

Template periodic 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: Espiria Nordic Corporate Bond

Legal entity identifier: 529900XOKGJUDQ2TXC20

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of <u>5</u> % of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Sub-Fund’s investment objective is to achieve a combination of interest income and capital appreciation. By adopting a sustainability integrated investment process, the Sub-Fund also aims to promote environmental and social characteristics, including ensuring net zero alignment, reducing biodiversity risks, improving board diversity and strengthening alignment with the UN SDGs.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.



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.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **How did the sustainability indicators perform?**

The Investment Manager has implemented a proprietary sustainability integrated framework, the Espiria Quality & Sustainability Score (EQSS), to assess the quality and sustainability profile of each company at the holding level. The EQSS framework consists of five segments, Leadership, Market Growth & Opportunities, Business Strength & Resilience, Fundamentals and Sustainability, where each segment has multiple sub-topics that are scored 1 to 5. A higher (better) score will support a higher portfolio weight, all else equal. As ESG characteristics are included in all key segments of the framework, the Investment Manager is in this way actively promoting holdings with stronger environmental and/or social characteristics and sustainability footprint.

In addition to the EQSS framework, the Investment Manager has selected four sustainability indicators to further measure and promote environmental and social characteristics. None of these are mutually exclusive, and each holding may promote both E and S characteristics.

- *Net Zero Alignment (E) – Limit global warming to 1.5 degrees Celsius by achieving net zero emission by 2050 or sooner.* Espiria is part of the Net Zero Asset Managers initiative, a global international group of asset managers that commit to support the goal of net zero greenhouse gas (GHG) emissions by 2050, in line with global efforts to limit warming to 1.5°C (net zero emissions by 2050 or sooner). Through this commitment, the Investment Manager sets portfolio decarbonisation targets by which there is a target to achieve a 50% reduction in weighted average carbon intensity by 2030. The Investment Manager will engage with companies that are not aligned to promote environmental characteristics within this topic.
- *Low biodiversity risk (E) – Protect and restore biodiversity and ecosystems.* The Investment Manager maps deforestation risks, conducts analysis on all relevant holdings, and engages with companies to drive the progress towards a nature-positive economy. As a member of Finance Sector Deforestation Action (FSDA), the Investment Manager collaborates with other financial investors and institutions to promote environmental characteristics within this topic.
- *Board diversity (S) – Promote gender diversity on board level.* The Investment Manager believes that diversified boards reduce ESG related risks and drive long-term financial returns. A board is deemed as diversified when the share of the minority gender exceeds 30% and the Investment Manager will engage and/or actively vote against new board members when this criterion is not fulfilled to promote social characteristics within this topic.

KPIs

Data based on Bloomberg where available, otherwise company website.

- 43.4% of AUM has at least 30% female board members

- 53 out of 105 holdings has at least 30% female board members
- *Alignment with UN SDGs (E/S) – Companies with their offering of products and services directly contributing to one or several of the UN's Sustainable Development Goals (SDGs).* The Investment Manager applies a proprietary framework to assess and identify companies that contribute to one or several of the UN's Sustainable Development Goals (UN SDGs) in their offering of products and services. If contribution, as measured via revenue, capital expenditure, operating expenditure and/or research and development linked to the UN SDGs, is material and exceeds 20%, and the investment further meets impact-related measures and can be tied to an investible UN SDG target, the investment is considered as "Aligned with UN SDGs". Each UN SDG target can be categorised as either an environmental or a social objective, depending on whether the expected positive impact primarily relates to environmental or social outcomes.

KPIs

- 0.62% of AUM