7 August 2026

This Prospectus will only be valid if distributed together with the latest annual report and the latest semi-annual report if published thereafter. These reports form an integral part of this Prospectus.

This Prospectus may not be distributed in the United-States of America.

No one may refer to information other than that appearing in this Prospectus and in the documents referred to herein.

The distribution of this Prospectus in certain countries may require that this Prospectus be translated into the languages specified by the regulatory authorities of those countries. Should any inconsistency arise between the translated and the English version of this Prospectus, the English version shall always prevail.

INTRODUCTION

DNB FUND (the "**Company**") is registered under part I of the UCI Law. The Company qualifies as a UCITS under the UCITS Directive (as such terms are defined below). The Company has appointed **Fund Partner Solutions (Europe) S.A.,** a Luxembourg public limited company ("*société anonyme*") authorized under chapter 15 of the UCI Law as its management company (the "**Management Company**").

The Company has initially been set-up as a mutual investment fund ("*fonds commun de placement")* under the name of DNB FUND and in accordance with the management regulations signed first in Luxembourg on 27 August 1990 (the "**Management Regulations**"). A copy of these Management Regulations was deposited with the Chief Registrar of the District Court of and in Luxembourg on 31 August 1990 and published in the *Mémorial, Recueil Electronique des Sociétés et Associations* (the "***Mémorial***"), n° 398 as of 25 October 1990. The Management Regulations were amended for the last time on 26 September 2014 and effective as of 10 November 2014. Such amendment was deposited with the Luxembourg companies' register and a notice regarding such deposit was published in the *Mémorial* on 17 November 2014.

The Company was converted from a mutual investment fund ("*fonds commun de placement")* into an investment company with variable capital ("*société d'investissement à capital variable"*) through a resolution of the unitholders dated 2 October 2017.

The Shares (as such term is defined below) have not been registered under the United States Securities Act of 1933 and may not be offered directly or indirectly in the United States of America (USA) (including its territories and possessions) to nationals or residents (including Green Card holders) thereof or to persons normally resident therein, or to any partnership or persons connected thereto unless pursuant to any applicable statute, rule or interpretation available under United States law. Moreover, the Shares may not be offered directly or indirectly to persons having a place of birth, and/or a telephone number and/or a standing instruction to an account and/or a mailing address/post office box in the USA.

The distribution of this Prospectus in other jurisdictions may also be restricted; persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. This document does not constitute an offer by anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer.

Any information or representation given or made by any person which is not contained herein or in any other document which may be available for inspection by the public should be regarded as unauthorized and should accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date of this Prospectus.

All references herein to times and hours are to Luxembourg local time. All references herein to EUR are to Euro.

DIRECTORY

DNB FUND or THE COMPANY
Société d'Investissement à Capital Variable
15, avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

MANAGEMENT COMPANY
FundPartner Solutions (Europe) S.A.
15, avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

BOARD OF DIRECTORS OF THE COMPANY

Mr Hallgeir HOLLUP
Chairman
Managing Director
DNB Luxembourg S.A.
13, rue Goethe
L-1637 Luxembourg
Grand Duchy of Luxembourg

Mr Mikko RIPATTI
Head of Luxembourg Branch and Benelux
DNB Asset Management AS, Luxembourg branch
13, rue Goethe
L-1637 Luxembourg
Grand Duchy of Luxembourg

Mr Harald ULRIKSON
Head of Product Management
DNB Asset Management AS
Dronning Eufemias Gate 30, Building M-12N
0191 Oslo
Norway

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Mr Marc BRIOL
CEO Pictet Asset Services
Banque Pictet & Cie S.A., Geneva
60, route des Acacias
CH-1211 Geneva 73
Switzerland

Mr Dorian JACOB
Managing Director
Chief Executive Officer
FundPartner Solutions (Europe) S.A.
15, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Mr Geoffroy Linard DE GUERTECHIN
Independent Director
15, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Mrs Christel SCHAFF
Independent Director
15, avenue J.F. Kennedy
L-1855 Luxembourg,
Grand Duchy of Luxembourg
(since 27 April 2023)

Mr Cédric Vermesse
CFO, Pictet Asset Management
Banque Pictet & Cie S.A., Geneva
60, route des Acacias
CH-1211 Geneva 73
Switzerland
(since 30 November 2023)

Mr Pierre Etienne
Independent Director
15, avenue J.F. Kennedy
L-1855 Luxembourg,
Grand Duchy of Luxembourg
(since 1 January 2024)

CONDUCTING OFFICERS OF THE MANAGEMENT COMPANY

Mr Dorian Jacob
Managing Director
Chief Executive Officer
Conducting Officer in charge of Valuation and Finance
FundPartner Solutions (Europe) S.A.
15, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Mr Abdellali KHOKHA
Conducting Officer in charge of Risk Management
Conducting Officer in charge of Compliance
Fund Partner Solutions (Europe) S.A.
15, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Florence Denis
Conducting Officer in charge of Fund Administration
FundPartner Solutions (Europe) S.A.
15, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Mr Thomas LABAT
Conducting Officer in charge of the Portfolio Management
Conducting Officer in charge of Distribution
FundPartner Solutions (Europe) S.A.
15, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

INVESTMENT MANAGER
DNB ASSET MANAGEMENT AS
Dronning Eufemias gate 30 Bygg M-12N
0191 Oslo
Norway

DEPOSITARY BANK
Bank Pictet & Cie (Europe) AG, succursale de Luxembourg
15A, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

UCI ADMINISTRATOR
FundPartner Solutions (Europe) S.A.
15, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

AUDITORS
Ernst & Young
35E, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISER
Allen Overy Shearman Sterling SCS, *société en commandite simple*
5, avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

C O N T E N T S

1. DEFINITIONS 8

2. THE COMPANY 13

3. ELIGIBLE INVESTOR 14

4. LISTING 17

5. INFORMATION ON SHARES ON OFFER 18

6. INVESTMENT POLICIES AND RESTRICTIONS 22

7. RISK-MANAGEMENT PROCESS 33

8. RISK WARNINGS 35

9. RIGHTS OF THE SHAREHOLDERS 55

10. SUBSCRIPTION, REDEMPTION, CONVERSION AND TRANSFER OF SHARES 56

11. NET ASSET VALUE 65

12. SUSPENSION OF CALCULATION OF NET ASSET VALUE, REDEMPTIONS, SUBSCRIPTIONS, CONVERSIONS 70

13. DISTRIBUTION POLICY 72

14. MANAGEMENT AND ADMINISTRATION 73

15. CHARGES & EXPENSES 83

16. TAXATION 94

17. GENERAL INFORMATION 100

APPENDIX 108

LIST OF SUB-FUNDS 108

1. EQUITY SUB-FUNDS 109

1.1 SPECIFICITIES OF EQUITY SUB-FUNDS 109

1.2 LIST OF EQUITY SUB-FUNDS 114

1.2.1 DNB FUND – ASIAN MID CAP 114
1.2.2 DNB FUND – DISRUPTIVE OPPORTUNITIES 124
1.2.3 DNB FUND – FUTURE WAVES 136
1.2.4 DNB FUND – BRIGHTER FUTURE 150
1.2.5 DNB FUND – HEALTH CARE 163
1.2.6 DNB FUND – INDIA 174
1.2.7 DNB FUND – LOW VOLATILITY EQUITIES 186
1.2.8 DNB FUND – NORDIC EQUITIES 197
1.2.9 DNB FUND – NORDIC SMALL CAP 211
1.2.10 DNB FUND – LISTED PRIVATE EQUITY 222
1.2.11 DNB FUND – RENEWABLE ENERGY 233
1.2.12 DNB FUND – TECHNOLOGY 245
1.2.13 DNB FUND – FINANCIALS 256
1.2.14 DNB FUND – EUROPEAN ENERGY SECURITY 266
1.2.15 DNB FUND – WOMEN'S HEALTH 277

2. ALTERNATIVE INVESTMENT SUB-FUNDS 289

2.1 SPECIFICITIES OF ALTERNATIVE INVESTMENT SUB-FUNDS 289

2.2 LIST OF ALTERNATIVE INVESTMENT SUB-FUNDS 294

2.2.1 DNB FUND – TMT LONG/SHORT EQUITIES 295
2.2.2 DNB FUND – STABLE ALPHA 307

3. BOND SUB-FUNDS 319

3.1 SPECIFICITIES OF BOND SUB-FUNDS 319

3.2 LIST OF BOND SUB-FUNDS 324

3.2.1 DNB FUND – NORDIC HIGH YIELD 325
3.2.2 DNB FUND – NORDIC FLEXIBLE BONDS 336
3.2.3 DNB FUND – NORDIC CORPORATE BONDS 346
3.2.4 DNB FUND – ACTIVE FIXED INCOME 357
3.2.5 DNB FUND – NORWAY CORPORATE BONDS 369
3.2.6 DNB FUND – NORWAY SHORT-TERM BONDS 380
3.2.7 DNB FUND – GLOBAL LOW CARBON CORPORATE BONDS 392

4. MULTI ASSET SUB-FUNDS 408

4.1 SPECIFICITIES OF MULTI ASSET SUB-FUNDS 408

4.2 LIST OF MULTI-ASSET SUB-FUNDS 413

1. DEFINITIONS

Accumulation Classes* or *ACC	means a Class for which it is not intended to make distributions
Actively Managed	when the Investment Manager has discretion over the composition of a Sub-Fund, subject to the stated investment objective and policy even though a benchmark may be used by a Sub-Fund but only as a point of reference from which its investments can be selected but whose composition is not replicated
AML Regulations	the law of 12 November 2004 on the fight against money laundering and terrorist financing (as amended from time to time), and associated Grand Ducal, Ministerial and CSSF Regulations and the circulars of the CSSF applicable as amended from time to time
Appendix	an appendix to this Prospectus
Articles	the articles of association of the Company
Benchmark Regulation	the regulation (EU) No 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and regulation (EU) No 596/2014, as amended from time to time
Board of Directors	the board of directors of the Company
Business Day	a full business day on which banks are fully open in Luxembourg
China A-Share(s)	means shares of companies incorporated in the People's Republic of China that are listed and traded on the Shanghai Stock Exchange (SSE) or the Shenzhen Stock Exchange (SZSE) and denominated in Renminbi (RMB)
ChinaClear	means China Securities Depository and Clearing Corporation Limited, the PRC central securities depository
CSRC	means the China Securities Regulatory Commission, the principal securities regulator of the PRC.
CSDC	China Securities Depository and Clearing Corporation Limited
Class(es)	within each Sub-Fund, separate classes of Shares whose assets will be commonly invested but where a specific sales or redemption charge structure, fee structure, minimum investment amount, taxation, distribution policy or other feature may be applied
CSSF	the *Commission de Surveillance du Secteur Financier*, the Luxembourg authority supervising the financial sector
Cut-off Time	being a deadline (as further specified in chapter 10 (“SUBSCRIPTION, REDEMPTION, CONVERSION AND TRANSFER OF SHARES"), before which applications for subscription, redemption, or conversion of Shares of

	any Class in any Sub-Fund must be received by the UCI Administrator in relation to a Valuation Day
Depositary Bank	Bank Pictet & Cie (Europe) AG, succursale de Luxembourg, acting as depositary bank in the meaning of the UCI Law
Distribution Class* or *DIST	means a Class for which it is intended to make distributions
Emerging Countries	includes in particular the following countries: Argentina, Brazil, Bulgaria, Chile, China, Colombia, Czech Republic, Egypt, Estonia, Hungary, Greece, India, Indonesia, Kenya, Korea, Latvia, Lithuania, Malaysia, Mexico, Morocco, Nigeria, Pakistan, Peru, Philippines, Poland, Qatar, Romania, Russia, South Africa, Taiwan, Thailand, Turkey, Ukraine, UAE, Vietnam and Venezuela as well as such other countries as determined from time to time by the Company as being "Emerging Countries"
EU	the European Union
FATCA Rules	the regulations relating to Information Reporting by Foreign Financial Institutions and Other Foreign Entities released by the IRS on 28 January 2013 (the "**FATCA Regulations**"), all subsequently published FATCA announcements and as the case may be, the provisions of the intergovernmental agreement (IGA) entered between Luxembourg and the United States and/or between the country of each investor and the US
Group of Companies	companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts or according to recognized international accounting rules, as amended from time to time
HKSCC	means Hong Kong Securities Clearing Company Limited, the clearing house for the Stock Exchange of Hong Kong Limited
Institutional Investor	an institutional investor as defined for the purposes of the UCI Law and by the administrative practice of the CSSF, such as financial institutions and professionals of the financial sector subscribing on their own behalf, insurance and reinsurance companies, social security institutions and pension funds, industrial and financial groups and the structures which they put in place to manage their funds
Investment Manager	DNB Asset Management AS, a Norway appointed to act as investment manager of the Company
Issue Price	the net asset value per Share of Class of a Sub-Fund as determined on the applicable Valuation Day plus the applicable sales commission (if any)
KID	the key information document as defined by the UCI Law and applicable laws and regulations
Mainland China* or *PRC	means the People's Republic of China

Management Company	FundPartner Solutions (Europe) S.A., a Luxembourg public limited company appointed to act as the management company of the Company pursuant to Chapter 15 of the UCI Law
Member State	a member state as defined in the UCI Law
MiFID	the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended from time to time
Money Market Instruments	instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as Money Market Instruments, as defined by regulations or guidelines issued by the CSSF from time to time
OECD	means the Organization for Economic Cooperation and Development
Other Regulated Market	market which is regulated, operates regularly and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognized by a state or by a public authority which has been delegated by that state or by another entity which is recognized by that state or by that public authority such as a professional association and (iv) on which the securities dealt are accessible to the public
Other State	any state in the world which is not a Member State
Prohibited Person	means any legal or natural person, including any trust, partnership, estate or other corporate body, if in the sole opinion of the Management Company, the holding of Shares may be detrimental to the interests of existing Shareholders or the relevant Sub-Fund, if it may result in a breach of applicable law (whether in Luxembourg or abroad) or a shareholder of the Company failing to provide information necessary to be an investor in the Company, including information regarding anti-money laundering and counter-terrorist financing, or if as a result thereof the relevant Sub-Fund, the Company or the Management Company may become subject to tax or other legal, administrative or regulatory disadvantages, fines or penalties that it would not have otherwise incurred, or may become required to comply with a registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply
Prospectus	means this prospectus of the Company
Regulated Market	a market within the meaning of MiFID
RMB *or* ***Renminbi***	means the lawful currency of the PRC
Settlement Day	the Business Day on which the consideration for subscription, or redemption is fully paid, which is to occur at the latest two Business Days

	following the Valuation Day, unless otherwise provided in chapter 10 ("SUBSCRIPTION, REDEMPTION, CONVERSION AND TRANSFER OF SHARES")
SAFE	means the State Administration of Foreign Exchange of the PRC
SEHK Subsidiary	means a wholly owned subsidiary of SEHK duly authorised as an automated trading service provider under the SFO and licensed under applicable laws in Mainland China to provide the order-routing service under Stock Connect.
SFC	means the Securities and Futures Commission in Hong Kong
SFDR	Regulation 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector
SSE	means the Shanghai Stock Exchange
SSE Securities	means eligible securities listed on the SSE
Stock Connect	means the mutual market access programme(s) between Hong Kong and Mainland China comprising the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, each of which establishes a trading and clearing link between the Stock Exchange of Hong Kong Limited (HKSCC)/ Hong Kong Exchanges and Clearing Limited and the SSE or the SZSE (as applicable), with clearing effected by HKSCC and ChinaClear respectively.
Shareholders	holders of Shares (as defined below)
Shares	shares of each Sub-Fund of the Company, which details are specified in this Prospectus (including in the Appendix) as well as on the website https://www.dnbam.com
SSE	means the Shanghai Stock Exchange
Sub-Fund	a specific portfolio of assets and liabilities within the Company having its own net asset value and represented by a separate Class or Classes of Shares, which are distinguished mainly by their specific investment policy and objective and/or by the currency in which they are denominated. The specifications of each Sub-Fund are described in the Appendix
SZSE	means the Shenzhen Stock Exchange
SZSE Securities	means eligible securities listed on the SZSE
Taxonomy Regulation	means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088)
Transferable Securities	– shares and other securities equivalent to shares – bonds and other debt instruments

– any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchanges, with the exclusion of techniques and instruments

UCI	undertaking for collective investment within the meaning of the first and second indent of Article 1 (2) of the UCITS Directive, whether situated in a Member State or not
UCI Administrator	FundPartner Solutions (Europe) S.A., acting as administrative agent, paying agent, registrar and transfer agent and domiciliary agent as further described below
UCI Law	the law of 17 December 2010 concerning undertakings for collective investments, as may be amended from time to time
UCITS	undertaking for collective investment in transferable securities as defined in the UCITS Directive and the UCI Law
UCITS-CDR	the Commission Delegated Regulation of 17 December 2015 supplementing Directive 2009/65/EC with regard to obligations of depositaries
UCITS Directive	the Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration policies and sanctions, as amended from time to time
U.S. Person	means any person as defined in chapter 3 (“ELIGIBLE INVESTOR”)
Valuation Day	each Business Day unless (i) during any period when any of the principal markets or other markets on which at least 25% of the investments of a Sub-Fund, on an aggregated basis, are quoted or dealt in is closed, regardless of the number of closed markets, otherwise than for ordinary holidays, or (ii) otherwise is detailed for in the relevant Appendix. A current Valuation Day calendar for all Sub-Funds is available on https://www.dnbam.com

2. THE COMPANY

DNB FUND is an open-ended UCITS organized as a public limited company ("*société anonyme*") in the legal form of an investment company with variable capital ("*société d'investissement à capital variable*") subject to part I of the UCI Law.

The Company was converted from a common fund ("*fonds commun de placement*") into an investment company with variable capital ("*société d'investissement à capital variable*") through a resolution of the unitholders dated 2 October 2017 and is registered with the Trade and Companies Register of Luxembourg *("Registre de Commerce et des Sociétés à Luxembourg"* – the *"***RCS***")* under number 218389. Its Articles were published in the *Recueil Electronique des Sociétés et Associations* (the "**RESA**") on 10 October 2017. All amendments of the Articles will become legally binding for all Shareholders subsequent to their approval by the general meeting of Shareholders. The initial capital of the Company amounted to EUR 30,000 and thereafter will correspond to the total net asset value of the Company. The minimum capital of the Company amounts to EUR 1,250,000. The capital of the Company shall be expressed in EUR.

The Company has an umbrella structure and therefore consists of at least one Sub-Fund. The individual Sub-Funds are further described in the Appendix. Each Sub-Fund represents a portfolio containing different assets and liabilities and is considered to be a separate entity in relation to the Shareholders and third parties. The rights of Shareholders and creditors concerning a Sub-Fund or which have arisen in relation to the establishment, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. No Sub-Fund will be liable with its assets for the liabilities of another Sub-Fund.

The Board of Directors may, at any time, decide on the creation of further Sub-Funds and in such case the Appendix will be updated. Each Sub-Fund may have one or more Classes of Shares as disclosed on the website https://www.dnbam.com.

3. ELIGIBLE INVESTOR

The Board of Directors may at any time and if it considers it necessary, temporarily suspend or finally halt or limit the issuing of Shares in one or several Sub-Funds to individuals or legal entities residing or domiciled in certain countries and territories, or exclude them from purchasing Shares, should such a measure prove necessary to protect the Company and existing Shareholders as a whole.

The Shares are not being offered in the United States and may be so offered only pursuant to an exemption from registration under the Securities Act of 1933 (the "**1933 Act**"), and have not been registered with the Securities and Exchange Commission or any state securities commission nor has the Company been registered under the Investment Company Act of 1940, as amended (the "**1940 Act**"). No transfer or sale of the Shares shall be made unless, among other things, such transfer or sale is exempt from the registration requirement of the 1933 Act and any applicable state securities laws or is made pursuant to an effective registration statement under the 1933 Act and such state securities laws and which would not result in the Company becoming subject to registration or regulation under the 1940 Act.

Furthermore, the Shares shall not be offered neither directly nor indirectly to citizens of the United States which fall within the scope of the FATCA Rules.

FATCA Rules generally impose a reporting to the U.S. Internal Revenue Service of U.S. Persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

The term "U.S. Person" means with respect to individuals, any U.S. citizen (and certain former U.S. citizens as set out in relevant U.S. income tax laws) or "resident alien" within the meaning of U.S. income tax laws and in effect from time to time.

With respect to persons other than individuals, the term "U.S. Person" means (i) a corporation or partnership or other entity created, authorized or organised in the United States or under the laws of the United States or any state thereof; (ii) a trust where (a) a U.S. court is able to exercise primary jurisdiction over the trust and (b) one or more U.S. fiduciaries have the authority to control all substantial decisions of the trust and (iii) an estate (a) which is subject to U.S. tax on this worldwide income from all sources; or (b) for which any U.S. Person acting as executor or administrator has sole investment discretion with respect to the assets of the estate and which is not governed by foreign law. The term "U.S. Person" also means any entity organised principally for passive investment such as a commodity pool, investment company or other similar entity (other than a pension plan for the employees, officers or principals of any entity organised and with its principal place of business outside the United States) which has as a principal purpose the facilitating of investment by a United States person in a commodity pool with respect to which the operator is exempt from certain requirements of part 4 of the United States Commodity Futures Trading Commission by virtue of its participants being non-United States persons. "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

On 28 March 2014, Luxembourg has signed an intergovernmental agreement with the United States (the "**Luxembourg IGA**") in order to facilitate compliance of entities like the Company with FATCA Rules and avoid the above-described US withholding tax. Under the Luxembourg IGA, some Luxembourg entities like the Company will have to provide the Luxembourg tax authorities with information on the identity, the investments and the income received by their investors. The Luxembourg tax authorities will then automatically pass the information on to the United States Internal Revenue Service ("**IRS**"). Under the Luxembourg IGA, the Company is required to obtain information on the Shareholders and, if applicable, inter alia, disclose the name, address and taxpayer identification number of a U.S. Person that owns, directly

or indirectly, Shares of a Sub-Fund of the Company, as well as information on the balance or value of the investment.

The Company may therefore face a 30% withholding tax on payments of U.S. source income and proceeds from the sale of property that could give rise to U.S. source interest or dividends when it is not able to satisfy its obligation vis-à-vis the U.S. tax authorities. This ability will depend on each Shareholder providing the Company with the requested necessary information.

A Shareholder that fails to comply with such documentation requests may be charged with any taxes imposed on the Management Company or the Company attributable to such Shareholder's non-compliance under the FATCA Rules.

To prevent the Company from incurring any liability, loss, taxation or any other constraint or disadvantage, Shares must not be offered or sold to or held by (i) Specified U.S. Persons as defined in the Luxembourg IGA, (ii) financial institutions that qualify as nonparticipating Financial Institutions ("**NPFI**"), *i.e.* financial institutions that are nonparticipating foreign financial institutions ("**FFI**") established in a non-IGA model 1 country ("NPFFI" as defined in the relevant U.S. Treasury Regulations) or financial institutions established in an IGA model 1 country that are considered by the United States as NPFI after a significant period of non-compliance, or (iii) passive non-financial foreign entities with one or more substantial U.S. owners as defined by the FATCA Rules.

Each Shareholder or intermediary acting for a Shareholder agrees to provide the Company with any information that would affect its chapter 4 status within ninety days after such change of status. In particular, if a Shareholder or intermediary acting for a Shareholder becomes a NPFI after investing into the Company, its Shares may be compulsorily redeemed by the Company.

Despite anything else herein contained and as far as permitted by Luxembourg law, the Company shall have the right to:

(i) Withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Company;

(ii) Require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;

(iii) Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority;

(iv) Withhold the payment of any dividend or redemption proceeds to a Shareholder until the Company holds sufficient information to enable it to determine the correct amount to be withheld;

(v) Reject at its discretion any subscription for Shares;

(vi) Compulsorily redeem at any time the Shares held by Prohibited Person, in particular (i) U.S. Persons, (ii) persons that do not provide necessary information requested by the Company (or any third party appointed by the Company to do so) in order to comply with legal and regulatory provisions, including information regarding anti-money laundering and counter-terrorist financing, (iii) persons that are deemed to cause potential financial risks for the Company. The Company shall have procedures in place to block accounts and compulsorily redeem the Shares of said blocked accounts. Extracts of said procedures are available at the registered office of the Company;

(vii) Decline to register the transfer of Shares to any Prohibited Person; and

(viii) Decline to accept the vote of any Prohibited Person at any meeting of Shareholders.

All prospective investors and Shareholders should consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Company.

4. LISTING

Unless specifically provided for a given Sub-Fund or for a given Class of a Sub-Fund, none of the Shares of any Sub-Fund and of any category of the Company will be listed on any stock-exchange.

5. INFORMATION ON SHARES ON OFFER

5.1 General information on Shares on offer

Shares will be issued in registered form only. Fractional entitlements to Shares will be rounded to four (4) decimal places. Subject to the restrictions described herein, Shares in each Sub-Fund are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to the respective Class of the relevant Sub-Fund.

The Shares, which are of no par value and which must be fully paid upon issue, carry no preferential or pre-emptive rights and each one is entitled to one vote at all meetings of Shareholders. Shares redeemed by the Company become null and void.

5.2 Hedged and non-hedged Classes

Where explicitly mentioned in the Sub-Fund related section of the Appendix and/or in the list of Classes for each Sub-Fund published on the website https://www.dnbam.com, the Company enters into certain currency related transactions aimed at hedging the exchange rate risk between the reference currency of such Sub-Fund or other currency exposures in the portfolio of such Sub-Fund and the currency in which Shares of such Class are designated. Any financial instruments used to implement such strategies with respect to one or more Class(es) shall be assets and liabilities of a Sub-Fund as a whole but will be attributable to the relevant Class and the gains and losses on and the costs of the relevant financial instrument will accrue solely to the relevant Class.

Currency hedged Classes are Classes to which a hedging strategy aiming at mitigating currency risk is applied in accordance with ESMA Opinion on UCITS share classes (34-43-296) dated 30 January 2017.

Transactions will be clearly attributable to a specific Class, therefore any currency exposure of a Class may not be combined with, or offset against, that of any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

Where there is more than one hedged Class in a Sub-Fund denominated in the same currency and it is intended to hedge the foreign currency exposure of such Classes into another currency, the Sub-Fund may aggregate the foreign exchange transactions entered into on behalf of such hedged Classes and apportion the gains/losses on and the costs of the relevant financial instruments pro rata to each such hedged Class in the relevant Sub-Fund.

Where the Company seeks to hedge against currency fluctuations at Class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However, over-hedged positions will not exceed 105% of the net asset value of the Class and under-hedged positions shall not fall short of 95% of the portion of the net asset value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not fall short of the permitted levels outlined above and are not carried forward from month to month.

To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move directionally with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the currency in which the assets of the particular Sub-Fund are denominated.

The currency hedging strategy will not be monitored and adjusted in line with the valuation cycle at which investors are able to subscribe to and redeem from the relevant Sub-Fund. Investors' attention is drawn to the risk factor below entitled "Share Currency Designation Risk".

5.3 Distribution and capitalization Classes

For each Sub-Fund, the Board of Directors may decide to issue different Classes that either pay out a dividend to their Shareholders (”Distribution Classes” or “(DIST)”) or that capitalize income (”Accumulation Classes” or “(ACC)”) with the result that their value will constantly be greater than that of the Distribution Classes, in the proportion of the dividends paid to Distribution Classes.

Regarding the Distribution Classes, dividends are paid annually, except for those Sub-Funds where the Board of Directors decides a monthly, quarterly or semi-annual dividend payment. The periodicity of the dividend payments can be found on the website https://www.dnbam.com. Shareholders have the right to convert their Shares of one class into Shares of another Class pursuant to the principles described in the chapter 10 (“SUBSCRIPTION, REDEMPTION, CONVERSION AND TRANSFER OF SHARES").

5.4 Institutional and retail Classes

A further distinction is made regarding the potential investors in the Classes.

The Shares may either be distributed to retail investors (the “**Retail Classes**”) or Institutional Investors (the “**Institutional Classes**”).

For Classes reserved for Institutional Investors, an annual subscription tax (*taxe d'abonnement*) at a reduced rate of 0.01% is payable, calculated based on the relevant Sub-Fund’s net assets at the end of each quarter.

The Board of Directors in its sole discretion shall refuse to issue or transfer Shares of Institutional Classes, if there is not sufficient evidence that the legal entity to which such Shares are sold qualifies as an Institutional Investor.

In considering the qualification of a subscriber as an Institutional Investor, the Board of Directors shall have due regard to the guidelines or recommendations (if any) of the relevant supervisory authorities.

Institutional Investors subscribing in their own name, but on behalf of a third party, must ensure that such subscription is made on behalf of an Institutional Investor as aforesaid and the Board of Directors may require evidence that the beneficial owner of the Shares is an Institutional Investor. The foregoing shall however not apply to credit institutions or other professionals of the financial sector established in Luxembourg or abroad, which invest in their own name but on behalf of their non-institutional clients on the basis of a discretionary management mandate.

5.5 Net Fee Classes

In addition, Shares may also be offered as “Net Fee Classes”, either distributing or accumulating their income.

Net Fee Classes are exclusively reserved for the following investors:

(a) investors being clients of financial intermediaries prohibited from retaining inducements under applicable law or regulation; or

(b) distributors providing any of the following services within the meaning of MiFID: (i) portfolio management; (ii) investment advice on an independent or non-independent basis; or (iii) reception and transmission of orders (RTO), provided that, in all such cases, the intermediary or distributor has established a contractual agreement with the client that prevents it from receiving and retaining any commissions or inducements in relation to the investment in the Company.

Furthermore, the Management Company does not remit any commission-based payments for these Shares even in case the financial intermediaries or distribution partners are not legally prohibited from receiving such payments.

5.6 Types of available Classes

The information above describes all types of Classes that could be issued by the Board of Directors, at their own discretion. Not all Classes are currently available for all Sub-Funds.

Investors are asked to refer to the website https://www.dnbam.com for the most updated information on Classes that are available for subscription and their features. Investors may also contact the Management Company directly.

The Classes may be offered in different currencies such as EUR, GBP, USD, CHF, NOK and SEK. Please find below an overview of the different types of Classes offered.

Name	Main characteristics
A	Classes with "A" in their name will be available to all investors. Such Classes may be subject to a performance fee, if any, paid to the Investment Manager, as provided for each Sub-Fund in the Appendix.
A2	Classes with "A2" in their name will be available to all investors. Such Classes are not subject to a performance fee, if any, paid to the Investment Manager.
N	Classes with "N" in their name are Net Fee Classes that are reserved for investors referred to under section 5.5. ("Net Fee Classes") of chapter 5 ("INFORMATION ON SHARES ON OFFER"). Such Classes may be subject to a performance fee, if any, paid to the Investment Manager, as provided for each Sub-Fund in the Appendix.
N2	Classes with "N2" in their name are Net Fee Classes that are reserved for investors referred to under section 5.5. ("Net Fee Classes") of chapter 5 ("INFORMATION ON SHARES ON OFFER"). Such Classes are not subject to a performance fee, if any, paid to the Investment Manager.
D1	Classes with "D" in their names will be available to Institutional Investors. Such Classes are not subject to a performance fee, if any, paid to the Investment Manager. Such Classes are subject to a minimum initial subscription amount of EUR1 million (or its equivalent in the reference currency of the Sub-Fund).
D2	Classes with "D" in their names will be available to Institutional Investors. Such Classes are not subject to a performance fee, if any, paid to the Investment Manager. Such Classes are subject to a minimum initial subscription amount of EUR100 million (or its equivalent in the reference currency of the Sub-Fund).
C1	Classes with "C" in their names will be available to Institutional Investors.

	Such Classes may be subject to a performance fee, if any, paid to the Investment Manager, as provided for each Sub-Fund in the Appendix. Such Classes are subject to a minimum initial subscription amount of EUR1 million (or its equivalent in the reference currency of the Sub-Fund).
C2	Classes with "C" in their names will be available to Institutional Investors. Such Classes may be subject to a performance fee, if any, paid to the Investment Manager, as provided for each Sub-Fund in the Appendix. Such Classes are subject to a minimum initial subscription amount of EUR100 million (or its equivalent in the reference currency of the Sub-Fund).
S1	Classes with "S1" in their name will be available to all investors. Such Classes may be subscribed by investors until the date on which aggregate subscriptions in the relevant Sub-Fund reach the equivalent of EUR100 million (or its equivalent in the reference currency of the Sub-Fund), or such other amount as may be determined by the Board of Directors. The Board of Directors may reject an application for subscription for Shares of such Class which is received after the aforementioned limit is reached. Alternatively, the Board of Directors may, at its discretion, offer the investor one of the other available Classes of the relevant Sub-Fund instead (subject to the eligibility requirements applicable). Such Classes may be subject to a performance fee, if any, paid to the Investment Manager, as provided for each Sub-Fund in the Appendix.
S2	Classes with "S2" in their name will be available to Institutional Investors. Such Classes may be subscribed by Institutional Investors until the date on which aggregate subscriptions in the relevant Sub-Fund reach the equivalent of EUR100 million (or its equivalent in the reference currency of the Sub-Fund), or such other amount as may be determined by the Board of Directors. The Board of Directors may reject an application for subscription for Shares of such Class which is received after the aforementioned limit is reached. Alternatively, the Board of Directors may, at its discretion, offer the Institutional Investor one of the other available Classes of the relevant Sub-Fund instead (subject to the eligibility requirements applicable). Such Classes may be subject to a performance fee, if any, paid to the Investment Manager, as provided for each Sub-Fund in the Appendix. Such Classes are subject to a minimum initial subscription amount of EUR1 million (or its equivalent in the reference currency of the Sub-Fund).

6. INVESTMENT POLICIES AND RESTRICTIONS

6.1 General Investment Policies for all Sub-Funds

The investment objective of the Company is to manage the assets of each Sub-Fund for the benefit of its Shareholders within the limits set forth under section 6.2 “Investment and Borrowing Restrictions”. In order to achieve the investment objective, the assets of the Company will be invested in transferable securities or other assets permitted by the UCI Law.

The investments within each Sub-Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that the investment objective will be achieved.

The investment policies and structure applicable to the various Sub-Funds are described in the Appendix. If further Sub-Funds are created, the Prospectus will be updated accordingly.

Unless otherwise specified at the Sub-Fund level, as a general principle, each Sub-Fund of the Company integrates sustainability risks in its decision-making process.

6.2 Investment and Borrowing Restrictions

A. Investments in the Sub-Funds may consist solely of:

(1) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;

(2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;

(3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt in on an Other Regulated Market in an Other State;

(4) Recently issued Transferable Securities and Money Market Instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, stock exchange or on an Other Regulated Market as described under (1)-(3) above; and
- such admission is secured within one year of issue.

(5) Units or shares of UCITS and/or other UCIs within the meaning of Article 1 (2) points (a) and (b) of the UCITS Directive, whether or not established in a Member State, provided that:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured (currently the United States of America, Canada, Switzerland, Hong Kong and Japan);
- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;

– the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and

– no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

(6) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in European Union law;

(7) Financial derivative instruments, in particular options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:

– underlying consists of instruments covered by this section A, financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objectives; the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority; and

– the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Sub-Fund's initiative;

under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives.

(8) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market and which fall within the definition given in the above glossary of terms of the investment restrictions, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

– issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more member states of the European Union belong; or

– issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above; or

– issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by Community law; or

– issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor

protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (10,000,000 Euro) and which presents and publishes its annual accounts in accordance with the European Directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(9) To the extent permissible by the UCI Law, securities issued by one or several other Sub-Funds (the "**Target Sub-Fund**"), under the following conditions:

- the Target Sub-Fund does not invest in the investing Sub-Fund;
- not more than 10% of the assets of the Target Sub-Fund may be invested in other Sub-Funds;
- the voting rights linked to the transferable securities of the Target Sub-Fund are suspended during the period of investment;
- in any event, for as long as these securities are held by the Company their value will not be taken into consideration for the calculation of the net asset value for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and
- there is no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund having invested in the Target Sub-Fund and this Target Sub-Fund.

B. Each Sub-Fund may however:

(1) Invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under A (1) through A (4) and A (8), including securities that are subject to initial public offerings (IPOs) in regulated markets.

(2) Hold up to 20% of its net assets in bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, for cash management purposes. This restriction may be waived for a period of time strictly necessary in case of exceptionally adverse market circumstances and if justified by the interest of the Shareholders.

(3) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction.

(4) Acquire foreign currency by means of a back-to-back loan.

C. In addition, the Company shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:

(a) Risk Diversification rules

For the purpose of calculating the restrictions described in (1) to (5) and (8) to (15) hereunder, companies which are included in the same Group of Companies are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk diversification rules.

- ***Transferable Securities and Money Market Instruments***

(1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

(i) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of such single issuer; or

(ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

(2) A Sub-Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.

(3) The limit of 10% set forth above under (1)(i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).

(4) The limit of 10% set forth above under (1)(i) is increased up to 25% for covered bond as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU, and for certain bonds when they are issued before 8 July 2022 by credit institutions with registered offices in a EU Member State and are subject by law to specific public supervision designed to ensure the protection of bondholders. In particular the sums arising from the issue of such bonds issued before 8 July 2022 must be invested in compliance with the legislation in assets which throughout the entire period of the validity of the bonds may cover debt securities arising from the bonds and which in the event of the bankruptcy of the issuer would be used as a priority to reimburse the principal and pay for the interest incurred. To the extent that a Sub-Fund may invest more than 5% of its net assets in such bonds, issued by one and the same issuer, the total value of such investments may not exceed 80% of the value of the net assets of that Sub-Fund.

(5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).

(6) **Notwithstanding the ceilings set forth above, each Sub-Fund is authorized to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a member state of the European Union, by its local authorities, by any other member state of the OECD such as the U.S., by a member state of the Group of Twenty (G20), or by a public international body of which one or more member state(s) of the European Union are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.**

(7) Without prejudice to the limits set forth hereunder under (b) below, the limits set forth in (1) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the Regulatory Authority, on the following basis:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- it is published in an appropriate manner; and
- the index complies with the requirements set out under the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the UCI Law and implementing Commission Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards the clarification of certain definitions.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant, provided that the investment up to this 35% limit is only permitted for a single issuer.

- ***Bank Deposits***

(8) A Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body.

- ***Derivative Instruments***

(9) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in A (6) above or 5% of its net assets in other cases.

(10) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (15) and (16). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in (1) to (5), (8), (9), (15) and (16).

(11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of A (7) above, and D(1) below, as well as with the risk exposure and information requirements laid down in the present Prospectus.

- ***Units or shares of Open-Ended Funds***

(12) No Sub-Fund may invest more than 20% of its assets in the units or shares, respectively, of a single UCITS or other UCI.

(13) When a Sub-Fund invests a substantial proportion of its assets in UCITS and other UCIs, the total management fee (excluding the performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs, will be disclosed in the in the Sub-Fund related section of the

Appendix. The Company will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

- ***Master-Feeder structures***

(14) To the extent permissible under the UCI Law, a Sub-Fund may act as a feeder fund (the "**Feeder**"), *i.e.* invest its assets in another UCITS or the sub-funds thereof.

The following conditions apply: the Feeder must invest at least 85% of its assets in shares/units of another UCITS or of a sub-fund of such UCITS (the "**Master**"), which is not itself a Feeder nor holds units/shares of a Feeder. The Sub-Fund, as Feeder, may not invest more than 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with Article 41(2) second paragraph of the UCI Law;
- financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41(1) point g) and Article 42(2) and (3) of the UCI Law;
- movable and immovable property which is essential for the direct pursuit of the Feeder's business.

When a Sub-Fund qualifying as a Feeder invests in the shares/units of a Master, the Master may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares/units of the Master.

Should a Sub-Fund qualify as a Feeder, a description of all remuneration and reimbursement of costs payable by the Feeder by virtue of its investments in shares/units of the Master, as well as the aggregate charges of both the Feeder and the Master, shall be disclosed in the Sub-Fund's description in this Prospectus. In its annual report, the Company shall include a statement on the aggregate charges of both the Feeder and the Master.

Should a Sub-Fund qualify as a Master, the Feeder UCITS will not be charged any subscription fees, redemption fees or contingent deferred sales charges, conversion fees, from the Master.

- ***Combined limits***

(15) Notwithstanding the individual limits laid down in C (a) (1), (8) and (9) above, a Sub-Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following:

- investments in Transferable Securities or Money Market Instruments issued by that body;
- deposits made with that body; and/or
- exposures arising from OTC derivative transactions undertaken with that body.

(16) The limits set out in C (a) (1), (3), (4), (8), (9) and (15) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with C (a) (1), (3), (4), (8), (9) and (15) above may not exceed a total of 35% of the net assets of each Sub-Fund.

(b) Limitations on Control

(17) The Company may not invest in voting shares of companies allowing it to exercise a significant influence on the management of the issuer.

(18) The Company may not acquire (i) more than 10% of the outstanding non-voting units or shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding units/shares or units/shares of any one UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The ceilings set forth above under (17) and (18) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;
- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s);
- Shares in the capital of a company which is incorporated under or organized pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that state, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investments policy the restrictions set forth under C, items (1) to (5), (8), (9), (12) and (15) to (17); and
- Shares in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of units at the request of unitholders.

D. In addition, the Company shall comply in respect of its net assets with the following investment restrictions per instrument:

(1) Each Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

(2) Investments made in units or shares of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.

E. Finally, the Company shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:

(1) No Sub-Fund may acquire commodities or precious metals or certificates representative thereof, provided that transactions in foreign currencies, financial instruments, indices or Transferable Securities as well as futures and forward contracts, options and swaps thereon are not considered to be transactions in commodities for the purposes of this restriction.

(2) No Sub-Fund may invest in real estate, or any option, right or interest therein, provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

(3) No Sub-Fund may use its assets to underwrite any securities.

(4) No Sub-Fund may issue warrants or other rights to subscribe for Shares in such Sub-Fund.

(5) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in none fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A, items (5), (7) and (8).

(6) The Company may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under A, items (5), (7) and (8).

F. Notwithstanding anything to the contrary herein contained:

(1) The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to securities in such Sub-Fund's portfolio.

(2) If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Unitholders.

(3) The Company has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares are offered or sold.

6.3 Financial Derivative Instruments

In addition to direct investments, financial derivatives may be used for investment or hedging purposes and include, but are not limited to, financial futures contracts, options (on equities, interest rates, indices, bonds, currencies, commodity indices or other instruments), forward contracts (including foreign exchange contracts), swaps (including foreign exchange swaps, commodity index swaps, interest rate swaps, and swaps on baskets of equities, volatility swaps and variance swaps), credit derivatives (including credit default derivatives, credit default swaps and credit spread derivatives), warrants, and structured financial derivative instruments such as credit-linked and equity-linked securities. These financial derivative instruments may include derivatives which are traded over-the-counter ("**OTC**").

When employing of derivative instruments, the provisions laid down in section 6.2 ("Investment and Borrowing Restrictions") of chapter 6 ("INVESTMENT POLICIES AND RESTRICTIONS") must be adhered to.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down in the Appendix.

6.4 Securities Financing Transactions

(1) Securities Lending Transactions

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

The Company and its Sub-Funds will not enter into securities lending transactions.

(2) Other Securities Financing Transactions and Total Return Swaps

The Company does neither use other securities financing transactions as described in article 3 (11) of Regulation (EU) 2015/2365 on transparency on securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, *i.e.* repurchase transactions, buy-sell back transactions or sell-buy back transactions, margin lending transactions, securities or commodities borrowing nor total return swaps.

If a Sub-Fund intends to use Securities Financing Transactions or Total Return Swaps in the future, the prospectus will be update before the use of any efficient portfolio management techniques.

6.5 Management of Collateral for Securities Financing Transactions and OTC Derivative Transactions

General

In the context of OTC financial derivative transactions, the Company may receive in accordance with CSSF-Circulars 08/356 and 14/592 as well as ESMA Guidelines 2014/937 collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such case. All assets received by the Company in the context of efficient portfolio management techniques shall be considered as collateral for the purpose of this section.

Eligible Collateral

Collateral received by the Company may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and CSSF-Circulars issued from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

(1) Any collateral received other than cash should be of high quality, highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;

(2) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;

(3) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

(4) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the respective Sub-Fund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received; deviating from the aforementioned diversification requirement, a Sub-Fund may be fully collateralised in different transferable securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, by any other state which is a member of the OECD, or a public international body to which one or more Member States belong. Such Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 20% of the Sub-Fund's net asset value;

(5) It should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty; and

(6) The issuer of debt obligations accepted as collateral must have a minimum rating of AA-.

Subject to the abovementioned conditions, collateral received by the Company may consist of:

(1) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments; and

(2) Bonds with a minimum rating of AA- or comparable issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope; there is no restriction or minimum requirement for bonds as regards their maturity to be accepted as collateral.

Level of Collateral

The Board of Directors will determine the required level of collateral for OTC financial derivatives transactions by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At least the following level of collateral may be required by the Company for the different types of transactions:

Type of Transaction	Level of collateral (in relation to volume of transaction concerned
OTC financial derivative transactions	At least 0%

Haircut Policy

Collateral will be valued mark-to-market on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. Collateral received by the Company will be adjusted on a daily basis. The haircut policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Company under normal and exceptional liquidity conditions. Collateral received by the Company will be safe-kept by the Depositary in a separate collateral account and thus segregated from the other assets of the respective Sub-Fund.

According to the Company's haircut policy the following discounts will be made:

Type of Collateral	Discount
Cash and cash equivalents, including short-term bank certificates and Money Market Instruments	Up to 5%
Bonds with a minimum rating of AA- or comparable issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope	Up to 5%

Reinvestment of Collateral

Non-cash collateral received by the Company may not be sold, re-invested or pledged. Cash collateral received by the Company can only be:

(1) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

(2) invested in high-quality government bonds;

(3) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis; and/or

(4) invested in short-term money market funds as defined in the ESMA-Guidelines 2010/049 on a Common Definition of European Money Market Funds (in accordance with the opinion issued by ESMA in relation thereto on 22 August 2014 (ESMA/2014/1103)).

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out under the section 6.5, heading "Eligible Collateral".

The Sub-Fund concerned may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Company to the counterparty at the conclusion of the transaction. The respective Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to such Sub-Fund.

7. RISK-MANAGEMENT PROCESS

In accordance with the UCI Law and the applicable regulations, in particular the CSSF Circular 11/512, as may be updated from time to time, the Company will employ a risk-management process, which enables it (i) to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the individual Sub-Fund portfolio, and (ii) to assess the exposure of the Sub-Fund to market, liquidity, credit and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Fund. Furthermore, the Board of Directors or the Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

Upon request of investors, the Management Company will provide supplementary information relating to the risk management process.

Each Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net asset value of its portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following paragraphs.

Each Sub-Fund may invest, according to its investment policy and within the limit laid down in section 6.2 “Investment and Borrowing Restrictions” in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 6.2 “Investment and Borrowing Restrictions”.

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section 6.2 “Investment and Borrowing Restrictions”.

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this section.

7.1 Commitment approach

As part of the risk management process, certain Sub-Funds use the commitment approach to monitor and measure the global exposure. This approach measures the global exposure related to positions in financial derivative instruments (“**FDIs**”) which may not exceed the total net value (*i.e.* 100%) of the portfolio of each Sub-Fund (the “**Commitment Approach**”). Rules governing netting and hedging arrangements are taken into account, as well as any leverage generated through reinvestment of collateral.

Under the standard commitment approach, each FDI position is converted into the market value of an equivalent position in the underlying asset of that FDI.

7.2 VaR Approach

As part of the risk-management process, the global exposure of certain Sub-Funds is measured and controlled by the absolute Value at Risk (VaR) approach (“**VaR Approach**”).

The calculation of the VaR is conducted on the basis of a one-sided confidence interval of 99%, as well as a holding period of 20 business days.

The VaR Approach is limited by an absolute VaR calculated on the basis of the net asset value of the Sub-Fund and not exceeding a maximum VaR limit of 20%.

The method used for the determination of the level of leverage of relevant Sub-Funds is the “sum of the notionals”-approach. The expected level of leverage is explicitly stated under the description of the specific Sub-Fund in the Appendix.

8. RISK WARNINGS

Issuers

The ability of some issuers to repay principal and interest may be uncertain and there is no assurance that any particular issuer(s) will not default.

Investments in unrated corporate securities normally have a higher risk than investments in governmental or bank debt.

Investing in Equity Securities

Investing in equity securities may offer a higher rate of return than those in short-term and longer-term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

Investments in Debt Securities / Fixed Income Securities

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity.

Investments in debt securities may include investments in debt securities paying principal or interest, the amount of which is determined by reference to equity indices, variation of currency exchange rates, variation or differences between interest rates, insurance losses, credit risk, etc. and may therefore be subject to a higher volatility or risk other than interest rate risk. Investments may also be effected in reversed convertible debt securities, *i.e.* securities offering to the issuer of such securities the option, subject to certain conditions being complied with, to redeem such securities by delivering equity securities of the issuer or another company; such exchange will normally only take place when the equity securities have a market value lower than the repayment amount of the debt securities.

The net asset value of the Shares invested in fixed income securities may change in response to fluctuations in interest rates and currency exchange rates.

Investments in convertible bonds

Convertible bonds are subject to credit, interest rate and market risks associated with both debt and equities securities, and to risks specific to convertible securities.

As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. Convertible securities, including convertible bonds, generally offer lower interest or dividend yields than non-convertible securities of similar quality. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the price of the convertible security tends to reflect the value of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis, and thus may not depreciate to the same extent as the underlying common stock. Convertible securities generally rank senior to common stocks in an issuer's capital structure and are consequently of higher quality and entail less risk than the issuer's

common stock. However, the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a fixed income security. In evaluating a convertible security, the Investment Manager will give primary emphasis to the attractiveness of the underlying common stock.

Investments in units of other UCI(s) and UCITS(s)

The Sub-Funds may invest into shares / units of other UCI(s) and UCITS(s), including *inter alia* investments in other Sub-Funds of the Company, which would give access to different management styles as well as exert important diversification implications for a Sub-Fund.

In those instances, the Sub-Fund would be exposed to the risks stemming from the financial instruments held by those UCIs/UCITSs, and from their leverage levels obtained by means of financial derivatives instruments. In addition to this, investments in units of other UCI(s) and UCITS(s) may also entail additional liquidity risk rather than the one borne when investing directly into transferable securities, depending for instance on the occurrence of exceptional circumstances that would cause delays/temporary suspension of redemptions for a given UCI/UCITS. It is the responsibility of the Management Company to adequately take into account the different liquidity profile of investments into units of other UCI(s) and UCITS(s) when managing liquidity risk exposures of each Sub-Fund.

The proportion of net assets that can be invested in units of other UCI(s) and UCITS(s) is disclosed in the relevant appendix to this Prospectus for each Sub-Fund.

Investments in Asset Backed Securities and Mortgage Backed Securities

The Company may have exposure to asset backed securities ("**ABS**") and mortgage backed securities ("**MBS**"). ABS and MBS are debt securities issued by a special purpose vehicle ("SPV") and which are secured by an asset pool (mortgages in the case of MBS and various types of assets in the case of ABS). Compared to other traditional fixed income securities such as corporate or government issued bonds, the obligations associated with these securities may be subject to greater counterparty, liquidity and interest rate risks as well as other types of risks, such as reinvestment risk (arising from included termination rights, prepayment options), credit risks on the underlying assets and advance repayments of principal resulting in a lower total return (especially, if repayment of the debt is not concurrent with redemption of the assets underlying the claims). ABS and MBS assets may be highly illiquid and therefore prone to substantial price volatility.

Investments in Unrated securities

Unrated securities are subject to the increased risk of an issuer's ability to meet principal and interest obligations. These securities may be subject to greater price volatility due to factors such as specific corporate developments and interest rate sensitivity.

Liquidity Risk

Liquidity refers to the speed and ease with which investments can be sold or liquidated or a position closed. On the asset side, liquidity risk refers to the inability of a Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Sub-Fund to raise sufficient cash to meet a redemption request due to its inability to dispose of investments. In principle, each Sub-Fund will only make investments for which a liquid market exists or which can otherwise be sold, liquidated or closed at any time within a reasonable period of time. However, in certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain

instruments. In addition, a Sub-Fund may invest in financial instruments traded over-the-counter or OTC, which generally tend to be less liquid than instruments that are listed and traded on exchanges.

Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for a Sub-Fund and/or compromise the ability of Sub-Fund to meet a redemption request. It is the responsibility of the Management Company to ascertain that thorough considerations are given to the liquidity profile of each Sub-Fund constituent under normal and stressed market conditions, as well as to the interplay between asset and liability side when assessing the overall liquidity risk for a given Sub-Fund.

EU Bank Recovery and Resolution Directive

Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") was published in the Official Journal of the European Union on 12 June 2014 and entered into force on July 2, 2014. The stated aim of the BRRD is to provide resolution authorities, including the relevant Luxembourg resolution authority, with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

In accordance with the BRRD and relevant implementing laws, national prudential supervisory authorities can assert certain powers over credit institutions and certain investment firms which are failing or are likely to fail and where normal insolvency would cause financial instability. These powers comprise write-down, conversion, transfer, modification, or suspension powers existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in the relevant EU Member State relating to the implementation of BRRD (the "**Bank Resolution Tools**").

The use of any such Bank Resolution Tools may affect or restrain the ability of counterparties subject to BRRD to honour their obligations towards the Sub-Funds, thereby exposing the Sub-Funds to potential losses.

The exercise of Bank Resolution Tools against investors of a Sub-Fund may also lead to the mandatory sale of part of the assets of these investors, including their Shares in that Sub-Fund. Accordingly, there is a risk that a Sub-Fund may experience reduced or even insufficient liquidity because of such an unusually high volume of redemption requests. In such case the Company may not be able to pay redemption proceeds within the time period stated in this Prospectus. Furthermore, exercising certain Bank Resolution Tools in respect of a particular type of securities may, under certain circumstances, trigger a drying-up of liquidity in specific securities markets, thereby causing potential liquidity problems for the Sub-Funds.

Laws and Regulations

The Company may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, incomplete or incorrect transaction documents, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on the Sub-Funds and their operations. The Company may rely on complex agreements, including but not limited to ISDA master agreements, confirmations, collateral arrangements and securities lending agreements. Such agreements may be subject to foreign laws, which may imply an additional legal risk and it cannot be excluded that such complex legal agreements, whether subject to Luxembourg of foreign law, may be held unenforceable by a competent court due to legal or regulatory developments or for any other reason.

Operational Risk

Operational risk means the risk of loss for a Sub-Fund resulting from inadequate internal processes and failures in relation to people and systems of the Company, the Management Company and/or its agents and service providers, or from external events, and includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the Company.

Special Investment Techniques

The general use of techniques and instruments, compared to traditional forms of investment, involves greater risks for investors. These additional risks may arise as a result of any or all of the following: (i) leverage factors associated with derivative transactions; and/or (ii) the creditworthiness of the counterparties to such derivative transactions; and/or (iii) the potential illiquidity of the markets for derivative instruments. To the extent that derivative instruments are utilised for speculative purposes, the overall risk of loss to the Sub-Funds may be increased. To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Sub-Funds may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.

Financial Derivative Risks

Volatility

Due to the low margin deposits normally required in trading derivative instruments, an extremely high degree of leverage is typical for trading in derivatives instruments. As a result, a relatively small price movement in a derivative contract may result in substantial losses to the investor. Investment in derivative transactions may result in losses in excess of the amount invested.

Swaps Agreements

The Company and its Sub-Funds may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease each Sub-Fund's exposure to long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Company and its Sub-Funds are not limited to any particular form of swap agreements if consistent with a Sub-Fund's investment objective and policies.

Swap agreements tend to shift each Sub-Fund's investment exposure from one type of investment to another. For example, if a Sub-Fund agrees to exchange payments in dollars for payments in non-U.S. currency, the swap agreement would tend to decrease such Sub-Fund's exposure to U.S. interest rates and increase its exposure to non-U.S. currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of a fund's portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from a Sub-Fund. If a swap agreement calls for payments by a Sub-Fund, such Sub-Fund must be prepared to make such payments when due. In addition, if a counterparty's ' creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by a Sub-Fund.

Particular Risks of OTC Derivative Transactions

Absence of regulation; counterparty default

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps and certain options on currencies are generally traded) than of transactions entered into on organized exchanges.

OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Sub-Fund.

The Company may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Company. There is a risk of loss by a Sub-Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Sub-Fund has an open position or if margin is not identified and correctly report to the particular Sub-Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Sub-Fund may not be able to transfer or “port” its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Company. Complying with the EMIR obligations may lead to an increase in the overall costs of entering into and maintaining OTC derivatives for the Company.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-Funds to adhere to their respective investment policies and achieve their investment objective.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Company has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as

the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association ("ISDA").

Counterparty Risk

In accordance with its investment objective and policy, a Sub-Fund may trade 'over-the-counter' ("OTC") financial derivative instruments such as non-exchange traded futures and options, forwards, swaps or contracts for difference. OTC derivatives are instruments specifically tailored to the needs of an individual investor that enable the user to structure precisely its exposure to a given position. Such instruments are not afforded the same protections as may be available to investors trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The counterparty to a particular OTC derivative transaction will generally be the specific entity involved in the transaction rather than a recognised exchange clearing house. In these circumstances the Sub-Fund will be exposed to the risk that the counterparty will not settle the transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. This could result in substantial losses to the Sub-Fund.

Participants in OTC markets are typically not subject to the credit evaluation and regulatory oversight to which members of 'exchange-based' markets are subject. Unless otherwise indicated in the Prospectus for a specific Sub-Fund, the Company will not be restricted from dealing with any particular counterparties. The Company's evaluation of the creditworthiness of its counterparties may not prove sufficient. The lack of a complete and fool proof evaluation of the financial capabilities of the counterparties and the absence of a Regulated Market to facilitate settlement may increase the potential for losses.

The Investment Manager may select counterparties located in various jurisdictions. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Sub-Fund and its assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of counterparty, it is impossible to generalize the effect of their insolvency on the Sub-Fund and its assets. Shareholders should assume that the insolvency of any counterparty would generally result in a loss to the Sub-Fund, which could be material.

If there is a default by the counterparty to a transaction, the Company will under most normal circumstances have contractual remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays and costs. If one or more OTC counterparties were to become insolvent or the subject of liquidation proceedings, the recovery of securities and other assets under OTC derivatives may be delayed and the securities and other assets recovered by the Company may have declined in value.

Regardless of the measures that the Company may implement to reduce counterparty credit risk there can be no assurance that counterparty will not default or that the Sub-Fund will not sustain losses on

the transactions as a result. Such counterparty risk is accentuated for contracts with longer maturities or where the Sub-Fund has concentrated its transactions with a single or small group of counterparties.

Collateral Management

Risks linked to the management of collateral will be identified, managed and mitigated in accordance with the risk management policy applied by the Management Company.

Counterparty risk arising from investments in OTC financial derivative instruments is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund concerned. However, transactions may not be fully collateralised. Fees and returns due to the respective Sub-Fund may not be collateralised.

In addition, the exchange of collateral involves further risks, such as operational risk relating to the actual exchange, transfer and booking of the collateral. Collateral received under a title transfer will be held by the Depositary in accordance with the terms and provisions of the Depositary Agreement. Collateral may also be held by a third-party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral. The use of a third-party custodian may involve additional operational, clearing, settlement and counterparty risks.

Collateral received in form of transferable securities is subject to market risk. Although the Company tries to reduce his risk by applying appropriate haircuts, daily collateral valuation and requesting high quality collateral, such risk cannot be entirely avoided. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thus resulting in a loss to the Sub-Fund**.**

Interest Rates

The values of fixed income securities held by the portfolios generally will vary inversely with changes in interest rates and such variation may affect Share prices accordingly.

Exchange Rates

Some of the underlying investments in which the Sub-Funds invest may be denominated in a different currency than the reference currency in which such Sub-Funds are denominated; changes in foreign currency exchange rates will affect the value of Shares held in such Sub-Funds.

Share Currency Designation Risk

A Class of a Sub-Fund may be designated in a currency other than the base currency of the Sub-Fund and/or the designated currencies in which the Sub-Fund's assets are denominated. Redemption proceeds and any distributions to Shareholders will normally be made in the currency of denomination of the relevant Class. Changes in the exchange rate between the base currency and such designated currency or changes in the exchange rate between the designated currencies in which the Sub-Fund's assets are denominated and the designated currency of a Class may lead to a depreciation of the value

of such Shares as expressed in the designated currency. If specifically mentioned in the Sub-Fund related sections of the Appendix, the Investment Manager will try to hedge this risk. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the base currency of the Sub-Fund and/or the currency/currencies in which the assets of the Sub-Fund are denominated. In such circumstances Shareholders of the relevant Class may be exposed to fluctuations in the net asset value per Share reflecting the gains/losses on and the costs of the relevant assets. Assets used to implement such strategies shall be assets/liabilities of the Sub-Fund as a whole. However, the gains/losses on, and the costs of, the relevant assets will accrue solely to the relevant Class.

Risk Factors Relating to Small Cap Companies

Some of the portfolios invest in the securities of small capitalized companies. There are certain risks associated with investing in securities of these types of companies, including greater market price volatility, less publicly available information, and greater vulnerability to fluctuations in the economic cycle. Because small and middle capitalized companies normally have fewer shares outstanding than larger companies, it may be more difficult to buy or sell significant amounts of such shares without affecting prevailing market prices.

Performance Risk

The investment performance of certain Sub-Funds is directly related to the investment performance of the underlying investments held by such Sub-Fund. The ability of a Sub-Fund to meet its investment objective depends upon the allocation of the Sub-Fund's assets among the underlying investments and the ability of an underlying investment to meet its own investment objective. It is possible that an underlying investment will fail to execute its investment strategies effectively. As a result, an underlying investment may not meet its investment objective, which would affect Sub-Fund's investment performance. There can be no assurance that the investment objective of any Sub-Fund or any underlying investment will be achieved.

Risk Factors related to IPO securities

Some of the Sub-Funds may invest in securities that are subject to initial public offerings (IPOs) in regulated markets. Those securities may have higher volatility and may be difficult to evaluate in light of the absence of adequate trading history and contingent publicly available information.

The Management Company will ascertain that investments in such asset class shall be compliant with article 41(1)(d) of the UCI Law and shall thus initially be included in the trash ratio accordingly.

Sustainability Risk

For those Sub-Funds managed with reference to material environmental, social and governance factors, sustainability risk is intended as the occurrence of any environmental, social or governance event or condition that, when taking place, could cause an actual or potential material negative impact on the value of a given investment asset. Attention is therefore paid to the impact exerted by endogenous as well as exogenous factors such as inter alia environmental criteria, climate change externalities, adoption of labour standards or board composition that could directly or indirectly affect an issuer's reputation and valuation.

Risk Relating to High Transaction Costs

The investment approach of some Sub-Funds may involve a high level of investment activity and turnover of investments which may generate substantial transaction costs to be borne by the relevant Sub-Fund and hence potentially resulting in a substantial negative impact on its performance.

Further, the issue of Shares may lead, at Sub-Fund level, to the investment of the cash inflow. Redemptions of Shares may lead, at Sub-Fund level, to the disposal of investments in order to achieve liquidity. Such transactions give rise to costs that could have a substantial negative effect on the performance of the Sub-Fund concerned if Shares issued and redeemed on a single day do not approximately offset one another.

Use of a Benchmark

In accordance with the provisions of the Benchmark Regulation, supervised entities may use benchmarks in the EU if the benchmark is provided by an administrator which is included in the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation (the "**Register**"). Benchmark administrators located in the EU whose indices are used by the Company benefit from the transitional provisions under the Benchmark Regulation and accordingly may not yet appear on the Register. Benchmark administrators located in the EU should apply for authorisation or registration as an administrator under the Benchmark Regulation and be inscribed in the Register by 1 January 2020. Benchmark administrators located in a third country whose indices are used by the Company benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear on the Register. Benchmark administrators whose indices are used by the Company are detailed in the description of the Sub-Funds.

The Management Company maintains a written plan setting out the actions that will be taken in the event that an index materially changes or ceases to be provided. The written plan is available upon request and free of charge at the registered office of the Management Company.

The benchmarks listed in the table below are being provided by the entity specified next to the name of the relevant benchmark in the table below, in its capacity as administrator, as defined in the Benchmark Regulation (each a "**Benchmark Administrator**"). The status of each Benchmark Administrator in relation to the register referred to in article 36 of the Benchmark Regulation as of the date of this visa-stamped Prospectus is set out next to the name of the relevant Benchmark Administrator in the table below.

Benchmark(s)	***Benchmark Administrator***	***Status of the Benchmark Administrator***
– MSCI India Index – MSCI World Health Care Index – MSCI World Index – MSCI World Communication Services & Information Technology – MSCI World Financials Index – MSCI Europe index	MSCI Limited	Benchmark administrators located in a third country whose indices are used by the Company, i.e. MSCI Limited, benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear on the Register. Such benchmark administrators may use the following mechanisms to meet the requirements of the Benchmark Regulation: (i) recognition (meaning an EU national competent authority acknowledges that an administrator located outside of the EU meets the requirements of the Benchmark Regulation by reference to its compliance with the IOSCO principles for financial benchmarks dated April 2013 (the "**IOSCO Principles**") via an EU-based legal representative); or (ii) endorsement

		(meaning an EU national competent authority acknowledges that an index provided by an administrator located outside of the EU meets the requirements of the Benchmark Regulation by reference to its compliance with the IOSCO Principles and there is an objective reason to provide the benchmark in a third country for the use in the EU).
– WilderHill New Energy Global Innovation Index (NEXUST)	Solactive AG	Listed in the Register as an administrator registered pursuant to article 34 of the Benchmark Regulation.
– NBP Norwegian RM Floating Rate Index (Hedged) – NBP Norwegian RM1-RM3 Duration 3 Index (Hedged) – NBP Norwegian Government Duration 0.5 Index NOK (Hedged) – NBP Norwegian Government Duration 0.25 Index NOK	Nordic Bond Pricing	Included in the ESMA list of pending applications of authorisation or registration of an administrator according to Article 34 of the Benchmark Regulation.
SWESTR	Riksbank	Riksbank is the Sweden's central bank of Sweden. Central banks that are administrators of a reference rate are explicitly exempt from both the Benchmarks Regulation.
BNP Paribas Money Market TR Index CHF	BNP Paribas	Listed in the Register as an administrator registered pursuant to article 34 of the Benchmark Regulation.
– VINX Small Cap NI Nasdaq Biotech Index	Nasdaq Copenhagen AS	Listed in the Register as an administrator registered pursuant to article 34 of the Benchmark Regulation.

Certain Sub-Funds of the Company are also using benchmarks which do not fall within the scope of the Benchmark Regulation.

These benchmarks are listed in the table below.

Benchmark(s)
Custom benchmark based on German 3 mth Bubill*
Custom benchmark based on USGG3M*

*The custom benchmarks are calculated based on published yields. However, a conversion from yield to index series is done based on the following methodology. The quoted yield at the end of month is used to calculated return / index on a daily basis for the following month. For example, if the yield is 0.36% on 31 August, then during the month of September the index would change by a factor of (1+ (0.36%*1/360)) each day.

The index series are taken as the Classes' benchmarks which are used to measure relative performance of a Sub-Fund and where appropriate performance fees based on outperformance.

Emerging Countries

Investments in Emerging Countries may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries, and securities markets that trade only a limited number of securities. Many Emerging Countries do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risk of expropriation, confiscatory taxation, nationalization and social, political and economic instability are greater in Emerging Countries than in developed markets. In addition to withholding taxes on investment income, some Emerging Countries may impose different capital gains taxes on foreign investors.

A number of attractive Emerging Countries restrict, to varying degrees, foreign investment in securities. Further, some attractive equity securities may not be available to one or more of the Sub-Funds because foreign shareholders hold the maximum amount permissible under current law. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some Emerging Countries and may be subject to currency exchange control restrictions. Such restrictions may increase the risks of investing in certain of the Emerging Countries. Unless otherwise specified, a Sub-Fund will only invest in markets where these restrictions are considered acceptable by the Company.

Generally accepted accounting, auditing and financial reporting practices in Emerging Countries may be significantly different from those in developed markets. Compared to mature markets, some Emerging Countries may have a low level of regulation, enforcement of regulations and monitoring of investors' activities, including trading on material non-public information.

The securities markets of Emerging Countries have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of a Sub-Fund's acquisition or disposal of securities.

Practices in relation to settlement of securities transactions in Emerging Countries involve higher risks than those in developed countries because brokers and counterparties in such countries may be less

well capitalized and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if a Sub-Fund is unable to acquire or dispose of a security.

Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognized credit rating organization. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Company may have limited legal recourse against the issuer and/or guarantor.

Investments in Specific Sectors

Certain Sub-Funds will concentrate their investments in companies of certain sectors of the economy and therefore will be subject to the risks associated with concentrating investment in such sectors. More specially, investments in specific sectors of the economy such as global property, private equity, renewable energy, technology, etc. involve greater risks which may lead to adverse consequences when such sectors become less valued.

U.S. Foreign account Tax Compliance Requirements

FATCA Rules being particularly complex, the Company cannot accurately assess the extent of the requirements that FATCA Rules will place upon it.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the 30% withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of FATCA Rules, the value of Shares held by all Shareholders may be materially affected.

The Company and/or its Shareholders may also be indirectly affected by the fact that a non U.S. financial entity does not comply with FATCA Rules even if the Company satisfies with its own obligations deriving from FATCA Rules.

Investments in China

Trading in China H-Shares

By investing in H-Shares the Sub-Funds are subject to the risks of investing in emerging markets generally and the risks specific to Mainland China in particular. These may include, but are not limited to:

- Less liquid and less efficient securities markets;
- Greater price volatility;
- Exchange rate fluctuations and exchange controls;
- Less publicly available information about issuers;
- The imposition of restrictions on the repatriation of funds or other assets out of the country;
- Higher transaction and custody costs and higher settlement risks;
- Difficulties in enforcing contractual obligations,

- Lesser levels of regulation of the securities markets;
- Different accounting, disclosure and reporting requirements;
- More substantial government involvement in the economy;
- Higher rates of inflation;
- Social, political and economic instability; and
- Risk of nationalization or expropriation of assets and risk of war or terrorism.

Investors should be aware that, the Mainland China government has adopted a planned economic system in the past. Since 1978, the Mainland China government has implemented economic reform measures which emphasize decentralization and the utilization of market forces and social progress. However, many of the economic reforms in Mainland China are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on securities markets. Also, many laws and regulations in Mainland China are new and therefore untested and there is no certainty as to how they will be applied. They may also be varied in the future.

The economy of Mainland China has experienced significant growth in the past few years, but such growth has been uneven both geographically and among the various sectors of the economy. Moreover, there can be no assurance that such growth can be sustained.

Investments associated with Mainland China will be sensitive to any significant change in political, social or economic policy. Such sensitivity may adversely affect the capital growth and thus the performance of these investments.

Since 1978, the PRC government has progressively moved away from a centrally planned economic system, implementing a series of market-oriented reforms emphasising decentralisation, privatisation, and integration into the global economy. Notwithstanding the significant progress made over that period, elements of state direction remain deeply embedded in the PRC economy. The PRC government continues to exercise substantial influence over key sectors through state-owned enterprises, industrial policy, administrative guidance, and its ability to intervene in markets directly. Investors should be aware that policy priorities — including initiatives relating to national security, technological self-sufficiency, common prosperity, and social stability — can result in significant and rapid regulatory or administrative interventions that may affect the value of the Sub-Funds' investments. Such interventions may not always be preceded by consultation or advance notice, and their effect on securities markets may be adverse.

The legal and regulatory framework governing economic activity in the PRC continues to evolve. Certain laws and regulations remain relatively new and untested in practice, and there is no certainty as to how they will be interpreted or enforced. Existing rules may be amended, withdrawn, or superseded, and new rules may be introduced, in each case potentially with limited notice and with material consequences for issuers and investors.

The PRC economy has undergone substantial expansion over recent decades; however, growth has been uneven both geographically and across economic sectors. In more recent years, the PRC economy has faced a number of structural challenges, including a prolonged contraction in the real estate sector, deflationary pressures, demographic headwinds, high levels of local government debt, and weakening external demand. There is no assurance that historical rates of economic growth can be sustained or that current structural challenges will be resolved without adverse consequences for capital markets.

The Sub-Funds' investments in PRC securities are sensitive to changes in the political, social, regulatory, and economic environment in the PRC, as well as to developments in the PRC's relations with other countries and international organisations. Geopolitical tensions — including those relating to trade, technology, and regional security — may affect market access, the availability of financing, and investor sentiment towards PRC-exposed assets. The materialisation of any of these risks could adversely affect the capital value of the Sub-Funds' investments and its overall performance.

Trading in China A-Shares

The Sub-Funds may invest in China A-Shares listed on the Shanghai Stock Exchange ("**SSE**") or the Shenzhen Stock Exchange ("**SZSE**"), accessed through the Shanghai–Hong Kong and Shenzhen–Hong Kong Stock Connect programmes (together, "**Stock Connect**"). The risks set out below apply in addition to the general risks associated with emerging market investments.

– Economic and Political Risks

The PRC is one of the world's largest emerging markets and operates a transitional economy in which the state retains significant influence over the allocation of capital, the conduct of listed companies, and the functioning of financial markets. Investments in PRC securities carry risks that are materially greater than those associated with comparable investments in developed markets. These risks include, but are not limited to, higher price volatility, lower market liquidity, reduced transparency and disclosure standards, and a greater susceptibility to sudden and significant market disruptions.

The PRC government has demonstrated a willingness to intervene directly in securities markets and in the operations of listed companies where it considers such intervention to be in the national interest or consistent with broader policy objectives. Such interventions have historically included the suspension of trading in individual securities, the imposition of restrictions on short-selling, the coordination of state-backed buying programmes to support market prices, and the direct involvement of government entities in corporate governance and strategic decision-making. Investors should be aware that such measures may be imposed rapidly, without advance notice, and may have the effect of distorting valuations, impairing liquidity, or restricting the Sub-Funds' ability to execute transactions at prevailing market prices.

The PRC government may at any time restrict or prohibit foreign investment in sectors it deems sensitive to national security or strategic interests, including but not limited to financial services, AI technology, telecommunications, media, and natural resources. Sectors that have previously been open to foreign investment may be reclassified or subjected to enhanced regulatory requirements with limited notice. In addition, administrative or regulatory action targeting specific industries — of the kind observed in the technology, private education, and financial services in recent years — may result in significant and rapid declines in the market value of affected securities.

Foreign exchange controls administered by SAFE may limit the Sub-Funds' ability to convert PRC renminbi into freely convertible currencies, repatriate proceeds from the sale of investments, or remit income distributions. These controls may be tightened or extended in scope in response to changes in PRC economic conditions, balance of payments pressures, or external factors. The renminbi is not freely convertible, and its exchange rate is managed by the PRC authorities; movements in the renminbi exchange rate may therefore not reflect underlying market forces and may adversely affect the Sub-Funds' returns when measured in its base currency.

The PRC economy has in recent years been subject to a range of structural pressures, including a prolonged contraction in the property sector, subdued domestic consumption, deflationary trends, and the impact of technology-related trade and investment restrictions imposed by certain foreign governments. There is no assurance that current economic policies will succeed in addressing these challenges or that the performance of PRC equity markets will reflect broader macroeconomic conditions in a predictable manner.

– Legal and Regulatory Framework

The PRC legal system is based primarily on written statutes and administrative regulations. It is a civil law system in which court decisions do not constitute binding precedent. Published case law is limited and, where available, is not binding on courts or regulatory authorities. As a result, the interpretation and application of applicable laws and regulations may be inconsistent and unpredictable, and investors cannot rely on prior decisions as a guide to future outcomes.

The PRC legal and regulatory framework applicable to capital markets, foreign investment, and financial services continues to evolve. The China Securities Regulatory Commission ("**CSRC**"), the State Administration of Foreign Exchange ("**SAFE**"), the National Financial Regulatory Administration ("**NFRA**"), and other PRC governmental and regulatory authorities exercise broad supervisory and enforcement discretion. Regulations, guidance, and official interpretations may be issued, amended, or withdrawn with limited prior notice and may, in certain circumstances, be applied with retrospective effect. There is no assurance that changes in laws or regulations, or in their interpretation or enforcement, will not have a material adverse effect on the Sub-Fund, its investments, or investors' ability to repatriate capital and returns.

The Sub-Funds' investments in PRC equities — including A-shares accessed through the Stock Connect programmes, or H-shares listed on the Hong Kong Stock Exchange, may each be subject to distinct and overlapping layers of PRC regulatory oversight. Rules governing eligible securities, daily quota usage, and trading suspensions may be altered by the relevant exchanges and regulators without advance notice. Foreign ownership restrictions and sector-specific limitations under the applicable negative list for foreign investment may further constrain the Sub-Funds' ability to acquire or retain certain positions.

PRC regulatory authorities have historically exercised their powers in ways that reflect broader governmental and policy priorities, which may not align with the commercial expectations of foreign investors. Enforcement action, including trading halts, delisting, rectification orders, or restrictions on cross-border fund flows administered by SAFE, can be imposed swiftly and with limited procedural recourse. In addition, conflicts or inconsistencies between national legislation and local governmental measures may create further uncertainty regarding the applicable regulatory regime.

The Sub-Funds and their investors may also be affected by the introduction or tightening of foreign exchange controls or capital account restrictions, changes to the tax treatment of investment returns, and the imposition of sanctions or counter-sanctions measures that affect access to PRC securities markets or the enforceability of related contracts. There can be no assurance that the current regulatory and legal environment will remain stable or that future developments will not materially and adversely affect the Sub-Funds.

– Accounting Standards

China's Accounting Standards for Business Enterprises ("**ASBE**"), promulgated and overseen by the Ministry of Finance, have undergone substantial convergence with International Financial Reporting Standards ("**IFRS**") over the past two decades. For most categories of listed company, the differences between ASBE and IFRS are no longer material in scope.

Nonetheless, certain divergences persist, including in the treatment of business combinations under common control — where the PRC continues to permit a pooling-of-interests approach that is not available under IFRS — as well as in certain areas of financial instrument classification, related party disclosures, and segment reporting. Investors should be aware that financial statements prepared under ASBE may not be directly comparable with those of issuers reporting under IFRS or US GAAP, and that the financial position or results of a PRC issuer may be presented differently depending on the applicable reporting framework.

Notwithstanding progress in accounting standard convergence, the quality and consistency of financial reporting in the PRC continues to vary, particularly among smaller or privately controlled issuers. Auditing practices and the effective independence of auditors remain areas of concern.

Corporate governance standards applicable to PRC issuers, while subject to ongoing reform and strengthening by the CSRC and the relevant stock exchanges, may differ materially from those in developed markets. Specific areas of concern include the dominance of controlling shareholders — whether state entities or founding families — overboard composition and strategic decision-making; the frequency and terms of related party transactions; the effectiveness of independent director oversight; and the timeliness and completeness of material event disclosures. Minority shareholder protections, while improving, may be less robust than those available under the laws of developed market jurisdictions.

The Sub-Funds invest across PRC equity markets including A-shares and H-shares, each of which is subject to a distinct disclosure regime. Investors should exercise caution in relying solely on published financial statements and disclosures of PRC issuers and should be aware that material information may not always be publicly available in a timely or complete manner.

– Renminbi Currency Risk

The Renminbi ("**RMB**") is not freely convertible. The People's Bank of China ("**PBOC**") manages the RMB exchange rate through a controlled floating system referenced to a basket of currencies administered by the China Foreign Exchange Trade System ("**CFETS**"). Each business day, the PBOC publishes a central parity rate against major currencies, within which onshore RMB ("**CNY**") is permitted to trade within a defined band. The PBOC retains broad authority to adjust the central parity rate, modify the permissible trading band, and deploy other administrative and market tools — including the counter-cyclical adjustment factor — to manage exchange rate movements. As a result, the RMB exchange rate may not fully reflect underlying market supply and demand, and its movements may diverge from those of other currencies in ways that are difficult to predict.

The RMB has experienced significant two-way volatility in recent years, with material periods of both appreciation and depreciation against major currencies, including the US dollar and Hong Kong dollar. There is no assurance that the RMB will appreciate against any particular currency or that current exchange rate policies will be maintained. The PBOC and other PRC authorities may introduce measures to address exchange rate pressures — including adjustments to capital flow controls administered by SAFE, modifications to the fixing mechanism, or direct market intervention — and any such measures may affect the Sub-Funds' investments and the ability to repatriate proceeds.

Investments in PRC securities that are denominated in or reference the RMB will be subject to exchange rate risk. Any depreciation of the RMB against the base currency of the applicable Sub-Fund or the investor's home currency could adversely affect investment values and returns as measured in that currency, even where the underlying securities perform well in local

currency terms. Conversely, RMB appreciation may benefit non-RMB investors but there is no assurance that such appreciation will occur or be sustained.

Investments made through the Stock Connect programmes are typically settled in offshore RMB ("**CNH**") rather than onshore CNY. The CNH exchange rate is determined by supply and demand in offshore markets and may diverge materially from the CNY central parity rate as a result of PRC capital account controls, differing liquidity conditions, and market sentiment. Such divergence may result in additional uncertainty regarding the effective exchange rate at which transactions are executed and proceeds are received.

SAFE may impose, tighten, or extend foreign exchange controls in response to macroeconomic conditions, capital flow pressures, or external factors. Any restriction on the conversion of RMB or the remittance of foreign currency could impair the applicable Sub-Fund's ability to repatriate capital or income, which could adversely affect its net asset value and liquidity.

Stock Connect

– Overview

Stock Connect is a trading and clearing link programme operated jointly by HKEX, SEHK, SSE, SZSE and ChinaClear. Through the Northbound Trading Links, the applicable Sub-Fund may trade eligible securities listed on the SSE ("**SSE Securities**") and SZSE ("**SZSE Securities**") via Hong Kong brokers. Clearing and settlement are handled by HKSCC and ChinaClear respectively (SSE Securities and SZSE Securities together, "Stock Connect Securities").

– Home Market Rules

In respect of Stock Connect Securities, Mainland China is the home market and thus the general principle is that investors in Stock Connect Securities should observe Mainland China securities laws and regulations. Nevertheless, certain Luxembourg legal and regulatory requirements will, and certain Hong Kong legal and regulatory requirements may, also continue to apply to Northbound trading.

– Quota Limitations

Stock Connect operates subject to a daily aggregate buy quota. Once the daily quota is exhausted, further buy orders are rejected (sell orders remain permitted regardless of the quota balance). Quota limitations may restrict the applicable Sub-Fund's ability to invest in eligible securities on a timely basis and may impede the implementation of its investment strategy.

– Legal and Beneficial Ownership

Under Hong Kong law, HKSCC will be regarded as the legal owner of such Stock Connect Securities and will be regarded as holding the beneficial entitlement to the Stock Connect Securities on behalf of the relevant clearing participant(s). Depending on the custody arrangements between a clearing participant and the applicable Sub-Fund, such clearing participant will in turn generally be regarded as holding the beneficial entitlement for the applicable Sub-Fund.

Under current Mainland China regulations, Stock Connect Securities will be recorded in a nominee account opened by HKSCC with ChinaClear and Northbound investors have rights and interests in Stock Connect Securities acquired through Stock Connect according to the applicable laws. The Mainland China laws and regulations provide for the concept of a

"nominee holder" and recognise the Northbound investors as the "ultimate owners" of Stock Connect Securities.

To clarify the position, HKEX has published materials to explain the ownership rights of Northbound investors in Stock Connect Securities and may publish further information from time to time.

- Clearing and Settlement Risk

HKSCC and ChinaClear operate reciprocal clearing links. In the event of a ChinaClear default, HKSCC's obligations are limited to assisting clearing participants in pursuing claims against ChinaClear. Recovery of outstanding securities or cash may be subject to delay or may not be achieved in full.

- Suspension Risk

SEHK, SSE and SZSE each reserve the right to suspend trading to preserve market order. A suspension would restrict the applicable Sub-Fund's ability to buy or sell China A-Shares via Stock Connect and could adversely affect the applicable Sub-Fund.

- Differences in Trading Days

Stock Connect only operate when both PRC and Hong Kong markets are open for trading and when settlement banks in both markets are operational. The applicable Sub-Fund may therefore be unable to trade China A-Shares on days that are normal PRC trading days and may be exposed to price movements in China A-Shares during any such periods.

- Pre-Trade Checking Restrictions

PRC regulations require that sufficient shares are held in the relevant account before a sell order is submitted. Under the standard model, the applicable Sub-Fund must transfer shares to its broker's account before market opening on the day of sale; failure to do so results in rejection of the sell order. Under the Special Segregated Account ("SPSA") model, holdings are verified by a unique Investor ID and transfer to the broker occurs only upon execution, mitigating the risk of untimely disposal. To the extent the applicable Sub-Fund cannot utilise the SPSA model, it is exposed to the risk of being unable to sell holdings in a timely manner.

- Restriction on Day Trading

Day (turnaround) trading is not permitted on the Mainland China A-Share market. If the applicable Sub-Fund buys Stock Connect Securities on T Day, that Sub-Fund may be able to sell the shares only on or after T+1 day.

- No off-exchange trading and transfers

There is no trading of any Stock Connect Securities otherwise than through Stock Connect, except in the circumstances or as otherwise provided by the exchanges, clearing systems and regulators which provide services in relation to and/or regulate Stock Connect and activities relating to Stock Connect.

- Settlement Mode

Under standard Delivery Versus Payment ("**DVP**"), stock and cash settlement occurs on T+0 within a maximum four-hour window. Under Real-time DVP ("**RDVP**"), settlement is real-time

but not mandatory. If RDVP cannot be agreed between the relevant clearing participants, trades may revert to standard DVP or fail altogether. Failure to provide amended settlement instructions before the relevant cut-off may result in failed trades, which could adversely affect the Sub-Fund.

– Operational Risk

Stock Connect depends on the proper functioning of the operational systems of the relevant exchanges, clearing houses and market participants. System failures could disrupt trading across both markets. There is no assurance that such systems will function at all times or be adapted in response to regulatory or market developments.

– Recalling of Eligible Securities

When a security is removed from the list of eligible stocks for trading via Stock Connect, it may only be sold and not purchased through the relevant Stock Connect. This may adversely affect the applicable Sub-Fund's ability to implement its investment strategy.

– Account Information of Beneficial Owner

The identity of the beneficial owner of Stock Connect Securities which are the subject of a sell order may need to be disclosed to HKSCC and/or the relevant Mainland China authorities "Stock Connect Authorities").

– Duties of Substantial Shareholders and Short Swing Profit Rule

Under Mainland China laws, rules and regulations, if the applicable Sub-Fund holds or control shares in a Mainland China incorporated company which is listed on a Mainland China stock exchange (a "**Mainland China Listco**") on an aggregate basis up to a certain threshold (as may be specified from time to time by the relevant Stock Connect Authorities) (the "**Threshold**"), the Sub-Fund must disclose such interest and must not buy or sell any such shares within the period specified by the relevant Stock Connect Authority. The Sub-Fund must also disclose any substantial change in its holding as required by the relevant Stock Connect Authority. If (a) the Threshold is exceeded, and (b) the corresponding sale transaction occurs within the six months after a purchase transaction in respect of Stock Connect Securities, or vice versa, the "short swing profit rule" requires the Sub-Fund to give up/ return any profits made from purchases and sales of such Stock Connect Securities.

Under Hong Kong law, if an investor is interested in more than a certain threshold (as may be specified from time to time) of *any* class of voting shares (including A Shares purchased through Stock Connect) in a Mainland China incorporated company which has both H Shares listed on the SEHK and A Shares listed on the SSE or SZSE, as applicable, the investor is under a duty of disclosure pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571 of Hong Kong) (the "SFO"). Part XV of the SFO does not apply where the Mainland China incorporated company has not listed any shares on the SEHK.

– Foreign Ownership Limits

Under Mainland China laws, rules and regulations, there is a limit to how many shares a single foreign investor is permitted to hold in a single Mainland China Listco, and also a limit to the maximum combined holdings of all foreign investors in a single Mainland China Listco, as further detailed on the HKEX website and other information published by the HKEX.

Moreover, under Mainland China laws, where the aggregate holdings of foreign investors exceed a specified percentage (the "**Cautionary Level**") of the issued shares of a single Mainland China Listco, upon notification by SSE or SZSE, as applicable, to the relevant SEHK Subsidiary, SEHK and the relevant SEHK Subsidiary are required as soon as practicable thereafter to suspend accepting Stock Connect Securities buy orders in respect of the relevant Stock Connect Securities. In such circumstances, the applicable Sub-Fund's buy orders may be rejected until the aggregate shareholding of foreign investors has fallen below the specified percentage (the "**Permitted Level**") as advised by SSE or SZSE, as applicable.

- Insider Dealing, Market Manipulation and Other Market Conduct Rules

  Northbound trading through Stock Connect will be subject to Mainland China laws and regulations prohibiting activities that constitute market manipulation, insider dealing and related offences.

- RMB Conversion

  Settlement of a Northbound buy order may be delayed and/or fail if there is a delay in converting the relevant currency into RMB. Any risk, loss or cost resulting from any such delay or failure of settlement shall be borne by the applicable Sub-Fund.

Indemnification rights in case of NAV calculation errors, breaches of investment restrictions or other errors for investors subscribing through financial intermediaries

Investors must note that if subscriptions are received or made via a financial intermediary, i.e. where the investors are not registered themselves and in their own name in the register of the Company, their rights may be affected in relation to indemnification payments for NAV calculation errors, breaches of investment restrictions or other errors occurring at the level of the Company. For instance, transactions may be aggregated through financial intermediaries, therefore the Company may not be in a position to trace back through the intermediary chain the individual payments due and ensure that the payment of indemnifications take into account each investor's individual situation.

Investors are therefore advised to contact the relevant financial intermediary through which they have subscribed for Shares to receive with information on the arrangements in place with the Company regarding the indemnification process in the event of a NAV calculation error, a breach of investment restriction or another type of error.

9. RIGHTS OF THE SHAREHOLDERS

The Company is open-ended, that is to say, new Shareholders may join the Company and existing Shareholders may leave it at any time. By acquiring Shares, the Shareholders accept all the terms and conditions of the Prospectus and Articles.

The assets of each Sub-Fund constitute the joint and undivided property of the Shareholders of that Sub-Fund. Each Shareholder has in the portion of assets relating to a Sub-Fund, an undivided interest in proportion to the Shares he/she/it owns in that Sub-Fund.

As stated in chapter 10 ("SUBSCRIPTION, REDEMPTION, CONVERSION AND TRANSFER OF SHARES", and in accordance with the Articles, the Shareholder has the right to obtain repayment of his/her Shares at the redemption price on each Valuation Day.

The Board of Directors draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company if the investor is registered himself and in his own name in the Shareholder's register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Company. Investors are advised to take advice on their rights.

10. SUBSCRIPTION, REDEMPTION, CONVERSION AND TRANSFER OF SHARES

10.1 Subscription

Shares are issued daily on each Valuation Day.

Concerning the following Sub-Funds:

- DNB FUND – Asian Mid Cap
- DNB FUND – Brighter Future
- DNB FUND – India

If a subscription order is to be carried out on a Valuation Day, written or electronic instructions must have reached the UCI Administrator before 11:59 pm (Luxembourg time) on the Business Day preceding the relevant Valuation Day; otherwise the order will be executed on the next Valuation Day. Payment for the subscription must be received at the latest two Business Days after the corresponding Valuation Day.

Concerning the following Sub-Funds:

- DNB FUND – Active Fixed Income
- DNB FUND – Disruptive Opportunities
- DNB FUND – European Energy Security
- DNB FUND – Financials
- DNB FUND – Future Waves
- DNB FUND – Global Low Carbon Corporate Bonds
- DNB FUND – Health Care
- DNB FUND – Listed Private Equity
- DNB FUND – Low Volatility Equities
- DNB FUND – Nordic Corporate Bonds
- DNB FUND – Nordic Equities
- DNB FUND – Nordic Flexible Bonds
- DNB FUND – Nordic High Yield
- DNB FUND – Nordic Small Cap
- DNB FUND – Norway Corporate Bonds
- DNB FUND – Norway Short-Term Bonds
- DNB FUND – Renewable Energy

- DNB FUND – Stable Alpha
- DNB FUND – Technology
- DNB FUND – TMT Long/Short Equities
- DNB FUND – Women's Health

If a subscription order is to be carried out on a Valuation Day, written or electronic instructions must have reached the UCI Administrator before 1:00 pm (Luxembourg time) on the same Business Day; otherwise the order will be executed on the next Valuation Day. Payment for the subscription must be received at the latest two Business Days after the corresponding Valuation Day.

The Company reserves the right to allot Shares only after receipt of the cleared monies or a document evidencing irrevocable payment of the subscription proceeds.

The issue price of Shares in a Sub-Fund ("**Issue Price**") is equal to the net asset value of a Share in that Sub-Fund, increased by an issue commission of maximum 5% of the subscribed amount (excluding Institutional Classes (if any)). This Issue Price includes all commissions payable to banks and financial institutions taking part in the placement of Shares.

If an investor fails to pay the subscription proceeds within two (2) Business Days after the corresponding Valuation Day, the Company may cancel the relevant subscription order. In such case, the Company will notify the relevant investor of the cancellation. To subscribe for Shares, the investor must submit in a new subscription order, which will be executed on such Valuation Day as determined in accordance with the above provisions.

An investor may be required to indemnify the Company or any of its agents against any losses, costs or expenses incurred directly or indirectly as a result of the investor's failure to timely pay for Shares applied for.

The Company, the Management Company, the UCI Administrator, the Depositary Bank, any distributor and their officers are subject to the provisions of legislation and regulations currently in force in Luxembourg, notably the law of 12 November 2004, as amended, in particular by the law dated 17 July 2008, the CSSF Circular 13/556, the CSSF Circular 18/698 and the CSSF Regulation 12-02 on the fight against money laundering and terrorist financing, as they may be amended from time to time and, where appropriate, to the provisions of similar legislation in force in any other relevant country.

Potential new investors in the Company may be required to provide independent documentary evidence of their identity, a permanent address and information relating to the source of the monies to be invested. Failure to provide such information or documentation in a timely manner could result in delay in the allotment of Shares or in a refusal to allot Shares.

Payments will in principle be made in the reference currency of each Class. At the request of the Shareholders, payments may however be made in any other freely convertible major currency as may be decided from time to time by the Company. In that case, any currency conversion cost shall be borne by the respective Shareholder.

Payment for subscriptions may also be made in kind if the Board of Directors accept so, subject to a valuation report made out by the independent auditor of the Company in conformity with the Article 26-1(2) of the Luxembourg law of 10 August 1915 on commercial companies, as amended (the "**1915 Law**"). The securities have to comply with the investment policy of the Sub-Fund for which subscription is requested. The evaluation of these securities has to be in conformity with the rules of evaluation as

stated in the Articles. The charges incurred by these evaluations and control of the auditor shall be borne by the contributing investor.

In case of a merger with another collective investment undertaking, the subscription price may be paid by contribution in kind of all assets and liabilities of the absorbed fund, valued pursuant to the rules described in the chapter 11 ("NET ASSET VALUE"). A report may be drawn up by the independent auditor in conformity with the applicable laws.

Shares of the respective Classes will be issued at their respective net asset value against the contribution in kind valued this way.

Subscriptions are accepted by the Company, as well as by the Management Company, the Depositary Bank and any distributors, which will transmit the orders to the UCI Administrator for execution, provided that the required subscription form has been completed and signed in duplicate by the investor.

Confirmation of execution of a subscription is provided by an advice specifying the number and Class subscribed for and the name of the relevant Sub-Fund.

10.2 Redemption

A. Timing of redemption requests and redemption price

Owners of Shares may request redemption of their Shares at any time. In order to do so, they must send an irrevocable request in writing or electronically for redemption to the UCI Administrator.

Concerning the following Sub-Funds:

- DNB FUND – Asian Mid Cap
- DNB FUND – Brighter Future
- DNB FUND – India

If a redemption order is to be executed at the redemption price ruling on a Valuation Day, the application for the redemption of Shares must reach the UCI Administrator before 11:59 pm (Luxembourg time) on the Business Day preceding the relevant Valuation Day, or as provided for each Sub-Fund in the Appendix.

Concerning the following Sub-Funds:

- DNB FUND – Active Fixed Income
- DNB FUND – Disruptive Opportunities
- DNB FUND – European Energy Security
- DNB FUND – Financials
- DNB FUND – Future Waves
- DNB FUND – Global Low Carbon Corporate Bonds
- DNB FUND – Health Care
- DNB FUND – Listed Private Equity

- DNB FUND – Low Volatility Equities
- DNB FUND – Nordic Corporate Bonds
- DNB FUND – Nordic Equities
- DNB FUND – Nordic Flexible Bonds
- DNB FUND – Nordic High Yield
- DNB FUND – Nordic Small Cap
- DNB FUND – Norway Corporate Bonds
- DNB FUND – Norway Short-Term Bonds
- DNB FUND – Renewable Energy
- DNB FUND – Stable Alpha
- DNB FUND – Technology
- DNB FUND – TMT Long/Short Equities
- DNB FUND – Women's Health

If a redemption order is to be executed at the redemption price ruling on a Valuation Day, the application for the redemption of Shares must reach the UCI Administrator before 1:00 pm (Luxembourg time) on the same Business Day.

All orders reaching the UCI Administrator after the above-mentioned deadlines will be held over until the next following Valuation Day for execution at the redemption price then ruling.

The redemption price of Shares in a Sub-Fund is equal to their net asset value, no redemption fee is levied.

B. Redemption gate

If, in respect of any Valuation Day, the aggregate net redemption orders received represent 5% or more of the total net assets of the relevant Sub-Fund, the Board of Directors may, in its sole and absolute discretion and having regard to the best interests of the remaining Shareholders, scale down on a pro rata basis each redemption request relating to that Valuation Day so that redemptions on that Valuation Day do not exceed 10% of the total net assets of that Sub-Fund. This mechanism is also referred to as a "*gating mechanism*".

Any part of a redemption order that is not executed on a given Valuation Day as a result of the exercise of this gating mechanism will be deferred and treated as if a new redemption request in respect of such unexecuted balance had been submitted by the relevant Shareholder for the next Valuation Day and, if necessary, for each subsequent Valuation Day, until all Shares covered by the original redemption order have been redeemed. Redemption orders that have been carried forward from one or more previous Valuation Days will, subject to the foregoing limits, be processed in priority to any redemption orders received for the relevant later Valuation Day.

This gating mechanism is one of the liquidity management tools defined under Annex II(a) of the UCITS Directive.

C. Payment of the redemption price

Payments will in principle be made in the reference currency of each Class. At the request of the Shareholders, payments may however be made in any other freely convertible major currency as may be decided from time to time by the Company. In that case, any currency conversion cost shall be borne by the respective Shareholder. Payments will be made with a value date within two Business Days following the corresponding Valuation Day.

The Depositary Bank is only obliged to make payments for redemptions where legal provisions, particularly exchange control regulations or other cases of *force majeure* do not prohibit it from transferring or paying the redemption proceeds in the country where the redemption is requested.

D. Redemption in-kind

The Company shall have the right, if the Board of Directors so determines, to satisfy payment of the redemption price to any Shareholder who agrees, in kind by allocating to the Shareholder investments from the portfolio of assets of the respective Sub-Fund or Class equal in value as of the Valuation Day, on which the redemption price is calculated, to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders of the relevant Class or Sub-Fund and the valuation used shall be confirmed by a special report of the auditor of the Company. The costs of any such transfers shall be borne by the transferee.

Redemptions in kind shall only be offered in order to satisfy redemption requests submitted by professional investors.

10.3 Conversion of Shares

Subject to any provision in this Prospectus and its Appendix, a Shareholder may convert all or part of the Shares held in a Sub-Fund or Class into Shares in another Class of the same or another Sub-Fund. Conversions between Sub-Funds are subject to a commission of maximum 1% of the net asset value of the Shares to be converted. Such conversion fee shall be payable to banks and financial institutions taking part in the conversion of Shares.

To apply for conversion, the Shareholder must send an irrevocable request in writing or electronically, to the UCI Administrator.

If received before 1:00 pm (Luxembourg time) on a Valuation Day, requests for conversion are executed on the basis of the net asset value per Share of the relevant Sub-Fund (except for the below Sub-Funds) and the relevant Class, ruling on the relevant Valuation Day.

Requests for conversion received after that deadline will be held over to the next Valuation Day to be executed at the prices ruling on that day.

Concerning the following Sub-Funds:

- DNB FUND – Asian Mid Cap
- DNB FUND – Brighter Future
- DNB FUND – India

If a conversion order is to be carried out on a Valuation Day, written instructions must have reached the UCI Administrator before 11:59 pm (Luxembourg time) on the Business Day preceding the relevant Valuation Day.

Conversions may not be executed if the calculation of the net asset value, or subscriptions or redemptions is suspended in one of the concerned Sub-Funds.

When the valuations of two Sub-Funds do not have the same frequency, conversion shall be made on the next Valuation Day common to both Sub-Funds following the conversion request.

The number of Shares allotted in the new Sub-Fund or in the new Class is determined by means of the following formula:

where:

$$\frac{(A \times B \times C) - fee}{D} = N$$

A is the number of Shares presented for conversion,

B is the net asset value of one Share in that Sub-Fund and/or of that Class of which the Shares are presented for conversion, on the day the conversion is executed,

C is the conversion factor between the base currencies of the two Sub-Funds on the day of execution. If the Sub-Funds or the two Classes have the same base currency, this factor is one,

D is the net asset value per Share of the new Sub-Fund and /or Class on the day of execution,

N is the number of Shares allotted in the new Sub-Fund and/or Class.

10.4 Transfer of Shares

Subject to the restrictions described herein, Shares are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to the relevant Class.

The transfer of Shares may normally be carried out by delivery to the relevant distributor, sales agent or the Company of an instrument of transfer in appropriate form. On the receipt of the transfer request, and after reviewing the endorsement(s), signature(s) may be required to be certified by an approved bank, stock broker or public notary.

The right to transfer Shares is subject to the minimum investment and holding requirements as set out in the Prospectus for each Sub-Fund.

Shareholders are advised to contact the relevant distributor, sales agent or the Company prior to requesting a transfer to ensure that they have the correct documentation for the transaction.

10.5 Settlements

If, on the Settlement Day banks are not open for business, or an interbank settlement system is not operational, in the country of the currency of the relevant Class, then settlement will be on the next Business Day on which those banks and settlement systems are open.

Confirmation of completed subscriptions, redemptions and conversions will normally be dispatched on the Business Day following the execution of the transaction.

No redemption payments will be made until the original application form and relevant subscription monies have been received from the Shareholder and all the necessary anti-money laundering checks have been completed. Redemption proceeds will be paid on receipt of faxed instructions where such payment is made into the account specified by the Shareholder in the original application form submitted. However, any amendments to the Shareholder's registration details and payment instructions can only be effected upon receipt of original documentation.

10.6 Minimum Subscription and Holding Amounts

A minimum initial and subsequent subscription amount and minimum holding amounts for each Class may be set forth, as further described under section 5.6 "Types of available Classes". The Company has the discretion, from time to time, to waive or reduce any applicable minimum subscription amounts.

The right to transfer, redeem or convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts and eligibility requirements) applicable to the Class from which the redemption or conversion is being made, and also the Class into which the conversion is to be effected.

The Board of Directors may also, at any time, decide to compulsorily redeem all Shares from Shareholders whose holding is less than the minimum holding amount (if any) or who fail to satisfy any other applicable eligibility requirements set out in this Prospectus. In such case the Shareholder concerned will receive one (1) month's prior notice so as to be able to increase its holding above such amount or otherwise satisfy the eligibility requirements.

If a redemption or conversion request would result in the amount remaining invested by a Shareholder falling below the minimum holding amount of that Class, such request will be treated as a request to redeem or convert, as appropriate, the Shareholder's total holding in that Class. If the request is to transfer Shares, then that request may be refused by the Company.

Shareholders are required to notify the Company immediately in the event that they are or become U.S. Persons or hold Shares for the account or benefit of U.S. Persons or hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Company or the Shareholders or otherwise be detrimental to the interests of the Company. If the Company becomes aware that a Shareholder is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Company or the Shareholders or would otherwise be detrimental to the interests of the Company or that the Shareholder has become or is a U.S. Person, the Company may, in its sole discretion, redeem the Shares of the Shareholder in accordance with the provisions of the Articles.

10.7 Placement and financial servicing

Shareholders subscribing Shares in the Company on its own name but on behalf of underlying investors

The Company may appoint banks and financial institutions as placement or intermediary agents, and in certain countries may be forced to do so in order to comply with local law. Subject to local law in countries where Shares are offered, such intermediary agents can, with the agreement of the Company and the respective Shareholders, agree to subscribe Shares in the Company on its own name but on behalf of underlying investors. In this capacity, the intermediary agent shall, in its name but on behalf of the underlying investor, purchase or sell Shares for the investor and request registration of such operations in the Company's register.

The Company will endeavour to enter into appropriate arrangements with the intermediary agents to ensure their compliance with their chapter 4 status as participating FFI, registered deemed compliant

FFI, non-registering local bank or restricted distributor, respectively. When investors are subscribing through an intermediary, the Company strongly encourages the underlying investors to check the qualification of their intermediary as set out in the list provided for in the preceding sentence. The Company draws the Shareholders' attention to the fact that it will monitor on a regular basis the activities of the intermediary agents and the maintenance of their chapter 4 status and that it may withdraw their mandate with immediate effect in case such withdrawal is deemed by the Company to be in the interests of the Company and the Shareholders.

However, unless otherwise provided by local law, the investor may invest directly in the Company without using an intermediary agent, and if the investor does invest through an intermediary agent he will still retain a direct claim to his Shares subscribed through the intermediary agent.

However, the provisions above are not applicable for Shareholders solicited in countries where the use of the services of an intermediary agent is necessary or compulsory for legal, regulatory or compelling practical reasons.

The Company may, at any time, require intermediary agents to make representations to comply with applicable laws and requirements.

Financial servicing for the Company is provided by the Depositary Bank in Luxembourg and by other financial institutions appointed from time to time by the Company in appropriate countries.

10.8 Prevention of Market Timing, Frequent Trading and Late Trading

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders ("**Cut–off Time**") on the relevant day and the execution of such order at the price base on the net asset value applicable to such same day.

The Company considers that the practice of late trading is not acceptable as it violates the provisions of the Prospectus which provide that an order received after the Cut-off Time is dealt with at a price based on the next applicable net asset value. As a result, subscriptions, conversions and redemptions of Shares shall be dealt with at an unknown net asset value. The Cut-off Time for subscriptions, conversions and redemptions is set out under chapter 10 ("SUBSCRIPTION, REDEMPTION, CONVERSION AND TRANSFER OF SHARES").

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset value of the undertaking for collective investment.

The Company considers that the practice of market timing and frequent trading, *i.e.* trades understood to be in conflict with the long term nature of investing in the Company, are not acceptable as it 'ay affect the Company's performance through an increase of the costs and/or entail a dilution of the profit. As a result, the Company reserves the right to refuse any application for subscription or conversion of Shares which might be related to market timing or frequent trading practices and to take any appropriate measures in order to protect investors against such practice.

10.9 Anti-Money Laundering Procedures

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the Law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, CSSF Regulation 12-02 and circulars of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions,

the registrar agent of a Luxembourg undertaking for collective investment must in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The registrar agent may require subscribers to provide any document it deems necessary to effect such identification.

Namely, the requests for subscription must be accompanied, in the case of individuals, by a certified copy of the investor's passport or identification card and, in the case of legal entities, by a certified copy of the investor's articles of incorporation and, where applicable, an extract from the commercial register or a copy of such other documents as may be requested as verification of the identity and address of the individual or legal entity.

More generally the Company and its registrar agent shall be able to require any documentation from subscriber that it deems necessary in order to comply with any law and regulations applicable to the Company, and in particular, the FATCA Rules.

This identification procedure must be complied with by the UCI Administrator in the case of direct subscriptions to the Company, and in the case of subscriptions received by the Company from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors in equivalent manner to that required under AML regulations.

Investors are requested to communicate forthwith any change in their situation that will prove the information previously submitted to be no longer valid or sufficient, and shall provide the necessary additional information.

In case of delay or failure by a subscriber to provide the documents required, the application for subscription (or, if applicable, for conversation or for redemption) will not be accepted. In the case of a failure to provide the documents and information requested in the context of ensuring compliance of the Company with FATCA Rules, the Company may also be entitled to force the redemption of the Shares. Neither the undertakings for collective investment nor the registrar agent have any liability for delays or failure to process deals as a result of the subscriber providing no or only incomplete documentation.

11. NET ASSET VALUE

The UCI Administrator is responsible for the calculation of the net asset value of the Company. This calculation is done on each Valuation Day. A list of days which are not Valuation Days in respect of all Sub-Funds will be available at the beginning of each year in advance at the registered office of the Management Company and on the following website: https://www.dnbam.com.

For a Sub-Fund which has issued only one Class, the net asset value of a Share is determined by dividing the net assets of the relevant Sub-Fund by the total number of Shares in that Sub-Fund outstanding at that time.

For a Sub-Fund which has issued two Classes, the net asset value of one Share for each Class will be determined by dividing the net assets of the Sub-Fund attributed to this Class by the total number of Shares of that same class outstanding at that time.

From the date of creation of a Sub-Fund to the date of the payment of the first dividend, the percentage of the total net assets of the Sub-Fund to be attributed to each Class will be equal to the percentage of the total number of Shares of each Class.

As a consequence of each dividend payment to the "B" Shares, the total of the net assets corresponding to the "B" Shares will be reduced by an amount equivalent to the dividend payment (thus entailing a reduction of the percentage of the total net assets of the Sub-Fund to be attributed to the "B" Shares) and the total net assets corresponding to the "A" Shares and “A2” Shares will remain the same (thus entailing an increase of the percentage of the total net assets of the Sub-Fund to be attributed to the "A" Shares and “A2” Shares).

The Sub-Fund's assets include the securities in the portfolio, possible time deposits and other liquid assets and coupons already cashed, interest and coupons that have fallen due and have not yet been cashed and interest accrued, and, if there are two Classes, the dividend regularisation account.

For the valuation of each Sub-Fund's assets, the following principles are observed:

(a) The value of any cash on hand or on deposit, bills and demand notes payable and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

(b) The value of assets which are listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally the principal market for such assets.

(c) The value of assets dealt in on any Other Regulated Market is based on the last available price.

(d) In the event that any assets are not listed or dealt in on any stock exchange or on any Other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or Other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.

(e) The liquidating value of futures, forward or options contracts not traded on exchanges or on Other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on Other Regulated Markets shall be based upon the last available settlement

prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Company provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable.

(f) The value of Money Market Instruments not listed or dealt in on any stock exchange or any Other Regulated Market and with remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money Market Instruments with a remaining maturity of 90 days or less will be valued by the amortized cost method, which approximates market value.

(g) Interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve.

(h) Units or shares of open-ended UCI will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value.

(i) All other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors or a committee appointed to that effect by the Board of Directors.

Assets and liabilities of the Company will be allocated to each Sub-Fund and Class in accordance with the provisions of the Articles.

(1) The proceeds from the issue of Shares of a Sub-Fund or Class, all assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets attributable to or deriving from such investments, as well as all increase or decrease in the value thereof, will be allocated to that Sub-Fund or Class and recorded in its books. The assets allocated to each Class of the same Sub-Fund will be invested together in accordance with the investment objective, policy, and strategy of that Sub-Fund, subject to the specific features and terms of issue of each Class of that Sub-Fund, as specified in this Prospectus as well as on the website https://www.dnbam.com.

(2) All liabilities of the Company attributable to the assets allocated to a Sub-Fund or Class or incurred in connection with the creation, operation or liquidation of a Sub-Fund or Class will be charged to that Sub-Fund or Class and, together with any increase or decrease in the value thereof, will be allocated to that Sub-Fund or Class and recorded in its books. In particular and without limitation, the costs and any benefit of any Class specific feature will be allocated solely to the Class to which the specific feature relates.

(3) Any assets or liabilities not attributable to a particular Sub-Fund or Class may be allocated by the Board of Directors in good faith and in a manner which is fair to Shareholders generally and will normally be allocated to all Sub-Funds or Classes *pro rata* to their net asset value.

Subject to the above, the Board of Directors may at any time vary the allocation of assets and liabilities previously allocated to a Sub-Fund or Class.

Assets denominated in other currencies than the base currency of the Sub-Fund will be converted into that base currency at the average rate of the last known bid and offer rates of these currencies.

The Board of Directors is authorised to approve other realistic valuation principles for assets of the Company where circumstances make the determination of values according to the criteria specified above non-realistic, impossible or inadequate. Especially in case of major changes in market conditions, the valuation basis of the different investments may be adjusted to the new market yields.

The annual (and semi-annual) financial reports of the Company will include a consolidation of all the Sub-Funds. These consolidated figures will be expressed in EUR.

For this purpose, all figures expressed in another currency than the EUR will be converted into EUR on basis of the average rate of the last known bid and offer rates.

NET ASSET VALUE ADJUSTMENT ("SWING PRICING")

Reasons for swing pricing mechanism, impact on, and benefit for, Shareholders

A Sub-Fund may suffer dilution of the Net Asset Value per Share due to prospective Shareholders subscribing, or existing Shareholders redeeming, Shares in a Sub-Fund at a price that does not reflect the explicit transaction costs (such as brokerage fees, trading levies, taxes and fiscal charges, duties, settlement fees and related expenses) and implicit transaction costs (such as bid-ask spread and market impact) arise from the transactions undertaken by the Company to accommodate cash inflows or outflows. These transaction costs may have an adverse effect on the value of a Sub-Fund (referred to as *dilution*) and therefore on Shareholders. In order to mitigate the impact of these transaction costs, the Board of Directors may adjust the Net Asset Value per Share upwards or downwards by a percentage estimated to reflect the actual prices and costs of the underlying transactions.

For the avoidance of doubt, the adjustment mechanism is applied on the capital activity at the level of the relevant Sub-Fund and does not address the specific circumstances of each individual transaction.

The Sub-Funds for which the swing pricing mechanism may be applied are the following:

- DNB FUND – Active Fixed Income
- DNB FUND – Asian Mid Cap
- DNB FUND – Brighter Future
- DNB FUND – Disruptive Opportunities
- DNB FUND – European Energy Security
- DNB FUND – Financials
- DNB FUND – Future Waves
- DNB FUND – Global Low Carbon Corporate Bonds
- DNB FUND – Health Care
- DNB FUND – India
- DNB FUND – Listed Private Equity
- DNB FUND – Low Volatility Equities
- DNB FUND – Nordic Corporate Bonds

- DNB FUND – Nordic Equities
- DNB FUND – Nordic Flexible Bonds
- DNB FUND – Nordic High Yield
- DNB FUND – Nordic Small Cap
- DNB FUND – Norway Corporate Bonds
- DNB FUND – Norway Short-Term Bonds
- DNB FUND – Renewable Energy
- DNB FUND – Stable Alpha
- DNB FUND – Technology
- DNB FUND – TMT Long/Short Equities
- DNB FUND – Women's Health

Swing Pricing mechanism details

Application threshold

If on any Valuation Day, the aggregate net transactions in Shares of a Sub-Fund (i.e. aggregate net subscriptions or redemptions) exceed a threshold which is pre-determined and periodically reviewed by the Board of Directors for each Sub-Fund (known as the "swing threshold"), the Net Asset Value per Share may be adjusted upwards or downwards to reflect respectively net inflows or net outflows.

Underlying swing factors

The extent of the price adjustment is set by the Board of Directors to reflect dealing and other costs and may vary from Sub-Fund to Sub-Fund. In particular, the Net Asset Value per Share of the relevant Sub-Fund will be adjusted (upwards or downwards) by an amount which reflects explicit transaction costs (such as brokerage fees, trading levies, taxes and fiscal charges, duties, settlement fees and related expenses) and implicit transaction costs (such as bid-ask spread and market impact) of the assets in which the Sub-Fund invests. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows.

Maximum swing factor

Adjustments will however be limited to a maximum of 2% of the then applicable Net Asset Value (the "Swing Factor"). In exceptional market conditions, such as in periods of significantly increased volatility or market dislocation, this maximum level may be increased up to 5% to protect the interests of Shareholders. A periodic review will be undertaken in order to verify the appropriateness of the Swing Factor in view of prevailing market conditions.

Categories of Shares

The Net Asset Value of each category of Shares in a Sub-Fund will be calculated separately but any dilution adjustment will in percentage terms affect the Net Asset Value of each category in an identical manner.

No impact on performance fee

Any performance fee will be calculated on the basis of an unadjusted net asset value.

This swing pricing mechanism is one of the liquidity management tools defined under Annex II(a) of the UCITS Directive.

12. SUSPENSION OF CALCULATION OF NET ASSET VALUE, REDEMPTIONS, SUBSCRIPTIONS, CONVERSIONS

The Board of Directors is authorised to suspend temporarily the calculation of the net asset value and/or the issue, redemption and conversion of all Shares in one or several Sub-Funds in the following cases:

- where one or several securities or exchange markets forming the basis of the valuation of a major part of the Sub-Fund's assets are closed for periods other than legal holidays, or where transactions are suspended thereon or subject to restrictions;

- where political, economic, military, monetary or social circumstances or any cases of force majeure, beyond the responsibility or power of the Company, make it impossible to dispose of a Sub-Fund's assets by reasonable and normal means, without causing serious prejudice to Shareholders;

- in case of an interruption of the means of communication normally used to determine the value of any investment of a Sub-Fund or where, for any reason, the value of any investment of a Sub-Fund cannot be known with sufficient speed or accuracy;

- where restrictions on exchange or capital movements prevent the execution of transactions on behalf of a Sub-Fund or where purchase or sales transactions of a Sub-Fund's assets cannot be carried out at normal exchange rates;

- during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;

- following the suspension of the calculation of the net asset value per share/unit, the issue, the redemption and/or the conversion of the shares/units issued within a Master in which the Sub-Fund invests in its quality as a Feeder of such Master;

- the Board of Directors may, at any time, if it considers it necessary, temporarily suspend or finally halt or limit issuing of Shares of one or several Sub-Funds to individuals or companies residing or domiciled in certain countries and territories, or exclude them from acquiring Shares, if such measure is necessary to protect existing Shareholders and the Company;

- where, in the opinion of the Board of Directors, exceptional circumstances make it impracticable or unfair vis-à-vis he Shareholders to continue trading the Shares in one or several Sub-Funds. Exceptional circumstances are unforeseen events which are beyond the control of the Board of Directors, financial environment (including asset valuation difficulties, severe liquidity issues), operational environments (including natural disaster, unforeseen market events and/or trading venues closures or restrictions) or regulatory environments that materially impact the ability of the Company, the Management Company, the Investment Manager and/or any other service providers to the Company to carry out normal business functions (including critical cyber incidents, identification of significant fraud).

Where a Sub-Fund has multiple Classes, the suspension of issue, redemption and conversion of Shares shall apply to all such Classes.

Any such suspension may be notified to Shareholders by means of a notice published in conformity to the stipulations of the section 17.6 "Publications" hereafter.

In addition, the Board of Directors is entitled:

- to refuse, at its discretion, a request for acquisition of Shares,

– to redeem, at any time, Shares that might have been acquired in violation of an exclusion measure adopted in virtue of this Prospectus.

To mitigate liquidity risks relating to assets held by a Sub-Fund whose economic or legal characteristics have changed significantly or become uncertain due to exceptional circumstances, the Board of Directors, acting together with the Management Company, may implement side pocket arrangements, either through accounting segregation or physical separation.

Where it is in the best interests of the Sub-Fund and its Shareholders, assets affected by such side pocket arrangements may be:

- retained within the existing Sub-Fund, in which case assets whose economic or legal characteristics have changed significantly or become uncertain due to exceptional circumstances will be allocated to a dedicated Class (i.e., the Side Pocket Class); or

- segregated on a physical basis, in which case the affected assets will remain in the Sub-Fund concerned, while the unaffected assets will be transferred to a new Sub-Fund.

In order to protect Shareholders and to mitigate the risk of contagion to the remainder of the Sub-Fund, side pockets will be closed to subscriptions, repurchases and redemptions. However, in the interests of Shareholders, the Investment Manager may, irrespective of whether the side pocket is created through accounting segregation or physical separation, dispose of or liquidate the side pocketed assets and distribute any proceeds to Shareholders in proportion to their participation in the relevant Side Pocket Class.

13. DISTRIBUTION POLICY

Results of operations of the Sub-Fund include all cost and other income such as dividends and interest contributing proceeds of the assets of the Sub-Fund, net realized and unrealized capital gains proceeds of sales of subscription rights and any other proceeds not to be defined as income.

Distributions may either be made in cash or in kind. The Board of Directors may at the request of a holder of “B”-Shares of a specific Sub-Fund decide to distribute dividends to such Shareholder in whole or in part by way of transfer in specie of the assets of such Sub-Fund. The Board of Directors will ensure that the transfer of assets in specie in case of such distributions will (i) not be detrimental to the remaining Shareholders of such Sub-Fund and (ii) not result in a breach of applicable investment restrictions by pro-rating the distribution as far as possible across the entire portfolio of the Sub-Fund in question. Such distribution in specie will be subject to a specific audit report of the Auditor confirming the number, the denomination and the value of the assets which the Board of Directors will have determined to be transferred to such Shareholder. This audit report will also confirm the way of determining the value of these assets which will have to be identical to the procedure for determining the net asset value per Share. The costs for such distributions of dividends in specie, in particular the costs of the specific audit report will be borne by the Shareholder requesting a distribution of dividends in kind.

The equalization account is operated in relation with subscriptions and redemptions in all Sub-Funds where dividend Shares are in existence.

The "A"-Shares and “A2”-Shares are not entitled to the dividend payments.

No dividends will be distributed if as a result thereof the capital of the Company became less than EUR 1,250,000; in such case potential dividends will be capitalised.

Dividends may in any case result from a decision of the Shareholders in general meeting, subject to a majority vote of those present or represented and within limits provided by law, and a concurring decision at the same majority in the relevant Sub-Fund.

Dividends unclaimed after five years from the date of declaration will lapse and revert to the Company in the relevant Sub-Fund.

14. MANAGEMENT AND ADMINISTRATION

14.1 Board of Directors

The Board of Directors is vested with the widest powers to act in any circumstances in the name of the Company, subject to any powers explicitly granted by law or by the Articles to its general meeting of Shareholders.

The Board of Directors is responsible for managing the business of the Sub-Funds in issue, for the control of the Company's operations as well as specifying and implementing the Company's investment policy. The Board of Directors may delegate, under its control and responsibility, the day-to-day management of the Company.

14.2 Management Company

The Company has appointed FundPartner Solutions (Europe) S.A. to serve as its designated management company in accordance with the UCI Law pursuant to a management company services agreement effective as of 1 October 2023 (the "**Management Company Services Agreement**").

FundPartner Solutions (Europe) S.A. was incorporated as a *société anonyme* (public limited liability company) under Luxembourg law for an indefinite period on 17 July 2008, under the denomination Funds Management Company S.A. Its fully paid-up capital is CHF 6,250,000 at the date of this Prospectus.

The Management Company will provide, subject to the overall control of the Board of Directors, and without limitation: (i) asset management services; (ii) central administration, registrar and transfer agency services; and (iii) distribution services to the Company. The rights and duties of the Management Company are further set out in articles 101 et seq. of the UCI Law.

The Management Company must at all time act honestly and fairly in conducting its activities in the best interests of the Shareholders, and in conformity with the UCI Law, this Prospectus and the Articles.

The Management Company is vested with the day-to-day management and administration of the Company. In fulfilling its duties pursuant to the UCI Law, and the Management Company Services Agreement, the Company is authorised, for the purposes of the efficient conduct of its business, to delegate, under its responsibility and control, and with the prior consent of the Company, and subject to the approval of the CSSF, part, or all of its functions and duties to any third party, which, having regard to the nature of the functions, and duties to be delegated, must be qualified and capable of undertaking the duties in question.

The Management Company will require any such agent to which the Management Company intends to delegate its duties to comply with the provisions of the Prospectus, the Articles, and the relevant provisions of the Management Company Services Agreement, as well as the UCI Law.

In relation to any delegated duty, the Management Company shall implement appropriate control mechanisms, and procedures, including risk management controls, and regular reporting processes in order to ensure the effective supervision of the third parties to whom functions, and duties have been delegated, and that the services provided by such third party service providers are in compliance with the Articles, this Prospectus and the agreements entered into with the relevant third party service providers, as well as the UCI Law. When delegating a duty or a function, the Management Company shall ensure that nothing in the related agreement shall prevent it from giving at any time further instructions to the party to whom such duty or function has been delegated or from withdrawing the relevant mandate with immediate effect when this is in the interests of the Shareholders.

The Management Company shall be careful, and diligent in the selection, and monitoring of the third parties to whom functions and duties may be delegated, and ensure that the relevant third parties have sufficient experience, and knowledge, as necessary authorisation required to carry out the functions delegated to such third parties.

The following functions have been delegated by the Management Company to third parties:

(a) investment management of the Sub-Funds; and

(b) marketing and distribution,

as further set out in this Prospectus.

The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Company (the "**Remuneration Policy**").

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the Company or the Sub-Funds.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Company and the Shareholders and includes measures to avoid conflicts of interest.

In particular, the Remuneration Policy will ensure that:

(a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;

(b) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;

(c) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;

(d) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;

(e) if at any point of time, the management of the Company were to account for 50% or more of the total portfolio managed by the Management Company, at least 50%, of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or

share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item (e); and

(f) a substantial portion, and in any event at least 40%, of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Company.

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of the staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website www.group.pictet/fps.

A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.

The Management Company Services Agreement has been entered into for an undetermined period of time, and may be terminated, in particular, by either party upon serving to the other a written notice at least 3 (three) months prior to the termination.

14.3 Investment Manager and investment sub-managers

Pursuant to an Investment Management Agreement effective as of 1 October 2023, DNB Asset Management AS (the "**Investment Manager**") has been appointed as investment manager of the assets of the Sub-Funds.

The Investment Manager is a company incorporated under the laws of Norway, with registered office at Dronning Eufemias gate 30, N-0191 Oslo. As of 30 April 2019, its shareholder's equity amounted to NOK 109,680,400,-.

Under the terms of the Investment Management Agreement, the Investment Manager, subject to the supervision and ultimate responsibility of the Board of Directors, shall have discretion to invest and reinvest the assets of the Sub-Funds in accordance with the investment policies and restrictions set forth herein. The Management Company shall pay the Investment Manager, out of its own remuneration, a fee as determined from time to time in the Investment Management Agreement. The Investment Management Agreement may be terminated by either the Management Company or the Investment Manager upon thirty (30) calendar days' prior written notice.

14.4 Subsidiaries of the Company

For the purposes of efficient portfolio management, the Company may incorporate fully owned subsidiaries carrying on the business of management exclusively on behalf of the Company.

Investments of the Company may be made either directly or indirectly through subsidiaries, as the Company may, from time to time, decide.

The Prospectus will be amended if a subsidiary is added.

14.5 Co-Managing

In order to reduce operational and administrative charges while allowing a wider diversification of the investments, the Company may decide that part or all of the assets of any Sub-Fund will be co-managed with assets belonging to other Luxembourg collective investment schemes or that part or all of the assets of any Sub-Fund will be co-managed among themselves.

In the following paragraphs, the words “co-managed entities” shall refer to any Sub-Fund and all entities with and between which there would exist any given co-management arrangement and the words “co-managed Assets” shall refer to the entire assets of these co-managed entities and co-managed pursuant to the same co-management arrangement. The word “Manager” shall refer to the manager of the co-managed Assets.

Under the co-management arrangement, the Manager will be entitled to take, on a consolidated basis for the relevant co-managed entities, investment, disinvestment and portfolio readjustment decisions which will influence the composition of the Sub-Fund’s portfolio. Each co-managed entity shall hold a portion of the co-managed Assets corresponding to the proportion of its net assets to the total value of the co-managed Assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management.

In case of investment and/or disinvestment decisions these proportions shall not be affected and additional investments shall be allotted to the co-managed entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed Assets held by each co-managed entity.

In case of new subscriptions in one of the co-managed entities, the subscription proceeds shall be allotted to the co-managed entities pursuant to the modified proportions resulting from the net asset increase of the co-managed entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in one of the co-managed entities, the cash required may be levied on the cash held by the co-managed entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed entity which has suffered from the redemptions and, in such case, all lines of investment shall be adjusted to the modified proportions.

Shareholders should be aware that, in the absence of any specific action by the Management Company or its appointed agents, the co-management arrangement may cause the composition of assets of a Sub-Fund to be influenced by events attributable to other co-managed entities such as subscriptions and redemptions. Thus, all other things being equal, subscriptions received in one entity with which any Sub-Fund is co-managed will lead to an increase of this Sub-Fund’s reserve of cash.

Conversely, redemptions made in one entity with which any Sub-Fund is co-managed will lead to a reduction of this Sub-Fund’s reserve of cash. Subscriptions and redemptions may however be kept in the specific account opened for each co-managed entity outside the co-management arrangement and through which subscriptions and redemptions must pass.

The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the Management Company or its appointed agents to decide at any time to terminate a Sub-Fund’s participation in the co-management arrangement permit the Sub-Fund to avoid the readjustments of its portfolio if these readjustments are likely to affect the interest of the Company and of its Shareholders.

If a modification of the composition of the Sub-Fund’s portfolio resulting from redemptions or payments of charges and expenses peculiar to another co-managed entity *(i.e.* not attributable to the Sub-Fund) is likely to result in a breach of the investment restrictions applicable to this Sub-Fund, the relevant assets shall be excluded from the co-management arrangement before the implementation of the modification in order for it not to be affected by the ensuing adjustments.

Co-managed Assets of any Sub-Fund shall only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to co-managed Assets of such Sub-Fund in order to assure that investment decisions are fully compatible with the investment policy of the Sub-Fund.

Co-managed Assets of any Sub-Fund shall only be co-managed with assets for which the Depositary Bank is also acting as depositary in order to assure that the Depositary Bank is able, with respect to the Company, to fully carry out its functions and responsibilities pursuant to the UCI Law.

The Depositary Bank shall at all times keep the Company's assets segregated from the assets of other co-managed entities, and shall therefore be able at all times to identify the assets of the Company.

Since co-managed entities may have investment policies which are not strictly identical to the investment policy of one of the Sub-Fund's, it is possible that as a result the common policy implemented may be more restrictive than that of the Sub-Fund.

The Management Company may decide at any time and without notice to terminate the co-management arrangement.

Shareholders may at all times contact the registered office of the Management Company to be informed of the percentage of assets which are co-managed and of the entities with which there is such a co-management arrangement at the time of their request. Annual and half-yearly reports shall state the co-managed Assets' composition and percentages.

14.6 Depositary Bank

Bank Pictet & Cie (Europe) AG, succursale de Luxembourg (the "**Depositary**") has been designated as the Depositary Bank for the Company pursuant to the Depositary Agreement entered into for an indefinite period.

Bank Pictet & Cie (Europe) AG, succursale de Luxembourg is a branch of the German credit institution Bank Pictet & Cie (Europe) AG, is situated at 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and is registered with the RCS under number B277879. It is licensed to carry out depositary functions under the terms of Luxembourg law.

On behalf of and in the interests of the Shareholders, as Bank Pictet & Cie (Europe) AG, succursale de Luxembourg is in charge of (i) the safekeeping of cash and securities comprising the Company's assets, (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as agreed from time to time and reflected in the Depositary Agreement.

Duties of the Depositary

The Depositary is entrusted with the safekeeping of the Company's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depositary or, to the extent permitted by applicable laws and regulations, through every third-party custodian/sub-custodian providing, in principle, the same guarantees as the Depositary itself, i.e. for Luxembourg institutions to be a credit institution within the meaning of the Luxembourg Law of 5 April 1993 on the financial sector as amended or for foreign institutions, to be a financial institution subject to the rules of prudential supervision considered as equivalent to those provided by EU legislation. The Depositary also ensures that the Company's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Company has been booked in the cash account in the name of (i) the Company, (ii) the Management Company on behalf of the Company or (iii) the Depositary on behalf of the Company.

The Depositary must notably:

– perform all operations concerning the day-to-day administration of the Company's securities and liquid assets, e.g. pay for securities acquired against delivery, deliver securities sold

against collection of their price, collect dividends and coupons and exercise subscription and allocation rights;

- ensure that the value of the Shares is calculated in accordance with Luxembourg laws and the Articles;

- carry out the instructions of the Company, unless they conflict with Luxembourg laws or the Articles;

- ensure that proceeds are remitted within the usual time limits for transactions relating to the Company's assets;

- ensure that Shares are sold, issued, redeemed or cancelled by the Company or on its behalf in accordance with Luxembourg laws and the Articles;

- ensure that the Company's income is allocated in accordance with Luxembourg laws and the Articles.

The Depositary regularly provides the Company and the Management Company with a complete inventory of all assets of the Company.

Delegation of functions:

Pursuant to the provisions of the Depositary Agreement, the Depositary may, subject to certain conditions and in order to more efficiently conduct its duties, delegate part or all of its safekeeping duties over the Company's assets including but not limited to holding assets in custody or, where assets are of such a nature that they cannot be held in custody, verification of the ownership of those assets as well as record-keeping for those assets, to one or more third-party delegates appointed by the Depositary from time to time. The Depositary shall exercise care and diligence in choosing and appointing the third-party delegates so as to ensure that each third-party delegate has and maintains the required expertise and competence. The Depositary shall also periodically assess whether the third-party delegates fulfil applicable legal and regulatory requirements and will exercise ongoing supervision over each third-party delegate to ensure that the obligations of the third-party delegates continue to be competently discharged. The fees of any third-party delegate appointed by the Depositary shall be paid by the Company.

The liability of the Depositary shall not be affected by the fact that it has entrusted all or some of the Company's assets in its safekeeping to such third-party delegates.

In case of a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Company without undue delay, except if such loss results from an external event beyond the Depositary's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

An up-to-date list of the appointed third-party delegates is available upon request at the registered office of the Depositary and is available on the website of the Depositary:

https://www.group.pictet/asset-services/custody/safekeeping-delegates-sub-custodians

Conflicts of interests:

In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Company and the Shareholders.

Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary and/or its delegates of other services to the Company, the Management Company and/or other parties. As indicated above, Depositary's affiliates are also appointed as third-party delegates of the Depositary. Potential conflicts of interest which have been identified between the Depositary and its delegates are mainly fraud (unreported irregularities to the competent authorities to avoid bad reputation), legal recourse risk (reluctance or avoidance to take legal steps against the depositary), selection bias (the choice of the depositary not based on quality and price), insolvency risk (lower standards in asset segregation or attention to the depositary's solvency) or single group exposure risk (intragroup investments).

The Depositary (or any of its delegates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary (or any of its delegates) acts.

The Depositary has pre-defined all kind of situations which could potentially lead to a conflict of interest and has accordingly carried out a screening exercise on all activities provided to the Company either by the Depositary itself or by its delegates. Such exercise resulted in the identification of potential conflicts of interest that are however adequately managed. The details of potential conflicts of interest listed above are available free of charge from the registered office of the Depositary and on the following website:

https://www.pictet.com/content/dam/www/documents/legal-and-notes/bank-pictet-cie-europe-ag/BPAG-Lux-conflicts-of-interest-register-EN.pdf.coredownload.pdf

On a regular basis, the Depositary re-assesses those services and delegations to and from delegates with which conflicts of interest may arise and will update such list accordingly.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company and will treat the Company and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which shall be based on objective pre-defined criteria and meet the sole interest of the Company and the Shareholders. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of Depositary's depositary functions from its other potentially conflicting tasks and by the Depositary adhering to its own conflicts of interest policy.

The Depositary or the Company may terminate the Depositary Agreement at any time, by giving at least three months' written notice to the other party; provided, however, that any decision by the Company to end the Depositary's appointment is subject to another custodian bank taking on the duties and responsibilities of the Depositary and provided further that, if the Company terminates the Depositary's duties, the Depositary will continue to perform its duties until Depositary has been relieved of all the Company's assets that it held or had arranged to be held on behalf of the Company. Should the Depositary itself give notice to terminate the Depositary Agreement, the Company will be required to appoint a new depository bank to take over the duties and responsibilities of the Depositary, provided, however, that, as of the date when the notice of termination expires and until a new depositary bank is appointed by the Company, the Depositary will only be required to take any necessary measures to safeguard the best interests of Shareholders.

Up-to-date information regarding the description of the Depositary's duties and of conflicts of interest that may arise as well as of any safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation will be made available to investors on request at the Company's registered office.

The Depositary is remunerated in accordance with customary practice in the Luxembourg financial market. Such remuneration is expressed as a percentage of the Company's net assets and paid on a quarterly basis.

An up-to-date list of the delegates (and sub-delegates) of the Depositary is available on the website https://www.pictet.com/ch/en/asset-services/safekeeping-delegates-sub-custodians

The Depositary will be liable to the Company or to the Shareholders for the loss of the Company's financial instruments held in custody by the Depositary or its delegates to which it has delegated its custody functions. A loss of a financial instrument held in custody by the Depositary or its delegate will be deemed to have taken place when the conditions of article 18 of the UCITS-CDR are met. The liability of the Depositary for losses other than the loss of the Company's financial instruments held in custody will be incurred pursuant to the provisions of the Depositary Agreement.

In case of loss of the Company's financial instruments held in custody by the Depositary or any of its delegates, the Depositary will return financials instruments of identical type or the corresponding amount to the Company without undue delay. However, the Depositary's liability will not be triggered if the Depositary can prove that the conditions of article 19 of the UCITS-CDR are fulfilled.

In order to provide settlement, clearing and correspondent bank services in the Eastern Europe countries, Latin America countries and other Emerging Countries, the Depositary Bank shall appoint local correspondent agents.

Brokerage, correspondent bank, settlement and clearing services in those countries are not as highly developed as those that exist in Western countries or in the US, and the banking institutions that fulfil correspondent bank functions are not subject to the same degree of supervision, or supervision by personnel which need the same skill standard as their counterparts in the United States and Western European countries. Although the Company intends to restrict investments in these countries to securities for which it believes adequate correspondent bank, settlement, clearing, tax and corporate services are available and for which it believes that the issuer, counterparty, broker, clearance system or depositary agent are reputable and competent, there can be no assurance that these services will prove adequate to protect the interests of the Company and that these intermediaries will not be in default. Neither the Company, nor the Depositary Bank makes any representation or warranty about the operations or practices of any local correspondent bank or any agents and investors should be aware that the recourse against such local correspondent bank and agents may be limited.

A complete list of all correspondents /third party custodians may be obtained, free of charge and upon request, from the Depositary Bank. Up-to-date information regarding the identity of the Depositary Bank, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary Bank and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depositary Bank, as mentioned above, and upon request.

Conflicts of Interest Policy

In carrying out its functions, the Depositary will act honestly, fairly, professionally, independently and solely in the interest of the Company and the Shareholders.

Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Company, the Management Company and/or other parties. For example, the Depositary and/or its affiliates may act as the custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary (or any of its affiliates) acts.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company and will treat the Company and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's custodian functions from its other potentially conflicting tasks and by the Depositary adhering to its own conflicts of interest policy.

Details of the conflict of interest policy of the Depositary are available on the website www.pictet.com. A paper copy of the summarised conflict of interest policy of the Depositary is available free of charge to the Shareholders upon request.

Under no circumstances will the Depositary be liable to the Company, the Management Company or any other person for indirect or consequential damages and the Depositary will not in any event be liable for the following direct losses: loss of profits, loss of contracts, loss of goodwill, whether or not foreseeable, even if the Depositary has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

The Depositary Bank has neither decision-making discretion nor any advice duty relating to the Company's investments. The Depositary Bank is a service provider to the Company and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Company. The Depositary will not have any investment decision-making role in relation to the Company. Decisions in respect of the purchase and sale of assets for the Company, the selection of investment professionals and the negotiation of commission rates are made by the Company and/or the Management Company and/or their delegates. The Company and the Depositary Bank may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. The Company may, however, dismiss the Depositary Bank only if a new depositary bank is appointed within two (2) months after the end of such notice period to take over the functions and responsibilities of the Depositary Bank. After its dismissal, the Depositary Bank must continue to carry out its functions and responsibilities until such time as the entire assets of the Sub-Funds have been transferred to the new depositary bank.

14.7 UCI Administrator

The Management Company also provides administrative agency, registrar and transfer agency, paying agency and domiciliary services to the Company (the Management Company in this capacity, the UCI Administrator). In that context and in accordance with the relevant agreement, the UCI Administrator will as:

- register and transfer agent, be responsible to maintain the register of shareholders of the Company and to proceed with the issue, conversion and redemption of Shares in accordance with this Prospectus and the Articles;

- administrative agent, be responsible (i) for the calculation and publication of the Net Asset Value of the Shares of each Sub-Fund and Class pursuant to the UCI Law, the Articles and the Prospectus, (ii) to perform administrative and accounting services for the Company as necessary and (iii) to provide client communication services (including drafting of the financial reports);

- domiciliary agent, be primarily responsible for receiving and keeping safely any and all notices, correspondence, telephonic advice or other representations and communications received for

the account of the Company, as well as for providing such other facilities as may from time to time be necessary in the course of the day-to-day administration of the Company;

- paying agent be responsible to arrange for the payment of dividend or distributions and redemption proceeds to Shareholders.

The UCI Administrator is entitled to a fee calculated on the net assets of the Company and payable on a quarterly basis, paid out of the Global Fee.

15. CHARGES & EXPENSES

The Company bears the following costs:

(i) The fee paid to the Investment Manager.

In payment of its services, the Investment Manager receives a fee computed and reserved on each Valuation Day based on the value of the net assets of each Sub-Fund and paid out on a monthly basis (the "**Global Fee**"). Please refer to section 5.6 "Types of available Classes" for the specific Global Fee rates for each Class.

The Global Fee shall cover charges for the Management Company, the UCI Administrator, the Depositary Bank, and the appointed distributors.

The Investment Manager may, at its discretion, enter into arrangements with certain investors, their agents, or intermediaries (including distributors, platforms, or institutional clients) to rebate a portion of the Global Fee applicable to a Share Class.

Such rebates may be offered on a case-by-case basis, subject to applicable laws and regulations, and shall not result in increased costs to other investors. These arrangements are typically reserved for institutional investors meeting certain eligibility criteria, including but not limited to investment size, distribution reach, or seed investment.

(ii) Performance fee, if any, paid to the Investment Manager.

Performance fee applicable to Equity Sub-Funds

Unless otherwise specified in a Sub-Fund Appendix, the performance fee calculation is carried out for each Class and this accrues on each Valuation Day *i.e.* it is included in the net asset value of the Sub-Fund, based on the cumulative net excess return for that particular Class (*i.e.* after deduction of all expenses, liabilities and fees and is adjusted to take account of all subscriptions and redemptions), and above the benchmark hurdle. Only where there is a positive cumulative net excess return at the accounting year-end or the end of the Shareholder holding period (if shorter) will a performance fee become payable to the Investment Manager.

The performance fee calculation is subject to a benchmark hurdle, *i.e.* the highest cumulative net excess return that a Class has had since its inception/reset. This benchmark hurdle must be exceeded before a performance fee is accrued. **A performance fee could therefore be paid even if the net asset value per Share has decreased, as the performance fee is calculated based on relative return, and not absolute return.** The performance fee calculation is designed to ensure that a performance fee is not charged until the net excess return of the Class exceeds the reference benchmark return.

Where there is a positive cumulative net excess return at the end of the accounting year and a performance fee becomes payable to the Investment Manager, the new benchmark hurdle will be the cumulative net excess return on the last business day of the accounting year. However, where the Class has underperformed over the full accounting year, no performance fee will be charged and the benchmark hurdle will remain unchanged from the prior accounting year.

Where the relevant Class underperforms the benchmark hurdle, any underperformance is tracked and has to be recovered by any subsequent outperformance before a performance fee can be accrued. Where there is already a performance fee accrual during the accounting year, the accrual will be reduced to reflect any subsequent underperformance. Any underperformance or loss previously incurred during the performance reference period should be recovered before

a performance fee becomes payable. However, investors should be aware that, where there is outperformance over the full accounting year which results in a performance fee being charged, and this is followed by underperformance in subsequent accounting years, there will be no refund of prior year performance fees.

The performance fee is accrued on each Valuation Day and deducted as an expense from the net asset value of the relevant Class. At the end of the accounting year, any accrued performance fee will crystallise and become payable to the Investment Manager. Accrued performance fee payable to the Investment Manager at the end of the accounting year may not exceed 5% (five per cent) of the accounting year average net asset value of the relevant Class.

Where a Shareholder redeems or switches his/her/its Shares during the accounting year, any performance fee accrual in respect of those Shares will crystallise on that Valuation Day and become immediately payable to the Investment Manager. This is designed to ensure that each Shareholder pays the correct performance fee for his/her/its respective holding period.

Performance fee applicable to Alternative Investment Sub-Funds and Multi-Asset Sub-Funds

A performance fee calculation is carried out for each Class and this accrues on each Valuation Day, *i.e.* it is included in the net asset value of the Sub-Fund, based on the cumulative net excess return for that particular Class (*i.e.* after deduction of all expenses, liabilities and fees and adjusted to take account of all subscriptions and redemptions), and above the benchmark hurdle. Only where there is a positive cumulative net excess return at the accounting year-end or the end of the Shareholder holding period (if shorter) will a performance fee become payable to the Investment Manager.

The performance fee calculation is subject to a life-long high-water mark, *i.e.* the highest cumulative net excess return that a Class has had since its inception, which must be exceeded before a performance fee is accrued. This is designed to ensure that a performance fee is not charged until any previous losses have been recovered. The high-water mark for each Class will initially be set equal to the value of the Class at launch.

In addition to the high-water mark, the performance fee calculation is also subject to a benchmark hurdle based on the reference benchmark rate. This benchmark hurdle is applied to the high-water mark to calculate an adjusted high-water mark, which must be exceeded before a performance fee is accrued. This is designed to ensure that a performance fee is not charged until the net excess return of the Class exceeds the reference benchmark return.

Where there is a positive cumulative net excess return at the end of the accounting year and a performance fee becomes payable to the Investment Manager, the high-water mark will be reset to the net asset value per share on the last business day of the accounting year. However, where the Class has underperformed over the full accounting year, no performance fee will be charged and the high-water mark will remain unchanged from the prior accounting year.

Where the relevant Class underperforms the adjusted high-water mark, any underperformance is tracked and has to be recovered by any subsequent outperformance before a performance fee can be accrued. Where there is already a performance fee accrual during the accounting year, the accrual will be reduced to reflect any subsequent underperformance. Any underperformance or loss previously incurred during the performance reference period should be recovered before a performance fee becomes payable. However, Shareholders should be aware that, where there is outperformance over the full accounting year which results in a performance fee being charged, and this is followed by underperformance in subsequent accounting years, there will be no refund of prior year performance fees.

The performance fee is accrued on each Valuation Day and deducted as an expense from the net asset value of the relevant Class. At the end of the accounting year, any accrued performance fee will crystallise and become payable to the Investment Manager. Accrued performance fee payable to the Investment Manager at the end of the accounting year may not exceed 5% (five per cent) of the accounting year average net asset value of the relevant Class.

Where a Shareholder redeems or switches his/her/its shares during the accounting year, any performance fee accrual in respect of those shares will crystallise on that Valuation Day and become immediately payable to the Investment Manager. This is designed to ensure that each Shareholder pays the correct performance fee for his/her/its respective holding period.

Performance Fee applicable to Equity Sub-Funds - example

The formula for the calculation of the Performance Fee applicable to Equity Sub-Funds is as follows:

- F = 0
- If B > E <= 0 then calculate PF
- F = (B - E) x G x A x C
- If B > E then new calculate new Benchmark Hurdle
- If F > 0 then D will represent the new Benchmark Hurdle
- If F = 0 then E
- Number of Shares outstanding = A
- Cumulative Net Excess Return before Performance Fee = B
- Performance Fee rate (10%) = C
- Cumulative Net Excess Return after Performance Fee = D
- Benchmark Hurdle = Highest historical Cumulative Net Excess Return = E
- Performance Fee per Share = F
- NAV per Share before calculation of the Performance Fee = G

Performance Fee example (using a performance fee rate of 10%) applicable to Equity Sub-Funds:

Year	NAV before performance fee	Annual fund performance before performance fee	Benchmark value	Annual benchmark performance	Annual net excess return	Benchmark Hurdle	Cumulative net excess return before crystallisation	Performance fee per share	Payment of performance fee for the year?
Year 0	100,00		100,00			100,00			NO
Year 1	110,00	10,00%	100,00	0,00%	10,00%	100,00	10,00%	1	YES
Year 2	113,40	4.04%	110,00	10.00%	-5.96%	119.9	-5.42%	-	NO
Year 3	96,39	-15,00%	82,50	-25,00%	10,00%	89.93	7.18%	0.65	YES

Year 4	105.32	10.00%	91,58	11,00%	-1.00%	106.28	-0.90%	-	NO
Year 5	105.32	0,00%	90,66	-1,00%	1,00%	105.21	0.10%	0.01	NO
Year 6	99.18	-5.82%	87,03	-4.00%	-1.82%	101.09	-1.89%	-	NO
Year 7	99.18	0,00%	86,16	-1,00%	1,00%	100.08	-0.90%	-	NO

Step-by-step explanations to the performance fee calculation example

- Annual fund performance before performance fee = Fund perf
- NAV end of year before performance fee = NAV before PF
- Annual benchmark performance = BM perf
- Benchmark value end of year = BM value
- Annual net excess return = Net return
- Benchmark Hurdle = BM hurdle
- Cumulative net excess return before crystallisation = Cum net return before cryst
- Performance fee per share = PF per share
- NAV after performance fee = NAV after PF

Calculation year 1

- Fund perf (1) = 10%
- NAV before PF (1) = NAV after PF (0) x (1 + Fund perf (1)) = 110.00
- BM perf (1) = 0%
- BM value (1) = BM value (0) x (1 + BM perf (1)) = 100.00
- Net return (1) = Fund perf (1) – BM perf (1) = 10%
- BM hurdle (1) = 100.00
    - If PF per share (0) > 0 then NAV after PF (0) x (1 + BM perf (1))
    - If PF per share (0) = 0 then BM hurdle (0) x (1 + BM perf (1))
- Cum net return before cryst (1) = NAV before PF (1) / BM hurdle (1) – 1 = 10.00%
- PF per share (1) = 1.00
    - Max of either Cum net return before cryst (1) x BM hurdle (1) x 10% rate or 0.00
- NAV after PF (1) = NAV before PF (1) – PF per share (1) = 109.00

Comment for Calculation year (1): The net asset value (NAV) per share performance before calculation of performance fee (PF) is 10%. At the same time the benchmark (BM) performance is 0%. The net excess return is 10% and the cumulative net excess return goes from 0 to 10%.

This results in a PF per share of 1.00. The NAV per share after calculation of PF is therefore 109.00

Calculation year 2

- Fund perf (2) = 4.04%
- NAV before PF (2) = NAV after PF (1) x (1 + Fund perf (2)) = 113.40
- BM perf (2) = 10%
- BM value (2) = BM value (1) x (1 + BM perf (2)) = 110.00
- Net return (2) = Fund perf (2) – BM perf (2) = -5.96%
- BM hurdle (2) = 119.9
    - If PF per share (1) > 0 then NAV after PF (1) x (1 + BM perf (2))
    - If PF per share (1) = 0 then BM hurdle (1) x (1 + BM perf (2))
- Cum net return before cryst (2) = NAV before PF (2) / BM hurdle (2) – 1 = -5.42%
- PF per share (2) = 0.00
    - Max of either Cum net return before cryst (2) x BM hurdle (2) x 10% rate or 0.00
- NAV after PF (2) = NAV before PF (2) – PF per share (2) = 113.40

Comment for Calculation year (2): The NAV per share performance before calculation of PF is 4.04%. At the same time the BM performance is 10%. The net excess return is therefore negative. -5.96%. Since the PF from year 1 has been crystallised the cumulative net excess return in year 2 is -5.42%. This results in no PF.

Calculation year 3

- Fund perf (3) = -15%
- NAV before PF (3) = NAV after PF (2) x (1 + Fund perf (3)) = 96.39
- BM perf (3) = -25%
- BM value (3) = BM value (2) x (1 + BM perf (3)) = 82.50
- Net return (3) = Fund perf (3) – BM perf (3) = 10%
- BM hurdle (3) = 89.93
    - If PF per share (2) > 0 then NAV after PF (2) x (1 + BM perf (3))
    - If PF per share (2) = 0 then BM hurdle (2) x (1 + BM perf (3))
- Cum net return before cryst (3) = NAV before PF (3) / BM hurdle (3) – 1 = 7.19%
- PF per share (3) = 0.65

- Max of either Cum net return before cryst (3) x BM hurdle (3) x 10% rate or 0.00

– NAV after PF (3) = NAV before PF (3) – PF per share (3) = 95.74

Comment for Calculation year (3): The NAV per share performance before calculation of PF is negative. altogether -15%. However. since the BM performance is as low as -25%. the net excess return for the period is positive. 10%. Since no PF was accrued in year 2 the calculation of the cumulative net excess return must take into account the cumulative performance in year 2 and 3. resulting in a cumulative net excess return of 7.19%. This results in a PF per share of 0.65. The NAV per share after calculation of PF is 95.74.

Calculation year 4

– Fund perf (4) = 10%

– NAV before PF (4) = NAV after PF (3) x (1 + Fund perf (4)) = 105.32

– BM perf (4) = 11%

– BM value (4) = BM value (3) x (1 + BM perf (4)) = 91.58

– Net return (4) = Fund perf (4) – BM perf (4) = -1%

– BM hurdle (4) = 106.28

- If PF per share (3) > 0 then NAV after PF (3) x (1 + BM perf (4))
- If PF per share (3) = 0 then BM hurdle (3) x (1 + BM perf (4))

– Cum net return before cryst (4) = NAV before PF (4) / BM hurdle (4) – 1 = -0.90%

– PF per share (4) = 0.00

- Max of either Cum net return before cryst (4) x BM hurdle (4) x 10% rate or 0.00

– NAV after PF (4) = NAV before PF (4) – PF per share (4) = 105.32

Comment for Calculation year (4): The NAV per share performance before calculation of PF is 10%. At the same time the BM performance is 11%. The net excess return is therefore negative. -1%. Since the PF from year 3 has been crystallised the cumulative net excess return in year 4 is -0.9%. This results in no PF.

Calculation year 5

– Fund perf (5) = 0%

– NAV before PF (5) = NAV after PF (4) x (1 + Fund perf (5)) = 105.32

– BM perf (5) = -1%

– BM value (5) = BM value (4) x (1 + BM perf (5)) = 90.66

– Net return (5) = Fund perf (5) – BM perf (5) = 1%

– BM hurdle (5) = 105.21

- If PF per share (4) > 0 then NAV after PF (4) x (1 + BM perf (5))
- If PF per share (4) = 0 then BM hurdle (4) x (1 + BM perf (5))

– Cum net return before cryst (5) = NAV before PF (5) / BM hurdle (5) – 1 = 0.10%

– PF per share (5) = 0.01

- Max of either Cum net return before cryst (5) x BM hurdle (5) x 10% rate or 0.00

– NAV after PF (5) = NAV before PF (5) – PF per share (5) = 105.31

Comment for Calculation year (5): The NAV per share performance before calculation of PF is 0% and the BM performance is -1%. The net excess return for the period is therefore positive. 1%. Since no PF was accrued in year 4 the calculation of the cumulative net excess return must take into account the cumulative performance in year 4 and 5. The combined indexed NAV performance ((1 + 10%) x (1 + 0%)) is higher than the combined indexed BM performance ((1 + 11%) x (1 - 1%)) resulting in a positive cumulative net excess return of 0.1%. This results in a PF per share of 0.01. The NAV per share after calculation of PF is 105.31.

Calculation year 6

– Fund perf (6) = -5.82%

– NAV before PF (6) = NAV after PF (5) x (1 + Fund perf (6)) = 99.18

– BM perf (6) = -4%

– BM value (6) = BM value (5) x (1 + BM perf (6)) = 87.03

– Net return (6) = Fund perf (6) – BM perf (6) = -1.82%

– BM hurdle (6) = 101.09

- If PF per share (5) > 0 then NAV after PF (5) x (1 + BM perf (6))
- If PF per share (5) = 0 then BM hurdle (5) x (1 + BM perf (6))

– Cum net return before cryst (6) = NAV before PF (6) / BM hurdle (6) – 1 = -1.89%

– PF per share (6) = 0.00

- Max of either Cum net return before cryst (6) x BM hurdle (6) x 10% rate or 0.00

– NAV after PF (6) = NAV before PF (6) – PF per share (6) = 99.18

Comment for Calculation year (6): The NAV per share performance before calculation of PF is -5.82%. At the same time the BM performance is -4%. The net excess return is therefore negative. -1.82%. Since the PF from year 5 has been crystallised the cumulative net excess return in year 6 is -1.89%. This results in no PF.

Calculation year 7

– Fund perf (7) = 0%

- NAV before PF (7) = NAV after PF (6) x (1 + Fund perf (7)) = 99.18
- BM perf (7) = -1%
- BM value (7) = BM value (6) x (1 + BM perf (7)) = 86.16
- Net return (7) = Fund perf (7) – BM perf (7) = 1%
- BM hurdle (7) = 100.08
    - If PF per share (6) > 0 then NAV after PF (6) x (1 + BM perf (7))
    - If PF per share (6) = 0 then BM hurdle (6) x (1 + BM perf (7))
- Cum net return before cryst (7) = NAV before PF (7) / BM hurdle (7) – 1 = -0.90%
- PF per share (7) = 0.00
    - Max of either Cum net return before cryst (7) x BM hurdle (7) x 10% rate or 0.00
- NAV after PF (7) = NAV before PF (7) – PF per share (7) = 99.18

Comment for Calculation year (7): The NAV per share performance before calculation of PF is 0% and the BM performance is -1%. The net excess return for the period is therefore positive. 1%. Since no PF was accrued in year 6 the calculation of the cumulative net excess return must take into account the cumulative performance in year 6 and 7. The combined indexed NAV performance ((1 - 5%) x (1 + 0%)) is lower than the combined indexed BM performance ((1 - 4%) x (1 - 1%)) resulting in a negative cumulative net excess return of -0.90%. This results in no PF.

Performance Fee applicable to Alternative Investment Sub-Funds and Multi-Asset Sub-Funds - example

The formula for the calculation of the Performance Fee applicable to Alternative Investment Sub- Funds and Multi-Asset Sub-Funds is as follows:

- If B > E then calculate performance fee
- F = (B - E) x G x A x C
- If B > E then calculate new relative High-Water Mark
- If F > 0 then D will represent the new relative High-Water Mark
- If F = 0 then E
- Number of Shares outstanding = A
- Cumulative Net Excess Return before Performance Fee = B
- Performance Fee rate (20%) = C
- Cumulative Net Excess Return after Performance Fee = D
- Relative High-Water Mark = E

– Performance Fee per Share = F

– NAV per Share before calculation of the Performance Fee = G

Performance Fee example (using a performance fee rate of 20%) applicable to Alternative Investment Sub-Funds and Multi-Asset Sub-Funds is as follows:

Year	NAV before performance fee	Annual Fund Performance before performance fee	Benchmark Value	Annual Net Excess return	Cumulative Net Excess Return before Crystallisation	Relative High-Water Mark	performance fee per share	NAV after PF
Year 0	100.00	0.000 %	100.00	0.000 %	0.000 %	100.00	-	100.00
Year 1	100.50	0.500 %	100.10	0.400 %	0.400 %	100.10	0.0800	100.42
Year 2	100.22	-0.200 %	100.14	-0.240 %	-0.240 %	100.46	-	100.22
Year 3	101.22	1.000 %	100.74	0.400 %	0.157 %	101.06	0.0317	101.19
Year 4	101.29	0.100 %	100.99	-0.150 %	-0.150 %	101.44	-	101.29
Year 5	102.05	0.750 %	101.50	0.250 %	0.099 %	101.95	0.0201	102.03
Year 6	101.62	-0.400 %	101.60	-0.500 %	-0.500 %	102.13	-	101.62
Year 7	102.23	0.600 %	101.70	0.500 %	-0.002 %	102.23	-	102.23

Year 0: The fund NAV starts at 100.00.

Year 1: The net asset value (NAV) per share performance before calculation of performance fee (PF) is 0.5%. At the same time the benchmark (BM) performance is 0.1%. The net excess return is 0.4%. the high-water mark (HWM) is raised to 100.10 and the cumulative net excess return goes from 0 to 0.4%. This results in a PF per share of 0.08. The NAV per share after calculation of PF is therefore 100.42.

Year 2: The NAV per share performance before calculation of PF is -0.2%. At the same time the BM performance is 0.04%. The HWM increases to 100.46 and the net excess return is negative at -0.24%. Since the PF from year 1 has been crystallised the cumulative net excess return in year 2 is -0.24%. This results in no PF.

Year 3: The NAV per share performance before calculation of PF is positive. altogether 1%. The BM performance is 0.6%. the net excess return for the period is positive. 0.4%. The HWM increases to

101.063. Since no PF was accrued in year 2 the calculation of the cumulative net excess return must take into account the cumulative performance in year 2 and 3. resulting in a cumulative net excess return of 0.157%. This results in a PF per share of 0.0317. The NAV per share after calculation of PF is 101.19.

Year 4: The NAV per share performance before calculation of PF is 0.10%. At the same time the BM performance is 0.25%. The net excess return is therefore negative. -0.15%. The HWM increases to

101.443. Since the PF from year 3 has been crystallised the cumulative net excess return in year 4 is - 0.15%. This results in no PF.

Year 5: The NAV per share performance before calculation of PF is 0.75% and the BM performance is 0.5%. The net excess return for the period is therefore positive. 0.25%. The HWM increases to 101.95. Since no PF was accrued in year 4 the calculation of the cumulative net excess return must take into account the cumulative performance in year 4 and 5. The combined indexed NAV performance ((1 + 0.1%) x (1 + 0.75%)) is higher than the combined indexed BM performance ((1 + 0.25%) x (1 + 0.5%)) resulting in a positive cumulative net excess return of 0.099%. This results in a PF per share of 0.02. The NAV per share after calculation of PF is 102.03.

Year 6: The NAV per share performance before calculation of PF is -0.4%. At the same time the BM performance is 0.1%. The HWM increases to 102.132. The net excess return is therefore negative. - 0.5%. Since the PF from year 5 has been crystallised the cumulative net excess return in year 6 is - 0.5%. This results in no PF.

Year 7: The NAV per share performance before calculation of PF is 0.6% and the BM performance is 0.1%. The HWM increases to 102.235. The net excess return for the period is therefore positive. 0.5%. Since no PF was accrued in year 6 the calculation of the cumulative net excess return must take into account the cumulative performance in year 6 and 7. The combined indexed NAV performance ((1 - 0.4%) x (1 + 0.6%)) is lower than the combined indexed BM performance ((1 + 0.1%) x (1 + 0.1%)) resulting in a negative cumulative net excess return of -0.002%. This results in no PF.

(iii) Costs directly related to the portfolio's transactions and holdings (*e.g.* brokerage, costs for foreign payments, taxes and thereby associated costs).

(iv) Interest on permitted borrowings including negative interest cost on cash positions.

(v) Transaction driven costs for trading in financial derivatives including the fee for calling of collateral.

(vi) The cost of extraordinary measures such as legal opinions or lawsuits necessary to protect the interests of the Shareholders; for example costs for reclaiming taxes under the condition that the benefit for the Sub-Funds and its Shareholders is higher than the cost.

(vii) CSSF fees.

(viii) Fund audit fees.

(ix) Regulatory, fiscal and legal fees related to the establishment and maintenance of the funds.

(x) All other costs will be charged to the Investment Manager.

The specific fees and expenses of each Sub-Fund are payable by that Sub-Fund's Classes in proportion to their net assets at that time. All other fees and expenses shall be shared between all Classes in the Company in proportion to their net assets at that time.

UCI Administrator Fees

The UCI Administrator shall be entitled to receive percentage remuneration for services rendered on a quarterly basis. This remuneration is calculated on the basis of the average value of the net assets of each Sub-Fund during the quarter concerned and paid by the Investment Manager (*i.e.* the UCI Administrator fee is bundled with the Global Fee).

Depositary Bank Fees

The Depositary Bank shall be entitled to receive percentage remuneration for services rendered on a quarterly basis. This remuneration is calculated on the basis of the average value of the net assets of each Sub-Fund during the quarter concerned and paid by the Investment Manager (*i.e.* the Depositary Bank fee is bundled with the Global Fee).

Management Company Fees

The Management Company shall be entitled to receive percentage remuneration for services rendered on a quarterly basis. This remuneration is calculated on the basis of the average value of the net assets of each Sub-Fund during the quarter concerned and paid by the Investment Manager (*i.e.* the Management Company fee is bundled with the Global Fee).

16. TAXATION

16.1 The Company

Under current law and practice, the Company is not liable to any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax.

However, any Class reserved to retail investors is liable in Luxembourg to a "*taxe d'abonnement*" of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the total net asset value of each Class at the end of the relevant quarter.

Any Class reserved to institutional investors is liable in Luxembourg to a "*taxe d'abonnement*" of 0.01% per annum of their net assets. Such tax being payable quarterly and calculated on the total net asset value of each Class at the end of the relevant quarter.

For Sub-Funds whose exclusive policy is the investment in Money Market Instruments, qualify for the reduced "*taxe d'abonnement*" of 0.01% per annum.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Company. Although the Company's realised capital gains, whether short- or long-term, are not expected to become taxable in another country, the Shareholders must be aware and recognise that such a possibility, though quite remote, is not totally excluded.

The regular income of the Company from some of its securities as well as interest earned on cash deposits in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered.

As a result of recent developments in EU law concerning the scope of the VAT exemption for management services rendered to investment funds, VAT on some of the fees paid out of the assets of the Company to remunerate service providers might be applied.

16.2 Shareholders

(a) **Taxation of Luxembourg resident shareholders**

(i) Individual shareholders

Dividends and other payments derived from the Shares by resident individuals shareholders, who act in the course of the management of either their private wealth or their professional / business activity, are subject to income tax at the progressive ordinary rate with a top effective marginal rate for the year 2013 of 40% for a taxable income of more than EUR 100,000 (class 1 and 1a taxpayers) / EUR 200,000 (class 2 taxpayers, *i.e.* household of 2 persons). The maximum aggregate income tax rate will thus be of 42.8% (including the solidarity surcharge of 7%) for a taxable income ranging from EUR 100,000 to EUR 150,000 for class 1 and 1a taxpayers (or EUR 200,000 to EUR 300,000 for class 2 taxpayers) and 43.6% (including the solidarity surcharge of 9%) for a taxable income exceeding EUR 150,000 for class 1 and 1a taxpayers (or EUR 300,000 for class 2 taxpayers). Under current Luxembourg tax laws, 50% of the gross amount of dividends received by resident individuals from (i) a fully-taxable Luxembourg resident company limited by share capital (*société de capitaux*), (ii) a company limited by share capital (*société de capitaux*) resident in a State with which Luxembourg has concluded a double tax treaty and liable to a tax corresponding to Luxembourg corporate income tax or (iii) a company resident in a EU Member State

and covered by Article 2 of the EU Parent- Subsidiary Directive is exempt from income tax.

A tax credit is as a rule granted for the 15% withholding tax.

Capital gains realised on the disposal of the Shares by resident individual shareholders, who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative gains and are subject to income tax at ordinary rates if the Shares are disposed of within six (6) months after their acquisition or if their disposal precedes their acquisition. Participation is deemed to be substantial where a resident individual shareholder holds, either alone or together with his spouse/partner and/or minor children, directly or indirectly at any time within the five (5) years preceding the disposal, more than 10% (ten per cent) of the share capital of the Company. Capital gains realised on a substantial participation more than six (6) months after the acquisition thereof are subject to income tax according to the half-global rate method, (*i.e.* the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within five (5) years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year (5) period). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the Shares.

Capital gains realised on the disposal of the Shares by resident individual shareholders, who act in the course of their professional / business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

(ii) Luxembourg resident corporate shareholders

Dividends and other payments derived from the Shares by a Luxembourg fully-taxable resident company are subject to corporate income tax and municipal business tax, unless the conditions of the participation exemption regime, as described below, are satisfied.

Should the conditions of the participation exemption not be fulfilled, 50% of the dividends received by a Luxembourg fully-taxable resident company from the Company are exempt from corporate income tax and municipal business tax. A tax credit is as a rule granted for the 15% withholding tax and any excess may be refundable.

Under the participation exemption regime, dividends derived from the Shares by a Luxembourg fully- taxable resident company may be exempt from income tax if cumulatively (i) the shareholder is a Luxembourg resident fully-taxable company and (ii) at the time the dividend is put at the shareholder's disposal, the shareholder has held or commits itself to hold for an uninterrupted period of at least 12 months a Qualified Shareholding in the Company. Liquidation proceeds are assimilated to receive dividends for the purpose of the participation exemption and may be exempt under the same conditions. Shares held through a fiscally transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

Capital gains realised by a Luxembourg fully-taxable resident company on the Shares are subject to income tax at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

Under the participation exemption regime, capital gains realised on the Shares by a Luxembourg fully- taxable resident company may be exempt from income tax at the level of the shareholder if cumulatively (i) the shareholder is a Luxembourg resident fully-taxable company and (ii) at the time the capital gain is realised, the shareholder has held or commits itself to hold for an uninterrupted period of at least 12 months Shares representing a direct participation (a) in the share capital of the Company of at least 10% (ten per cent) or (b) of an acquisition price of at least EUR six (6) million. Shares held through a fiscally transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

(iii) Tax exempt shareholders

A shareholder who is either (i) an undertaking for collective investment subject to the amended law of 20 December 2002 or the UCI Law, (ii) a specialised investment fund governed by the law of 13 February 2007, or (iii) a family wealth management company governed by the law of 11 May 2007, is exempt from income tax in Luxembourg. Dividends derived from and capital gains realised on the Shares are thus not subject to income tax in their hands.

(b) Taxation of Luxembourg non-residents shareholders

Non-resident Shareholders who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable are generally not liable to any Luxembourg income tax, whether they receive payments of dividends or realise capital gains upon sale of Shares, except for a potential withholding tax (see above) and/or capital gains realised on a substantial participation (see above) (i) before the acquisition or within the first six months of the acquisition thereof or (ii) when the beneficiary was a Luxembourg tax resident for more than 15 years and became a non-resident less than five (5) years prior to the realisation of the said capital gains that are subject to income tax in Luxembourg at ordinary rates (subject to the provisions of an applicable double tax treaty).

Dividends received by a Luxembourg permanent establishment or permanent representative, as well as capital gains realised on the Shares, are subject to Luxembourg income tax, unless the conditions of the participation exemption regime are satisfied *i.e.* if cumulatively (i) the Shares are attributable to a qualified permanent establishment ("**Qualified Permanent Establishment**") and (ii) at the time the dividend is put at the disposal of the Qualified Permanent Establishment, it has held or commits itself to hold for an uninterrupted period of at least 12 months a Qualified Shareholding. A Qualified Permanent Establishment means (a) a Luxembourg permanent establishment of a company covered by Article 2 of the EU Parent-Subsidiary Directive, (b) a Luxembourg permanent establishment of a company limited by share capital (*société de capitaux*) resident in a State having a tax treaty with Luxembourg and (c) a Luxembourg permanent establishment of a company limited by share capital (*société de capitaux*) or a cooperative society (*société coopérative*) resident in the European Economic Area other than a EU Member State. If the conditions of the participation exemption are not fulfilled, 50% of the gross amount of dividends received by a Luxembourg permanent establishment or permanent representative is exempt from income tax. A tax credit is further granted for the 15% withholding tax.

Under the participation exemption regime, capital gains realised on the Shares may be exempt from income tax if cumulatively (i) the Shares are attributable to a Qualified Permanent Establishment and

(ii) at the time the capital gain is realised, the Qualified Permanent Establishment has held or commits itself to hold for an uninterrupted period of at least twelve (12) months Shares representing a direct participation in the share capital of the Company (a) of at least 10% (ten per cent) or (b) of an acquisition price of at least EUR six (6) million.

(c) Inheritance tax and gift tax

Under Luxembourg tax law, where an individual shareholder is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Shares upon death of a shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

(d) FATCA Rules

FATCA is part of the U.S. Hiring Incentives to Restore Employment Act. It is designed to prevent U.S. taxpayers from avoiding U.S. tax on their income by investing through foreign financial institutions and offshore funds.

FATCA applies to so called Foreign Financial Institutions (FFIs), which notably include certain investment vehicles ("**Investment Entities**"), among which UCITS.

According to FATCA Rules, FFIs, unless they can rely under ad-hoc lighter or exempted regimes, need to register with the IRS and to report to the IRS certain holdings by/and payments made to a) certain U.S. investors b) certain U.S. controlled foreign entity investor, c) non U.S. financial institution investors that do not comply with their obligations under FATCA and d) clients that are not able to document clearly their FATCA status.

Moreover, any account that is not properly documented will have to suffer a 30% WHT.

On 24 March 2014, the Luxembourg and U.S. governments entered into a Model I IGA which aims to coordinate and facilitate the reporting obligations under FATCA with other U.S. reporting obligations of Luxembourg financial institutions.

According to the terms of the IGA, Reporting Luxembourg FFIs will have to report to the Luxembourg tax authorities instead of directly to the IRS. Information will be communicated onward by the Luxembourg authorities to the IRS under the general information exchange provisions of the U.S. Luxembourg income tax treaty.

(e) Common Reporting Standard

The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "**Standard**") and its Common Reporting Standard (the "**CRS**") as set out in the law dated 18 December 2015 implementing the CRS in Luxembourg (the "**CRS Law**").

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Company documentation, the Company will be required to annually report to the Luxembourg tax authority (the "**LTA**") personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain investors as per the CRS Law (the "**Reportable Persons**") and (ii) Controlling Persons of certain non-financial entities ("**NFEs**") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the "**Information**"), will include personal data related to the Reportable Persons.

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Company with the Information, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Company will process the Information for the purposes as set out in the CRS Law. The investors undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Company.

The investors are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the LTA.

Similarly, the investors undertake to inform the Company within thirty (30) days of receipt of these statements should any included personal data be not accurate. The investors further undertake to immediately inform the Company of, and provide the Company with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any investor that fails to comply with the Company's Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such investor's failure to provide the Information or subject to disclosure of the Information by the Company to the LTA.

(f) People Republic of China

Under current regulations in the PRC, foreign investors may invest in A-Shares listed on the SSE and SZSE and certain other investment products (including bonds) in the PRC, in general, through the following channels:

- Shanghai-HK Stock Connect; and/or
- Shenzhen-HK Stock Connect.

Enterprise Income Tax ("**EIT**")

Under current PRC Enterprise Income Tax Law ("**PRC EIT Law**") and regulations, any Sub-Fund considered to be a tax resident of the PRC would be subject to PRC EIT at the rate of 25% on its worldwide taxable income. If any Sub-Fund were considered to be a non-resident enterprise with a "permanent establishment" ("**PE**") in the PRC, it would be subject to PRC EIT at the rate of 25% on the profits attributable to the PE. The Company, together with the Investment Manager, intend to use reasonable efforts to operate the Sub-Funds in a manner that will prevent them from being treated as tax residents of the PRC and from having a PE in the PRC. However, this notwithstanding, there can be no assurance that the Sub-Funds will not be deemed to be a PRC tax resident or otherwise as having a taxable presence in the PRC and thus subject to PRC tax on a full assessment basis on its worldwide income, resulting in additional PRC tax liabilities. In that event, the interests of the Investors may be adversely affected.

If the Sub-Funds are non-PRC tax resident enterprises without PE in the PRC, the PRC-sourced income (including cash dividends, distributions, interest and capital gains) derived by them from any investment in PRC securities would be subject to PRC withholding income tax ("**WHT**") at the rate of 10%, unless exempt or reduced under the PRC EIT Law or a relevant tax treaty.

Value-added Tax ("**VAT**") and Surtaxes

The Sub-Funds may also potentially be subject to PRC VAT at the rate of 6% on capital gains derived from trading of A-Shares. However, pursuant to Caishui [2014] No. 81 ("**Notice 81**"),

Caishui [2016] No. 36 ("**Notice 36**") and Caishui [2016] No. 127 ("**Notice 127**"), foreign investors investing in China A-Shares listed on the SSE through the Shanghai-Hong Kong Stock Connect and those listed on the SZSE through the Shenzhen-Hong Kong Stock Connect would be temporarily exempt from PRC EIT and VAT on the gains on disposal of such A-Shares. Dividends would be subject to PRC EIT on a withholding basis at 10%, unless reduced under a double tax treaty with China upon application to and obtaining approval from the competent tax authority.

Stamp Duty

Stamp duty under the PRC laws ("**Stamp Duty**") generally applies to the execution and receipt of taxable documents, which include contracts for the sale of China A-Shares traded on PRC stock exchanges. In the case of such contracts, PRC Stamp Duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%. The sale or other transfer by the Sub-Fund of China A-Shares will accordingly be subject to PRC Stamp Duty, but the Sub-Fund will not be subject to PRC Stamp Duty when it acquires China A-Shares.

Note to Shareholders

Shareholders should note that the above disclosure has been prepared based on an understanding of the laws, regulations and practice in the PRC in-force as of the date of this Prospectus.

It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC investments than is currently contemplated.

Shareholders should seek their own tax advice on their own tax position with regard to their investment in the relevant Sub-Funds.

17. GENERAL INFORMATION

17.1 Data Protection

In accordance with the applicable Luxembourg data protection law and the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**Data Protection Law**"), the Company and the Management Company, acting as independent data controllers (the "**Data Controllers**"), may collect, use, store and process, by electronic means or otherwise, personal information from a Shareholder or prospective Shareholder from time to time in order to develop and process the business relationship between the Shareholder or prospective Shareholder and the Data Controllers, and for other related activities.

The data processed includes the name, first name, contact details (including postal and/or e-mail address), banking details, telephone conversations, and invested amount in the Company of each Shareholder or prospective Shareholder (and, if the Shareholder or prospective Shareholder is a legal person, of any natural person related to it such as its contact person(s) and/or beneficial owner(s)) (the "**Personal Data**").

If a Shareholder or prospective Shareholder fails to provide such information in a form which is satisfactory to the Data Controllers, each of the Data Controllers may restrict or prevent the ownership of Shares in the Company and the Data Controllers, the UCI Administrator and/or any placing agent (as the case may be) shall be held harmless and indemnified against any loss arising as a result of the restriction or prevention of the ownership of Shares.

The Personal Data is processed to enter into and perform the subscription in the Company (*i.e.* for the performance of a contract), for the legitimate interests of each of the Data Controllers and to comply with the legal obligations imposed on the Data Controllers. In particular, the Personal Data is processed in order (i) to develop and process the business relationship between the Shareholder or prospective Shareholder and the Data Controllers, (ii) process subscriptions, transfers, capital calls and distributions to the Shareholder (iii) maintain the register of Shareholders, (iv) process investments and withdrawals of and payments of dividends to the Shareholder, (v) account administration, (vi) comply with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of CRS/FATCA obligations and (vii) group risk management and risk controlling purposes. The Data Controllers may also, for the purpose assessing the quality and performance of the services provided to Shareholders or prospective Shareholders and of keeping evidence of phone conversations between Shareholders or prospective Shareholders and Data Controllers' agents, record telephone conversation. The "legitimate interests" referred to above are:

- the processing purposes described in point (i) of the above paragraph of this data protection section;
- meeting and complying with the Data Controllers' accountability requirements and regulatory obligations globally; and
- exercising the business of the Data Controllers in accordance with reasonable market standards.

By completing and returning an application form, the Shareholder and prospective Shareholder are informed of the use of Personal Data by the Data Controllers.

In accordance with the provisions of the Data Protection Law, each of the Data Controllers may disclose Personal Data to their data recipients (the "**Recipients**") which, in the context of the above-mentioned purposes, refer to their agents, and service providers including the UCI Administrator, the Investment Manager, the Depositary, the legal adviser and Auditor of the Data Controllers.

The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the "**Sub-Recipients**"), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Data Controllers and/or assisting the Recipients in fulfilling their own legal obligations. Any Investors information that has been provided directly to the Company or the UCI Administrator may be concerned by such transfer.

The Recipients to which Personal Data is disclosed are located within the European Economic Area (the "**EEA**").

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Data Controllers), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations). The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authority (as defined below), which in turn may, acting as data controller, disclose it to foreign tax authorities.

In accordance with the conditions set out by the Data Protection Law, each Shareholder or Prospective Shareholder will upon written request to be addressed to the Company's address as specified above in the "Directory" have the right to:

- access to Personal Data provided to the Company (*i.e.* the right to obtain from the Data Controllers confirmation as to whether or not his/her/its Personal Data is being processed, to be provided with certain information about the Data Controllers' processing of his/her/its Personal Data, to access such data, and to obtain a copy of the Personal Data undergoing processing (subject to legal exceptions));

- request the rectification of, his/her/its Personal Data where it is inaccurate or incomplete (*i.e.* the right to require from the Data Controllers that inaccurate or incomplete Personal Data or any material error be updated or corrected accordingly);

- restrict the use of his/her/its Personal Data (*i.e.* the right to obtain that, under certain circumstances, the processing of his/her/its Personal Data should be restricted to storage of such data unless his/her/its consent has been obtained);

- object to the processing of his/her/its Personal Data (*i.e.* the right to object, on grounds relating to the Shareholder or prospective Shareholder's particular situation, to processing of Personal Data which is based on the performance of a task carried out in the public interest or the legitimate interests of the Data Controllers. The Data Controllers shall stop such processing unless they can either demonstrate compelling legitimate grounds for the processing that override Shareholder or prospective Shareholder's interests, rights and freedoms or that they need to process the data for the establishment, exercise or defence of legal claims);

- ask for erasure of his/her/its Personal Data (*i.e.* the right to require that Personal Data be erased in certain circumstances, including where it is no longer necessary for the Data Controllers to process this data in relation to the purposes for which it is collected or processed);

- ask for Personal Data portability (*i.e.* the right to have the data transferred to the Shareholder, prospective Shareholder or another controller in a structured, commonly used and machine-readable format, where this is technically feasible).

Shareholders or prospective Shareholders also have a right to lodge a complaint with the National Commission for Data Protection (the "**CNPD**") at the following address: 1, avenue du Rock'n'Roll, L- 4361 Esch-sur-Alzette, Grand Duchy of Luxembourg, or when Shareholders or prospective

Shareholders reside in another European Union Member State, with any other locally competent data protection supervisory authority.

All Personal Data shall not be held by the Data Controllers for longer than necessary with regard to the purpose of the data processing, subject to statutory periods of limitation.

The placing agents may use Personal Data to regularly inform Shareholder and prospective Shareholder about other products and services that the placing agents believe may be of interest to Shareholder (marketing purpose). In accordance to Data Protection Law, Shareholder and prospective Shareholder will have the right to object to the processing of their Personal Data for marketing purpose in the conditions set out above.

17.2 Meetings

The annual general meeting of Shareholders will be held every year in Luxembourg in the place and date indicated in the convening notice of the meeting. The annual general meeting of Shareholders will approve the financial statements of the Company for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Company, or at such alternative location in Luxembourg as may be specified in the convening notice of such meeting.

Other general meetings of Shareholders may be held at such place and time as indicated in the convening notice in order to decide on any other matters relating to the Company. General meetings of Shareholders of any Sub-Fund or any Class within a Sub-Fund may be held at such time and place as indicated in the convening notice in order to decide on any matters which relate exclusively to such Sub-Fund or Class.

Convening notices may be sent to registered shareholders by registered mail at least eight (8) calendar days prior to the meeting or, if the addressees have individually accepted to receive the convening notices by any other means of communication such as electronically or by email ensuring access to the information, by such means of communication. Investors and Prospective investors hereby acknowledge that by subscribing Shares in the Company they agree to receive any communication including notices convening them to general meetings of Shareholders by email. Shareholders will provide an email address when they make a subscription in the Company and all communications will be made by email, except if otherwise required by law. Convening notices may also be published and/or communicated to investors if required by applicable laws and regulations in other jurisdictions where the Shares are distributed. Notices will include the agenda and will specify the time and place of the meeting, the conditions of admission, and the quorum and voting requirements.

The requirements as to attendance, quorum, and majorities at all general meetings will be those laid down in the Articles and Luxembourg laws. All Shareholders may attend general meetings in person or by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication accepted by the Company. A single person may represent several or even all Shareholders of the Company, a Sub-Fund or Class. Each Share entitles the Shareholder to one (1) vote at all general meetings of Shareholders, and at all meetings of the Sub-Fund or Class concerned to the extent that such Share is a Share of such Sub-Fund or Class.

Shareholders holding together at least ten percent (10%) of the share capital or the voting rights may submit questions in writing to the Board of Directors relating to transactions in connection with the management of the Company.

The Board of Directors may suspend the voting rights of any Shareholder in breach of his obligations as described in this Prospectus and/or the Articles.

17.3 Voting Rights

The power to exercise voting rights attached to the portfolio securities held by the Company is retained by the Board of Directors. The voting rights policy of the Company (the "**Voting Policy**") determines when and how voting rights shall be exercised in compliance with the relevant legal and regulatory requirements applicable to the Company. A summary description of the Voting Policy is available on https://dnbam.com/en/our-funds/legal-documents.

17.4 Financial Year

The accounts of the Company are closed on 31 December of each year.

17.5 Reports and Accounts

The Company will publish an annual report drawn up as per 31 December and a semi-annual report as per 30 June.

The annual report includes the accounts of the Company audited by an auditor. The semi-annual report includes the accounts of the Company, unaudited.

Both these reports can be sent free of charge to the Shareholders upon a written request. These reports are also available to Shareholders at the offices of the Company and establishments responsible for financial servicing.

17.6 Publications

The net asset value and issue and redemption prices of each Sub-Fund and of each Class are made public daily in Luxembourg at the offices of the Depositary Bank and the Management Company.

All amendments to the Articles will be deposited with the Luxembourg companies' register. A notice regarding such notice will be published in the RESA.

At the same time, the text of the amendments will be available for the inspection of Shareholders at the offices of the Depositary Bank and the Company.

Amendments and notices to Shareholders may also be published in newspapers in the countries where the Shares are publicly sold.

17.7 Merger or Liquidation of Sub-Funds

The Board of Directors may decide to liquidate any Sub-Fund if a change in the economic or political situation relating to the Sub-Fund concerned would justify such liquidation or if required by the interests of the Shareholders of any of the Sub-Funds concerned. The decision of the liquidation will be notified to the Shareholders concerned prior to the effective date of the liquidation and the notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of the Shareholders of the Sub-Fund concerned, they may continue to request redemption or conversion of their Shares on the basis of the applicable net asset value, taking into account the estimated liquidation expenses. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-Fund will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

Under the same circumstances as provided above, the Board of Directors may decide to merge any Sub-Fund with another Sub-Fund or with another UCITS (whether established in Luxembourg or abroad and whether set up as investment company or in contractual form) (the "**new Sub-Fund**"). Such

decision will be notified to Shareholders in the same manner as described in the preceding paragraph and, in addition, the notification will contain information in relation to the new Sub-Fund in accordance with the Law and applicable regulations. Mergers shall be announced at least thirty days in advance in order to enable Shareholders to request the redemption or conversion of their Shares free of charge.

Insofar as the UCI Law requires the approval of the Shareholders concerned for a termination or merger of a Sub-Fund a duly convened meeting of the Shareholders of such Sub-Fund which may be validly held, unless provided otherwise by applicable law, without a quorum requirement, may decide by a simple majority of the votes cast by Shareholders present or represented at such meeting.

17.8 Duration and Liquidation of the Company

The Company is incorporated for an unlimited period and liquidation must be decided upon by an extraordinary general meeting of Shareholders. Such a meeting must be convened by the Board of Directors within 40 calendar days if the net assets of the Company become less than two thirds of the minimum capital required by the UCI Law The meeting, for which no quorum shall be required, shall decide on the dissolution by a simple majority of Shares represented at the meeting. If the net assets fall below one fourth of the minimum capital, the dissolution may be resolved by Shareholders holding one fourth of the Shares at the meeting.

Should the Company be liquidated, such liquidation shall be carried out in accordance with the provisions of the UCI Law and the 1915 Law, which specify the steps to be taken to enable Shareholders to participate in the liquidation distributions and in this connection provide for deposit in escrow at the Caisse de Consignation in Luxembourg of any such amounts which have not been distributed to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds of each Sub-Fund shall be distributed to the Shareholders of the relevant Sub-Fund in proportion to their respective holdings.

No application for subscription or conversion of Shares and no application for redemption will be accepted after the date of the event leading to the dissolution and the decision to liquidate the Company.

Liquidation of the Company cannot be requested by a Shareholder, his heirs or beneficiaries.

17.9 Conflicts of Interest

Prospective investors should note that the Management Company, its board of directors, the Depositary Bank, the UCI Administrator, the Investment Manager and potential other parties may be subject to various conflicts of interest in their relationships with the Company. The following considerations are given on a non-exhaustive basis.

The Management Company, the Depositary Bank, the UCI Administrator, the Investment Manager and any other party providing services to the Company, in carrying out their respective roles vis-à-vis the Company, must act exclusively in the best interests of the Company and the Shareholders.

Should the Board of Directors become aware of a material conflict of interest in a contemplated transaction, the Board of Directors shall use its best endeavours to settle such conflict on an arm’s length basis prior to completion of such transaction.

Should the Management Company, a member of its board of directors, the Depositary Bank, the UCI Administrator, the Investment Manager or another party providing services to the Company have a material conflict of interest in a contemplated transaction, such director or other service provider shall make such conflict known to the Board of Directors in writing without undue delay.

The Board of Directors will then take relevant steps aiming to analyse such potential conflict of interest and its consequences for the Shareholders in line with the Company's conflict of interest policy in place. In the case of a member of the Board of Directors having a conflict of interest, such member shall be excluded from any deliberation of the Board of Directors in this respect. Should the Board of Directors come to the conclusion that the potential conflict of interest will negatively affect the Company or its Shareholders, it will inform the Shareholders without undue delay by the means of a notice to Shareholders about the situation, or, in more serious cases, convene a general meeting of Shareholders in order to discuss the situation and find a solution which is suitable for all parties involved.

No Shareholder will be required or expected to disclose or make available to the Company investment opportunities it may pursue for its own account or in the capacity of a unit- or shareholder or manager or advisor of any other investment fund, including investment opportunities suitable to or under consideration by the Company.

In the course of their regular business activities, Shareholders may possess, or come into possession of, information directly relevant to investment decisions of the Company. No Shareholder will be required or expected to disclose or otherwise reveal any such information to third parties, including the Company.

17.10 Complaints Handling

Shareholders of each Sub-Fund may file complaints free of charge with the Management Company in an official language of their home country.

Shareholders can access the complaints handling procedure on https://www.dnbam.com.

17.11 Statute of Limitations

Claims received from the Shareholders with regards to the activity of the Company and/or any of the delegated party lapse five (5) years after the date of the event giving rise to the rights invoked.

17.12 Best Execution

The Management Company as well as the Investment Manager acts in the best interests of the Company when executing investment decisions. For that purpose they will take all reasonable steps to obtain the best possible result for the Company, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order (best execution). The best execution policy is available for Shareholders free of charge at the registered office of the Management Company.

17.13 Applicable law, jurisdiction and governing language

Disputes arising between the Shareholders, the Company, the Management Company, the Depositary Bank and the UCI Administrator shall be settled according to Luxembourg law and subject to the jurisdiction of the District Court of Luxembourg, provided, however, that the Management Company, the Company, the Depositary Bank and the UCI Administrator may subject themselves to the jurisdiction of courts of the countries, in which the Shares of the Company are offered and sold, with respect to claims by investors resident in such countries and, with respect to matters relating to subscriptions and redemptions and conversions by Shareholders resident in such countries, to the laws of such countries.

English shall be the governing language for these regulations, provided, however, that the Management Company, the Company, the Depositary Bank and the UCI Administrator may consider as binding the translation in languages of the countries in which the Shares are offered and sold, with respect to Shares sold to investors in such countries.

17.14 Documents available for inspection

The following documents can be inspected by the Shareholders at the offices of the Depositary Bank and the Company:

- Prospectus, as amended from time to time;
- Articles, as amended from time to time;
- KIDs;
- Annual and semi-annual reports;
- Depositary Agreement entered into with the Depositary Bank;
- Management Company Services Agreement entered into with the Management Company;
- Investment Management Agreement entered into with the Investment Manager; and
- Services Agreement with the UCI Administrator.

Copies of the Prospectus, the Articles, the KIDs, the latest financial reports may be obtained free of charge during normal business hours at the registered office of the Company.

17.15 Notices to investors

All notices to investors may be downloaded from the website of the Management Company and/or, as the case may be, is made available to investors in any other form required by laws or related regulations of the countries, where Shares are sold, and/or may be requested at any time, free of charge, at the address of the Management Company.

17.16 Liquidity management tools

In accordance with the UCITS Directive, as recently amended by Directive (EU) 2024/927 of 13 March 2024, and following an assessment of the suitability of the liquidity management tools (**LMTs**) in light of each Sub-Fund's investment strategy, liquidity profile and redemption policy, the Company, in collaboration with the Management Company, may select any of the LMTs listed in points 2 to 8 of Annex II A of the UCITS Directive, as further described in this Prospectus. As at the date of this Prospectus, the LMTs that may be used in respect of each Sub-Fund are: Gating mechanism and Swing Pricing.

In exceptional circumstances, where required and duly justified in the interests of investors, the Company, in collaboration with the Management Company, may temporarily suspend the subscription, repurchase and redemption of Shares and/or implement active side pocketing arrangements, in accordance with section 12 "*Suspension of calculation of Net Asset Value, Redemptions, Subscriptions, Conversions*".

The Company, in collaboration with the Management Company, is responsible for the selection, calibration, activation and deactivation of any LMTs. In exercising this discretion, the Company will take into account its investment strategy, liquidity profile, prevailing market conditions and the principle of equal treatment of Shareholders. The Company may activate or deactivate an LMT without prior investor approval where necessary to safeguard the interests of the Company, any Sub-Fund and/or its Shareholders.

Additional guidance or circulars may be issued by national regulators such as the CSSF. This Prospectus may therefore be amended to ensure ongoing compliance with the UCITS Directive, as recently amended. Any such regulatory updates may be adopted by the Company at its discretion without requiring investor approval.

APPENDIX
LIST OF SUB-FUNDS

1. EQUITY SUB-FUNDS

1.1 SPECIFICITIES OF EQUITY SUB-FUNDS

General Investment Objectives

The main objective of the Equity Sub-Funds is the realisation of long-term capital growth through direct or indirect investments in equity securities and instruments relevant to the particular geographical, sector and/or thematic focus of each Equity Sub-Fund. Typically, an Equity Sub-Fund focusing its investments on a geographical area will have full sector flexibility. Similarly, an Equity Sub-Fund focusing its investments on one or more sectors or themes will typically have full geographical flexibility.

The Equity Sub-Funds offer the Shareholders a convenient access to equity markets while complying with the principle of risk diversification. The equities traded in the Equity Sub-Funds are quoted on an official stock exchange or traded on a regulated market, which operates regularly, is recognized and is open to the public.

The Equity Sub-Funds will be Actively Managed, and investments will be centred on those companies that have been identified as offering attractive expected return versus risk of potential loss, with appropriate diversification.

For Equity Sub-Funds investing in a specific geographical area or industrial sector, emphasis will be given to the investments and currencies related to the specific objective of the Sub-Fund. All references to a specific geographical area have to be understood as being references to (i) the area in which the issuer is domiciled or (ii) the area in which the issuer carries on the predominant portion of its business activities or (iii) the area in which the relevant securities are listed.

With a view to maintaining adequate liquidity, each Equity Sub-Fund may hold up to 20% of its net assets in ancillary liquid assets. The latter may cover cash held in current accounts with a bank accessible at any time, short-term bank deposits at sight. The Equity Sub-Fund may also invest in regularly traded money market instruments the residual maturity of which does not exceed twelve (12) months.

The Equity Sub-Funds may use financial derivative instruments to achieve their investment objectives and for currency hedging. These instruments may include, but are not limited to, futures, options, rights and warrants quoted on an official stock exchange or traded on a regulated market.

ESG and responsible investing criteria

The investment universe for our Sub-Funds is carefully screened, taking into account DNB Group's Instructions for Responsible Investments seeking to ensure that DNB does not contribute to human or labour rights violations, corruption, serious environmental harm and other actions which may be perceived to be unethical. An assessment of the sustainability risks and opportunities related to ESG (Environment, Social and Governance) factors are integrated in the investment management. Each Sub-Fund's investments are considered in relation to social, environmental and ethical criteria based on the following internationally recognised guidelines and principles:

- the UN Global Compact;
- the OECD Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights;
- the Ottawa Convention (international agreement on the prohibition of anti-personnel mines); and

- the Convention on Cluster Munitions.

The responsible investment team, composed by dedicated ESG analysts, works closely with the relevant portfolio managers to ensure that the Sub-Fund does not invest in companies which contribute to serious violation of human and labour rights, grave harm to the environment, unacceptable greenhouse gas emissions and serious corruption. Investments are not made in companies involved in production of tobacco, production of pornography, or weapons which through normal use violate basic humanitarian principles. Companies which derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers which themselves or through entities they control derive 30% or more of their income from thermal coal, or base 30% or more of their operations on thermal coal, may be excluded from the investment universe. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10,000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. In addition, emphasis shall be placed on forward- looking assessments of the companies, including any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands or thermal coal, and/or increase the share of their income or operations derived from renewable energy sources.

DNB Group's Instructions for Responsible Investments are available on our website:

https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2022/Group_instructions_responsible_investments.pdf

In addition, a process of ESG integration (*i.e.* incorporating ESG data within portfolio management systems) is adopted for all equity Sub-Funds: Equities are screened prior to inclusion into our investment universe, quarterly for benchmark rebalancing, and on a weekly and daily basis for changes to ESG ratings/factors or alerts on potential and/or realised breaches in international norms and standards.

ESG data is subject to a range of risks including *inter alia* data availability on issuers particularly in regard to small, mid cap and emerging market companies), lack of standardised taxonomy for the classification of ESG activities, excessive reliance on external ESG data providers, unaligned ESG conclusions provided by different providers on a single company, albeit the initial analysis is carried out with reference to ESG ratings and scores provided by external providers (DNB AM uses ratings provided by MSCI ESG and norms based screenings from Sustainalytics, ISS and Bloomberg, same are paid in accordance with market practice), the responsible investment team does not take ESG ratings, and more generally speaking ESG data from third party providers mechanistically into consideration, but further analyses assumptions and criteria adopted in this perspective, supplementing ratings provided by external providers with the conclusions of its thorough analysis. In this perspective, this assessment is also corroborated with the analysis of industry reports, sell-side research, media and non-governmental organisations (NGO) reports as well as questionnaires as the case may be.

This ESG integration process would allow to uncover potential product violations, breaches of international norms and standards and/or material sustainability risks and opportunities. Based on the screening, and in-house research through additional sources of information, the responsible investment team can highlight potential sustainability risks and opportunities to the portfolio manager, as well as provide input/recommendations about divesting as the case may be.

Through this collaborative effort between the responsible investment team and each relevant portfolio manager, the abovementioned discussions will trigger actions such as further investigation, engagement in dialogue with the company, favourable / unfavourable assessment for what relates to the investment decision on a given company.

Company engagement and proxy voting are key elements of the DNB asset management active ownership approach. We engage with companies on specific ESG incidents, or to improve companies' general performance of sustainability-related processes, which may otherwise lead to underperformance. Engagements may either take place directly with companies, through our external service provider on engagements or in collaboration with other investors. Standard setting is an important element of active ownership. As part of this, we develop and publish expectation documents within important areas, which we use to contribute to the improvement of standards in the market, and to form the basis of engagements with companies. The Investment Manager's voting guidelines aim to vote at all Norwegian general meetings for listed companies our funds are shareholders in, and we have adopted a systematic approach to determining which global companies' annual general meetings we will vote at. For Norwegian companies, we engage with Boards, Management and Nomination Committees prior to annual general meetings and will explain our voting decisions to companies when we have voted against the company's recommendation. The results of our proxy voting are made publicly available. Through informed proxy voting we endeavour to secure long-term shareholder value and ensure that companies act sustainably.

Risk Profile

The Shareholders should be aware that the value of the Shares may fall as well as rise and the invested capital may not be fully repaid.

The profit deriving from the Shares may fluctuate and fluctuations within the exchange rates may cause the net asset value of Shares to go up or down. The levels and basis of, and relief from, taxation may vary.

There is no assurance that the Equity Sub-Funds will achieve their investment objectives. The Equity Sub-Funds are neither capital-protected nor guaranteed.

Investing in equity securities may offer a higher rate of return than those in short-term and long-term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

Risk Management Process

The Equity Sub-Funds use the Commitment Approach.

Profile of Targeted Investors

The Equity Sub-Funds are suitable for investors wishing to attain defined investment objectives. The investor must have experience with volatile products.

The investor must be able to accept significant temporary losses, thus the Equity Sub-Funds are suitable to investors who can afford to set aside the capital for at least five (5) years.

The Equity Sub-Funds are designed for the investment objective of building up capital. For investors holding a portfolio of securities, it can play the role of a core position.

Potential investors are advised to seek information on the following issues they might encounter under the laws of the countries of their citizenship, residence or domicile:

- possible tax consequences;
- legal requirements;
- foreign exchange restrictions;
- exchange control requirements; and
- any other issue that might be relevant to the subscription, purchase, holding, switching and disposal of Shares.

Total Annual Return and ongoing charges

An overview of the Equity Sub-Funds' performance scenarios will be disclosed in the respective KID.

Past performance is not indicative of future results. An indication of the respective Sub-Fund's ongoing charges will be disclosed in the KID for each Sub-Fund.

Fees for the Equity Sub-Funds

Investment Management Fee (includes all fees paid to the Management Company, the UCI Administrator and the Depositary Bank)	Up to 1.75%*
Performance fee	As set out in the Sub-Fund's Appendix, if applicable
Subscription minimum amount for Institutional Classes C1, D1, S2	EUR 1,000,000.- or the equivalent in another currency
Subscription minimum amount for Institutional Class C2, D2	EUR 100,000,000.- EUR or the equivalent in another currency
Subscription minimum amount for Retail Classes A, A2, N, N2, S1 unless otherwise specified at a specific Retail Class	None
Subscription fee	Up to 5%

Conversion fee	Up to 1%
Redemption fee	None

Details of the actual rate of the Investment Management Fee for each Class are set out on the website https://www.dnbam.com.

*Share class available at DNB FUND – Disruptive Opportunities Sub-Fund charging the investment management fee of 0.85% and no performance fee.
Share class available at DNB FUND – Technology Sub-Fund as well as at DNB FUND- Nordic Equities Sub-Fund charging the investment management fee of 1,20 % and no performance fee.

1.2 LIST OF EQUITY SUB-FUNDS

1.2.1 DNB FUND – ASIAN MID CAP

Emphasis is placed on investments in small and medium capitalization companies in Asia ex-Japan, with the main focus on the mid-caps, especially in listed equities or equity-related securities (such as convertible bonds, global depositary receipts and shares).

The Sub-Fund will invest in equities at least 80% of its net assets.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Potential investors in the Sub-Fund are warned that investment in the Sub-Fund is subject to a high degree of risk. Shares of the Sub-Fund are only suitable for investors who can fully evaluate the risks involved. Specifically, it should be noted that the benchmark index for the Sub-Fund cannot be relied upon as an indicator of risk due to the fact that the portfolio of the Sub-Fund may differ substantially from that of the benchmark index. Consequently, the risk associated with the Sub-Fund may also be substantially higher than that of the benchmark index.

The Sub-Fund's benchmark index is MSCI All countries Asia (ex-Japan) Mid Cap.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is mentioned for performance comparison purposes. The Sub-Fund does not track the benchmark index and can deviate significantly or entirely from it.

Potential Shareholders are warned that, on some Asian markets, the national legislation provides for a contingent liability, that is, the payment of a deferred tax on the net profit of securities acquired by the Sub-Fund.

The base currency of the Sub-Fund is EUR.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Asian Mid Cap

Legal entity identifier:
549300Q0PIT9U3ENTT26

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[1], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

  Not relevant.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

  Not relevant.

[1] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will

	carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board gender diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened

against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing (MSCI All countries Asia (ex Japan) Mid Cap), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

  The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

  - The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[2].

[2] *In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.*

- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[3].
- The fund shall not invest in companies with exposure to controversial weapons[4].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?***

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter

[3] Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.

[4] The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.

5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

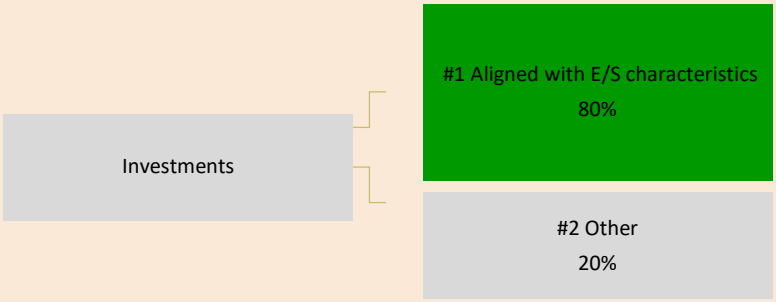
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

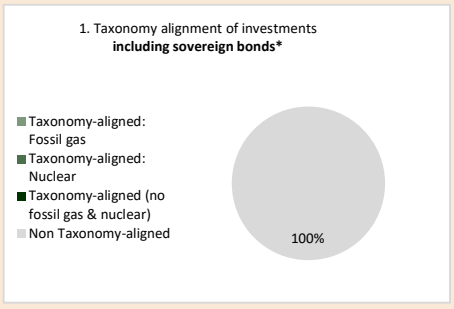
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[5]?**

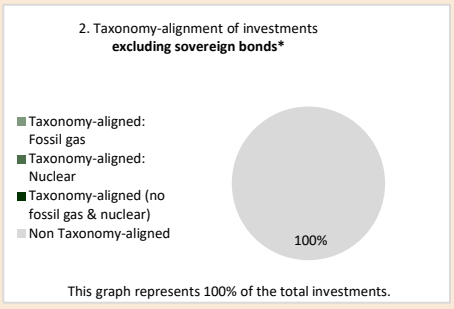
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

[5] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

What is the minimum share of investments in transitional and enabling activities?

The fund does not commit to a minimum share of investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section "Our funds" on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called "Sustainability related disclosures".

1.2.2 DNB FUND – DISRUPTIVE OPPORTUNITIES

The Sub-Fund aims to achieve a positive relative return over the long-term principally through investments in equities of companies driven by disruptive changes. These companies will be operating typically within communications services, information technology, financial services, health care, renewable energy or energy efficiency sectors. The most common drivers behind the disruptions that the Sub-Fund is aiming to capitalize from are coming from changes in regulation, technology and consumer behaviour. Geographically, the Sub-Fund has full flexibility.

The Sub-Fund will invest in equities at least 80% of its net assets.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund is Actively Managed.

The base currency of the Sub-Fund is EUR.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:
DNB FUND – Disruptive Opportunities

Legal entity identifier:
549300PNF3LXZPJVE042

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following environmental and social (E/S) characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility

- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights or employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies, companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:
- UN SDG alignment of the portfolio
- Companies with science-based emission reduction targets
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies
- Companies with exposure to controversial weapons
- Companies that produce cannabis for recreational use, tobacco or pornography

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The fund does not commit to a minimum share of sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not relevant.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not relevant.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes, the fund follows the DNB Group Instructions for Responsible Investments. Thus, the fund considers the followings PAIs:

☐ No

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produces from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and
2. Carbon footprint	
3. GHG Intensity of Investee Companies	

4. Exposure to companies active in the fossil fuel sector	engagements. An expectation document for investee companies have been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analyzed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.

13. Board Gender Diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti- mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment personnel universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund aims to achieve a positive relative return over the long-term principally through investments in equities of companies driven by disruptive changes, incorporating the UN Sustainable Development Goals as an additional tool in the investment process. The fund will measure and monitor portfolio level alignment to the UN SDGs, in addition to company UN SDG alignment related to the investment themes of the strategy, which are connectivity; urban mobility; machine revolution; demographics; and the green deal. These companies will be operating typically within communication services, information technology, financial services, health care, renewable energy or energy efficiency sectors.

The assessment of alignment to the UN SDGs is based on qualitative and quantitative analysis using an internally developed SDG framework for mapping and measuring SDG alignment. The framework has been externally reviewed by a third party and internal audit. Data on SDG alignment is based on data from an external data provider and our own internal data and fundamental analysis by portfolio managers. Issuers lacking an external or internal UN SDG assessment will not be more than 30% of the portfolio.

Alignment is measured in terms of revenues or alternatively capex. Portfolio UN SDG alignment is measured by the weighted sum of the portfolio companies' alignment in percentage of revenue. The fund will have at least 30% alignment with the UN SDGs.

ESG data is incorporated into DNB AM's portfolio management and information systems. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the DNB Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing (MSCI World Index), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we don't see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in news articles to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will have a weighted average SDG alignment for the portfolio of at least 30%
- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or

consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal.[6]

- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership.[7]
- The fund shall not invest in companies with exposure to controversial weapons.[8]
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The assessment of investee companies' good governance practices is based on the DNB Group Instructions for Responsible Investments and DNB AM Engagement Policy. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contributes to the infringement of human or labour rights, corruption, or other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompasses the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability- and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screen fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting

[6] In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.

[7] Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.

[8] The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.

guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labor rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labor and child labor. Additionally, the companies must avoid serious violations of basic labor rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labor rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



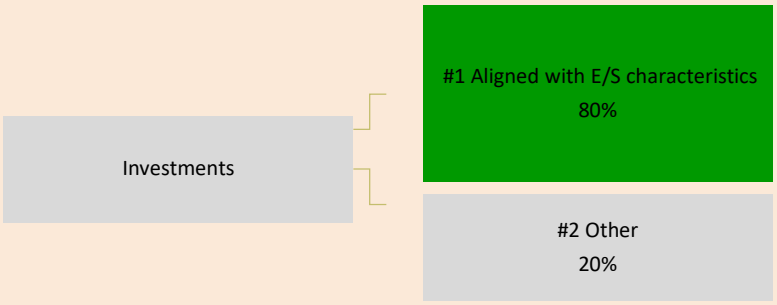
What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund promotes environmental and social characteristics, but does not commit to make any sustainable investments with an environmental objective aligned with the EU Taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[9]?**

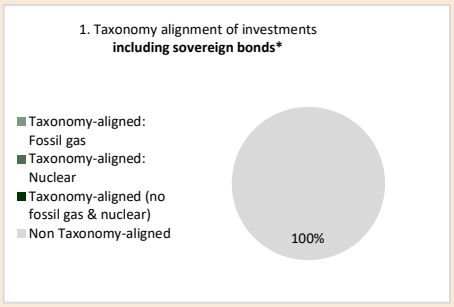
☐ Yes:

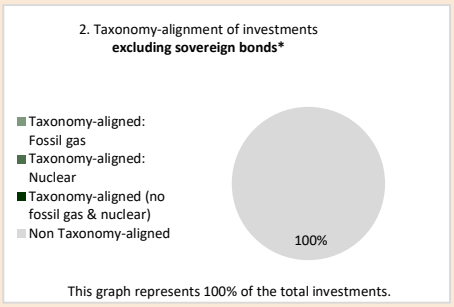
☐ In fossil gas ☐ In nuclear energy

☒ No

[9] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The fund does not commit to make any sustainable investments with an environmental objective, including in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to make any sustainable investments with an environmental objective. We do also not commit to a minimum share of investments with an environmental objective that is not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

Not applicable

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures” (https://documents.anevis-solutions.com/dnb/SUSTAINABILITY_DISCLOSURE-EN-LU-LU2061961145.pdf)

1.2.3 DNB FUND – FUTURE WAVES

The Sub-Fund aims to achieve a positive relative return over the long-term principally through investments in equities of companies that combine expected high future return potential with solution- oriented business models.

Emphasis will be on companies that are well positioned for future social, demographic, environmental, regulatory, health and technological changes.

The Sub-Fund has a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information.

The Sub-Fund will invest in equities at least 80% of its net assets.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund's benchmark index is MSCI ACWI Sustainable Impact Index.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is mentioned for performance comparison purposes. The Sub-Fund does not track the benchmark index and can deviate significantly or entirely from it.

The base currency of the Sub-Fund is EUR.

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Future Waves

Legal entity identifier:
549300G58X4QS1KAQP97

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective:** 10%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of % of sustainable investments
☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☒ It will make a minimum of **sustainable investments with a social objective:** 10%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What is the sustainable investment objective of this financial product?

The fund is a global, multi thematic sustainability-themed fund. The sustainable investment objective is attained by investing in companies whose business models positively contribute to environmental and social objectives through alignment with one or several targets defined by the UN Sustainable Development Goals. Contribution to the SDGs is measured through alignment with one or several targets defined by the United Nations (UN). The fund will focus on 11 of the 17 SDGs (SDG 2, SDG 3, SDG 4, SDG 6, SDG 7, SDG 9, SDG 11, SDG 12, SDG 13, SDG 14, SDG 15) related to the four investment themes; blue economy, green economy, climate and quality of life. There are overlaps between certain of the SDGs and the businesses that operate in alignment to those, but the fund will report alignment on these 11 SDGs and categorize the investments into the four main themes.

In addition to our own objectives, the fund aims to contribute to the taxonomy objectives “climate change mitigation” and “climate change adaptation”. It is also assumed that one or more of the remaining environmental objectives "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control" and " protection and restoration of biodiversity and ecosystems" will be relevant.

The fund uses a benchmark that is aligned with sustainable investment objective of the fund, which is MSCI ACWI Sustainable Impact Index.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The fund measures the attainment of the sustainable investment objective through several sustainability indicators.

The indicators are the following:

- Percentage of the portfolio companies that either have revenues aligned with one or several UN SDGs, have activities that are taxonomy aligned, have credible science-based emission reduction targets, or demonstrate potential avoided emissions
- Percentage of the portfolio in breach of the fund`s exclusion criteria
- Weighted average UN SDG alignment of the portfolio

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The fund assesses significant harm on environmental or social sustainable investment objectives through several tools. The fund uses both the principal adverse impact indicators as well as alignment with international standards and norms to assess significant harm, as further described below. The fund's taxonomy-aligned investments will do no significant harm with regards to the requirements outlined in the Taxonomy Regulation[10].

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

We use indicators that measure principal adverse impacts of our investments to consider significant harm on environmental or social objectives. Companies who are identified as outliers for one or several principal adverse impact indicators will be put on a watchlist, and will be further analysed. This can result in either engagements with the company to learn more and encourage them to address their potential adverse impacts, or exclusion of the company as a last resort. In cases where data coverage and quality is currently low, the portfolio managers, together with the Responsible Investment team aim to make their own assessment of the significant harm caused by the investment. We aim to quantify this to the highest possible extent, but reasonable qualitative assessments may be made where data is not available.

Note that data quality and coverage of principal adverse impact indicators in the market are currently low for certain indicators. We expect the quality and coverage to improve over time, and we aim for continuous improvement by assessing our data providers as well as engaging with companies to encourage them to improve their reporting in this area.

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making

[10] *Regulation (EU) 2020/852*

2. Carbon footprint 3. GHG Intensity of Investee Companies	processes. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An internal framework has been developed to systematically capture standardised data on companies' carbon reduction target setting – this enables the portfolio managers to better assess the quality of target setting and is used as a tool for company engagement and tracking momentum over time. Scope 3 is analyzed and considered in the investment process where data is available. Potential Avoided Emissions (PAE) is considered as additional information to the carbon footprint.
4. Exposure to companies active in the fossil fuel sector 5. Share of non-renewable energy consumption and production	Companies active in the fossil fuel sector are generally not included in the fund's investment universe. The fund applies strict exclusion criteria based on DNB's Instructions for Responsible Investments, additional exclusion criteria (defined by DNB AM), and exclusions based on requirements from an external ESG label. Oil sands extraction, mining companies and power produces from thermal coal are excluded in cases where the company derives 5% or more of their income from these activities unless there is a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation.
6. Energy consumption intensity per high impact climate sector	Energy consumption is a natural point of discussion in company engagements where this is material. We engage with companies which we deem to have an energy consumption intensity which might be harmful to the environment or society. The fund has a dialogue with portfolio companies on science-based net zero targets on an annual basis.

7. Activities negatively affecting biodiversity- sensitive areas	Biodiversity is addressed qualitatively by the fund in company engagements where company research indicates that the topic is material and should be addressed. We aim to increase metrics and reporting on biodiversity as data quality and availability improves. Biodiversity is also considered as a part of the fund's internally developed water framework which assesses companies' sustainable water practices. Expectations documents are the starting point for portfolio company engagement. On ocean biodiversity, the fund is engaged in several collaborative initiatives. As part of DNB AM, the fund is also involved in a three-year engagement programme on deforestation linked to soft commodities, and collaborative engagements through FAIRR on Sustainable Aquaculture.
8. Emissions to water	Assessment of water and waste management is a component of the fundamental investment process and is reflected on in our ESG proprietary database and research. The fund has designed its own water questionnaire with the aim of retrieving more data and information on companies' practices regarding water. In addition, we use our expectations documents on water, oceans, biodiversity and serious environmental harm to communicate our expectations in this area towards companies. Our expectations call for companies to identify, assess and manage their exposure to water-related risks and opportunities, and to ensure a high level of transparency around how such information can be utilised in our company analysis and as an input to investment decision-making. Data on emissions to water and hazardous waste and waste reduction targets are gathered and monitored when available and are addressed in company engagements where company research indicates that the topic is material.
9. Hazardous waste and radioactive waste ratio	
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to make sure no companies are in violation of international norms and standards. Violations, or indication of possible violation, based on controversy assessments from external service providers or other publicly available information, lead to further investigation by the responsible investments team to determine whether this issue contributes to the conclusion of a breach of DNB's Group Instructions for responsible investments. Should a company be found to be in breach, we will seek to engage the company to learn more and encourage improvement. If a significant improvement is not observed over a certain period of time, we will consider exclusion from the investment universe as a last resort.

11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analyzed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
12. Unadjusted gender pay gap	Company reporting on gender pay gap is somewhat limited, but we expect this to improve over time and as required by regulation. Overall, gender pay gap disclosures are only mandatory in few jurisdictions (e.g. UK, California). Gender equality and diversity is therefore addressed in company engagements where company research indicates that the topic should be addressed. The topic is also addressed through voting - we usually support reasonable shareholder resolutions requesting disclosure of specific diversity targets and disclosure on gender pay gaps within companies.
13. Board gender diversity	Assessment of board gender diversity is a component of the fundamental investment process and is reflected on in our ESG proprietary database and research. We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments.

We screen companies prior to inclusion into our investment universe, quarterly for benchmark rebalancing, and on a weekly and daily basis for alerts on potential and/or realised breaches in international norms and standards. The purpose is to uncover potential breaches of international norms and standards. The screen is based on data from external data providers.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the fund follows the DNB Group Instructions for Responsible Investments, as well as applying additional screening criteria related to the fund strategy. The fund considers the principal adverse impacts indicators which are depicted above.

☐ No

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund follows a multi thematic sustainable investment strategy in global equity markets. The fund actively allocates capital towards sustainable economic models with environmental and/or social benefits by investing in companies whose business models are aligned with one or several targets defined by the UN Sustainable Development Goals, or are sustainable enablers to advance the SDG agenda. In addition, the fund invests in companies with a good quality of operational practices, including ESG practices.

The investment process relies on stock picking based on a deep fundamental analysis of companies combining both financial and sustainability considerations. This analysis will identify companies that provide positive innovative solutions promoting sustainable objectives for the blue economy, green economy, climate and quality of life encompassing 11 of the 17 SDGs (SDG 2, SDG 3, SDG 4, SDG 6, SDG 7, SDG 9, SDG 11, SDG 12, SDG 13, SDG 14, SDG 15)

The assessment of alignment to the specified UN SDGs is based on qualitative and quantitative analysis using an internally developed SDG framework for mapping and measuring SDG alignment. The framework has been externally reviewed by a third party and internal audit. Data on SDG alignment is based on data from an external data provider and our own internal data and fundamental analysis by portfolio managers. Alignment is measured in terms of revenues or alternatively CapEx. All investee companies will be covered by an ESG assessment.

We supplement the SDG analysis by looking at potential avoided emissions for certain companies and by assessing whether companies have credible science-based emission reduction targets. This approach also involves engaging with companies that lack such targets. Potential avoided emissions

are emissions that would have been released if a particular action or intervention had not taken place. Avoided emissions can appear throughout third parties' value chains depending on the type of product or service offered and how this product or service affects operations.

The portfolio construction is driven by portfolio managers' convictions on the best investment opportunities without constraint regarding market capitalizations, sectors and weights compared to the reference Index. The fund may significantly diverge from the reference index.

The fund invests in companies that are part of a proprietary investment universe built on the potential of business models to reduce the environmental footprint of economic activities or improve social conditions through health, a more sustainable food system and education. Companies in the investment universe are substantially involved in economic activities resulting in or enabling emission reduction, deployment of renewable energy, climate adaption solutions, resource efficiency, improved water management (quality and quantity), sustainable use of ocean resources, energy efficiency, circularity through improved waste management and recycling, sustainable agriculture practices, pollution prevention, sustainable infrastructure, reduce hunger, improved food systems, improved health or increased educational access.

The responsible investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. ESG data is incorporated into DNB AM's portfolio management and information systems. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

The fund follows DNB AM's standard exclusion list, based on the requirements of the Group Instruction for Responsible Investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf) with additional fund specific criteria.

Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing, and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards. We also seek to identify material ESG risks.

If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instruction. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe.

If an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in news articles to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related

performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

What are the binding elements of the investment strategy used to select the investments to attain each of the sustainable investment objective?

The assessment of sustainable investments is made using DNB AM's proprietary sustainable investments methodology. The investments made to attain the sustainable investment objective must be in companies that have revenues aligned with either one or more UN SDGs, have activities that are taxonomy aligned, have credible science-based emission reduction targets, or which demonstrate potential avoided emissions. The fund applies a pass-fail methodology.

In light of the fund's investment strategy which focuses on alignment with the UN SDGs, all investee companies will have at least 20% revenues alignment with one or more UN SDGs.

Note that we also apply strict exclusion criteria based on:

- The fund will not invest in companies that derive 5% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 5% or more of their income from thermal coal, or base 5% or more of its business on thermal coal.[11]
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership.[12]
- The fund shall not invest in companies with exposure to controversial weapons.[13]
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use
- The fund excludes companies with more than 5% revenues from alcohol production, conventional weapons, or gambling
- The fund may also apply additional exclusion criteria related to external ESG labelling requirements

Additional exclusion criteria applied can be found under the website link provided at the end of this Annex.

The binding elements are documented and monitored on an ongoing basis.

What is the policy to assess good governance practices of the investee companies?

The assessment of investee companies' good governance practices is based on the DNB Group Instructions for Responsible Investments and DNB AM Engagement Policy. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contributes to the infringement of human or labour rights, corruption, or other actions that could be regarded as unethical.[14] This is done through screening prior to inclusion

[11] Stricter threshold than the DNB Group Instruction for Responsible Investments.
[12] Exemptions from these thresholds can be made for companies through forward- looking assessments, and if they have any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands or thermal coal, and/or increase the share of their income or operations derived from renewable energy sources.
[13] The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.
[14] If an investment no longer aligns with the good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability- and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screen fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labor rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labor and child labor. Additionally, the companies must avoid serious violations of basic labor rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labor rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

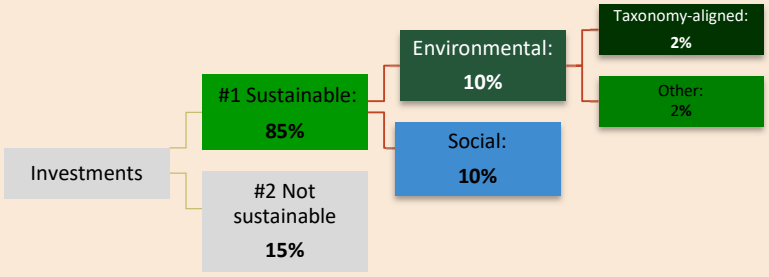
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation and the minimum share of sustainable investments?

The fund will have a minimum proportion of 85% sustainable investments (#1 Sustainable). A minimum portion of at least 10% of the overall investments will be considered as environmentally sustainable and at least 10% of the overall investments will be considered as socially sustainable. The rest of the fund investments (up to 15% of the overall investments) will be invested in cash and derivatives (#2 Not sustainable).

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The minimum proportion of investments with an environmental objective aligned with the EU Taxonomy is 2%.
We will use data on taxonomy alignment from an external data provider. Currently a third-party check is not in place

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[15]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

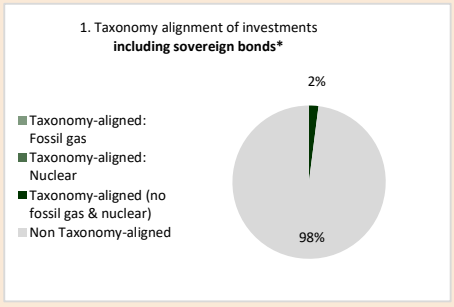
[15] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

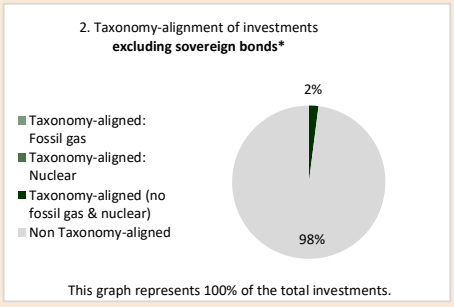
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The fund commits to make at least 2% sustainable investments in line with the EU Taxonomy, but the minimum share of transitional and enabling activities is set at 0%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The fund commits to a minimum share of 2% sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

The fund makes investments with both an environmental and social objective. There is no prioritisation of environmental or social objectives in the fund's investment strategy. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of the investment opportunities, while keeping sustainable investments with environmental and/or social objectives at an overall minimum of 85%.

What is the minimum share of sustainable investments with a social objective?

The fund commits to a minimum share of 10% sustainable investments with a social objective.

The fund makes investments with both an environmental and social objective. There is no prioritisation of environmental or social objectives in the fund's investment strategy. The investment process accommodates the combination of environmental and social objectives by allowing the investment manager the flexibility to allocate between these based on availability and attractiveness of the investment opportunities, while keeping sustainable investments with environmental and/or social objectives at an overall minimum of 85%.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Not sustainable" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Yes, the fund uses MSCI ACWI Sustainable Impact Index to meet the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  The MSCI Sustainable Impact Index include listed companies whose primary operations tackle one or more of the world`s social and environmental challenges, as defined by the United Nations Sustainable Development Goals.

  The sustainability factors are primary taken into account through inclusion, screening and exclusion.

  The index covers six environmental and seven social impact categories, organised by theme. For environmental impact MSCI focus on areas such as alternative energy and sustainable water. Meanwhile, for social impact, the focus is on basic needs like nutrition and empowerment through SME finance and education. Within these categories, MSCI ESG Research highlights specific product and service categories as potential solutions to environmental and social issues.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  As the fund is an actively managed fund, it does not aim to track the specific reference index. However, the reference index represents a relevant investment universe for the fund, as the focus of the fund is on companies with alignment to the UN Sustainable Development Goals.

- ***How does the designated index differ from a relevant broad market index?***

  The designated reference index differs from a relevant broad market index through its focus on the United Nations Sustainable Development Goals. To be eligible for inclusion in the index, companies must generate at least 50% of their sales from one or more of the sustainable impact categories defined by MSCI (nutritious products, treatment of major diseases, sanitary products, education, affordable housing, loans to small and medium size enterprises, alternative energy, energy efficiency, green building, sustainable water, and pollution prevention) and maintain minimum environmental, social and governance standards.

- ***Where can the methodology used for the calculation of the designated index be found?***

  The method used for the calculation of the designated index can be found here: MSCI ACWI Sustainable Impact Index Methodology



Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures” (https://documents.anevis-solutions.com/dnb/SUSTAINABILITY_DISCLOSURE-EN-LU-LU0029375739.pdf).

1.2.4 DNB FUND – BRIGHTER FUTURE

Geographically, the Sub-Fund primarily invests in the stock markets of any or all Emerging Countries in Latin America, Asia, Eastern Europe, Africa and the Near-East, but the Sub-Fund may also invest in other stock markets, in companies carrying out the predominant portion of their business activities in Emerging Countries. Investments in the above-mentioned stock markets may also be done indirectly through depository receipts, listed on any stock exchange or Regulated Market.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

These stock markets qualify either as stock exchanges or as Regulated Markets which operate regularly and are recognized and open to the public in the meaning of Article 41(1) of the UCI Law. The stocks which are not dealt on stock exchanges or Regulated Markets as described hereabove are subject to Article 41(2) of the UCI Law.

Potential investors in the Sub-Fund are warned that investment in the Sub-Fund is subject to a high degree of risk. Shares of the Sub-Fund are only suitable for investors who can fully evaluate the risks involved. The risks inherent in investment in Emerging Countries' securities are significant, and differ in kind and degree from the risks presented by investments in the securities markets of developed countries. In addition to the usual risks associated with equity investments, these risks include political, regulatory and economic risks that may be substantially greater than those associated with other financial markets. Although stock markets in certain Emerging Countries have provided substantial returns in recent years, past performance is not necessarily an indicator of future performance.

Potential Shareholders are warned that, on some Asian markets, the national legislation provides for a contingent liability, that is, the payment of a deferred tax on the net profit of securities acquired by the Sub-Fund.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is MSCI Emerging Markets Index Net. The Sub-Fund's benchmark is a standard benchmark reflecting the broad global emerging markets investment universe relevant for the Sub-Fund. The Sub-Fund's benchmark index is mentioned for performance comparison purposes. The Sub-Fund does not track the benchmark index and can deviate significantly or entirely from it.

The Sub-Fund will invest in equities at least 80% of its net assets.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The base currency of the Sub-Fund is USD.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Brighter Future

Legal entity identifier:
5493004XYFNGZI3CPK95

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund aims to invest in companies that contribute to achieving, or enable, the 17 United Nations Sustainable Development Goals (SDGs) in emerging markets. Contribution to the SDGs is measured through alignment with one or several targets defined by the UN. The fund will focus on SDGs that are related to the investment theme of the fund; quality of life. The fund shall have a weighted average UN SDG alignment of at least 30%.

The fund promotes the following characteristics:

Environmental characteristics which include reduction of GHG emissions and environmental responsibility. The fund`s environmental SDG objectives compromise SDG 2 – Zero hunger (50%), SDG 6 – Clean water and sanitation, SDG 7- Affordable and clean energy, SDG 9 – Industry, innovation and infrastructure, SDG 11 – Sustainable Cities and communities, SDG 12 – Responsible

consumption and production, SDG 13 – Climate action, SDG 14 – life below water, and SDG 15 – life on land.

Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility. The fund`s social SDG objectives compromise SDG 1 – No poverty, SDG 2 – Zero hunger (50%), SDG 3 – Good health and well-being, SDG 4 - Quality education, SDG 5 – Gender equality, SDG 8 – Decent Work and Economic Growth, SDG 10 – Reduced inequalities, and SDG 16 – Peace, Justice and Strong institutions.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instruction (Group Instructions) and by applying the fund's investment strategy. This involves the exclusion of companies that violate our product and norm-based criteria, including human rights, employee rights, and cause significant environmental damage, and selecting companies that contribute to achieving, or enable, the 17 United Nations Sustainable Development Goals (SDGs).

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[16], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography. In addition, companies which produce alcohol, conventional weapons, and gambling, as well as companies with high carbon emissions, are excluded.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Weighted average alignment with the UN Sustainable Development Goals
- Carbon intensity of the portfolio compared against the carbon intensity of the benchmark (MSCI Emerging Markets Index)
- Companies that derive 5 percent or more of their income from oil sands or thermal coal, and with no indication of transition
- Companies in breach of the UN`s Global Compact and the OECD`s guidelines for multinational companies
- Companies with exposure to controversial weapons
- Companies that produce cannabis for recreational use, tobacco or pornography
- Companies that derive 5 percent or more of their income from alcohol production, conventional weapons or gambling

[16] Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a period of two years, we will exclude the company from our investment universe as soon as practically possible.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund will commit to a minimum share of 20% sustainable investments in line with its strategy to invest in companies that deliver products and solutions which aim to help increase the quality of life in emerging markets countries, specifically through the sub-themes economic inclusion, technology, education and health, and infrastructure and water. These sub-themes offer exposure to several UN SGDs, with emphasis on SDG 8, 9 and 11. These SDGs have been chosen to highlight the thematic focus of the fund, as well as ensuring a positive contribution.

The fund utilises positive screening to include companies that have a potential positive social and/or environmental contribution. Positive contribution is measured by companies with revenues aligned with one or more UN SDGs, companies with activities that are taxonomy aligned, companies that have credible science-based emission reduction targets, and by companies that demonstrate potential avoided emissions.

The assessment of alignment to UN SDGs is based on qualitative and quantitative analysis using an internally developed SDG framework for mapping and measuring SDG alignment. The framework has been externally reviewed by a third party and internal audit. Data on SDG alignment is based on data from an external data provider, our own internal data and fundamental analysis by portfolio managers. Alignment is measured in terms of revenues or alternatively CapEx.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The fund assesses significant harm on environmental or social sustainable investment objectives through several tools. The fund uses both the principal adverse impact indicators as well as alignment with international standards and norms to assess significant harm, as further described below. Should the fund invest in taxonomy-aligned investments, the investment will do no significant harm with regards to the requirements outlined in the Taxonomy Regulation[17].

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

We use, as a minimum, the mandatory indicators that measure principal adverse impacts of our investments to consider significant harm on environmental or social objectives. Companies who are identified as outliers for one or several principal adverse impact indicators will be put on a watchlist, and will be further analysed. This can result in either engagements with the company to learn more and encourage them to address their potential adverse impacts, or exclusion of the company as a last resort. In cases where data coverage and quality is currently low, the portfolio managers, together with the Responsible Investment team aim to make their own assessment of the significant harm caused by the investment. We aim to quantify this to the highest possible extent, but reasonable qualitative assessments may be made where data is not available.

Note that data quality and coverage of principal adverse impact indicators in the market are currently low for certain indicators. We expect the quality and coverage to improve over time, and we aim for continuous improvement by assessing our data providers as well as engaging with companies to encourage them to improve their reporting in this area.

[17] *Regulation (EU) 2020/852*

The following PAIs are considered for all sustainable investments:

- Green House Gas emissions: GHG emissions (PAI 1), Carbon footprint (PAI 2), GHG intensity of investee companies (PAI 3), Exposure to companies active in the fossil fuel sector (PAI 4), Share of non-renewable energy consumption and production (PAI 5), Energy consumption intensity per high impact climate sector (PAI 6)
- Biodiversity: Activities negatively affecting biodiversity-sensitive areas (PAI 7)
- Water: Emissions to water (PAI 8)
- Waste: Hazardous waste and radioactive waste ratio (PAI 9)
- Social and employee matters: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10), Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11), Unadjusted gender pay gap (PAI 12), Board gender diversity (PAI 13)
- Controversial weapons: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (PAI 14)

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments.

We screen companies prior to inclusion into our investment universe, quarterly for benchmark rebalancing, and on a weekly and daily basis for alerts on potential and/or realised breaches in international norms and standards. The purpose is to uncover potential breaches of international norms and standards. The screen is based on data from external data providers.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes:

☐ No

The fund follows the DNB Group Instructions, as well as applying additional screening criteria related to the fund strategy. The fund considers all mandatory PAI indicators for the sustainable investments in the portfolio, as described above. On product level, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. Active ownership activities are utilized to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies have been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analyzed and considered in the investment process where data is available. Potential Avoided Emissions (PAE) is considered as additional information to the carbon footprint. The fund has a low carbon mandate, and the fund excludes companies with a high level of carbon emissions. The fund shall have a carbon intensity below the benchmark.
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	Companies active in the fossil fuel sector are generally not included in the fund's investment universe. The fund applies strict exclusion criteria based on DNB's Instructions for Responsible Investments, and additional exclusion criteria (defined by DNB AM). Oil sands extraction, mining companies and power produces from thermal coal are excluded in cases where the company derives 5 percent or more of their income from these activities unless there is a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we

	consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analyzed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
14. Exposure to controversial weapons (anti-mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund aims to achieve a positive relative return over the long-term through investments in equities of companies that provide services and products which contribute to improving the quality of life within emerging market countries, incorporating the UN Sustainable Development Goals as a part of the investment process. These companies will typically be operating within the financial, health care, information technology, real estate, consumer staples, consumer discretionary, and industrials sectors.

The investment theme of the fund revolves around “quality of life”, encompassing the sub-themes: financial inclusion, technology, access to education, health, infrastructure, and water. Thus, the fund will seek investments aligned with the SDGs that can be easily associated with these sub-themes. Specifically, we have identified SDG 8, 9 and 11 as particularly relevant to the fund`s objectives. The fund`s investment objective will be assessed based on its overall alignment with the SDGs as a whole, rather than focusing solely on individual targets.

The fund will measure and monitor company UN SDG alignment related to the investment themes of the strategy. The assessment of alignment to the UN SDGs is based on qualitative and quantitative analysis using an internally developed SDG framework for mapping and measuring SDG alignment. The framework has been externally reviewed by a third party. Data on SDG alignment is based on data from an external data provider and our own internal data and fundamental analysis by portfolio managers. Alignment is measured in terms of revenues or alternatively capex. Issuers lacking external or internal SDG alignment assessment will not be more than 30% of the portfolio.

We supplement the SDG analysis by looking at potential avoided emissions for certain companies and by assessing whether companies have credible science-based emission reduction targets. This approach also involves engaging with companies that lack such targets. Potential avoided emissions are emissions that would have been released if a particular action or intervention had not taken place. Avoided emissions can appear throughout third parties' value chains depending on the type of product or service offered and how this product or service affects operations.

The responsible investments team (RI) works closely with portfolio managers, and the fund has its own dedicated ESG analyst. ESG data is incorporated into DNB AM's portfolio management and information systems. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the DNB Group Instructions (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing, and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards. We also seek to identify material ESG risks.

If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instruction. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

If an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in news articles to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the

violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The assessment of sustainable investments is made using DNB AM's proprietary sustainable investments methodology. The investments made to attain the sustainable investment objective must be in companies that have revenues aligned with either one or more UN SDGs, have activities that are taxonomy aligned, have credible science-based emission reduction targets, or which demonstrate potential avoided emissions. The minimum proportion of sustainable investments is 20%.

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- Weighted average SDG alignment of the portfolio of at least 30%
- Average carbon intensity of the portfolio below the benchmark
- The fund will not invest in companies that derive 5 percent or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 5 percent or more of their income from thermal coal, or base 5 percent or more of its business on thermal coal.[18]
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership.
- The fund shall not invest in companies with exposure to controversial weapons.[19]
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use
- The fund excludes companies with more than 5% revenues from alcohol production, conventional weapons, or gambling
- Companies with direct exposure to fossil fuels or with a high level of carbon emissions

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

[18] Stricter threshold than the DNB Group Instruction for Responsible Investments. Exemptions from these thresholds can be made for companies through forward- looking assessments, and if they have any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands or thermal coal, and/or increase the share of their income or operations derived from renewable energy sources.

[19] The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompasses the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and

voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

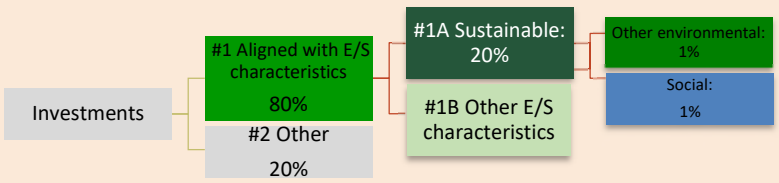
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics), and a minimum overall proportion of 20% sustainable investments (#1A Sustainable). The rest of the fund (#2 Other) will be invested in cash, in derivatives, or other investments for which there is insufficient data.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund promotes environmental and social characteristics, but does not commit to make any sustainable investments with an environmental objective aligned with the EU Taxonomy, therefore the minimum rate of investments aligned with the EU Taxonomy is 0%.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

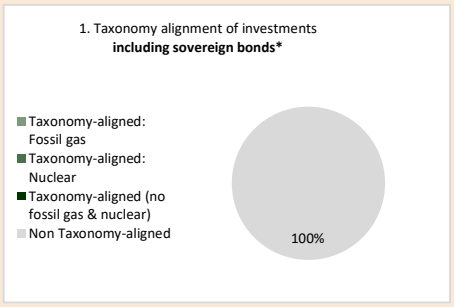
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[20]?**

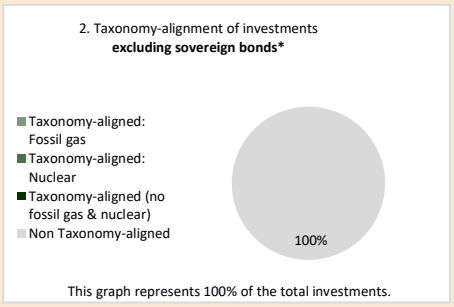
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The fund does not commit to make any sustainable investments with an environmental objective aligned with the EU Taxonomy, including in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund commits to a minimum share of 1% sustainable investments with an environmental objective that is not aligned with the EU Taxonomy.

[20] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of socially sustainable investments?

The fund commits to a minimum share of 1% sustainable investments with a social objective.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures” (https://documents.anevis-solutions.com/dnb/SUSTAINABILITY_DISCLOSURE-EN-LU-LU1706371272.pdf).

1.2.5 DNB FUND – HEALTH CARE

Emphasis is placed on investments in the equities of companies operating in or associated with the health care sectors. Geographically the Sub-Fund has full flexibility. The Sub-Fund may invest between 5% and 15% of its net assets in equities quoted on the Hong Kong Stock exchange or on the Shanghai Stock exchange.

The Sub-Fund will invest in equities at least 80% of its net assets.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund's benchmark index is MSCI World Health Care Index.

The Sub-Fund is Actively Managed. The Sub-Fund does not track the benchmark index and can deviate significantly or entirely from it.

The base currency of the Sub-Fund is EUR.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Health Care

Legal entity identifier:
222100LO3RSU5EWYPE40

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[21], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not relevant.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

[21] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	

10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board gender diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices.

	The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing (MSCI World Health Care Index), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including,

without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the companys action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[22].
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[23].
- The fund shall not invest in companies with exposure to controversial weapons[24].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

---

[22] In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.

[23] Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.

[24] The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and

voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

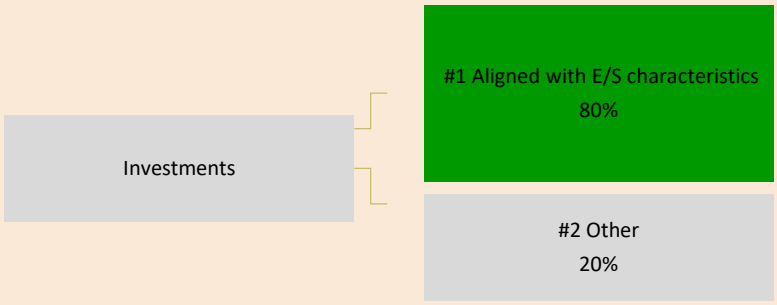
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[25]?

☐ Yes:

[25] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

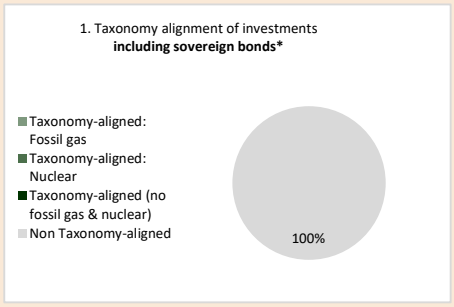
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

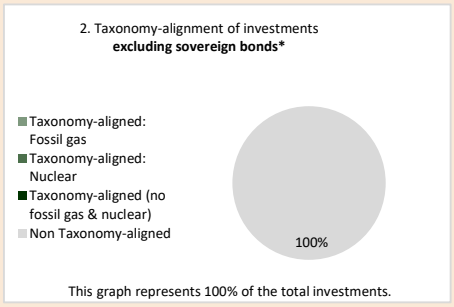
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The fund does not commit to a minimum share of investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures”(https://documents.anevis-solutions.com/dnb/SUSTAINABILITY_DISCLOSURE-EN-LU-LU1660425346.pdf).

1.2.6 DNB FUND – INDIA

Emphasis is placed on investments in equities in India. Investments in the Indian stock market may also be done indirectly through depository receipts, listed on any stock exchange or Regulated Market. Derivatives (including in particular options and futures contracts) on the above mentioned listed equities might also be used, on an ancillary basis, in order to obtain exposure to the Indian equity market.

The Sub-Fund will invest in equities at least 80% of its net assets.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

These stock markets qualify either as stock exchanges or as Regulated Markets which operate regularly and are recognized and open to the public in the meaning of Article 41(1) of the UCI Law. The stocks which are not dealt on stock exchanges or Regulated Markets as described hereabove are subject to Article 41(2) of the UCI Law.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Potential investors in the Sub-Fund are warned that investment in the Sub-Fund is subject to a high degree of risk. Shares of the Sub-Fund are only suitable for investors who can fully evaluate the risks involved. Indeed, the risks inherent in investment in Emerging Countries' securities are significant and differ in kind and degree from the risks presented by investments in the world's major securities markets. In addition to the usual risks associated with equity investments, these risks include political, regulatory and economic risks that may be substantially greater than those associated with other financial markets. Although stock markets in certain Emerging Countries have provided substantial returns in recent years, there can be no assurance that such performance will continue.

The Sub-Fund is Actively Managed. The Sub-Fund does not track the benchmark index and can deviate significantly or entirely from it.

The base currency of the Sub-Fund is EUR.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – India

Legal entity identifier:
5493005K3CPXY4Q8EP36

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes** ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective:** %

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** %

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of

companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[26], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

  - *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not relevant.

[26] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment.
2. Carbon footprint	
3. GHG Intensity of Investee Companies	

4. Exposure to companies active in the fossil fuel sector	In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board gender diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing (MSCI India Index), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[27].
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[28].
- The fund shall not invest in companies with exposure to controversial weapons[29].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD

[27] In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.

[28] Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.

[29] The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.

Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

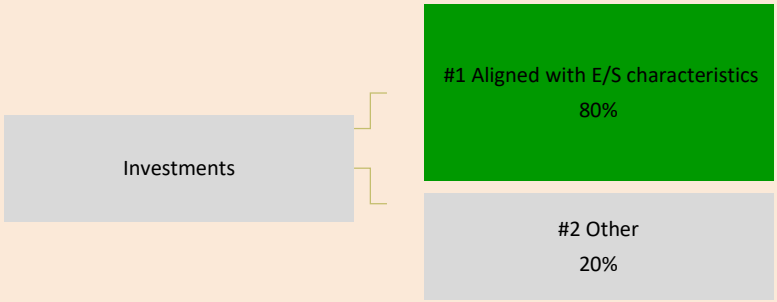
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[30]?**

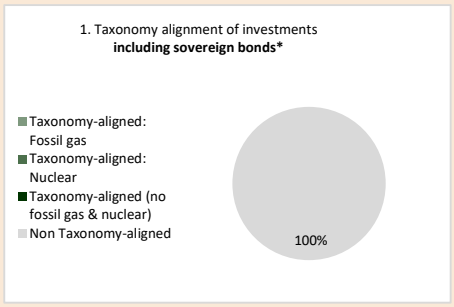
☐ Yes:

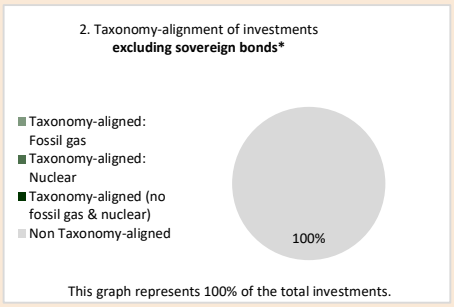
☐ In fossil gas ☐ In nuclear energy

☒ No

[30] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The fund does not commit to a minimum share of investments in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures”.

1.2.7 DNB FUND – LOW VOLATILITY EQUITIES

The Sub-Fund aims to achieve, with minimum exposure to volatility, a positive relative return over the long-term principally through investments in equities of companies exhibiting relatively low volatility and concentration risk. Geographically, the Sub-Fund has full flexibility in developed markets.

The Sub-Fund will invest in equities at least 80% of its net assets.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund's benchmark index is MSCI World Index.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is mentioned for performance comparison purposes. The Sub-Fund does not track the benchmark index and can deviate significantly or entirely from it.

The base currency of the Sub-Fund is EUR.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Low Volatility Equities

Legal entity identifier:
54930085Z0XNH3SBTX34

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[31], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not relevant.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

[31] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNBs Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	

	engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board gender diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices.

	The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing (MSCI World Index), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including,

without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30 % or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30 % or more of their income from thermal coal, or base 30 % or more of its business on thermal coal[32].
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[33].
- The fund shall not invest in companies with exposure to controversial weapons[34].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

---

[32] In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.

[33] Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.

[34] The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and

voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

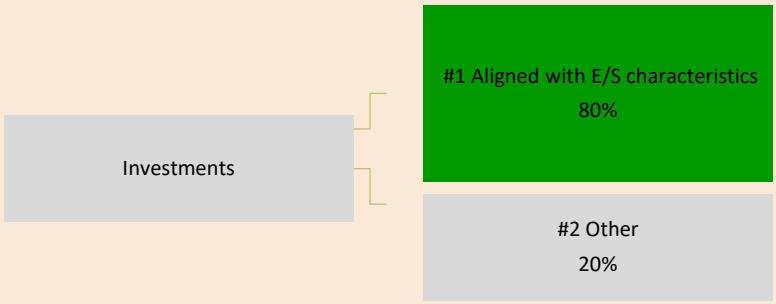
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

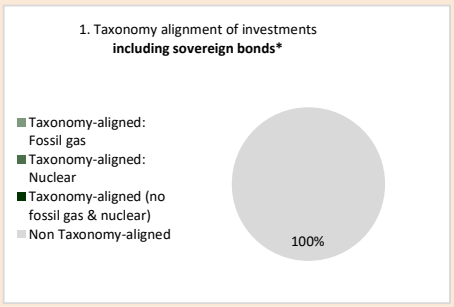
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[35]?**

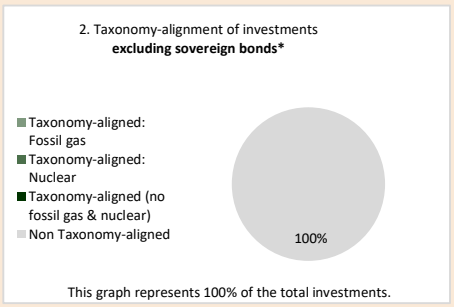
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- ***What is the minimum share of investments in transitional and enabling activities?***

The fund does not commit to a minimum share of investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

[35] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures” (https://documents.anevis-solutions.com/dnb/SUSTAINABILITY_DISCLOSURE-EN-LU-LU2061961731.pdf).

1.2.8 DNB FUND – NORDIC EQUITIES

The Sub-Fund seeks to invest mainly in equities in Denmark, Finland, Norway and Sweden, with the aim to achieve a positive relative return over the long-term.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is VINX Capped Index Net, a standard benchmark reflecting the broad Nordic investment universe relevant for the Sub-Fund. The Sub-Fund typically invests in equities of companies based in Denmark, Finland, Norway and Sweden. The Sub-Fund's benchmark index is mentioned for performance comparison purposes. The Sub-Fund does not track the benchmark index and can deviate significantly or entirely from it.

The Sub-Fund shall invest at least 75% of its net assets in equities of companies domiciled in the European Union or within the European Economic Area (EEA).

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The base currency of the Sub-Fund is EUR.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Nordic Equities

Legal entity identifier:
5493000YZOLO6HMKQU67

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes environmental and social (E/S) characteristics by investing in companies with an environmental profile and with a focus on delivering solutions for a better climate and environment.

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions, climate change adaptation and environmental responsibility (including water management; energy efficiency; waste management; water and air pollution; deforestation).

- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility

The fund aims to contribute to the taxonomy objectives “climate change mitigation” and “climate change adaptation”. The remaining environmental objectives "sustainable use and protection of water and

marine resource", "transition to a circular economy", "pollution prevention and control" and "protection and restoration of biodiversity and ecosystems" is also relevant for the strategy.

The fund avoids any investments which are not in line with the DNB Group Instructions for Responsible Investments (Group Instructions), as well as investments with more than 5% revenues from alcohol production, gambling and conventional weapons, and companies with a high carbon intensity. The fund also ensures that the fund has a low weighted average carbon intensity and shall not exceed 100 tonnes CO_2e/USDm sales.

The fund does not use a reference benchmark that is aligned with the environmental and social characteristics promoted by the fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:
- Taxonomy alignment of the portfolio
- Carbon intensity of the portfolio compared to the carbon intensity of the benchmark (VINX Benchmark Net Index Capped)
- Companies that derive 5% or more of their income from oil sands or thermal coal, and with no indication of transition
- Companies in breach of the UN`s Global Compact and the OECD`s guidelines for multinational companies
- Companies with exposure to controversial weapons
- Companies that produce cannabis for recreational use, tobacco or pornography
- Companies that derive 5% or more of their income from alcohol production, conventional weapons or gambling.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The fund will commit to a minimum share of 20% environmentally sustainable investments in line with its strategy to invest in companies with an environmental profile and with a focus on delivering solutions for a better climate and environment.

The fund utilises positive screening to include companies that have a potential positive environmental contribution. Positive contribution is measured by companies with activities that are taxonomy aligned, companies with revenues aligned with one or more environmental UN SDGs, have credible science-based emission reduction targets, and by companies that demonstrate potential avoided emissions.

The assessment of alignment to environmental UN SDGs is based on qualitative and quantitative analysis using an internally developed SDG framework for mapping and measuring SDG alignment. The framework has been externally reviewed by a third party and internal audit. Data on SDG alignment is based on data from an external data provider and our own internal data and fundamental analysis by portfolio managers. Alignment is measured in terms of revenues or alternatively CapEx.
We supplement the positive contribution analysis by looking at potential avoided emissions for companies. PAE are emissions that would have been released if a particular action or intervention had

not taken place. Avoided emissions can appear throughout third parties' value chains depending on the type of product or service offered and how this product or service affects operations.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The fund assesses significant harm on environmental or social sustainable investment objectives through several tools. The fund uses both the principal adverse impact indicators as well as alignment with international standards and norms to assess significant harm, as further described below. The fund's taxonomy-aligned investments will do no significant harm with regards to the requirements outlined in the Taxonomy Regulation[36].

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

We use, as a minimum, the mandatory indicators that measure principal adverse impacts of our investments to consider significant harm on environmental or social objectives. Companies who are identified as outliers for one or several principal adverse impact indicators will be put on a watchlist, and will be further analysed. This can result in either engagements with the company to learn more and encourage them to address their potential adverse impacts, or exclusion of the company as a last resort. In cases where data coverage and quality is currently low, the portfolio managers, together with the Responsible Investment team aim to make their own assessment of the significant harm caused by the investment. We aim to quantify this to the highest possible extent, but reasonable qualitative assessments may be made where data is not available.

Note that data quality and coverage of principal adverse impact indicators in the market are currently low for certain indicators. We expect the quality and coverage to improve over time, and we aim for continuous improvement by assessing our data providers as well as engaging with companies to encourage them to improve their reporting in this area.

The following PAIs are taken into account for all sustainable investments:

- Green House Gas emissions: GHG emissions (PAI 1), Carbon footprint (PAI 2), GHG intensity of investee companies (PAI 3), Exposure to companies active in the fossil fuel sector (PAI 4), Share of non-renewable energy consumption and production (PAI 5), Energy consumption intensity per high impact climate sector (PAI 6)

- Biodiversity: Activities negatively affecting biodiversity-sensitive areas (PAI 7)

- Water: Emissions to water (PAI 8)

- Waste: Hazardous waste and radioactive waste ratio (PAI 9)

- Social and employee matters: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10), Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11), Unadjusted gender pay gap (PAI 12), Board gender diversity (PAI 13)

[36] *Regulation (EU) 2020/852*

- Controversial weapons: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (PAI 14)

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments.

We screen companies prior to inclusion into our investment universe, quarterly for benchmark rebalancing, and on a weekly and daily basis for alerts on potential and/or realised breaches in international norms and standards. The purpose is to uncover potential breaches of international norms and standards. The screen is based on data from external data providers.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes:

☐ No

The fund follows the DNB Group Instructions, as well as applying additional screening criteria related to the fund strategy. The fund considers all mandatory PAI indicators for the sustainable investments in the portfolio, as described above. On product level, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes.
2. Carbon footprint	

3. GHG Intensity of Investee Companies	Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies have been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analyzed and considered in the investment process where data is available. Potential Avoided Emissions (PAE) is considered as additional information to the carbon footprint. The fund has a low carbon mandate, and the fund excludes companies with a high level of carbon emissions. The fund shall have a carbon intensity below the benchmark.
4. Exposure to companies active in the fossil fuel sector	Companies active in the fossil fuel sector are generally not included in the fund's investment universe. The fund applies strict exclusion criteria based on DNB's Instructions, additional exclusion criteria (defined by DNB AM), and exclusions based on requirements from an external ESG label.
5. Share of non-renewable energy consumption and production	Oil sands extraction, mining companies and power produces from thermal coal are excluded in cases where the company derives 5% or more of their income from these activities unless there is a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation.
7. Activities negatively affecting biodiversity- sensitive areas	Biodiversity is addressed qualitatively by the fund in company engagements where company research indicates that the topic is material and should be addressed. We aim to increase metrics and reporting on biodiversity as data quality and availability improves. Expectations documents are the starting point for portfolio company engagement. As part of DNB AM, the fund is also involved in a three-year engagement programme on deforestation linked to soft commodities, and collaborative engagements through FAIRR on Sustainable Aquaculture.

10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analyzed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board Gender Diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.

14. Exposure to controversial weapons (anti- mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Positive screening is utilised to include companies that have a positive environmental profile across the themes climate change; water management; energy efficiency; waste management; water and air pollution; deforestation; biodiversity. Certain of these themes coincide with the six environmental objectives of the EU taxonomy. Until data on all environmental objectives described by the EU taxonomy is in place, we will supplement this by measuring contribution to these themes in terms of revenues aligned to environmental SDGs, as well as companies demonstrating potential avoided emissions and/or have credible science-based emission reduction targets.

We assess whether companies have credible science-based emission reduction targets, either by having a SBTi approved target or through our internal assessment framework. This approach also involves engaging with companies that lack such targets. For some companies, we use information on their potential avoided emissions. The analysis of potential avoided emissions has been elaborated in collaboration with an external ESG data provider and is an indicator for measuring positive contribution of portfolio companies. PAE are emissions that would have been released if a particular action or intervention had not taken place. Avoided emissions can appear throughout third parties' value chains depending on the type of product or service offered and how this product or service affects operations.

The assessment of alignment to environmental UN SDGs is based on qualitative and quantitative analysis using an internally developed SDG framework for mapping and measuring SDG alignment. The framework has been externally reviewed by a third party and internal audit. Data on SDG alignment is based on data from an external data provider and our own internal data and fundamental analysis by portfolio managers. Alignment is measured in terms of revenues or alternatively CapEx.

The responsible investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. ESG data is incorporated into DNB AM's portfolio management and information systems. In addition, alerts on incidents and controversies are regularly made available to portfolio managers. Portfolio managers use this data in their investment decision making.

This fund follows DNB AM's standard exclusion list, with additional fund specific criteria, which applies to all investments of the fund. The standard exclusion criteria are based on the requirements of the DNB Group Instructions (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). The fund also has a low carbon mandate which requires the fund to have a lower average carbon intensity than the reference

benchmark, which is VINX Benchmark Net Index Capped. In addition, the fund's average carbon intensity must not exceed 100 tonnes CO_2e/USDm sales.

If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instruction. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

If an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The assessment of sustainable investments is made using DNB AM's proprietary sustainable investments methodology. The investments made to attain the sustainable investment objective must be in companies which either demonstrate potential avoided emissions, have activities that are taxonomy aligned, have credible science-based emission reduction targets, or that have revenues aligned with either one or more environmental UN SDGs. The minimum proportion of sustainable investments is 20%.

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- Average carbon intensity of the portfolio shall be below the benchmark (VINX Benchmark Net Index Capped) and under 100 metric tonnes CO_2e/USDm sales
- Taxonomy alignment for the portfolio shall be at least 2%.

- The fund will not invest in companies that derive 5% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 5% or more of their income from thermal coal, or base 5% or more of its business on thermal coal.[37]
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership.
- The fund shall not invest in companies with exposure to controversial weapons.[38]
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.
- The fund excludes companies with more than 5% revenues from alcohol production, conventional weapons, or gambling.
- Companies with direct exposure to fossil fuels or with a high level of carbon emissions, unless in transition.
- The fund may also apply additional exclusion criteria related to external ESG labelling requirements.

Additional exclusion criteria applied can be found under the website link provided at the end of this Annex.

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and

[37] *Stricter threshold than the DNB Group Instruction. Exemptions from these thresholds can be made for companies through forward- looking assessments, and if they have any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands or thermal coal, and/or increase the share of their income or operations derived from renewable energy sources.*

[38] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.



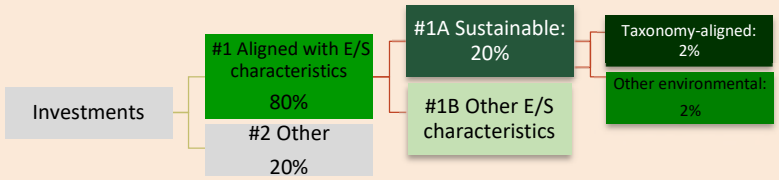
What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics), and a minimum overall proportion of 20% sustainable investments (#1A Sustainable). The rest of the fund (#2 Other) will be invested in cash, in derivatives, or other investments for which there is insufficient data.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The minimum proportion of investments with an environmental objective aligned with the EU Taxonomy is 2%.

We will use data on taxonomy alignment from an external data provider. Taxonomy alignment calculations is based on company revenues. Currently a third-party check is not in place.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[39]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

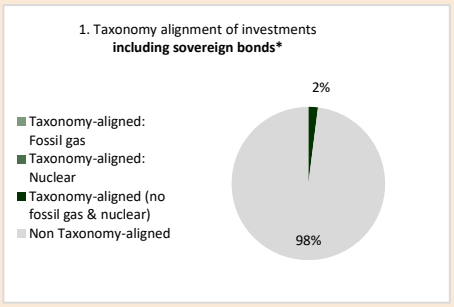
[39] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

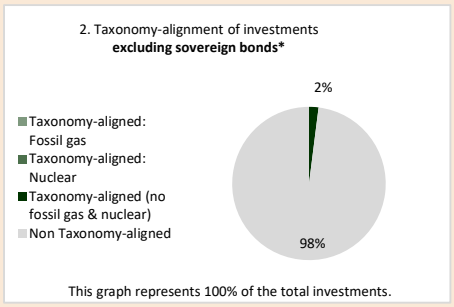
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The fund commits to make at least 2% sustainable investments in line with the EU Taxonomy, but the minimum share of transitional and enabling activities is set at 0%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund commits to a minimum share of 2% sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

Not applicable.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures” ((https://documents.anevis-solutions.com/dnb/SUSTAINABILITY_DISCLOSURE-EN-LU-LU0083425479.pdf).

1.2.9 DNB FUND – NORDIC SMALL CAP

The Sub-Fund aims to achieve a positive relative return over the long-term principally through investments in equities of small and medium capitalization size companies domiciled in the Nordic Markets, *i.e.* Norway, Sweden, Finland, Denmark and Iceland; or of companies which, while not domiciled in Nordic Markets, carry out a predominant portion of their business activities in the Nordic Markets; or of companies the equity instruments of which are primarily traded in the Nordic Markets.

The Sub-Fund will invest in equities at least 80% of its net assets.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund is Actively Managed.

The base currency of the Sub-Fund is EUR.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Nordic Small Cap

Legal entity identifier:
5493007VQWB5NPP83634

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[40], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not relevant.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

[40] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	

	engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board gender diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.

14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing (VINX Small Cap), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees

to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[41].
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[42].
- The fund shall not invest in companies with exposure to controversial weapons[43].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

[41] In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.

[42] Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.

[43] The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and

voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

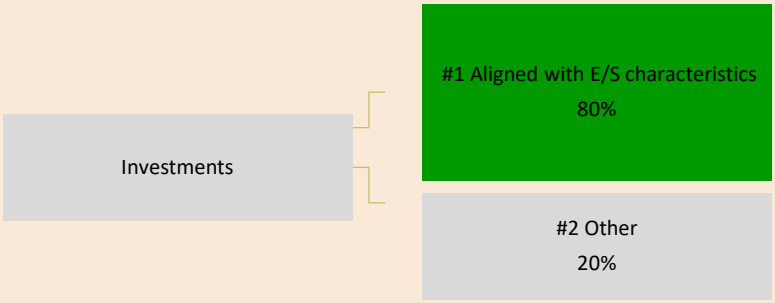
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[44]?

[44] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

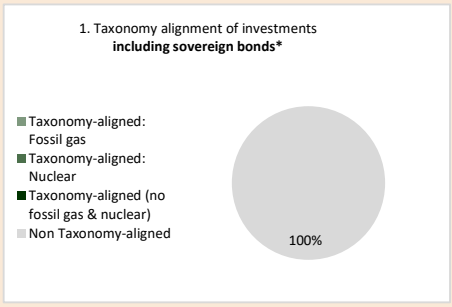
☒ No

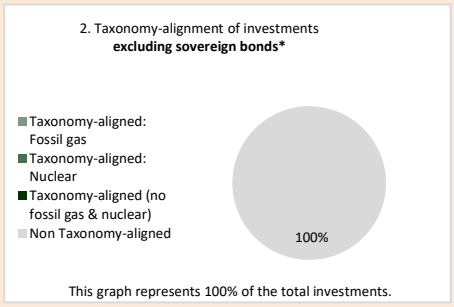
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The fund does not commit to a minimum share of investments in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures”.

1.2.10 DNB FUND – LISTED PRIVATE EQUITY

The Sub-Fund will mainly invest in the global private equity sector through exposure in other UCITS(s), UCI(s), Exchange Traded Funds (ETFs), listed private equity investment trusts (PEITS), indices and listed equities of companies investing in the private equity sector. Derivatives (including in particular options and futures contracts) on the above mentioned UCITS(s), UCI(s), ETFs, listed PEITS, indices and listed equities might also be used, on an ancillary basis, in order to obtain exposure to the private equity sector. Geographically the Sub-Fund has full flexibility.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund neither have a sustainable investment objective in accordance with article 9 of SFDR nor invest in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund considers principal adverse impacts on sustainability factors as described in the SFDR Annex below.

The Sub-Fund will invest in equities at least 80% of its net assets.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund's benchmark index is LPX50 Listed Private Equity Index.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is mentioned for performance comparison purposes. The Sub-Fund does not track the benchmark index and can deviate significantly or entirely from it.

The base currency of the Sub-Fund is EUR.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Listed Private Equity

Legal entity identifier:
549300EPXEI2MOPB1E83

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**

- ☐ It will make a minimum of **sustainable investments with an environmental objective:** %
  - ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ It will make a minimum of **sustainable investments with a social objective:** %

☒ **No**

- ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
  - ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - ☐ with a social objective
- ☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions (climate change mitigation) and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not relevant.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of

	controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board gender diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing (MSCI World Financials Index), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund commits to invest at least 80% of its assets in investments that align with the environmental or social characteristics promoted.

- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[45].
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines for multinational companies[46],. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[47].
- The fund shall not invest in companies with exposure to controversial weapons[48].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the

[45] *In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.*

[46] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

[47] *Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.*

[48] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

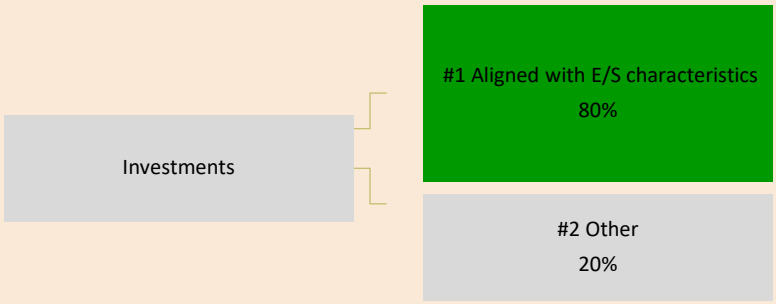


What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[49]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

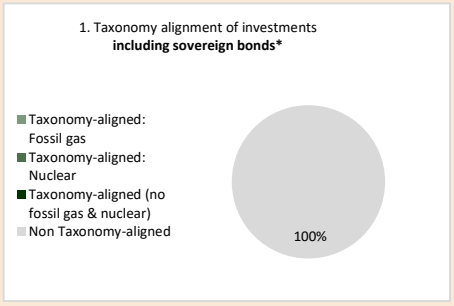
[49] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

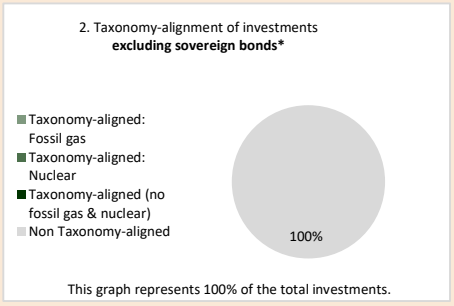
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The fund does not commit to a minimum share of investments in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures”.

1.2.11 DNB FUND – RENEWABLE ENERGY

The Sub-Fund seeks to invest in equities contributing to a better environment, by investing in companies whose services and technologies help reduce global Green House Gas (GHG) emissions, as well as to achieve a positive relative return over the long-term, principally through investments in equities of small, medium and large capitalization size companies globally.

The Sub-Fund has a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is WilderHill New Energy Global Innovation Index (NEXUST). The chosen benchmark is a standard benchmark reflecting the broad financials investment universe relevant for the Sub-Fund. This Innovation Index (NEX) captures climate change solutions. It is composed of companies worldwide whose innovative technologies focus on clean energy, renewables, decarbonisation, and efficiency. The Sub-Fund, however, has a broader approach to climate change solutions than its benchmark, and therefore invests widely off-benchmark. The Sub-Fund is focused on constructing the best global portfolio consisting of sustainable solutions providers for a better environment irrespective of the benchmark. However, for now we see the benchmark as the best proxy for our investment universe.

The Sub-Fund will typically invest in equities of companies operating in the renewable energy or energy efficiency sectors, or equities of companies operating in or associated with services and technologies that aid the reduction of global emissions, *e.g.*, within in sectors such as Biofuels; Energy saving; Fuel cells; Grid; Materials; Power generation; Power storage; Solar and Wind.

The Sub-Fund will invest in equities at least 80% of its net assets.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The base currency of the Sub-Fund is EUR.

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Renewable Energy

Legal entity identifier:
54930081K8CKBHORUK11

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective:** 85%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of % of sustainable investments
☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What is the sustainable investment objective of this financial product?

The fund will attain its sustainable investment objective by investing in companies that are solution providers for a better environment, with a particular focus on resource efficiency, energy, and electrification.

In addition to our own objectives, the fund aims to contribute to the taxonomy objectives “climate change mitigation” and “climate change adaptation”. It is also assumed that one or more of the remaining environmental objectives "sustainable use and protection of water and marine resources", "transition to a circular economy", "pollution prevention and control" and "protection and restoration of biodiversity and ecosystems" will be relevant.

The fund does not use a benchmark that is aligned with sustainable investment objective of the fund.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The fund measures the attainment of the sustainable objective investment through several sustainability indicators.

The indicators are the following:

- Potential Avoided Emissions (PAE) of the portfolio.
- Percentage of portfolio companies that either demonstrate potential avoided emissions, have activities that are taxonomy aligned, have credible science-based emission reduction targets, or that have revenues aligned with one or more environmental UN SDGs.
- Percentage of the portfolio in breach of the fund exclusion criteria

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The fund assesses significant harm on environmental or social sustainable investment objectives through several tools. The fund uses both the principal adverse impact indicators as well as alignment with international standards and norms to assess significant harm, as further described below. The fund's taxonomy-aligned investments will do no significant harm with regards to the requirements outlined in the Taxonomy Regulation[50].

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

We use, as a minimum, the mandatory indicators that measure principal adverse impacts of our investments to consider significant harm on environmental or social objectives. Companies who are identified as outliers for one or several principal adverse impact indicators will be put on a watchlist, and will be further analysed. This can result in either engagements with the company to learn more and encourage them to address their potential adverse impacts, or exclusion of the company as a last resort. In cases where data coverage and quality is currently low, the portfolio managers, together with the Responsible Investment team aim to make their own assessment of the significant harm caused by the investment. We aim to quantify this to the highest possible extent, but reasonable qualitative assessments may be made where data is not available.

Note that data quality and coverage of principal adverse impact indicators in the market are currently low for certain indicators. We expect the quality and coverage to improve over time, and we aim for continuous improvement by assessing our data providers as well as engaging with companies to encourage them to improve their reporting in this area.

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3
2. Carbon footprint	

[50] *Regulation (EU) 2020/852*

3. GHG Intensity of Investee Companies	emissions and set net zero targets through voting and engagements. An internal framework has been developed to systematically capture standardised data on companies' carbon reduction target setting – this enables the portfolio managers to better assess the quality of target setting and is used as a tool for company engagement and tracking momentum over time. Scope 3 is analyzed and considered in the investment process where data is available. Potential Avoided Emissions (PAE) is considered as additional information to the carbon footprint.
4. Exposure to companies active in the fossil fuel sector	Companies active in the fossil fuel sector are generally not included in the fund's investment universe. The fund applies strict exclusion criteria based on DNB's Group Instructions for Responsible Investments, additional exclusion criteria (defined by DNB AM), and exclusions based on requirements from an external ESG label. Companies that derive more than 1% of their revenues from the exploration, mining, distribution or refining of hard coal and lignite are excluded. In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or a power capacity of more than 10,000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed on observation. Companies that derive 5% or more of their revenues from oil sands extraction are excluded from the investment universe, unless the company has a clear path to transition based on our forward-looking assessment. The fund excludes companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil, companies that derive 50% or more of their revenues from the exploration, extraction, production or distribution of gas, and companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2-eq/kWh.
5. Share of non-renewable energy consumption and production	
6. Energy consumption intensity per high impact climate sector	Energy consumption is a natural point of discussion in company engagements where this is material. We engage with companies which we deem to have an energy consumption intensity which might be harmful to the environment or society. The fund has a dialogue with portfolio companies on science-based net zero targets on an annual basis.
7. Activities negatively affecting biodiversity- sensitive areas	Biodiversity is addressed qualitatively by the fund in company engagements where company research indicates that the topic is material and should be addressed.

	We aim to increase metrics and reporting on biodiversity as data quality and availability improves. Expectations documents are the starting point for portfolio company engagement. As part of DNB AM, the fund is also involved in a three-year engagement programme on deforestation linked to soft commodities, and collaborative engagements through FAIRR on Sustainable Aquaculture.
8. Emissions to water 9. Hazardous waste and radioactive waste ratio	Assessment of water and waste management is a component of the fundamental investment process and is reflected on in our ESG proprietary database and research. The fund has designed its own water questionnaire with the aim of retrieving more data and information on companies' practices regarding water. In addition, we use our expectations documents on water, oceans, biodiversity and serious environmental harm to communicate our expectations in this area towards companies. Our expectations call for companies to identify, assess and manage their exposure to water-related risks and opportunities, and to ensure a high level of transparency around how such information can be utilised in our company analysis and as an input to investment decision-making. Data on emissions to water and hazardous waste and waste reduction targets are gathered and monitored when available and are addressed in company engagements where company research indicates that the topic is material.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to make sure no companies are in violation of international norms and standards. Violations, or indication of possible violation, based on controversy assessments from external service providers or other publicly available information, lead to further investigation by the responsible investments team to determine whether this issue contributes to the conclusion of a breach of DNB's Group Instructions for responsible investments. Should a company be found to be in breach, we will seek to engage the company to learn more and encourage improvement. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analyzed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement

	may be conducted directly, through service providers, and/or through collaborative engagement.
12. Unadjusted gender pay gap	Company reporting on gender pay gap is somewhat limited, but we expect this to improve over time and as required by regulation. Overall, gender pay gap disclosures are only mandatory in few jurisdictions (e.g. UK, California). Gender equality and diversity is therefore addressed in company engagements where company research indicates that the topic should be addressed. The topic is also addressed through voting - we usually support reasonable shareholder resolutions requesting disclosure of specific diversity targets and disclosure on gender pay gaps within companies.
13. Board gender diversity	Assessment of board gender diversity is a component of the fundamental investment process and is reflected on in our ESG proprietary database and research. We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments.

We screen companies prior to inclusion into our investment universe, quarterly for benchmark rebalancing, and on a weekly and daily basis for alerts on potential and/or realised breaches in international norms and standards. The purpose is to uncover potential breaches of international norms and standards. The screen is based on data from external data providers.
.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the fund follows the DNB Group Instructions for Responsible Investments, as well as applying additional screening criteria related to the fund strategy. The fund considers the principal adverse impacts indicators which are depicted above.

☐ No

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund is a thematic environmental fund which invests in sustainable enablers of a better environment.

The sectors that are covered by the investment universe (as defined by the benchmark which is WilderHill New Energy Global Innovation Index (NEXUST) are: Biofuels; Energy saving; Fuel cells; Grid; Materials; Power generation; Power storage; Solar; Wind. However, the fund takes a broader approach to the environmental theme than its benchmark.

The investment focus is on identifying attractive investment cases among companies contributing to a better environment, from both a financial and an ESG perspective. Companies must demonstrate that the drive towards lower emissions reductions and a better environment is a significant driver for their business. Companies with low GHG emissions intensities do not necessarily contribute the most to reducing global emissions which is why we consider emissions throughout the entire value chain and place emphasis on what the companies' product does for society from an environmental point of view.

The analysis of potential avoided emissions on the fund has been elaborated in collaboration with an external ESG data provider and is the fund's main indicator for measuring positive contribution of portfolio companies. PAE are emissions that would have been released if a particular action or intervention had not taken place. Avoided emissions can appear throughout third parties' value chains depending on the type of product or service offered and how this product or service affects operations. We also assess whether companies have credible science-based emission reduction targets, either by having a SBTi approved target or through our internal assessment framework. This approach also involves engaging with companies that lack such targets.

The assessment of alignment to environmental UN SDGs is based on qualitative and quantitative analysis using an internally developed SDG framework for mapping and measuring SDG alignment. The framework has been externally reviewed by a third party and internal audit. Data on SDG alignment is based on data from an external data provider and our own internal data and fundamental analysis by portfolio managers. Alignment is measured in terms of revenues or alternatively CapEx.

100% of the portfolio is covered by external or internal ESG assessments.

The fund follows DNB AM's Standard exclusion list, with additional fund specific criteria, which applies to all investments of the fund.

We screen companies prior to inclusion into our investment universe, quarterly for benchmark rebalancing, and on a weekly and daily basis for alerts on potential and/or realised breaches in international norms and standards. The purpose is to uncover potential product violations, breaches of international norms and standards.

Active ownership through company engagement and proxy voting are key elements of the fund's active ownership approach. We engage with companies both on specific ESG incidents and/or to encourage improvement of companies' general performance on sustainability-related issues, which may otherwise lead to underperformance.

If an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the sustainable investment objective?***

- The assessment of sustainable investments is made using DNB AM's proprietary sustainable investments methodology. The investments made to attain the sustainable investment objective must be in companies which either demonstrate potential avoided emissions, have activities that are taxonomy aligned, have credible science-based emission reduction targets, or that have at least 20% revenues aligned with either one or more environmental UN SDGs. The fund applies a pass-fail methodology by using the thresholds disclosed in its website disclosure.

Note that we also apply strict exclusion criteria based on:
- The fund will not invest in companies that derive 5% or more of their income from oil sands extraction.[51]
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership.[52]
- The fund shall not invest in companies with exposure to controversial weapons.[53]

[51] *Stricter threshold than the DNB Group Instruction for Responsible Investments.*
[52] *Exemptions from these thresholds can be made for companies through forward- looking assessments, and if they have any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands, and/or increase the share of their income or operations derived from renewable energy sources.*
[53] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.
- The fund excludes companies with more than 5% revenues from alcohol production, conventional weapons, or gambling.
- The fund excludes investments in companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite.
- The fund excludes investments in companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels.
- The fund excludes investments in companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels.
- The fund excludes investments in companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh.

Additional exclusion criteria applied can be found under the website link provided at the end of this Annex.

The binding elements are documented and monitored on an ongoing basis.

● *What is the policy to assess good governance practices of the investee companies?*

The assessment of investee companies' good governance practices is based on the DNB Group Instructions for Responsible Investments and DNB AM Engagement Policy. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contributes to the infringement of human or labour rights, corruption, or other actions that could be regarded as unethical.[54] This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability- and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screen fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labor rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labor and child labor. Additionally, the companies must avoid serious violations of basic labor rights. Notably, any significant controversies related to employee incidents hold

[54] *If an investment no longer aligns with the good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.*

substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labor rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

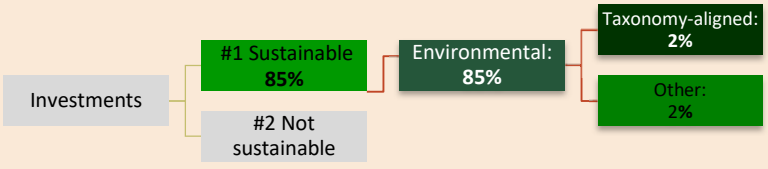
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation and the minimum share of sustainable investments?

The fund will have a minimum proportion of 85% environmentally sustainable investments (#1 Sustainable). The rest of the fund investment (up to 15%) will be invested in cash and derivatives (#2 Not sustainable).



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The minimum proportion of investments with an environmental objective aligned with the EU Taxonomy is 2%.

We will use data on taxonomy alignment from an external data provider. Currently a third-party check is not in place.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[55]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

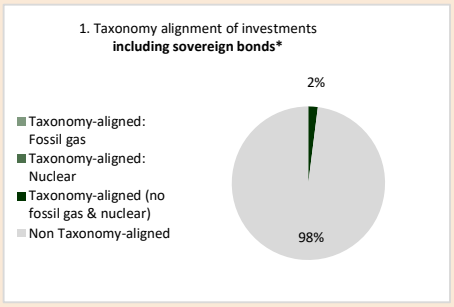
☒ No

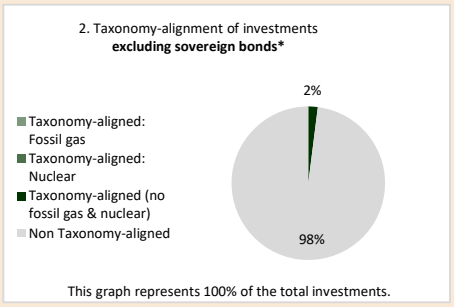
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The fund commits to make at least 2% sustainable investments in line with the EU Taxonomy, but the minimum share of transitional and enabling activities is set at 0%.

[55] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund commits to a minimum share of 2% sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

Not applicable.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Not sustainable" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section "Our funds" on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called "Sustainability related disclosures" (https://documents.anevis-solutions.com/dnb/SUSTAINABILITY_DISCLOSURE-EN-LU-LU0302296149.pdf).

1.2.12 DNB FUND – TECHNOLOGY

The Sub-Fund seeks to invest mainly in equities of companies operating in or associated with the technology, media and telecom sectors, with the aim to achieve a positive relative return over the long- term. Geographically the Sub-Fund has full flexibility.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is MSCI World Communication Services & Information Technology. The chosen benchmark MSCI World Communication Services & Information Technology is a standard benchmark reflecting the broad TMT investment universe relevant for the Sub-Fund. The Sub-Fund's benchmark index is also used for the calculation of the performance fee. The Sub-Fund does not track the benchmark index and can deviate significantly or entirely from it.

Starting from 31 December 2025, for share classes Retail A (Hedged) EUR (ISIN LU3145732932) and Institutional C1 (Hedged) EUR (ISIN LU3145732858) there will be no performance fee levy. For the reminder of the shares, a performance fee of 10% of the excess yield in relation to the Sub-Fund's benchmark index could be levied. The Sub-Fund's benchmark index is MSCI World Communication Services & Information Technology. Please refer to chapter 15 ("CHARGES & EXPENSES") for detailed information on conditions and calculations of performance fees.

The Sub-Fund will typically invest in equities of companies operating in or associated with the technology, media and telecom sectors.

The Sub-Fund will invest in equities at least 80% of its net assets.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The base currency of the Sub-Fund is EUR.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Technology

Legal entity identifier:
2221009HL2G8Z8L26P85

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes** ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective:** %

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** %

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[56], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not relevant.

[56] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating
2. Carbon footprint	
3. GHG Intensity of Investee Companies	

4. Exposure to companies active in the fossil fuel sector	capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board gender diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company

	does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing (MSCI World Communication Services & Information Technology), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[57].
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[58].
- The fund shall not invest in companies with exposure to controversial weapons[59].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

[57] *In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.*

[58] *Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.*

[59] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

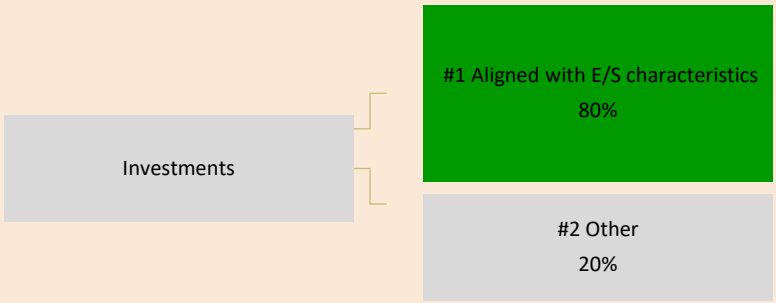
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[60]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

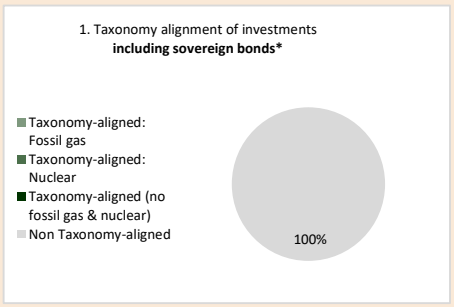
☒ No

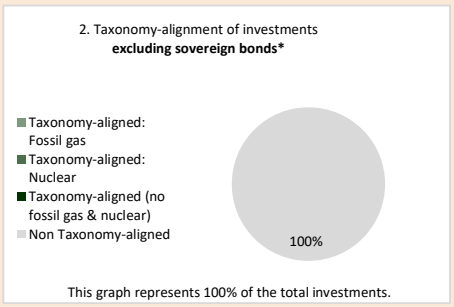
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The fund does not commit to a minimum share of investments in transitional and enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

[60] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures” (https://documents.anevis-solutions.com/dnb/SUSTAINABILITY_DISCLOSURE-EN-LU-LU0302296495.pdf).

1.2.13 DNB FUND – FINANCIALS

The Sub-Fund seeks to invest mainly in equities of companies operating in or associated with the finance, banking, insurance and real estate sectors, with the aim to achieve a positive relative return over the long-term. Geographically the Sub-Fund has full flexibility.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is MSCI World Financials Index. The chosen benchmark is a standard benchmark reflecting the broad financials investment universe relevant for the Sub-Fund. The Sub-Fund does not track the benchmark index and can deviate significantly or entirely from it.

The Sub-Fund will invest at least 80% of its net assets in equities and equity related securities (such as American Deposit Receipts (ADRs) or Global Deposit Receipts (GDRs)).

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may invest up to 20% of its net assets in emerging markets.

The Sub-Fund may also invest up to 20% of its net assets in closed-ended real estate investment trusts (REITs). The Sub-Fund will not invest in financial derivative instruments.

The base currency of the Sub-Fund is EUR.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Financials

Legal entity identifier:
3912002A3NV4QFRIIS36

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[61], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not relevant.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

[61] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions 2. Carbon footprint 3. GHG Intensity of Investee Companies 4. Exposure to companies active in the fossil fuel sector	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or

Cooperation and Development (OECD) Guidelines for Multinational Enterprises	a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board gender diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing (MSCI World Financials Index), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated

with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[62].

- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[63].
- The fund shall not invest in companies with exposure to controversial weapons[64].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN

[62] *In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.*

[63] *Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.*

[64] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

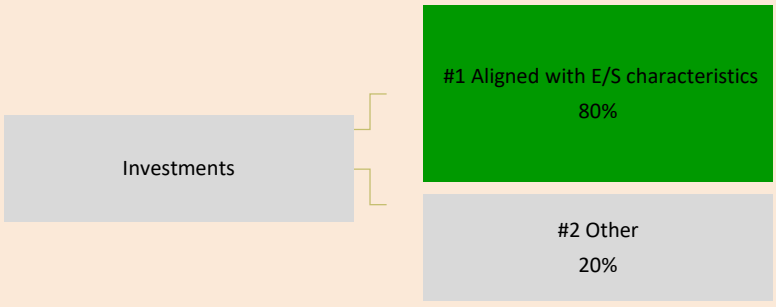
Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

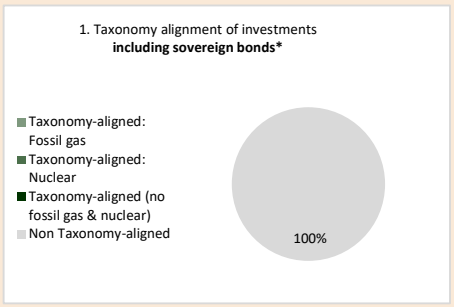
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[65]?**

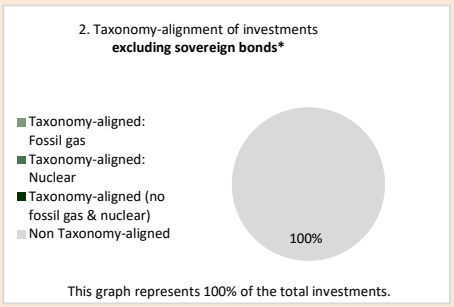
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

[65] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

What is the minimum share of investments in transitional and enabling activities?

The fund does not commit to a minimum share of investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section "Our funds" on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called "Sustainability related disclosures".

1.2.14 DNB FUND – EUROPEAN ENERGY SECURITY

The Sub-Fund is a thematic equity fund investing in companies whose activities enhance the resilience, reliability, and independence of Europe's energy system (including oil, gas, renewable energies). It targets sectors involved in the production, generation, storage, and safeguarding of energy.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with *article 8* of *SFDR*. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

To achieve its investment objective, the Sub-Fund will invest at least 80% of its net assets in equities and equity-related securities (such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs)) issued by companies contributing to Europe's energy security (as described above) of companies:

- with income from activities related to energy security, and
- which are domiciled or listed on stock exchanges and regulated markets in Europe; and
- which contributes to the production, generation, storage, distribution, or safeguarding of energy in Europe, supporting the resilience, reliability, and independence of the European energy system.

While the Sub-Fund will have an investment bias towards European companies engaged in the energy sector, it may also invest, as market opportunities arise, in other countries, or in other sectors such as industrials, materials, information technology, and communication services. Depending on market conditions, the Sub-Fund may focus its investments on one or more countries, sectors, or currencies.
The Sub-Fund may invest in companies of any size or market capitalisation, including large, mid, and small caps, without any preference or intended focus on a particular market capitalisation segment.

On an ancillary basis, the Sub-Fund can:

- invest investment funds / undertakings for collective investment (UCIs, which are UCITS and/or other UCIs), equities and equity-related securities other than those above-mentioned;
- for treasury purposes (in normal market conditions), invest in in investment grade debt securities (corporate and sovereign), and, money market UCIs and have term deposits; and
- for treasury purposes and for the time necessary to proceed to reinvestments, can have cash (deposits at sight), for a maximum of 20% of the Sub-Fund's net assets, in normal market conditions.

The Sub-Fund will not invest more than 10% of its net assets in UCIs (UCITS and/or other UCIs). It is understood that the Sub-Fund may invest, up to a maximum of 10% of its net assets, in newly issued equities (such as via IPO (Initial Public Offerings)), provided that the terms of issue include a commitment to apply for admission to official listing on a stock exchange or another Regulated Market, and that such admission is obtained within one year from the date of issue.

In accordance with section 1.1 "Specificities of Equity Sub-Funds," the Sub-Fund may use financial derivative instruments both to achieve its investment objectives and for currency hedging purposes. These instruments may include, but are not limited to, futures, options, rights, and warrants that are quoted on an official stock exchange or traded on a regulated market.

The Sub-Fund's benchmark index is MSCI Europe index. The Sub-Fund is actively managed and does not track the benchmark index, allowing for significant or complete deviation from it. The Sub-Fund's index is mentioned for performance comparison purposes.
The base currency of the Sub-Fund is EUR.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – European Energy Security

Legal entity identifier:
[_____]

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund invests in companies relevant to Europe's energy security. Energy security means reliable, affordable and uninterrupted energy supply, supported by a resilient energy system spanning production, grids, storage, logistics and infrastructure, across both renewable and non-renewable energy sources.

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[66], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

  - *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not relevant.

[66] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the
2. Carbon footprint	
3. GHG Intensity of Investee Companies	

4. Exposure to companies active in the fossil fuel sector	combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board gender diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect

	that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund is a thematic fund investing in companies with relevance to Europe's energy security. Energy security refers to uninterrupted availability of energy at affordable prices. It extends to the resilience of Europe's entire energy system. This includes not only energy production, but also generation capacity, grids, storage, logistics, and the protection of infrastructure that together ensure reliable, secure and resilient energy supply. Energy encompasses all systems and resources used to generate and deliver power, spanning traditional sources such as oil and gas as well as renewable energy solutions.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing (MSCI Europe Index), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations.

The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund ' s portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund' s approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the companys action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[67].
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company' s behavior through active ownership[68].

[67] *In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.*

[68] *Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.*

- The fund shall not invest in companies with exposure to controversial weapons[69].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in

[69] The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.

company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

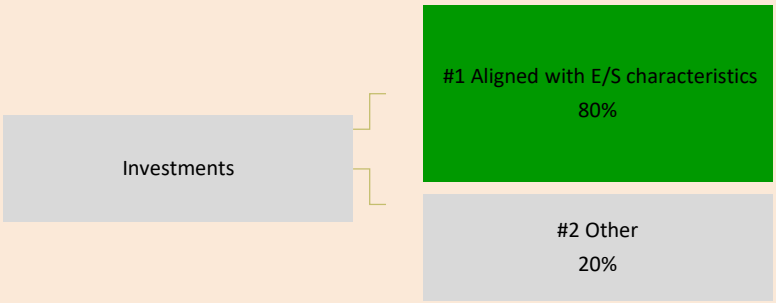
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[70]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

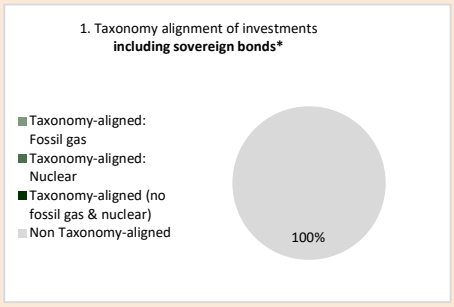
☒ No

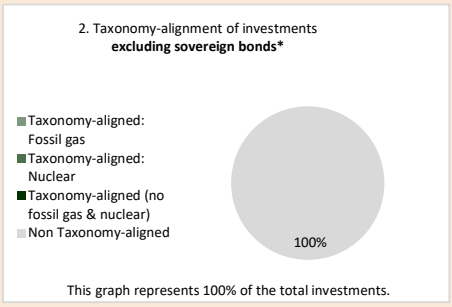
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The fund does not commit to a minimum share of investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

[70] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section "Our funds" on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called "Sustainability-related disclosures".

1.2.15 DNB FUND – WOMEN'S HEALTH

The Sub-Fund is a thematic equity fund focused on investing in companies that are relevant to women's health. A company may be included in the women's health investment universe if it offers a commercialized or development-stage product, service, technology, medical device, diagnostic solution, platform, or pipeline candidate that directly or indirectly addresses women's health outcomes, needs, or lived experiences across various sectors. Eligible companies typically operate within healthcare, biotechnology, consumer staples, consumer discretionary, or information technology.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with *article 8* of *SFDR*. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

To achieve its investment objective, the Sub-Fund will invest in equities at least 80% of its net assets in equities and equity-related securities (such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs) of companies acting in the women's health sector (as described above).

The Sub-Fund may invest in any country (including emerging countries), in any economic sector and in any currency. However, depending on market conditions, the investments may be focused on one country or on a limited number of countries and/or one women's health related economic activity sector and/or one currency.

The Sub-Fund may invest in companies of any size or market capitalisation, including large, mid, small, and mega capitalisation companies, without any restriction or intended focus on a particular market capitalisation segment.

Direct investments in Chinese companies can be made through ADRs, GDRs, China H shares, China B shares and China A shares. When investing in China A shares, the Sub-Fund may use the Shanghai - Hong Kong Stock Connect and/or the Shenzhen - Hong Kong Stock Connect.

On an ancillary basis, the Sub-Fund can :

- invest investment funds / undertakings for collective investment (UCIs, which are UCITS and/or other UCIs), equities and equity-related securities other than those above-mentioned;
- for treasury purposes (in normal market conditions), invest in in investment grade debt securities and, money market UCIs and have term deposits; and
- for treasury purposes and for the time necessary to proceed to reinvestments, can have cash (deposits at sight), for a maximum of 20% of the Sub-Fund's net assets, in normal market conditions.

The Sub-Fund will not invest more than 10% of its net assets in UCIs (UCITS and/or other UCIs).

It is understood that the Sub-Fund may invest, up to a maximum of 10% of its net assets, in newly issued equities (such as via IPO (Initial Public Offerings)), provided that the terms of issue include a commitment to apply for admission to official listing on a stock exchange or another Regulated Market, and that such admission is obtained within one year from the date of issue.

The Sub-Fund's benchmark index is MSCI World Health Care index. The Sub-Fund is actively managed and does not track the benchmark index, allowing for significant or complete deviation from it. The Sub-Fund's index is mentioned for performance comparison purposes.

In accordance with section 1.1 "Specificities of Equity Sub-Funds," the Sub-Fund may use financial derivative instruments both to achieve its investment objectives and for currency hedging purposes. These instruments

may include, but are not limited to, futures, options, rights, and warrants that are quoted on an official stock exchange or traded on a regulated market.

The base currency of the Sub-Fund is EUR.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Women's Health

Legal entity identifier:
[_____]

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

DNB Fund Women's Health is a thematic equity fund investing across sectors in companies with relevance to women's health, including prevention, diagnostics and treatment of conditions that are unique to women, more prevalent in women or manifest differently in women, as well as reproductive health–related needs.

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[71], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

  - *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not relevant.

[71] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the
2. Carbon footprint	
3. GHG Intensity of Investee Companies	

4. Exposure to companies active in the fossil fuel sector	combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board gender diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national

	gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

DNB Fund Women's Health is a thematic equity fund investing in companies with relevance to women's health. Women's health includes the prevention, diagnosis and treatment of conditions that are unique to women, more prevalent in women, or manifest differently in women, as well as reproductive health–related needs.

The fund applies a cross-sector investment approach. The investment universe comprises companies across multiple sectors where women's health needs translate into commercially scalable opportunities throughout the value chain, including prevention, diagnostics, treatment, quality of life and long-term care.The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing (MSCI World Health Care Index), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant

improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the companys action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[72].
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[73].
- The fund shall not invest in companies with exposure to controversial weapons[74].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

[72] *In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.*

[73] *Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.*

[74] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

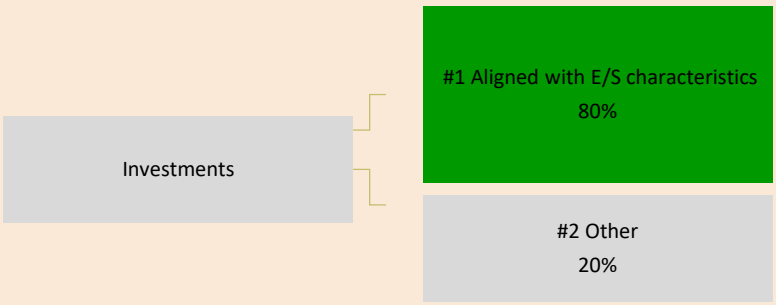
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[75]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

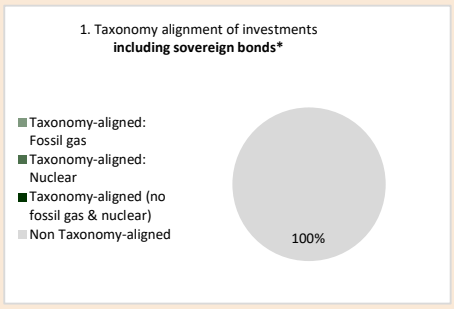
☒ No

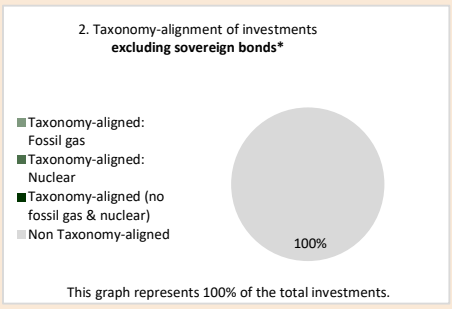
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The fund does not commit to a minimum share of investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

[75] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section "Our funds" on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called "Sustainability-related disclosures".

2. ALTERNATIVE INVESTMENT SUB-FUNDS

2.1 SPECIFICITIES OF ALTERNATIVE INVESTMENT SUB-FUNDS

General Investment Objectives

The main objective of the Alternative Investment Sub-Funds is the realisation of long-term capital growth through direct or indirect investments in long- or short positions in equity securities and instruments relevant to the particular geographical, sector and/or thematic focus of each Alternative Investment Sub- Fund. Typically, an Alternative Investment Sub-Fund focusing its investments on a geographical area will have full sector flexibility. Similarly, an Alternative Investment Sub-Fund focusing its investments on one or more sectors or themes will typically have full geographical flexibility.

The Alternative Investment Sub-Funds offer the Shareholders a convenient access to relevant markets of transferable securities while complying with the principle of risk diversification. The transferable securities traded in the Alternative Investment Sub-Funds are quoted on an official stock exchange or traded on a regulated market, which operates regularly, is recognized and is open to the public.

The Alternative Investment Sub-Funds will be Actively Managed, and investments centred on those companies that have been identified as offering prospects for capital growth or, reversely, on companies with negative prospects through the use of financial derivatives whereby a fall in the equity price will result in an increase in the financial derivative's value.

In order to achieve its main objective, the Alternative Investment Sub-Funds' portfolios may also include financial derivative instruments, including but not limited to financial futures contracts, options (on equities, interest rates, indices, bonds, currencies, commodity indices or other instruments), forward contracts (including foreign exchange contracts), depository receipts, rights, warrants on transferable securities traded on a recognised stock exchange or another Regulated Market, swaps (including foreign exchange swaps, commodity index swaps, interest rate swaps, and swaps on baskets of equities, volatility swaps and variance swaps), credit derivatives (including credit default derivatives, credit default swaps and credit spread derivatives), warrants, and structured financial derivative instruments such as credit-linked and equity-linked securities. To the degree the Alternative Investment Sub-Funds will have any exposure to ABS or MBS, such exposure will never exceed 20% of the portfolio of the respective Alternative Investment Sub-Fund. Any such investments will nevertheless be out of scope of Regulation (EU) 2017/2402 (the Securitization Regulation).

Under normal circumstances, it is generally expected that the actual percentage of the assets held by an Alternative Investment Sub-Fund that may be subject to contracts for difference at any time will not exceed 300% of its net assets. In exceptional circumstances, such percentage may be increased up to a maximum of 400% of its net assets. The actual percentage depends on factors including, but not limited to the amount of relevant transferable securities held within an Alternative Investment Sub-Fund and the market demand for such securities at any given time.

For Alternative Investment Sub-Funds investing in a specific geographical area or industrial sector, emphasis will be given to the investments and currencies related to the specific objective of the Alternative Investment Sub-Fund. All references to a specific geographical area have to be understood as being references to (i) the area in which the issuer is domiciled or (ii) the area in which the issuer carries on the predominant portion of its business activities or (iii) the area in which the relevant securities are listed.

With a view to maintaining adequate liquidity, each Alternative Investment Sub-Fund may hold up to 20% of its net assets in ancillary liquid assets. The latter may cover cash held in current accounts with a bank accessible at any time, short-term bank deposits at sight. The Alternative Investment Sub-Fund may also

invest in regularly traded money market instruments the residual maturity of which does not exceed twelve months.

The Alternative Investment Sub-Funds may engage in forward foreign currency exchange contracts in order to hedge the assets of the Alternative Investment Sub-Fund against currency fluctuations. Hedged Classes are Classes to which a hedging strategy aiming at mitigating currency risk against the reference currency of the Alternative Investment Sub-Fund is applied, in accordance with ESMA opinion on UCITS share classes (ESMA34-43-296).

ESG and responsible investing criteria

The investment universe of Alternative Investment Sub-Funds is carefully screened, taking into account DNB Group's Instructions for Responsible Investments seeking to ensure that DNB does not contribute to human or labour rights violations, corruption, serious environmental harm and other actions which may be perceived to be unethical. An assessment of the sustainability risks and opportunities related to ESG (Environment, Social and Governance) factors are integrated in the investment management. Each Sub-Fund's investments are considered in relation to social, environmental and ethical criteria based on the following internationally recognised guidelines and principles:

- the UN Global Compact;
- the OECD Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights;
- the Ottawa Convention (international agreement on the prohibition of anti-personnel mines); and
- the Convention on Cluster Munitions.

The responsible investment team, composed by dedicated ESG analysts, works closely with the relevant portfolio managers to ensure that the Sub-Fund does not invest in companies which contribute to serious violation of human and labour rights, grave harm to the environment, unacceptable greenhouse gas emissions and serious corruption. Investments are not made in companies involved in production of tobacco, production of pornography, or weapons which through normal use violate basic humanitarian principles. Companies which derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers which themselves or through entities they control derive 30% or more of their income from thermal coal, or base 30% or more of their operations on thermal coal, may be excluded from the investment universe. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. In addition, emphasis shall be placed on forward- looking assessments of the companies, including any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands or thermal coal, and/or increase the share of their income or operations derived from renewable energy sources.

DNB Group's Instructions for Responsible Investments are available on our website:

https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2022/Group_instructions_responsible_investments.pdf

In addition, a process of ESG integration (*i.e.* incorporating ESG data within portfolio management systems) is adopted for all Alternative Investment Sub-Funds: Equities are screened prior to inclusion into our investment universe, quarterly for benchmark rebalancing, and on a weekly and daily basis for changes to ESG ratings/factors or alerts on potential and/or realised breaches in international norms and standards.

ESG data is subject to a range of risks including *inter alia* data availability on issuers particularly in regard to small, mid cap and emerging market companies), lack of standardised taxonomy for the classification of ESG activities, excessive reliance on external ESG data providers, unaligned ESG conclusions provided by different providers on a single company, albeit the initial analysis is carried out with reference to ESG ratings and scores provided by external providers (DNB AM uses ratings provided by MSCI ESG and norms based screenings from Sustainalytics, ISS and Bloomberg, same are paid in accordance with market practice), the responsible investment team does not take ESG ratings, and more generally speaking ESG data from third party providers mechanistically into consideration, but further analyses assumptions and criteria adopted in this perspective, supplementing ratings provided by external providers with the conclusions of its thorough analysis. In this perspective, this assessment is also corroborated with the analysis of industry reports, sell-side research, media and non-governmental organisations (NGO) reports as well as questionnaires as the case may be.

This ESG integration process would allow to uncover potential product violations, breaches of international norms and standards and/or material sustainability risks and opportunities. Based on the screening, and in-house research through additional sources of information, the responsible investment team can highlight potential sustainability risks and opportunities to the portfolio manager, as well as provide input/recommendations about divesting as the case may be.

Through this collaborative effort between the responsible investment team and each relevant portfolio manager, the abovementioned discussions will trigger actions such as further investigation, engagement in dialogue with the company, favourable / unfavourable assessment for what relates to the investment decision on a given company.

Company engagement and proxy voting are key elements of the Investment Manager's active ownership approach. We engage with companies on specific ESG incidents, or to improve companies' general performance of sustainability-related processes, which may otherwise lead to underperformance. Engagements may either take place directly with companies, through our external service provider on engagements or in collaboration with other investors. Standard setting is an important element of active ownership. As part of this, we develop and publish expectation documents within important areas, which we use to contribute to the improvement of standards in the market, and to form the basis of engagements with companies. The Investment Manager's voting guidelines aim to vote at all Norwegian general meetings for listed companies our funds are shareholders in, and we have adopted a systematic approach to determining which global companies' annual general meetings we will vote at. For Norwegian companies, we engage with Boards, Management and Nomination Committees prior to annual general meetings and will explain our voting decisions to companies when we have voted against the company's recommendation. The results of our proxy voting are made publicly available. Through informed proxy voting we endeavour to secure long-term shareholder value and ensure that companies act sustainably.

Risk Profile

The Shareholders should be aware that the value of the Shares may fall as well as rise and the invested capital may not be fully repaid.

The profit deriving from the Shares may fluctuate and fluctuations within the exchange rates may cause the net asset value of Shares to go up or down. The levels and basis of, and relief from, taxation may vary.

Investing in Alternative Investment Sub-Funds may offer a higher rate of return than those in short-term and long-term debt securities. However, the risks associated with investments in Alternative Investment Sub-Funds may also be higher, because the investment performance of such Alternative Investment Sub-Funds depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies or positions taken. The fundamental risk associated with any alternative investment portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the

activities of an individual company or in response to general market and/or economic conditions. In particular the use of financial derivative instruments for investment purposes may increase the volatility of the net asset value per Share, which may result in higher losses for the Investor. Potential investors should note that warrants on transferable securities, although expected to provide higher returns than transferable securities due to their high leverage, are subject to volatility in their price and subsequent greater risk of loss. Moreover, these instruments can lose their entire value.

Risk Management Process

The Alternative Investment Sub-Funds use the VaR Approach. The expected level of leverage is explicitly stated under the description of each Alternative Investment Sub-Fund.

Profile of Targeted Investors

The Alternative Investments Sub-Funds are suitable for investors wishing to attain defined investment objectives. The investor must have experience with volatile products.

The investor must be able to accept significant temporary losses, thus the Alternative Investment Sub-Funds are suitable to investors who can afford to set aside the capital for at least five (5) years. They are designed for the investment objective of building up capital.

Potential investors are advised to seek information on the following issues they might encounter under the laws of the countries of their citizenship, residence or domicile:

- possible tax consequences;
- legal requirements;
- foreign exchange restrictions;
- exchange control requirements; and
- any other issue that might be relevant to the subscription, purchase, holding, switching and disposal of Shares.

Total Annual Return and ongoing charges

An overview of the Alternative Investments Sub-Funds' performance scenarios will be disclosed in the respective KID. Past performance is not indicative of future results. An indication of the respective Alternative Investment Sub-Fund's ongoing charges will be disclosed in the KID for each Sub-Fund.

Fees for the Alternative Investment Sub-Funds

Investment Management Fee (includes all fees paid to the Management Company, the Administration Agent and the Depositary Bank)	Up to 1.50%*
Performance fee	As set out in the Sub-Fund's Appendix, if applicable
Subscription minimum amount for Institutional Classes C1, D1, S2	EUR 1,000,000.- or the equivalent in another currency
Subscription minimum amount for Institutional Classes C2, D2	EUR 100,000,000.- or the equivalent in another currency
Subscription minimum amount for Retail Classes A, A2, N, N2, S1	None
Subscription fee	Up to 5%
Conversion fee	Up to 1%

Redemption fee	None

Details of the actual rate of the Investment Management Fee for each Class are set out on the website https://www.dnbam.com.

*Share class available at DNB FUND – TMT Long/Short Equities Sub-Fund charging the investment management fee of 0.50% and regular performance fee applicable to the Sub-Fund.

2.2 LIST OF ALTERNATIVE INVESTMENT SUB-FUNDS

2.2.1 DNB FUND – TMT LONG/SHORT EQUITIES

The Sub-Fund aims to achieve a positive absolute return over the long-term regardless of market conditions, by taking long and short positions primarily in equities of or in derivative contracts related to equities of companies operating in or associated with the technology, media and telecom sectors. Geographically, the Sub-Fund has full flexibility.

The use of derivatives forms an integral and important part of the Sub-Fund's investment strategy. Financial derivative instruments may be employed for instance to generate additional exposure through long or covered short positions to equities. Such financial derivative instruments may include, but are not limited to, over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps (typically portfolio swaps), forward contracts and/or a combination of the above.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The expected level of leverage is between 100% and 400% based on the net asset value of the Sub-Fund.

The Sub-Fund will invest in equities at least 51% of its net assets.

The Sub-Fund may also invest at the Investment Manager's discretion in other transferable securities, derivative instruments and collective investment schemes.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

A performance fee of 20% of the excess yield in relation to the Sub-Fund's benchmark index could be levied. The Sub-Fund's benchmark indices vary for each Share Class, on the basis of the applicable Share Class currency, as the case may be, and they are

- in relation to EUR share classes: custom benchmark based on Germany 3 Months Government Yield (please refer to chapter 8 ("RISK WARNINGS") for detailed information regarding this benchmark);
- in relation to USD share classes: custom benchmark based on US Government 3 Months Yield (please refer to chapter 8 ("RISK WARNINGS") for detailed information regarding this benchmark);
- in relation to CHF share classes: BNP Paribas Money Market TR Index CHF;
- in relation to NOK share classes: NBP Norwegian Government Duration 0.25 Index NOK; and
- in relation to SEK share classes: SWESTR.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark indices are used for the calculation of the performance fee. The Sub-Fund does not track the benchmark indices and can deviate significantly or entirely from them.

Please refer to chapter 15 ("CHARGES & EXPENSES") for detailed information on conditions and calculations of performance fees.

The base currency of the Sub-Fund is EUR. The Sub-Fund engages in forward foreign currency exchange contracts in order to hedge the assets of this Sub-Fund against currency fluctuations. The Sub-Fund will aim to hedge the performance of the Classes not expressed in EUR to replicate the base currency performance of the Sub-Fund on a best effort basis.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – TMT Long/Short Equities

Legal entity identifier:
549300AC65BW5G032106

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[76], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

Note that we do not take into account short positions of the fund in this Annex.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.
- Note that the sustainaility indicators are only applicable to the long positions of the fund.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

  Not relevant.

[76] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs for the fund's long positions:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	

	long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board gender diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles.

	The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to rebalancing of relevant benchmark), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken

a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

Note that short positions will not be considered either in terms of the DNB Group Instructions for Responsible Investments, ESG assessments, or taken into account in the fund's asset allocation. ESG assessment of investments in short equity exposure is highly complex and requires reliable methodologies which are not yet fully developed. The Sustainable Finance Disclosure Regulation does currently not provide guidance on this issue. Our view on how to treat short positions might change if further guidance is received from the EU Commission in the future. This Annex will be updated accordingly.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[77].
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[78].
- The fund shall not invest in companies with exposure to controversial weapons[79].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

[77] *In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.*

[78] *Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.*

[79] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and

voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

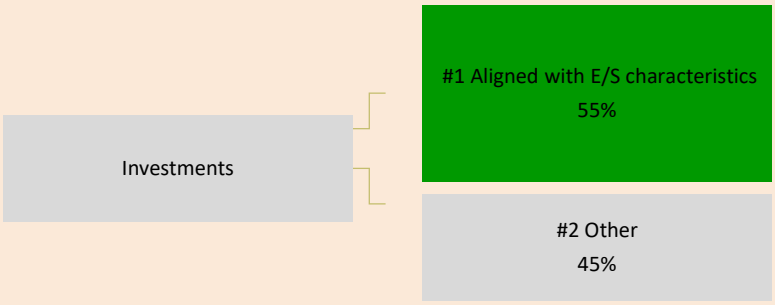
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 55% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). This proportion can include both long positions through direct equity investments and through derivatives. The rest of the fund (#2 Other) will be invested in cash or derivatives. Note that we do not include the fund's short equity exposure, as those positions are *de jure* not part of the fund's portfolio, in the calculation of asset allocation.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The portfolio manager may use derivatives for investment purposes. Derivatives can be used to attain the environmental or social characteristics promoted by the fund in cases where the portfolio managers take long positions through derivatives, as they will be subject to the same binding elements as direct equity investments.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

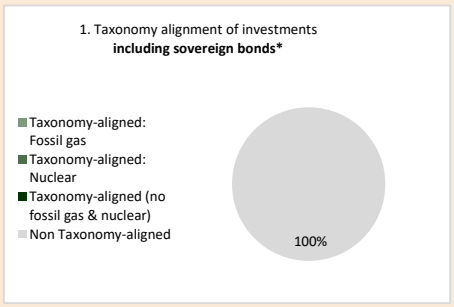
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[80]?

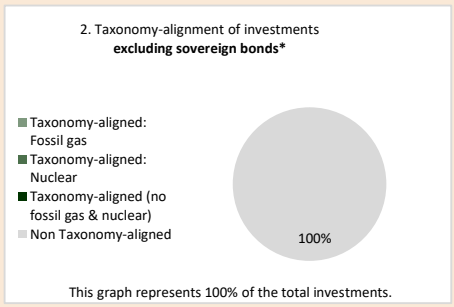
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The fund does not commit to a minimum share of investments in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

[80] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

To the extent that derivatives are used to take short positions in the equity market, these positions are not subject to the same ESG criteria that apply to long positions through direct equity investments and through derivatives.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures” (https://documents.anevis-solutions.com/dnb/SUSTAINABILITY_DISCLOSURE-EN-LU-LU0547714526.pdf).

2.2.2 DNB FUND – STABLE ALPHA

The Sub-Fund aims to achieve a moderate level of current income and medium to long-term capital appreciation, principally through investments in equity of companies, irrespective of capitalization size, across regions and industry sectors around the world, as well as in securities with equity features such as conversion rights or subscription warrants. The Sub-Fund will also invest in fixed or floating-rate debt instruments and other debt securities with minimum credit ratings of B- or equivalent credit quality at the time of acquisition, as well as liquid assets in any currency. Geographically, the Sub-Fund has full flexibility.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund neither have a sustainable investment objective in accordance with article 9 of SFDR nor invest in economic activities that qualify as environmentally sustainable under Taxonomy Regulation. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The credit rating or equivalent classification of debt instrument investments will be monitored to ensure that no more than 10% of the net assets of the Sub-Fund is invested in debt securities rated below B- or equivalent credit quality, in the event of a downgrading of the bonds following acquisition.

If the credit rating or an equivalent credit quality classification of a debt instrument investment is no longer provided by any independent recognized credit rating agency or the Investment Manager after acquisition even though the bond at the time of acquisition had a minimum credit rating of B- or equivalent credit quality, then the credit rating of such investments shall be regarded as CCC+ or below. The Sub-Fund will not invest directly in distressed or default securities (rated “CCC+” (or equivalent) or below). In case of a downgrade of a security to distressed or default (rated “CCC+” (or equivalent) or below), the Investment Manager may (i) sell a part or the entire amount of security held or (ii) terminate the transaction entered into, at its discretion. The decision will be based on an assessment implementing a risk versus reward compromise. The Investment Manager will sell a security or terminate a transaction when the probability of additional losses is considered sufficiently strong or if the possibility of salvaging some of the value of the security is considered weak. To the contrary, the Investment Manager will keep the security in portfolio or remain in the transaction when the possibility and attractiveness of salvaging parts of the value of the security is considered strong.

Furthermore, the Sub-Fund will not invest more than 10% of its net assets in each of the following type of assets: (i) contingent convertible bonds; (ii) asset-backed securities (ABS) and mortgage-backed securities (MBS).

The use of financial derivative instruments forms an integral and important part of the Sub-Fund's investment strategy. Financial derivative instruments may be employed for instance to generate additional exposure through long or covered short positions to equities. Such financial derivative instruments may include, but are not limited to, over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps (typically portfolio swaps), forward contracts and/or a combination of the above.

Structured products will also be part of the Sub-Fund’s investment strategy. The Sub-Fund may invest a maximum of 40% of its net assets in structured products, such as notes, certificates whose returns are linked to changes in underlying instruments such as equities, bonds, currencies, interest rates, baskets of transferable securities, an undertaking for collective investment, an index selected in accordance with the article 9 of the Grand-Ducal regulation of 8 February 2008 (including indices on volatility, commodities, precious metals, etc.), at all times in compliance with the Grand-Ducal regulation.

In compliance with the Grand-Ducal regulation of 8 February 2008, the Sub-Fund may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund may also invest at the Investment Manager's discretion in other transferable securities, derivative instruments and collective investment schemes.

The Sub-Fund may invest up to 20% of its net assets in emerging markets.

The expected level of leverage is 500%, based on the net asset value of the Sub-Fund.

A performance fee of 15% of the excess yield in relation to the Sub-Fund's benchmark index could be levied. The Sub-Fund's benchmark indices vary for each Share Class, on the basis of the applicable Share Class currency, as the case may be, and they are:

- in relation of EUR share classes: custom benchmark based on Germany 3 Months Government Yield (please refer to chapter 8 ("RISK WARNINGS") for detailed information regarding this benchmark);
- in relation to USD share classes: custom benchmark based on US Government 3 Months Yield (please refer to chapter 8 ("RISK WARNINGS") for detailed information regarding this benchmark);
- in relation to CHF share classes: BNP Paribas Money Market TR Index CHF;
- in relation to NOK share classes: NBP Norwegian Government Duration 0.25 Index NOK; and
- in relation to SEK share classes: SWESTR.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark indices are used for the calculation of the performance fee. The Sub-Fund does not track the benchmark indices and can deviate significantly or entirely from them.

Please refer to chapter 15 ("CHARGES & EXPENSES") for detailed information on conditions and calculations of performance fees.

The base currency of the Sub-Fund is EUR. The Sub-Fund will aim to hedge the performance of the Classes not expressed in EUR to replicate the base currency performance of the Sub-Fund on a best effort basis.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Stable Alpha

Legal entity identifier:
549300XNP7G4MQO62834FINAN

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions (climate change mitigation) and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[81], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

Note that we do not take into account short positions of the fund in this Annex.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

Note that the sustainaility indicators are only applicable to the long positions of the fund.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

  Not relevant.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs for the fund's long positions:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power
2. Carbon footprint	
3. GHG Intensity of Investee Companies	

4. Exposure to companies active in the fossil fuel sector	generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through voting and engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
13. Board gender diversity	We consider at least 40% of the least represented gender to be best-practice. We specifically expect that companies target participation and equal access of women at senior level positions in line with national gender quotas for public companies. Where this is absent, a rationale for lack of female representation

	should be published. If a company does not meet our expectations, we aim to engage with them on the topic to improve their practices. The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Investee companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to rebalancing of relevant benchmark), and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company

and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues and voting are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

Note that short positions will not be considered either in terms of the DNB Group Instructions for Responsible Investments, ESG assessments, or taken into account in the fund's asset allocation. ESG assessment of investments in short equity exposure is highly complex and requires reliable methodologies which are not yet fully developed. The Sustainable Finance Disclosure Regulation does currently not provide guidance on this issue. Our view on how to treat short positions might change if further guidance is received from the EU Commission in the future. This Annex will be updated accordingly.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will invest 100% of its long positions in investments that align with the environmental or social characteristics promoted.
- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[82].
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[83].
- The fund shall not invest in companies with exposure to controversial weapons[84].

[82] *In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.*

[83] *Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.*

[84] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD

guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company's general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

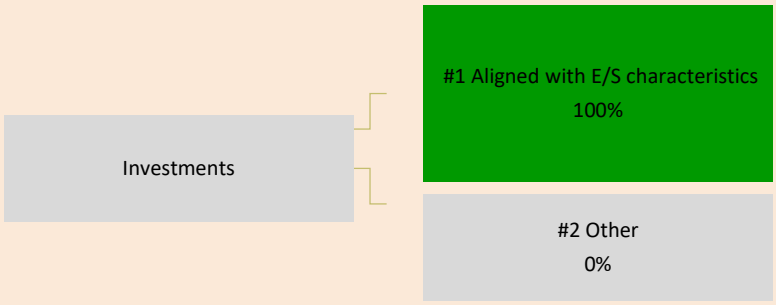
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The planned asset allocation for the Sub-Fund is the following: 100% of the investments (defined as long positions of the portfolio only) are aligned with the #1 Aligned with E/S characteristics by the Sub-Fund.

In terms of the Sub-Fund's net assets (i.e. excluding cash, cash equivalents and currency derivatives), the Investment Manager targets:
- Between 50% and 130% of the Compartment's net assets in long positions; and
- Between 40% and 120% of the Compartment's net assets in short positions.

For avoidance of doubt, ESG considerations and exclusions are taken into account only for long positions, not for short positions.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The portfolio manager may use derivatives for investment purposes. Derivatives can be used to attain the environmental or social characteristics promoted by the fund in cases where the portfolio managers take long positions

through derivatives, as they will be subject to the same binding elements as direct equity investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

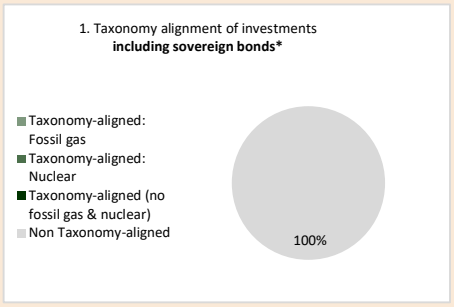
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[85]?**

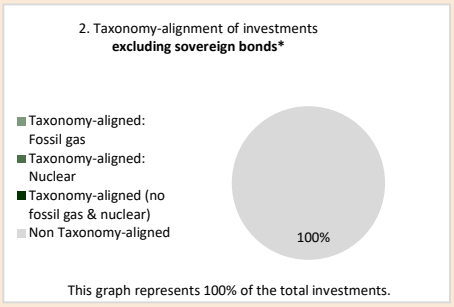
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The fund does not commit to a minimum share of investments in transitional and enabling activities.

[85] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

As mentioned earlier, investments for the purpose of the asset allocation of this Sub-Fund are understood as long positions of the portfolio only. As all the long positions will be subject to the ESG strategy described in this document, there will be 0% of investments under #2 Other.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section "Our funds" on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called "Sustainability related disclosures".

3. BOND SUB-FUNDS

3.1 SPECIFICITIES OF BOND SUB-FUNDS

General Investment Objectives

The main objective of the Bond Sub-Funds is the realisation of medium to long-term capital growth through direct or indirect investments in fixed or floating rate debt securities as well as other debt instruments relevant to the particular geographical, sector and/or thematic focus of each Bond Sub- Fund. Typically, a Bond Sub-Fund focusing its investments on a geographical area will have full sector flexibility. Similarly, a Bond Sub-Fund focusing its investments on one or more sectors or themes will typically have full geographical flexibility.

The Bond Sub-Funds offer the Shareholders a convenient access to relevant markets of transferable securities while complying with the principle of risk diversification. The transferable securities traded in the Bond Sub-Funds are quoted on an official stock exchange or traded on a regulated market, which operates regularly, is recognized and is open to the public.

The Bond Sub-Funds will be Actively Managed, and investments will be centred on those bond issuers that have been identified as offering attractive expected return versus risk of potential loss, with appropriate diversification.

Credit rating or equivalent credit quality classification must be assigned by an independent recognised ratings agency (such as or equivalent to Fitch, Moody's and/or Standard & Poor's) and by the Investment Manager.

The credit rating or equivalent classification of such investments will be monitored to ensure that no more than 10% of the net assets of the Bond Sub-Funds are invested in debt securities rated below the minimum credit quality requirement of the Bond Sub-Fund, in the event of a downgrading of the bonds following acquisition.

If the credit rating or an equivalent credit quality classification of an investment is no longer provided by any independent recognized rating agency or the Investment Manager after acquisition even though the bond at the time of acquisition had a minimum rating equal to or above the minimum credit quality requirement of the Bond Sub-Fund, then the credit rating of such investments shall be regarded as below the minimum credit quality requirement of the Bond Sub-Fund. The Bond Sub-Funds will not invest directly in distressed or default securities (rated "CCC+" (or equivalent) or below). In case of a downgrade of a security to distressed or default (rated "CCC+" (or equivalent) or below), the Investment Manager may (i) sell a part or the entire amount of security held or (ii) terminate the transaction entered into, at its discretion. The decision will be based on an assessment implementing a risk versus reward compromise. The Investment Manager will sell a security or terminate a transaction when the probability of additional losses is considered sufficiently strong or if the possibility of salvaging some of the value of the security is considered weak. To the contrary, the Investment Manager will keep the security in portfolio or remain in the transaction when the possibility and attractiveness of salvaging parts of the value of the security is considered strong.

The Bond Sub-Funds' portfolios may also include equity securities resulting from restructuring processes and securities with equity features such as conversion rights or subscription warrants, but it will be the policy of the Bond Sub-Funds that such securities (including equities resulting therefrom) should not amount in aggregate to more than 30% of the total net assets of the Bond Sub-Fund concerned.

The Bond Sub-Fund weightings among the different asset classes are determined based on their income, appreciation and risk of potential loss, with appropriate diversification.

For Bond Sub-Funds investing in a specific geographical area or industrial sector, emphasis will be given to the investments and currencies related to the specific objective of the Bond Sub-Fund. All references to a specific geographical area have to be understood as being references to (i) the area in which the issuer is domiciled or (ii) the area in which the issuer carries on the predominant portion of its business activities or (iii) the area in which the relevant securities are listed.

With a view to maintaining adequate liquidity, each Bond Sub-Fund may hold up to 20% of its net assets in ancillary liquid assets. The latter may cover cash held in current accounts with a bank accessible at any time, short-term bank deposits at sight. The Bond Sub-Fund may also invest in regularly traded money market instruments the residual maturity of which does not exceed twelve months.

The Bond Sub-Funds may use financial derivative instruments to achieve their investment objectives and for currency hedging. These instruments may include, but are not limited to, futures, options, forward contracts, credit derivatives and swaps. Within the overall parameters of the Bond Sub-Funds, the portfolio will be balanced as to currencies, issuers and guarantors.

The Bond Sub-Funds may engage in forward foreign currency exchange contracts in order to hedge the assets of the Bond Sub-Fund against currency fluctuations. Hedged Classes are Classes to which a hedging strategy aiming at mitigating currency risk against the reference currency of the Bond Sub- Fund is applied, in accordance with ESMA opinion on UCITS share classes (ESMA34-43-296).

ESG and responsible investing criteria

The investment universe for our Sub-Funds is carefully screened, taking into account DNB Group's Instructions for Responsible Investments seeking to ensure that DNB does not contribute to human or labour rights violations, corruption, serious environmental harm and other actions which may be perceived to be unethical. Each Sub-Fund's investments are considered in relation to social, environmental and ethical criteria based on the following internationally recognised guidelines and principles:

- the UN Global Compact;
- the OECD Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights;
- the Ottawa Convention (international agreement on the prohibition of anti-personnel mines); and
- the Convention on Cluster Munitions.

The responsible investment team, composed by dedicated ESG analysts, works closely with the relevant portfolio managers to ensure that the Sub-Fund does not invest in securities issued by companies which contribute to serious violation of human and labour rights, grave harm to the environment, unacceptable greenhouse gas emissions and serious corruption. Investments are not made in companies involved in production of tobacco, production of pornography, or weapons which through normal use violate basic humanitarian principles. Companies which derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers which themselves or through entities they control derive 30% or more of their income from thermal coal, or base 30% or more of their operations on thermal coal, may be excluded from the investment universe. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. In addition, emphasis shall be placed on forward-looking assessments of the companies, including any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands or

thermal coal, and/or increase the share of their income or operations derived from renewable energy sources.

DNB Group's Instructions for Responsible Investments are available on our website:

https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2022/Group_instructions_responsible_investments.pdf

In addition, a process of ESG integration (*i.e.* incorporating ESG data within portfolio management systems) is adopted for all Bond Sub-Funds: Issuers are screened prior to inclusion into our investment universe, quarterly for benchmark rebalancing, and on a weekly and daily basis for changes to ESG ratings/factors or alerts on potential and/or realised breaches in international norms and standards.

ESG data is subject to a range of risks including *inter alia* data availability on issuers particularly in regard to small, mid cap and emerging market issuers), lack of standardised taxonomy for the classification of ESG activities, excessive reliance on external ESG data providers, unaligned ESG conclusions provided by different providers on a single issuer, albeit the initial analysis is carried out with reference to ESG ratings and scores provided by external providers (DNB AM uses ratings provided by MSCI ESG and norms based screenings from Sustainalytics, ISS and Bloomberg, same are paid in accordance with market practice), the responsible investment team does not take ESG ratings, and more generally speaking ESG data from third party providers mechanistically into consideration, but further analyses assumptions and criteria adopted in this perspective, supplementing ratings provided by external providers with the conclusions of its thorough analysis. In this perspective, this assessment is also corroborated with the analysis of industry reports, sell-side research, media and non-governmental organisations (NGO) reports as well as questionnaires as the case may be.

This ESG integration process would allow to uncover potential product violations, breaches of international norms and standards and/or material sustainability risks and opportunities. Based on the screening, and in-house research through additional sources of information, the responsible investment team can highlight potential sustainability risks and opportunities to the Investment Manager, as well as provide input/recommendations about divesting as the case may be.

Through this collaborative effort between the responsible investment team and each relevant portfolio manager, the abovementioned discussions will trigger actions such as further investigation, engagement in dialogue with the issuer, favourable / unfavourable assessment for what relates to the investment decision.

Company engagement is a key element of the Investment Manager's active ownership approach. We engage with companies on specific ESG incidents, or to improve companies' general performance of sustainability-related processes, which may otherwise lead to underperformance. Engagements may either take place directly with companies, through our external service provider on engagements or in collaboration with other investors. Standard setting is an important element of active ownership. As part of this, we develop and publish expectation documents within important areas, which we use to contribute to the improvement of standards in the market, and to form the basis of engagements with companies.

Risk Profile

Shareholders should be aware that the value of the Bond Sub-Funds may fall as well as rise and the invested capital may not be fully repaid.

The profit deriving from the debt securities may fluctuate and fluctuations within the exchange rates may cause the net asset value of Shares to go up or down. The levels and basis of, and relief from, taxation may vary.

There is no assurance that the Bond Sub-Funds will achieve the investment objectives. The Bond Sub-Funds are neither capital-protected nor guaranteed.

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

As a Bond Sub-Fund may invest part of its net assets in lower rated bonds, the investors' attention is drawn to the fact that such bonds may be considered speculative and that they tend to be more volatile than higher rated bonds. In addition, investment in lower rated bonds is subject to greater risk of loss of principal and interest (including the risk of default) than higher rated bonds.

Potential Shareholders should note that warrants on transferable securities, although expected to provide higher returns than transferable securities due to their high leverage, are subject to volatility in their price and subsequent greater risk of loss. Moreover, these instruments can lose their entire value.

The value of debt securities may fluctuate in accordance with the performance of individual companies and general market and/or economic conditions.

Movements in currency exchange rates may adversely affect the value of the Bond Sub-Funds.

Risk Management Process

The Bond Sub-Funds use the Commitment Approach.

Profile of Targeted Investors

The Bond Sub-Funds are aimed at investors seeking a balance of appreciation of capital, income generation and risk of loss by investing in a single fund holding in a diversified portfolio of fixed income instruments.

The investor of the Bond Sub-Funds is typically looking for greater capital growth than offered by cash holdings or just through government bonds.

The investors of the Bond Sub-Funds must be able to accept temporary losses, thus the Bond Sub- Funds are suitable to investors who can afford to set aside the capital for at least three (3) to five (5) years. The Shareholders in the high yield Bond Sub-Funds must be able to accept a higher loss than the non-high yield Bond Sub-Funds as well as having a longer investment horizon.

Potential investors are advised to seek information on the following issues they might encounter under the laws of the countries of their citizenship, residence or domicile:

- possible tax consequences;
- legal requirements;
- foreign exchange restrictions;
- exchange control requirements; and
- any other issue that might be relevant to the subscription, purchase, holding, switching and disposal of Shares.

Total Annual Return and ongoing charges

An overview of the Bond Sub-Funds' performance scenarios will be disclosed in the respective KID.

Past performance is not indicative of future results. An indication of the respective Bond Sub-Fund's ongoing charges will be disclosed in the KID of such Bond Sub-Fund.

Fees for the Bond Sub-Funds

Investment Management Fee (includes all fees paid to the Management Company, the Administration Agent and the Depositary Bank)	Up to 0.80%
Performance fee	None
Subscription minimum amount for Institutional Classes C1, D1, S2	EUR 1,000,000.- or the equivalent in another currency
Subscription minimum amount for Institutional Classes C2, D2	EUR 100,000,000.- or the equivalent in another currency
Subscription minimum amount for A, A2, N, N2, S1	None
Subscription fee	Up to 2%
Conversion fee	Up to 1%
Redemption fee	None

Details of the actual rate of the Investment Management Fee for each Class are set out on the website https://www.dnbam.com.

3.2 LIST OF BOND SUB-FUNDS

3.2.1 DNB FUND – NORDIC HIGH YIELD

The Sub-Fund aims to achieve a moderate level of current income and mid- to long-term capital appreciation, principally through investments in fixed or floating rate debt securities and other debt instruments with minimum ratings of B- or equivalent credit quality at the time of acquisition.

The issuers of such debt securities are principally domiciled in the Nordic Markets, *i.e.* Norway, Sweden, Finland, Denmark and Iceland; or, while not domiciled in Nordic Markets, carry out the predominant portion of their business activities in the Nordic Markets; or have their debt securities primarily traded in the Nordic Markets.

The credit rating or equivalent classification of such investments will be monitored to ensure that no more than 10% of the net assets of the Sub-Fund are invested in debt securities rated below B- or equivalent credit quality, in the event of a downgrading of the bonds following acquisition.

If the credit rating or an equivalent credit quality classification of an investment is no longer provided by any independent recognized rating agency or the Investment Manager after acquisition even though the bond at the time of acquisition had a minimum rating of B- or equivalent credit quality, then the credit rating of such investments shall be regarded as CCC+ or below.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is NBP Nordic HY Aggregated Index. The Sub-Fund's benchmark index is mentioned for performance comparison purposes. The Sub-Fund does not track the benchmark index and can deviate significantly or entirely from it.

The base currency of the Sub-Fund is EUR. The Sub-Fund will aim to hedge the performance of the Classes not expressed in EUR to replicate the base currency performance of the Sub-Fund on a best effort basis.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Nordic High Yield

Legal entity identifier:
549300ZBD17BKBNG1V53

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[86], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not relevant.

[86] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions 2. Carbon footprint 3. GHG Intensity of Investee Companies 4. Exposure to companies active in the fossil fuel sector	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and

	considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).
16. Investee countries subject to social violations	The fund will not invest in government/sovereign bonds from countries subject to sanctions imposed by the UN Security Council, or in companies subject to sanctions (from UN, EU, US (OFAC) and other local sanctions

	regulations if they are relevant) applicable to our investments.

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing, and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[87].
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[88].
- The fund shall not invest in companies with exposure to controversial weapons[89].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

[87] *In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.*

[88] *Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.*

[89] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents.

Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy as well as in our expectations document on responsible tax practices.

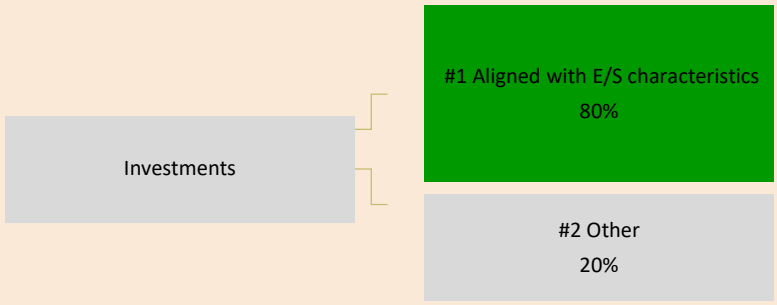


What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[90]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

[90] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

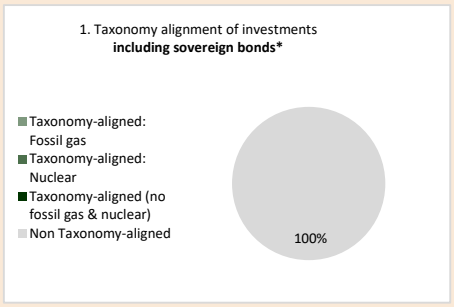
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

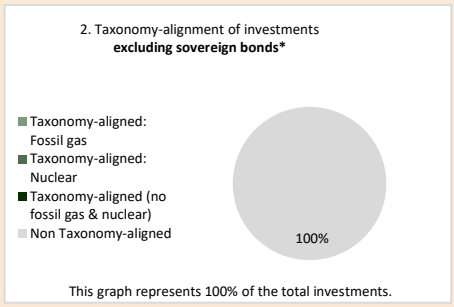
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The fund does not commit to a minimum share of investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures”.

3.2.2 DNB FUND – NORDIC FLEXIBLE BONDS

The Sub-Fund aims to achieve a moderate level of current income and mid- to long-term capital appreciation, principally through investments in fixed or floating rate debt securities and other debt instruments with minimum ratings of B- or equivalent credit quality at the time of acquisition.

The Sub-Fund will allocate between investment grade bonds (minimum ratings of BBB- or equivalent) and high yield bonds (minimum ratings of B- or equivalent). There are no constraints as to the ratio of either classification.

The issuers of such debt securities are principally domiciled in the Nordic Markets, *i.e.* Norway, Sweden, Finland, Denmark and Iceland; or, while not domiciled in Nordic Markets, carry out the predominant portion of their business activities in the Nordic Markets; or have their debt securities primarily traded in the Nordic Markets.

The credit rating or equivalent classification of such investments will be monitored to ensure that no more than 10% of the net asset of the Sub-Fund is invested in debt securities rated below B- or equivalent credit quality, in the event of a downgrading of the bonds following acquisition.

If the credit rating or an equivalent credit quality classification of an investment is no longer provided by any independent recognized rating agency or the Investment Manager after acquisition even though the bond at the time of acquisition had a minimum rating of B- or equivalent credit quality, then the credit rating of such investments shall be regarded as CCC+ or below.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is a composite index based on 80% NBP Norwegian RM Floating Rate Index (Hedged) and 20% NBP Nordic HY Aggregated Index. The Sub-Fund's composite index is mentioned for performance comparison purposes. The Sub-Fund does not track the composite index and can deviate significantly or entirely from it.

The base currency of the Sub-Fund is EUR. The Sub-Fund will aim to hedge the performance of the Classes not expressed in EUR to replicate the base currency performance of the Sub-Fund on a best effort basis.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Nordic Flexible Bonds

Legal entity identifier:
549300MG7FNVAS8GJ874

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[91], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets.
- Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
- Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
- Companies with exposure to controversial weapons.
- Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not relevant.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not relevant.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not relevant.

[91] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes:

☐ No

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions 2. Carbon footprint 3. GHG Intensity of Investee Companies 4. Exposure to companies active in the fossil fuel sector	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available. While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective

	of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).
16. Investee countries subject to social violations	The fund will not invest in government/sovereign bonds from countries subject to sanctions imposed by the UN Security Council, or in companies subject to sanctions (from UN, EU, US (OFAC) and other local sanctions regulations if they are relevant) applicable to our investments.

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to rebalancing of relevant benchmarks, and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including, without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated

with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[92].

- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[93].
- The fund shall not invest in companies with exposure to controversial weapons[94].
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in

[92] *In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.*

[93] *Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.*

[94] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

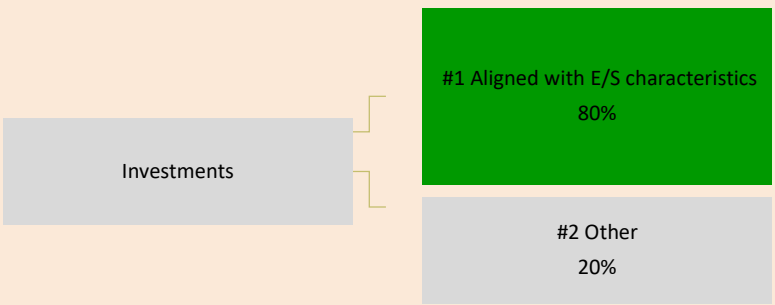
Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents.

Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[95]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

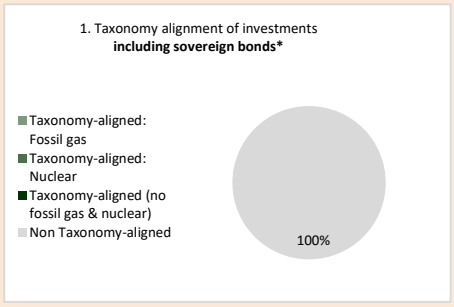
☒ No

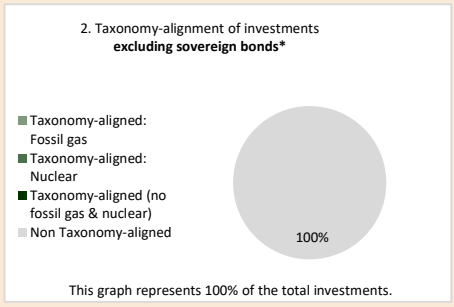
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

[95] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

What is the minimum share of investments in transitional and enabling activities?

The fund does not commit to a minimum share of investments in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section "Our funds" on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called "Sustainability related disclosures".

3.2.3 DNB FUND – NORDIC CORPORATE BONDS

The Sub-Fund aims to achieve a moderate level of current income and mid- to long-term capital appreciation, principally through investments in fixed or floating rate debt securities and other debt instruments with minimum ratings of BBB- or equivalent credit quality at the time of acquisition.

The issuers of such debt securities are principally domiciled in the Nordic Markets, *i.e*. Norway, Sweden, Finland, Denmark and Iceland; or, while not domiciled in Nordic Markets, carry out the predominant portion of their business activities in the Nordic Markets; or have their debt securities primarily traded in the Nordic Markets.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with article 8 of SFDR. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The credit rating or equivalent classification of such investments will be monitored to ensure that no more than 10% of the net asset of the Sub-Fund is invested in debt securities rated below BBB- or equivalent credit quality, in the event of a downgrading of the bonds following acquisition.

If the credit rating or an equivalent credit quality classification of an investment is no longer provided by any independent recognized rating agency or the Investment Manager after acquisition even though the bond at the time of acquisition had a minimum rating of BBB- or equivalent credit quality, then the credit rating of such investments shall be regarded as BB+ or below.

Investments in other UCITS(s) or UCI(s) will never exceed 10% of the net assets of the Sub-Fund.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is a composite index based on 75% NBP Norwegian RM Floating Rate Index (Hedged) and 25% NBP Norwegian Government Duration 0.5 Index NOK (hedged). The Sub-Fund's composite index is set up to reflect the broad Norwegian fixed income investment universe relevant for the Sub-Fund. The Sub-Fund's composite index is also mentioned for performance comparison purposes. The Sub-Fund does not track the composite index and can deviate significantly or entirely from it.

The base currency of the Sub-Fund is EUR. The Sub-Fund will aim to hedge the performance of the Classes not expressed in EUR to replicate the base currency performance of the Sub-Fund on a best effort basis.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Nordic Corporate Bonds

Legal entity identifier:
549300SKRNI6EW35V385

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instruction for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights or employee rights, and significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies, companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography, as well as investments with revenues from alcohol production, gambling and conventional weapons, and companies with a high carbon intensity. The fund shall also have a low weighted average carbon intensity and a certain exposure towards green bonds.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:
- Carbon intensity of the portfolio
- Percentage of the portfolio invested in green bonds
- Companies that derive 5% or more of their income from oil sands or thermal coal, and with no indication of transition
- Companies in breach of the UN`s Global Compact and the OECD`s guidelines for multinational companies
- Companies with exposure to controversial weapons
- Companies that produce cannabis for recreational use, tobacco or pornography
- Companies that derive 5% or more of their income from alcohol production, conventional weapons or gambling

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes:

☐ No

The fund follows the DNB Group Instructions, as well as applying additional screening criteria related to the fund strategy. The fund considers all mandatory PAI indicators for the sustainable investments in the portfolio, as described above. On product level, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through engagements. An expectation document for investee companies have been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. The fund has a low carbon mandate, with additional exclusion criteria related to carbon emissions. The fund excludes companies with a high level of carbon emissions (above 3000 tonnes CO2e), and the portfolio shall have a low carbon intensity. In addition, at least 15% of the portfolio will be invested in green bonds. The fund does generally not invest in companies with direct exposure to fossil fuels. The fund applies strict exclusion criteria based on
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	

	DNB's Group Instructions for Responsible Investments and additional exclusion criteria (defined by DNB AM). Oil sands extraction, mining companies and power produces from thermal coal are excluded in cases where the company derives 5% or more of their income from these activities unless there is a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tons of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we don't see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analyzed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
14. Exposure to controversial weapons (anti- mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction.

	Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).
16. Investee countries subject to social violations	The fund will not invest in government/sovereign bonds from countries subject to sanctions imposed by the UN Security Council, or in companies subject to sanctions (from UN, EU, US (OFAC) and other local sanctions regulations if they are relevant) applicable to our investments.

Note that data quality and coverage of principal adverse impact indicators in the market is currently low for certain indicators. We expect the quality and coverage to improve over time, and we aim to continuously increase quality and coverage of data through assessing our data providers as well as engaging with companies to improve their reporting in this area.

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The portfolio managers evaluate environmental factors and carbon data to ensure the mandate requirement of a low carbon intensity of the portfolio, as well as the requirements of at least 15% green bonds in the portfolio. The fund has a low carbon mandate which requires the fund to have a low average carbon intensity, which must not exceed 100 tonnes CO_2e/USDm sales. It shall be noted that all issuers in the portfolio may not have an external ESG assessment in the form of data on carbon emissions. However, in any event, investments lacking external or internal ESG assessment will not be more than 30% of the portfolio. Where we lack carbon data from our external data provider, we make our own assessments and analyses, and gather carbon data directly from issuers in cases where this is appropriate.

The responsible investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. ESG data is incorporated into DNB AM's portfolio management and information systems. In addition, alerts on incidents and controversies are regularly made available to portfolio managers. Portfolio managers use this data in their investment decision making.

This fund follows DNB AM's standard exclusion list, with additional fund specific criteria, which applies to all investments of the fund. The exclusion criteria are based on the requirements of the DNB Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to rebalancing of relevant benchmarks and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we don't see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in news articles to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- Average carbon intensity of the portfolio shall be below 100 metric tonnes CO_2e/USDm sales
- The fund will have a minimum 15% of its NAV in green bonds. Exceptions can be made to the fossil fuel exclusion criteria, to invest in green bonds issued by these companies.
- The fund will not invest in companies that derive 5% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 5% or more of their income from thermal coal, or base 5% or more of its business on thermal coal.[96]
- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership.
- The fund shall not invest in companies with exposure to controversial weapons.[97]
- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use
- The fund excludes companies with more than 5% revenues from alcohol production, conventional weapons, or gambling
- The fund excludes companies with direct exposure to fossil fuels or with a high level of carbon emissions, unless in transition

[96] *Stricter threshold than the DNB Group Instruction for Responsible Investments. Exemptions from these thresholds can be made for companies through forward- looking assessments, and if they have any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands or thermal coal, and/or increase the share of their income or operations derived from renewable energy sources.*

[97] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompasses the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.

- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical

norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

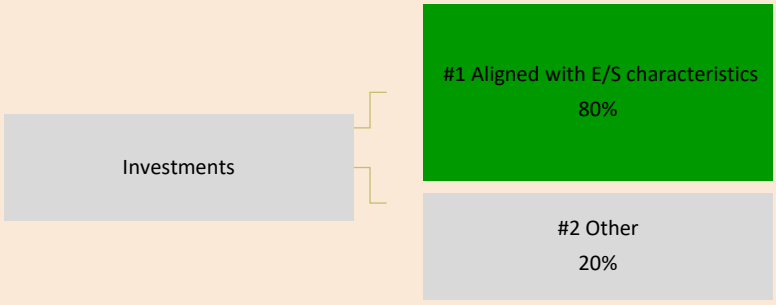
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

  Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund promotes environmental and social characteristics, but does not commit to make any sustainable investments.

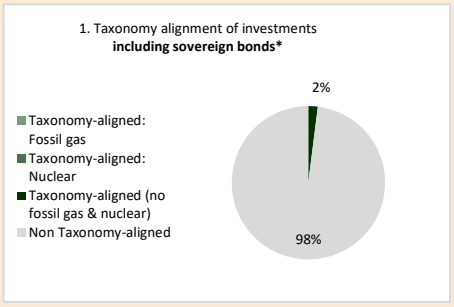
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[98]?**

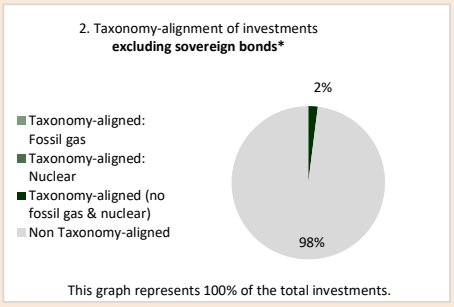
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The fund does not commit to make any sustainable investments with an environmental objective, including in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to make any sustainable investments with an environmental objective. We also do not commit to a minimum share of investments with an environmental objective that is not aligned with the EU Taxonomy.

[98] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

What is the minimum share of socially sustainable investments?

Not applicable.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures” (https://documents.anevis-solutions.com/dnb/SUSTAINABILITY_DISCLOSURE-EN-LU-LU2319926189.pdf).

3.2.4 DNB FUND – ACTIVE FIXED INCOME

The Sub-Fund aims to achieve a moderate level of current income and mid to long-term capital appreciation, principally through investments in fixed or floating rate debt securities and other debt instruments.

The Sub-Fund will mainly have an exposure to investment grade debt securities (corporate and sovereign), including Money Market Instruments, of entities / issuers which are domiciled, headquartered, or exercise the predominant part of their economic activity in the Nordic countries (Norway, Finland, Sweden, Denmark and Iceland).

In order to achieve its objective, the Sub-Fund will mainly invest:

- directly in the securities/asset classes mentioned in the previous paragraph;
- in UCITS and/or other UCIs, having as main objective to invest or grant an exposure to the above-mentioned securities/asset classes; and/or
- in any transferable securities (as defined in section 6 “INVESTMENT POLICIES AND RESTRICTIONS” and 3.1 “SPECIFICITIES OF BOND SUB-FUNDS”) linked (or offering an exposure) to the performance of the above-mentioned asset classes.

On an ancillary basis, the Sub-Fund can

- invest in non-investment grade debt securities and Money Market Instruments, other UCIs, equities (as defined above in section 3.1 “SPECIFICITIES OF BOND SUB-FUNDS”);
- for treasury purposes (in normal market conditions), invest in Money Market Instruments, money market UCIs and have term deposits; and
- for treasury purposes and for the time necessary to proceed to reinvestments, can have cash (deposits at sight), for a maximum of 20% of the Sub-Fund’s net assets, in normal market conditions.

However, the Sub-Fund can invest a maximum of

- 10% of its net assets in contingent convertible bonds;
- 10% of its net assets in asset-backed securities (ABS) and mortgage-backed securities (MBS);
- 10% of its net assets in non-investment grade debt securities;
- 10% of its net assets in emerging markets.

Under normal market conditions, the expected average credit rating of the Sub-Fund’s (bonds) portfolio should be BBB-, or higher.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with *article 8* of *SFDR*. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund is Actively Managed. The Sub-Fund's benchmark index is NBP Norwegian RM1-RM3 Floating Rate Index NOK. The Sub-Fund's index is mentioned for performance comparison purposes. The Sub-Fund does not track the index and can deviate significantly or entirely from it.

The base currency of the Sub-Fund is NOK. The Sub-Fund will aim to hedge the performance of the Classes not expressed in NOK to replicate the base currency performance of the Sub-Fund on a best effort basis.

The total management fee (excluding the performance fee, if any) charged to the Sub-Fund and each of the UCITS or other UCIs in which the Sub-Fund has invested, shall not exceed 0.30% of the relevant net assets under management.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Active Fixed Income

Legal entity identifier:
391200PEAAT4EXO8PZ05

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility.
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility.

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instructions for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights and employee rights, and cause significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies[99], companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

  The indicators are the following:
  - Companies with science-based emission reduction targets.
  - Companies that derive 30% or more of their income from oil sands or thermal coal, and with no indication of transition.
  - Companies in breach of the UN's Global Compact and the OECD's guidelines for multinational companies.
  - Companies with exposure to controversial weapons.
  - Companies that produce cannabis for recreational use, tobacco or pornography.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  Not relevant.

  - *How have the indicators for adverse impacts on sustainability factors been taken into account?*

    Not relevant.

  - *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

    Not relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

[99] *Exceptions can be made for companies where we consider that we may have a positive impact through engagement. If we don't see any significant improvement over a certain period of time, we will exclude the company from our investment universe as soon as practically possible.*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes:

☐ No

The fund invests in line with the Group Instructions. Thus, the fund considers the following PAIs:

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. The fund applies strict exclusion criteria based on DNB's Instructions. Oil sands extraction, mining companies and power produced from thermal coal are excluded in cases where the company derives 30% or more of their income from these activities. Exceptions can be made for companies with a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through engagements. An expectation document for investee companies has been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. Scope 3 is analysed and considered in the investment process where data is available.
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	

	While PAI 1, 2 and 3 are considered, this fund might be exposed to issuers with high GHG emissions. This strategic exposure aligns with DNB AMs overarching transition strategy, which is dedicated to actively engaging with high-emission entities with the objective of contributing to the reduction of their emissions.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analysed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine

	Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).
16. Investee countries subject to social violations	The fund will not invest in government/sovereign bonds from countries subject to sanctions imposed by the UN Security Council, or in companies subject to sanctions (from UN, EU, US (OFAC) and other local sanctions regulations if they are relevant) applicable to our investments.

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Responsible Investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. In addition, alerts on incidents and controversies are regularly made available to portfolio managers.

This fund follows DNB AM's standard exclusion list which applies to all investments of the fund. The exclusion criteria are based on the requirements of the Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to benchmark rebalancing, and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation is foreseen based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible thereafter.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question until such external factors cease to apply.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in various sources of information (including,

without limitation to news articles) to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

- The fund will not invest in companies that derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 30% or more of their income from thermal coal, or base 30% or more of its business on thermal coal[100].

- The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership[101].

- The fund shall not invest in companies with exposure to controversial weapons[102].

- The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.

The binding elements are documented and monitored on an ongoing basis.

[100] *In addition, companies with an annual extraction of more than 20 million tonnes of thermal coal or power capacity of more than 10,000 MW from (combustion of) thermal coal may be excluded from the investment universe or placed under observation. Exceptions can be made for companies that are considered to be in transition, based on forward-looking assessments of the companies, including any plans that will change the level of extraction of or power capacity linked to thermal coal and/or reduce the share of income or business linked to oil sands or thermal coal and/or increase the share of income or business linked to renewable energy sources.*

[101] *Based on data from an external supplier and internal assessments. If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is non-compliant with the UN Global Compact and OECD Guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we do not see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.*

[102] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions.
- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.
- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions.
- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents.

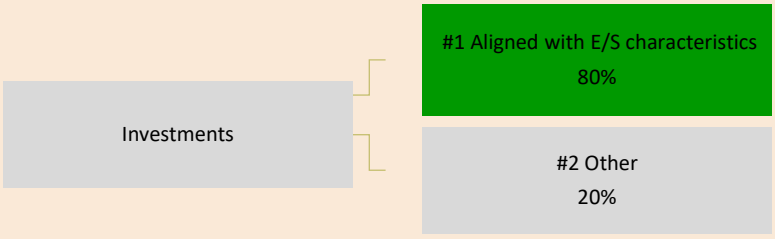
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The fund nevertheless may have the opportunity to make such investments, and the proportion of such investments will then be disclosed in the fund's annual report.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[103]?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

[103] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

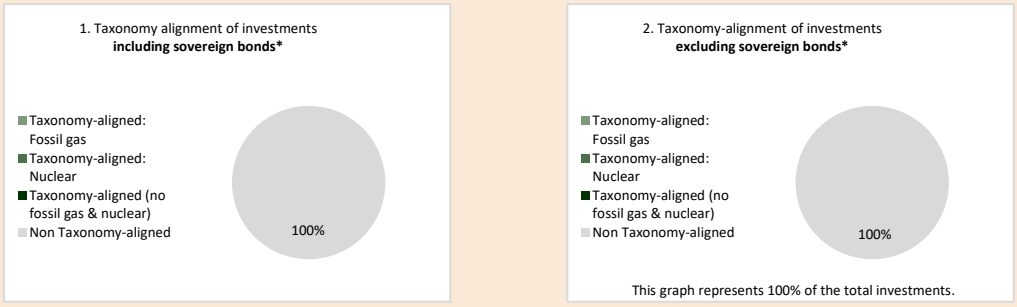
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What is the minimum share of investments in transitional and enabling activities?

The fund does not commit to a minimum share of investments in transitional and enabling activities.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The fund does not commit to a minimum share of investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The fund does not commit to a minimum share of socially sustainable investments.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures”.

3.2.5 DNB FUND – NORWAY CORPORATE BONDS

The Sub-Fund aims to achieve a moderate level of current income and mid to long-term capital appreciation, principally through investments in investment-grade fixed or floating rate debt securities and other debt instruments.

The Sub-Fund will mainly invest in investment-grade debt securities, including Money Market Instruments, issued by corporate issuers which are domiciled, headquartered, or exercise the predominant part of their economic activity in Norway.

On an ancillary basis, the Sub-Fund can

- invest in debt securities and Money Market Instruments other than those above-mentioned, other UCIs, equities (as defined above in section 3.1 “SPECIFICITIES OF BOND SUB-FUNDS”);
- for treasury purposes (in normal market conditions), invest in Money Market Instruments, money market UCIs and have term deposits; and
- for treasury purposes and for the time necessary to proceed to reinvestments, can have cash (deposits at sight), for a maximum of 20% of the Sub-Fund’s net assets, in normal market conditions.

However, the Sub-Fund can invest a maximum of

- 10% of its net assets in UCITS(s) or UCI(s);
- 10% of its net assets in non-investment grade debt securities;
- 10% of its net assets in asset-backed securities (ABS) and mortgage-backed securities (MBS);
- 10% of its net assets in emerging markets.

Under normal market conditions, the expected average credit rating of the Sub-Fund’s (bonds) portfolio should be A- / BBB+, or higher.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with *article 8* of *SFDR*. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund is Actively Managed. The Sub-Fund’s benchmark index is NBP Norwegian RM1-RM3 Duration 3 Index NOK. The Sub-Fund’s index is mentioned for performance comparison purposes. The Sub-Fund does not track the index and can deviate significantly or entirely from it.

The base currency of the Sub-Fund is NOK. The Sub-Fund will aim to hedge the performance of the Classes not expressed in NOK to replicate the base currency performance of the Sub-Fund on a best effort basis.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name:
DNB FUND – Norway Corporate Bonds

Legal entity identifier:
391200RNGZ8KBVEOD482

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instruction for Responsible Investments (Group Instructions). This involves the exclusion

of companies that violate our product and norm-based criteria, including human rights or employee rights, and significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies, companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography, as well as investments with revenues from alcohol production, gambling and conventional weapons, and companies with a high carbon intensity. The fund shall also have a low weighted average carbon intensity.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets
- Carbon intensity of the portfolio
- Companies that derive 5% or more of their income from oil sands or thermal coal, and with no indication of transition
- Companies in breach of the UN`s Global Compact and the OECD`s guidelines for multinational companies
- Companies with exposure to controversial weapons
- Companies that produce cannabis for recreational use, tobacco or pornography
- Companies that derive 5% or more of their income from alcohol production, conventional weapons or gambling

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

  Not applicable.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

  Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes:

☐ No

The fund follows the DNB Group Instructions, as well as applying additional screening criteria related to the fund strategy. On product level, the fund considers the following PAIs:

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

PAIs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through engagements. An expectation document for investee companies have been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. The fund has a low carbon mandate, with additional exclusion criteria related to carbon emissions. The fund excludes companies with a high level of carbon emissions (above 3000 tonnes CO2e), and the portfolio shall have a low carbon intensity. The fund does generally not invest in companies with direct exposure to fossil fuels. The fund applies strict exclusion criteria based on DNB's Group Instructions for Responsible Investments and additional exclusion criteria (defined by DNB AM).
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	

	Oil sands extraction, mining companies and power produces from thermal coal are excluded in cases where the company derives 5% or more of their income from these activities unless there is a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we don't see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analyzed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
14. Exposure to controversial weapons (anti- mines, cluster munitions, chemical weapons and biological weapons	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in

	companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).
16. Investee countries subject to social violations	The fund will not invest in government/sovereign bonds from countries subject to sanctions imposed by the UN Security Council, or in companies subject to sanctions (from UN, EU, US (OFAC) and other local sanctions regulations if they are relevant) applicable to our investments.

Note that data quality and coverage of principal adverse impact indicators in the market is currently low for certain indicators. We expect the quality and coverage to improve over time, and we aim to continuously increase quality and coverage of data through assessing our data providers as well as engaging with companies to improve their reporting in this area.

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The portfolio managers evaluate environmental factors and carbon data to ensure the mandate requirement of a low carbon intensity of the portfolio. The fund has a low carbon mandate which requires the fund to have a low average carbon intensity, which must not exceed 100 tonnes CO_2e/USDm sales. It shall be noted that all issuers in the portfolio may not have an external ESG assessment in the form of data on carbon emissions. Where we lack carbon data from our external data provider, we make our own assessments and analyses, and gather carbon data directly from issuers in cases where this is appropriate.

The responsible investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. ESG data is incorporated into DNB AM's portfolio management and information systems. In addition, alerts on incidents and controversies are regularly made available to portfolio managers. Portfolio managers use this data in their investment decision making.

This fund follows DNB AM's standard exclusion list, with additional fund specific criteria, which applies to all investments of the fund. The exclusion criteria are based on the requirements of the DNB Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to rebalancing of relevant benchmarks and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we don't see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare

instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in news articles to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

  The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

  - Average carbon intensity of the portfolio shall be below 100 metric tonnes CO2e/USDm sales.
  - The fund will not invest in companies that derive 5% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 5% or more of their income from thermal coal, or base 5% or more of its business on thermal coal[104]. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation.
  - The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership.
  - The fund shall not invest in companies with exposure to controversial weapons[105].
  - The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.
  - The fund excludes companies with more than 5% revenues from alcohol production, conventional weapons, or gambling.

[104] *Stricter threshold than the DNB Group Instruction for Responsible Investments. Exemptions from these thresholds can be made for companies through forward- looking assessments, and if they have any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands or thermal coal, and/or increase the share of their income or operations derived from renewable energy sources.*

[105] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

- The fund excludes companies with direct exposure to fossil fuels or with a high level of carbon emissions, unless in transition

The binding elements are documented and monitored on an ongoing basis.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompasses the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.
- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.
- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

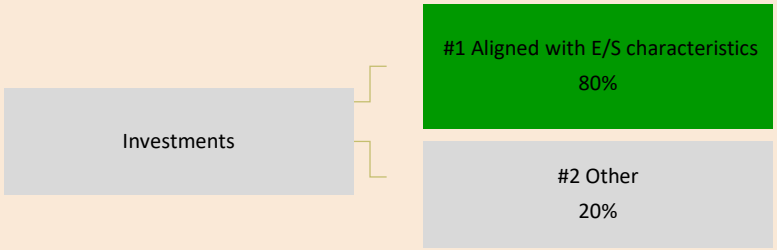
Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund promotes environmental and social characteristics, but does not commit to make any sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

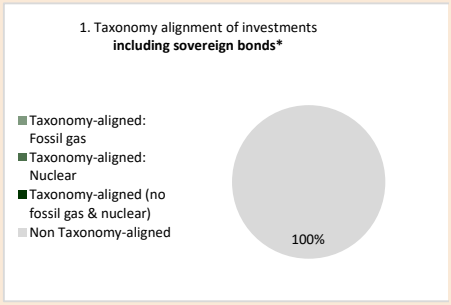
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[106]?**

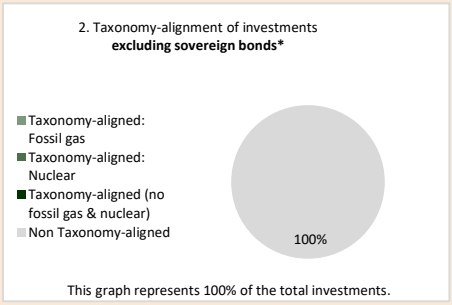
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The fund does not commit to make any sustainable investments with an environmental objective, including in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to make any sustainable investments with an environmental objective, including in transitional and enabling activities.

What is the minimum share of socially sustainable investments?

Not applicable.

[106] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures”.

3.2.6 DNB FUND – NORWAY SHORT-TERM BONDS

The Sub-Fund aims to achieve a moderate level of current income and mid to long-term capital appreciation, principally through investments in investment-grade fixed or floating rate debt securities and other debt instruments.

The Sub-Fund does not qualify as a money market fund under Regulation (EU) 2017/1131 of 14 June 2017 on money market funds.

The Sub-Fund will mainly invest in short-term investment-grade debt securities (corporate and sovereign), including Money Market Instruments, of entities / issuers which are domiciled, headquartered, or exercise the predominant part of their economic activity in Norway.

Without being a constraint, the Sub-Fund aims to have an interest rate duration below 0.5 years and a weighted average life of the portfolio below 1.5 years.

On an ancillary basis, the Sub-Fund can

- invest in debt securities and Money Market Instruments other than those above-mentioned, other UCIs, equities (as defined above in section 3.1 “SPECIFICITIES OF BOND SUB-FUNDS”);
- for treasury purposes (in normal market conditions), invest in Money Market Instruments, money market UCIs and have term deposits; and
- for treasury purposes and for the time necessary to proceed to reinvestments, can have cash (deposits at sight), for a maximum of 20% of the Sub-Fund’s net assets, in normal market conditions.

However, the Sub-Fund can invest a maximum of 10% of its net assets in each of the following type of instruments:

- in UCITS(s) or UCI(s);
- in non-investment grade debt securities;
- in asset-backed securities (ABS) and mortgage-backed securities (MBS).

The Sub-Fund can invest a maximum of 10% of its net assets in emerging markets.

Under normal market conditions, the expected average credit rating of the Sub-Fund’s (bonds) portfolio should be A- / BBB+, or higher.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with *article 8* of *SFDR*. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund is Actively Managed. The Sub-Fund’s benchmark index is NBP Liquidity Standard Index NOK. The Sub-Fund’s index is mentioned for performance comparison purposes. The Sub-Fund does not track the index and can deviate significantly or entirely from it.

The base currency of the Sub-Fund is NOK. The Sub-Fund will aim to hedge the performance of the Classes not expressed in NOK to replicate the base currency performance of the Sub-Fund on a best effort basis.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Norway Short-Term Bonds

Legal entity identifier:
391200V5UCU8UWGA1C64

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility

- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instruction for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights or employee rights, and significant environmental damage.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies, companies that derive a large part of their income from the extraction of oil sands and/or thermal coal or base a large part of their business on thermal coal, or companies with exposure to controversial weapons. The fund excludes companies that produce cannabis for recreational use, tobacco and pornography, as well as investments with revenues from alcohol production, gambling and conventional weapons, and companies with a high carbon intensity. The fund shall also have a low weighted average carbon intensity.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

The indicators are the following:

- Companies with science-based emission reduction targets
- Carbon intensity of the portfolio
- Companies that derive 5% or more of their income from oil sands or thermal coal, and with no indication of transition
- Companies in breach of the UN`s Global Compact and the OECD`s guidelines for multinational companies
- Companies with exposure to controversial weapons
- Companies that produce cannabis for recreational use, tobacco or pornography
- Companies that derive 5% or more of their income from alcohol production, conventional weapons or gambling

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The fund does not commit to a minimum share of sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

  Not applicable.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes

☐ No

The fund follows the DNB Group Instructions, as well as applying additional screening criteria related to the fund strategy. On product level, the fund considers the following PAIs:

PAs	Consideration
1. GHG emissions	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through engagements. An expectation document for investee companies have been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. The fund has a low carbon mandate, with additional exclusion criteria related to carbon emissions. The fund excludes companies with a high level of carbon emissions (above 3000 tonnes CO2e), and the portfolio shall have a low carbon intensity. The fund does generally not invest in companies with direct exposure to fossil fuels. The fund applies strict exclusion criteria based on DNB's Group Instructions for Responsible Investments and additional exclusion criteria (defined by DNB AM).
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	

	Oil sands extraction, mining companies and power produces from thermal coal are excluded in cases where the company derives 5% or more of their income from these activities unless there is a clear path to transition based on our forward-looking assessment. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we don't see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analyzed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general, this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
14. Exposure to controversial weapons (anti- mines, cluster munitions, chemical weapons and biological weapons	Companies will be excluded from the investment universe if they themselves or through the entities they control produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention

	and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).
16. Investee countries subject to social violations	The fund will not invest in government/sovereign bonds from countries subject to sanctions imposed by the UN Security Council, or in companies subject to sanctions (from UN, EU, US (OFAC) and other local sanctions regulations if they are relevant) applicable to our investments.

Note that data quality and coverage of principal adverse impact indicators in the market is currently low for certain indicators. We expect the quality and coverage to improve over time, and we aim to continuously increase quality and coverage of data through assessing our data providers as well as engaging with companies to improve their reporting in this area.

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The portfolio managers evaluate environmental factors and carbon data to ensure the mandate requirement of a low carbon intensity of the portfolio. The fund has a low carbon mandate which requires the fund to have a low average carbon intensity, which must not exceed 100 tonnes CO_2e/USDm sales. It shall be noted that all issuers in the portfolio may not have an external ESG assessment in the form of data on carbon emissions. Where we lack carbon data from our external data provider, we make our own assessments and analyses, and gather carbon data directly from issuers in cases where this is appropriate.

The responsible investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. ESG data is incorporated into DNB AM's portfolio management and information systems. In addition, alerts on incidents and controversies are regularly made available to portfolio managers. Portfolio managers use this data in their investment decision making.

This fund follows DNB AM's standard exclusion list, with additional fund specific criteria, which applies to all investments of the fund. The exclusion criteria are based on the requirements of the DNB Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to rebalancing of relevant benchmarks and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we don't see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events,

low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in news articles to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

  The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

  - Average carbon intensity of the portfolio shall be below 100 metric tonnes CO2e/USDm sales.
  - The fund will not invest in companies that derive 5% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, derive 5% or more of their income from thermal coal, or base 5% or more of its business on thermal coal[107]. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation.
  - The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership.
  - The fund shall not invest in companies with exposure to controversial weapons[108].
  - The fund excludes companies that produce pornography, tobacco or cannabis for recreational use.
  - The fund excludes companies with more than 5% revenues from alcohol production, conventional weapons, or gambling.
  - The fund excludes companies with direct exposure to fossil fuels or with a high level of carbon emissions, unless in transition.

[107] *Stricter threshold than the DNB Group Instruction for Responsible Investments. Exemptions from these thresholds can be made for companies through forward- looking assessments, and if they have any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands or thermal coal, and/or increase the share of their income or operations derived from renewable energy sources.*

[108] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

- ***What is the policy to assess good governance practices of the investee companies?***

The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

DNB AM works to ensure that all investments are at an acceptable level within four main areas:

- **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.
- **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.
- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.

- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

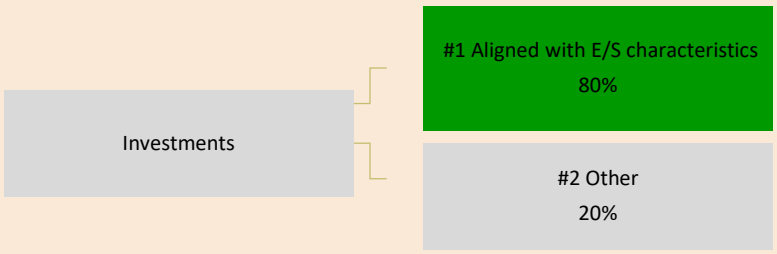
Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics). The rest of the fund (#2 Other) will be invested in cash or derivatives.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund promotes environmental and social characteristics, but does not commit to make any sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

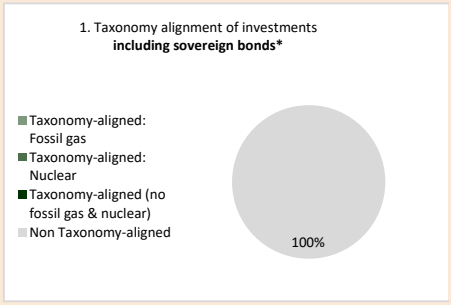
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[109]?**

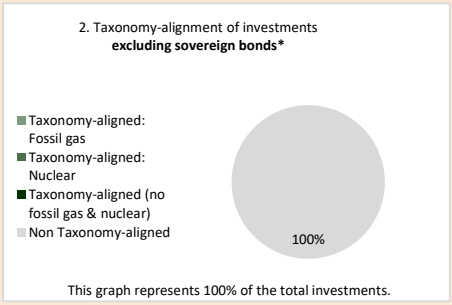
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

- ***What is the minimum share of investments in transitional and enabling activities?***

The fund does not commit to make any sustainable investments with an environmental objective, including in transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund does not commit to make any sustainable investments with an environmental objective, including in transitional and enabling activities.

What is the minimum share of socially sustainable investments?

Not applicable.

[109] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures”.

3.2.7 DNB FUND – GLOBAL LOW CARBON CORPORATE BONDS

The Sub-Fund aims to achieve a moderate level of current income and mid to long-term capital appreciation, principally through investments in investment-grade fixed or floating rate debt securities and other debt instruments.

The Sub-Fund has a low carbon mandate and will maintain a low carbon intensity for the portfolio. The Sub-Fund will avoid investing in bonds from corporate issuers involved in energy production or companies that are identified as high emitters of greenhouse gas emissions, unless the use of proceeds are dedicated to green projects.

The Sub-Fund will mainly invest in corporate investment-grade debt securities, including Money Market Instruments.

On an ancillary basis, the Sub-Fund can

- invest in non-investment grade debt securities and Money Market Instruments, other UCIs, equities (as defined above in section 3.1 “SPECIFICITIES OF BOND SUB-FUNDS”); and
- for treasury purposes (in normal market conditions), invest in Money Market Instruments, money market UCIs and have term deposits; and
- for treasury purposes and for the time necessary to proceed to reinvestments, can have cash (deposits at sight), for a maximum of 20% of the Sub-Fund’s net assets, in normal market conditions.

However, the Sub-Fund will invest a maximum of

- 10% of its net assets in UCITS(s) or UCI(s);
- 10% of its net assets in non-investment grade debt securities;
- 10% of its net assets in contingent convertible bonds;
- 10% of its net assets in asset-backed securities (ABS) and mortgage-backed securities (MBS);
- 10% of its net assets in emerging markets.

Under normal market conditions, the expected average credit rating of the Sub-Fund’s (bonds) portfolio should be BBB+, or higher.

The Sub-Fund promotes, among other characteristics, environmental or social characteristics, and the companies in which the investments are made follow good governance practices in accordance with *article 8* of *SFDR*. The Sub-Fund does not have a sustainable investment objective in accordance with article 9 of SFDR. Please refer to the SFDR annex below for more information. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund is Actively Managed. The Sub-Fund’s benchmark index is Bloomberg Global Agg Corp 500MM 1-7 Year Index Hedged EUR. The Sub-Fund’s index is mentioned for performance comparison purposes. The Sub-Fund does not track the index and can deviate significantly or entirely from it.

The base currency of the Sub-Fund is EUR. The Sub-Fund will aim to hedge the performance of the Classes not expressed in EUR to replicate the base currency performance of the Sub-Fund on a best effort basis.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
DNB FUND – Global Low Carbon Corporate Bonds

Legal entity identifier:
3912003HOK4AVEC68415

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** %	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** %	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes the following characteristics:

- Environmental characteristics which include reduction of GHG emissions and environmental responsibility
- Social characteristics which include labour rights, human rights, public health, inclusive employment, community engagement and supply chain responsibility

Environmental and social (E/S) characteristics are promoted by investing in line with the DNB Group Instruction for Responsible Investments (Group Instructions). This involves the exclusion of companies that violate our product and norm-based criteria, including human rights or employee rights, and significant environmental damage.

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

The fund does not invest in companies that are in breach of the UN's Global Compact and the OECD's guidelines for multinational companies, companies that derive 5% or more of their income from oil sands extractions and/or thermal coal or base 5% or more of their business on thermal coal, or companies with exposure to controversial weapons. The fund *inter alia* excludes (i) companies that produce pornography or cannabis for recreational use, (ii) companies that are involved in the cultivation and production of tobacco, (iii) investments with revenues from companies with a high carbon intensity, and (iv) companies with more than 5% revenues from alcohol production, conventional weapons, or gambling. The fund shall also have a low weighted average carbon intensity and a certain exposure towards green bonds.

The fund does not use a benchmark that is aligned with the environmental and social characteristics promoted by the fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

  To measure the attainment of the environmental or social characteristics, the investment manager will use data on environmental and social indicators.

  The sustainability indicators comprise *inter alia* the following:

  - Companies with science-based emission reduction targets
  - Carbon intensity of the portfolio
  - Percentage of the portfolio invested in green bonds
  - Companies that derive 5% or more of their income from oil sands extraction or thermal coal, and with no indication of transition
  - Companies in breach of the UN`s Global Compact and the OECD`s guidelines for multinational companies
  - Companies with exposure to controversial weapons
  - Companies that produce pornography or cannabis for recreational use
  - Companies that are involved in the cultivation and production of tobacco
  - Companies with more than 5% revenues from alcohol production, conventional weapons, or gambling
  - the percentage of investments assessed as not being compliant with any of the exclusion criteria as listed in the binding element below which form part of the investment strategy of the fund

  The investment manager may further develop any sustainability indicators over time.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

  The fund will commit to a minimum share of 10% sustainable investments. The fund utilises positive screening to include companies that have a potential positive social and/or environmental contribution. Positive contribution is measured by companies with revenues aligned with one or more UN SDGs, companies with activities that are taxonomy aligned, companies that have credible science-based emission reduction targets, companies that demonstrate potential avoided emissions, and green, social or sustainable bonds. The assessment of alignment to UN SDGs is based on qualitative and

quantitative analysis using an internally developed SDG framework for mapping and measuring SDG alignment. The framework has been externally reviewed by a third party and internal audit. Data on SDG alignment is based on data from an external data provider, our own internal data and fundamental analysis by portfolio managers. Alignment is measured in terms of revenues or alternatively CapEx.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

  The fund assesses significant harm on environmental or social sustainable investment objectives through several tools. The fund uses both the principal adverse impact indicators as well as alignment with international standards and norms to assess significant harm, as further described below. Should the fund invest in taxonomy-aligned investments, the investment will do no significant harm with regards to the requirements outlined in the Taxonomy Regulation[110].

  How have the indicators for adverse impacts on sustainability factors been taken into account?

  We use, as a minimum, the mandatory indicators that measure principal adverse impacts of our investments to consider significant harm on environmental or social objectives. Companies who are identified as outliers for one or several principal adverse impact indicators will be put on a watchlist, and will be further analysed. This can result in either engagements with the company to learn more and encourage them to address their potential adverse impacts, or exclusion of the company as a last resort. In cases where data coverage and quality is currently low, the portfolio managers, together with the Responsible Investment team aim to make their own assessment of the significant harm caused by the investment. We aim to quantify this to the highest possible extent, but reasonable qualitative assessments may be made where data is not available.

  Note that data quality and coverage of principal adverse impact indicators in the market are currently low for certain indicators. We expect the quality and coverage to improve over time, and we aim for continuous improvement by assessing our data providers as well as engaging with companies to encourage them to improve their reporting in this area.

  The following PAIs are considered for all sustainable investments:

  - Green House Gas emissions: GHG emissions (PAI 1), Carbon footprint (PAI 2), GHG intensity of investee companies (PAI 3), Exposure to companies active in the fossil fuel sector (PAI 4), Share of non-renewable energy consumption and production (PAI 5), Energy consumption intensity per high impact climate sector (PAI 6)

  - Biodiversity: Activities negatively affecting biodiversity-sensitive areas (PAI 7)

[110] Regulation (EU) 2020/852

- Water: Emissions to water (PAI 8)

- Waste: Hazardous waste and radioactive waste ratio (PAI 9)

- Social and employee matters: Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10), Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11), Unadjusted gender pay gap (PAI 12), Board gender diversity (PAI 13)

- Controversial weapons: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (PAI 14)

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Alignment with the OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is tested and assured as part of the process to identify sustainable investments.

We screen companies prior to inclusion into our investment universe, quarterly for benchmark rebalancing, and on a weekly and daily basis for alerts on potential and/or realised breaches in international norms and standards. The purpose is to uncover potential breaches of international norms and standards. The screen is based on data from external data providers.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes

☐ No

The fund follows the DNB Group Instructions, as well as applying additional screening criteria related to the fund strategy. The fund considers all mandatory PAI indicators for the sustainable investments in the portfolio, as described above. On product level, the fund considers the following PAIs:

PAIS	Consideration
1. GHG emissions 2. Carbon footprint 3. GHG Intensity of Investee Companies 4. Exposure to companies active in the fossil fuel sector	Carbon footprint is monitored and considered in investment analysis and investment decision-making processes. Active ownership activities are utilised to influence companies to reduce their scope 1, 2 and 3 emissions and set net zero targets through engagements. An expectation document for investee companies have been developed to influence companies and this is used as a tool for company engagement and tracking momentum over time. The issue of climate change is defined as a long-term focus area for DNB AM. The fund has a low carbon mandate, with additional exclusion criteria related to carbon emissions. The fund excludes companies with a high level of carbon emissions (above 3000 tonnes CO2e), and the portfolio shall have a low carbon intensity. In addition, at least 10% of the portfolio will be invested in green bonds. The fund does generally not invest in companies with direct exposure to fossil fuels. The fund applies strict exclusion criteria based on DNB's Group Instructions for Responsible Investments and additional exclusion criteria (defined by DNB AM). The fund will not invest in companies that derive 5% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, base 5% or more of its business on thermal coal. Companies that derive more than 1% of their revenues from exploration, mining extraction, distribution or refining of hard coal and lignite are excluded. The fund excludes companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels, companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or

	distribution of gaseous fuels, and companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation.
10. Violations of UN Global Compact principles and organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The portfolio and the investment universe are regularly screened to ensure that no company violates international norms and standards. If a breach occurs or a possible violation is identified based on external assessments of controversies or other publicly available information, the Responsible Investments team will carry out further investigations. The purpose of the investigation will be to determine whether the company is non-compliant with UN Global Compact and the OECD guidelines. If we conclude that a company is non-compliant, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we don't see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe as soon as practically possible.
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Companies' processes and compliances are analyzed based on company reports from external service providers and other publicly available information, as well as data from our own engagement processes. We have published an expectations document on human rights, and actively engage with companies on the subject, both in terms of their direct operations and across their value chain. In general,

	this topic is addressed in company engagements where company research indicates that the topic is material and should be addressed. Engagement may be conducted directly, through service providers, and/or through collaborative engagement.
14. Exposure to controversial weapons (anti- mines, cluster munitions, chemical weapons and biological weapons	Companies will be excluded from the investment universe if they themselves, or through the entities they control, produce weapons which through normal use violate basic humanitarian principles. The fund shall not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons).
16. Investee countries subject to social violations	The fund will not invest in government/sovereign bonds from countries subject to sanctions imposed by the UN Security Council, or in companies subject to sanctions (from UN, EU, US (OFAC) and other local sanctions regulations if they are relevant) applicable to our investments.

Note that data quality and coverage of principal adverse impact indicators in the market is currently low for certain indicators. We expect the quality and coverage to improve over time, and we aim to continuously increase quality and coverage of data through assessing our data providers as well as engaging with companies to improve their reporting in this area.

More information on how we consider principal adverse impacts on sustainability factors can be found in the annual report to be published according to SFDR Article 11(2).



What investment strategy does this financial product follow?

The portfolio managers evaluate environmental factors and carbon data to ensure the mandate requirement of a low carbon intensity of the portfolio, as well as the requirements

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

of at least 10% green bonds in the portfolio. The fund has a low carbon mandate which requires the fund to have a low average carbon intensity, which must not exceed 100 tonnes CO_2e/USDm sales. It shall be noted that all issuers in the portfolio may not have an external ESG assessment in the form of data on carbon emissions. Where we lack carbon data from our external data provider, we make our own assessments and analyses, and gather carbon data directly from issuers in cases where this is appropriate.

The responsible investments (RI) team works closely with portfolio managers, and the fund has its own dedicated ESG analyst. ESG data is incorporated into DNB AM's portfolio management and information systems. In addition, alerts on incidents and controversies are regularly made available to portfolio managers. Portfolio managers use this data in their investment decision making.

This fund follows DNB AM's standard exclusion list, with additional fund specific criteria, which applies to all investments of the fund. The exclusion criteria are based on the requirements of the DNB Group Instructions for responsible investments (https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2023/Responsible_investment_-_Group_Instruction.pdf). Companies are screened against our exclusion criteria before they can be included in the fund's investment universe and portfolio. We also screen companies quarterly in relation to rebalancing of relevant benchmarks and weekly or daily for changes in ESG assessments or notifications of potential and/or real violations of international norms and standards, and potential controversies.

If a breach occurs or a possible violation based on external assessments of controversies or other publicly available information, the RI team will carry out further investigations. The purpose of the investigation will be to determine whether the company in question is in breach with the Group Instructions. If we conclude that a company is in breach, the company might be excluded. If we consider that we may have a positive impact through engagement, we will contact the company to learn more and encourage improvements of the issues in question. If we don't see any significant improvement over a two-year timeframe, we will exclude the company from our investment universe.

In addition, if an investment no longer aligns with the responsible investments criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible. However, in rare instances, the ability to divest may be impacted by external factors including, but not limited to, geopolitical events, low market liquidity and corporate actions. In such circumstances, the fund may be compelled to retain the investments in question.

For companies where we have no data regarding controversy level, controversy outlook or engagement status from our external data provider, members of the RI team will research the company and look at potential controversies mentioned in news articles to evaluate whether the company is in line with the Group Instructions. Direct engagement with the company is also possible.

Company dialogues are key elements in the fund's approach to active ownership. The RI team engages in dialogues with company management, board members and election committees to address specific ESG issues. The dialogues are also aimed at improving general sustainability-related performance, which without improvement could lead to negative impacts on the company's financial results and/or environmental and social factors.

We measure progress and outcomes of our engagement work using milestones (milestone 1 to 5). The engagement process is considered successful (milestone 5) if the following criteria are met: the violation has ceased, the company has taken a responsible course of action, the company has taken a proactive and precautionary approach to improve its

policies, routines, and practices to prevent future violations, and the company's action is verifiable (where relevant).

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

  The fund attains each of the above-mentioned environmental and social characteristics through applying the following binding elements in the investment strategy:

  - Average carbon intensity of the portfolio shall be below 100 metric tonnes CO2e/USDm sales.
  - The fund will have a minimum 10% of its NAV in green bonds.
  - The fund will not invest in companies that derive 5% or more of their income from oil sands extraction, as well as mining companies and power producers that themselves, or consolidated with entities they control, base 5% or more of its business on thermal coal111. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation.
  - The fund will not invest in companies that are in breach of the UN Global Compact or OECD guidelines. Before any exclusion, we will evaluate whether we are able to influence the company's behavior through active ownership.
  - The fund excludes investments in companies with exposure to controversial weapons[112].
  - The fund excludes investments in companies that produce pornography or cannabis for recreational use.
  - The fund excludes investments in companies that are involved in the cultivation and production of tobacco.
  - The fund excludes companies with more than 5% revenues from alcohol production, conventional weapons, or gambling.
  - The fund excludes investments in companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite.
  - The fund excludes investments in companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels.
  - The fund excludes investments in companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

[111] *Stricter threshold than the DNB Group Instruction for Responsible Investments. Exemptions from these thresholds can be made for companies through forward- looking assessments, and if they have any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands or thermal coal, and/or increase the share of their income or operations derived from renewable energy sources.*

[112] *The fund will not invest in companies that are involved in anti-personnel mines and cluster munitions, as described in the Anti-Personnel Mine Ban Convention and the Convention on Cluster Munitions, or in companies that develop and produce key components for weapons of mass destruction. Weapons of mass destruction are defined as NBC weapons (nuclear or atomic, biological and chemical weapons). The same applies to non-detectable fragments, incendiary weapons, and blinding laser weapons. Note that the list above is not exhaustive.*

- The fund excludes investments in companies that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh.

The binding elements are documented and monitored on an ongoing basis.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

  There is no committed minimum rate to reduce the scope of investments considered prior to the application of the investment strategy.

- ***What is the policy to assess good governance practices of the investee companies?***

  The assessment of investee companies' good governance practices is based on the DNB Group Instructions. The Group Instructions covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe and shall ensure good governance of investee companies by avoiding investments in companies that contribute to the infringement of or infringe human or labour rights, corruption, or are involved in other actions that could be regarded as unethical. This is done through screening prior to inclusion into our investment universe, and monitoring of companies in our investment universe on an ongoing basis. What is outlined in the instruction is based on global standards and principles, which include, but are not limited to, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the United Nations Convention against Corruption and the G20/OECD Principles of Corporate Governance. If an investment no longer aligns with good governance criteria for the fund's portfolio, our aim is to divest from it as soon as practically possible.

  DNB AM works to ensure that all investments are at an acceptable level within four main areas:

  - **Sound management structures** encompass the composition and functionality of a company's board of directors, top-level management and specialised committees, such as sustainability and audit committees. It also involves transparent ownership structures, and adherence to ethical business practices. OECD guidelines chapter 7 and UN Global Compact principle 10 outline the fundamental expectations. DNB AM requires that companies avoid breaches of ethical norms and screens fund holdings and the investment universe for ensuring such compliance. Furthermore, significant controversies related to business ethics and governance incidents are crucial factors in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover governance structures such as the composition of the board or committees reporting to the board.
  - **Employee relations** are primarily concerned with protecting human rights and fundamental labour rights within a company. This aligns with principles outlined in OECD guidelines chapter 5 and UN Global Compact Principles 3-6. DNB AM requires that companies refrain from contributing to or being responsible for serious or systematic violations of human rights, including forced labour and child labour. Additionally, the companies must avoid serious violations of basic labour rights. Notably, any significant controversies related to employee

incidents hold substantial weight in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

- **Remuneration of staff** revolves around ensuring equitable and fair compensation for employees. It is grounded in OECD guidelines chapter 5 and UN Global Compact principle 6. DNB AM requires that companies are not involved in serious violations of basic labour rights. Furthermore, significant controversies related to employee incidents play a crucial role in company assessments and might lead to company engagement and/or otherwise affect investment decisions. Additionally, DNB AM voting guidelines cover aspects relating to remuneration of board members, committee members and management.
- **Tax compliance** necessitates that companies adhere to tax regulations in countries where they operate while avoiding significant breaches of ethical tax practices. This area aligns with OECD guidelines chapter 11. DNB AM requires that companies avoid breaches of ethical norms. Additionally, significant controversies related to accounting and taxation are important considerations in company assessments and might lead to company engagement and/or otherwise affect investment decisions.

Companies are screened on a regular basis to uncover potential breaches of good governance principles. Relevant governance data is incorporated into DNB AM's portfolio management systems and is available to all investment professionals.

DNB AM works to actively promote good governance practices through our active ownership approach. This includes company engagement, based on our company expectation documents, and voting at company general meetings. Voting is conducted in line with our Norwegian and Global voting guidelines and are intended to promote good governance practices.

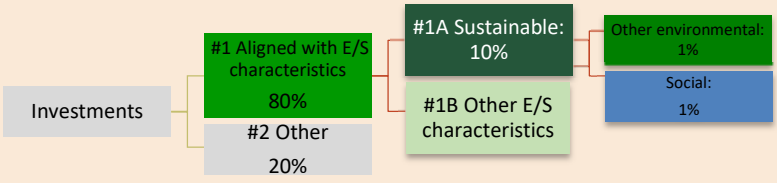
Our expectations regarding good governance practices are further elaborated in publicly available documents, including the Group Instructions, DNB AM Engagement Policy, guidelines for voting in Norway and globally as well as in our expectations document on responsible tax practices.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 80% for investments that are used to attain the environmental or social characteristics promoted by the fund (#1 Aligned with E/S characteristics), and a minimum overall proportion of 10% sustainable investments (#1A Sustainable). The rest of the fund (#2 Other) will be invested in cash, in derivatives, or other investments for which there is insufficient data.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

  Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund promotes environmental and social characteristics, but does not commit to make any environmentally sustainable investments aligned with the EU Taxonomy.

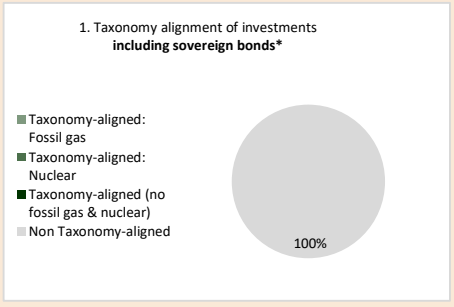
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[113]?**

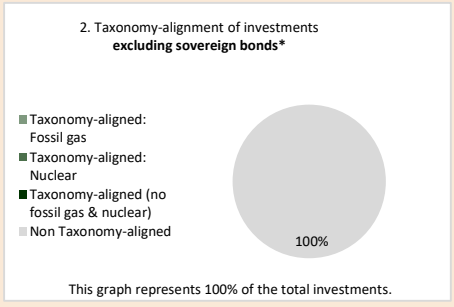
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

[113] *Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.*

- ***What is the minimum share of investments in transitional and enabling activities?***

  The fund does not commit to make any environmentally sustainable investments aligned with the EU Taxonomy, including in transitional and enabling activities.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The fund commits to a minimum share of 1% sustainable investments with an environmental objective that is not aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The fund commits to a minimum share of 1% sustainable investments with a social objective.



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The category "#2 Other" includes cash and derivatives. Cash and derivatives may be included for liquidity and hedging purposes.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

Please refer to the section “Our funds” on our website: https://dnbam.com/. The fund and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures”.

4. MULTI ASSET SUB-FUNDS

4.1 SPECIFICITIES OF MULTI ASSET SUB-FUNDS

General Investment Objectives

The main objective of the Multi Asset Sub-Funds is the realisation of medium to long-term capital growth through direct or indirect investments in equities, fixed income and foreign exchange instruments relevant to the particular Multi Asset Sub-Fund.

The Multi Asset Sub-Funds offer the Shareholders a convenient access to relevant markets of transferable securities while complying with the principle of risk diversification. The transferable securities traded in the Multi Asset Sub-Funds are quoted on an official stock exchange or traded on a regulated market, which operates regularly, is recognized and is open to the public.

The Multi Asset Sub-Funds will be Actively Managed, and investments in and weighting to different asset classes will be determined based on their expected return and risk of potential loss, with appropriate diversification.

In order to achieve their main objective, the Multi Asset Sub-Funds' portfolios may also include financial derivative instruments, including but not limited to financial futures contracts, over-the-counter and/or exchange traded options (on equities, interest rates, indices, bonds, currencies, commodity indices or other instruments), contracts for difference, forward contracts (including foreign exchange contracts), depository receipts, rights, warrants on transferable securities traded on a recognized stock exchange or another Regulated Market, swaps (including foreign exchange swaps, commodity index swaps, interest rate swaps, and swaps on baskets of equities, volatility swaps and variance swaps), credit derivatives (including credit default derivatives, credit default swaps and credit spread derivatives), warrants, and structured financial derivative instruments such as credit-linked and equity-linked securities. To the degree the Multi Asset Sub-Funds will have any exposure to ABS or MBS, such exposure will never exceed 20% of the portfolio of the respective Multi Asset Sub-Fund. Any such investments will nevertheless be out of scope of Regulation (EU) 2017/2402 (the Securitization Regulation).

Under normal circumstances, it is generally expected that the actual percentage of the assets held by a Multi Asset Sub-Fund that may be subject to contracts for difference at any time will not exceed 300% of its net assets. In exceptional circumstances, such percentage may be increased up to a maximum of 400% of its net assets. The actual percentage depends on factors including, but not limited to the amount of relevant transferable securities held within a Multi Asset Sub-Fund and the market demand for such securities at any given time.

For Multi Asset Sub-Funds investing in a specific geographical area or industrial sector, emphasis will be given to the investments and currencies related to the specific objective of the Multi Asset Sub-Fund. All references to a specific geographical area have to be understood as being references to (i) the area in which the issuer is domiciled or (ii) the area in which the issuer carries on the predominant portion of its business activities or (iii) the area in which the relevant securities are listed.

With a view to maintaining adequate liquidity, each Multi Asset Sub-Fund may hold up to 20% of its net assets in ancillary liquid assets. The latter may cover cash held in current accounts with a bank accessible at any time, short-term bank deposits at sight. The Multi Asset Sub-Fund may also invest in regularly traded money market instruments the residual maturity of which does not exceed twelve months.

The Multi-Asset Sub-Funds may engage in forward foreign currency exchange contracts in order to hedge the assets of the Multi Asset Sub-Fund against currency fluctuations. Hedged Classes are Classes to which a hedging strategy aiming at mitigating currency risk against the reference currency of the Multi Asset Sub-Fund is applied, in accordance with ESMA opinion on UCITS share classes (ESMA34-43-296).

ESG and responsible investing criteria

The investment universe for our Sub-Funds is carefully screened, taking into account DNB Group's Instructions for Responsible Investments seeking to ensure that DNB does not contribute to human or labour rights violations, corruption, serious environmental harm and other actions which may be perceived to be unethical. An assessment of the sustainability risks and opportunities related to ESG (Environment, Social and Governance) factors are integrated in the investment management. Each Sub-Fund's investments are considered in relation to social, environmental and ethical criteria based on the following internationally recognised guidelines and principles:

- the UN Global Compact;
- the OECD Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights;
- the Ottawa Convention (international agreement on the prohibition of anti-personnel mines); and
- the Convention on Cluster Munitions.

The responsible investment team, composed by dedicated ESG analysts, works closely with the relevant portfolio managers to ensure that the Sub-Fund does not invest in companies which contribute to serious violation of human and labour rights, grave harm to the environment, unacceptable greenhouse gas emissions and serious corruption. Investments are not made in companies involved in production of tobacco, production of pornography, or weapons which through normal use violate basic humanitarian principles. Companies which derive 30% or more of their income from oil sands extraction, as well as mining companies and power producers which themselves or through entities they control derive 30% or more of their income from thermal coal, or base 30% or more of their operations on thermal coal, may be excluded from the investment universe. In addition, companies which either extract more than 20 million tonnes of thermal coal or with power generating capacity of more than 10000 MW from the combustion of thermal coal, may be excluded from the investment universe or placed under observation. In addition, emphasis shall be placed on forward- looking assessments of the companies, including any plans which will change either the level of thermal coal extraction or the level of power generating capacity derived with thermal coal, and/or reduce the share of their income or operations derived from oil sands or thermal coal, and/or increase the share of their income or operations derived from renewable energy sources.

DNB Group's Instructions for Responsible Investments are available on our website:

https://www.dnb.no/portalfront/nedlast/en/about-us/corporate-responsibility/2022/Group_instructions_responsible_investments.pdf

In addition, a process of ESG integration (*i.e.* incorporating ESG data within portfolio management systems) is adopted for all Alternative Investment Sub-Funds: Equities are screened prior to inclusion into our investment universe, quarterly for benchmark rebalancing, and on a weekly and daily basis for changes to ESG ratings/factors or alerts on potential and/or realised breaches in international norms and standards.

ESG data is subject to a range of risks including *inter alia* data availability on issuers particularly in regard to small, mid cap and emerging market companies, lack of standardised taxonomy for the classification of ESG activities, excessive reliance on external ESG data providers, unaligned ESG conclusions provided by different providers on a single company, albeit the initial analysis is carried out with reference to ESG ratings and scores provided by external providers (DNB AM uses ratings provided by MSCI ESG and norms based screenings from Sustainalytics, ISS and Bloomberg, same are paid in accordance with market practice), the responsible investment team does not take ESG ratings, and more generally speaking ESG data from third party providers mechanistically into consideration, but further analyses assumptions and criteria adopted in this

perspective, supplementing ratings provided by external providers with the conclusions of its thorough analysis. In this perspective, this assessment is also corroborated with the analysis of industry reports, sell-side research, media and non-governmental organisations (NGO) reports as well as questionnaires as the case may be.

This ESG integration process would allow to uncover potential product violations, breaches of international norms and standards and/or material sustainability risks and opportunities. Based on the screening, and in-house research through additional sources of information, the responsible investment team can highlight potential sustainability risks and opportunities to the portfolio manager, as well as provide input/recommendations about divesting as the case may be.

Through this collaborative effort between the responsible investment team and each relevant portfolio manager, the abovementioned discussions will trigger actions such as further investigation, engagement in dialogue with the company, favourable / unfavourable assessment for what relates to the investment decision on a given company.

Company engagement and proxy voting are key elements of the Investment Manger's active ownership approach. We engage with companies on specific ESG incidents, or to improve companies' general performance of sustainability-related processes, which may otherwise lead to underperformance. Engagements may either take place directly with companies, through our external service provider on engagements or in collaboration with other investors. Standard setting is an important element of active ownership. As part of this, we develop and publish expectation documents within important areas, which we use to contribute to the improvement of standards in the market, and to form the basis of engagements with companies. The Investment Manager's voting guidelines aim to vote at all Norwegian general meetings for listed companies our funds are shareholders in, and we have adopted a systematic approach to determining which global companies' annual general meetings we will vote at. For Norwegian companies, we engage with Boards, Management and Nomination Committees prior to annual general meetings and will explain our voting decisions to companies when we have voted against the company's recommendation. The results of our proxy voting are made publicly available. Through informed proxy voting we endeavour to secure long-term shareholder value and ensure that companies act sustainably.

Risk Profile

Shareholders should be aware that the value of the Multi Asset Sub-Funds may fall as well as rise and the invested capital may not be fully repaid.

The profit deriving from the Shares may fluctuate and fluctuations within the exchange rates may cause the net asset value of Shares to go up or down. The levels and basis of, and relief from, taxation may vary.

There is no assurance that the Multi Asset Sub-Funds will achieve the investment objectives. The Multi Asset Sub-Funds are neither capital-protected nor guaranteed.

Investing in Multi Asset Sub-Funds may offer a higher rate of return than those in short term and long- term debt securities. However, the risks associated with investments in Multi Asset Sub-Funds may also be higher, because the investment performance of such Multi Asset Sub-Funds depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies or positions taken. The fundamental risk associated with any alternative investment portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. In particular the use of financial derivative instruments for investment purposes may increase the volatility of the net asset value per Share, which may result in higher losses for the Shareholder. Potential investors should note that warrants on transferable securities, although expected to provide higher returns than transferable securities due to their high leverage, are subject to volatility in their price and subsequent greater risk of loss. Moreover, these instruments can lose their entire value. For further details of the risks applicable to investing in the Multi Asset Sub-Funds, please refer to chapter 6 ("INVESTMENT POLICIES AND

RESTRICTIONS"), chapter 8 ("RISK WARNINGS"), as well as to the information provided below for the individual Sub-Fund.

Risk Management Process

The Multi Asset Sub-Funds use the VaR Approach. The expected level of leverage is explicitly stated under the description of each Multi Asset Sub-Fund.

Profile of Targeted Investors

The Multi Asset Sub-Funds are suitable for experienced investors. The investor must have experience with volatile products.

The investor must be able to accept significant temporary losses, thus the Multi Asset Sub-Funds are suitable to investors who can afford to set aside the capital for at least five (5) years. They are designed for the investment objective of building up capital.

Potential investors are advised to seek information on the following issues they might encounter under the laws of the countries of their citizenship, residence or domicile:

- possible tax consequences;
- legal requirements;
- foreign exchange restrictions;
- exchange control requirements; and
- any other issue that might be relevant to the subscription, purchase, holding, switching and disposal of Shares.

Total Annual Return and ongoing charges

An overview of the Multi Asset Sub-Fund' performance scenarios will be disclosed in the respective KID.

Past performance is not indicative of future results. An indication of the respective Multi Asset Sub-Fund's ongoing charges will be disclosed in the KID of such Multi Asset Sub-Fund.

Fees for the Multi Asset Sub-Funds

Investment Management Fee (includes all fees paid to the Management Company, the UCI Administrator and the Depositary Bank)	Up to 0.80%
Performance fee	As set out in the Sub-Fund's Appendix, if applicable
Subscription minimum amount for Institutional Classes C1, D1, S2	EUR 1,000,000.- or the equivalent in another currency
Subscription minimum amount for Institutional Classes C2, D2	EUR 100,000,000.- or the equivalent in another currency
Subscription minimum amount for Retail Classes A, A2, N, N2, S1	None
Subscription fee	Up to 2%
Conversion fee	Up to 1%
Redemption fee	None

Details of the actual rate of the Investment Management Fee for each Class are set out on the website https://www.dnbam.com.

4.2 LIST OF MULTI-ASSET SUB-FUNDS

No Multi Asset Sub-Funds at the date of this Prospectus.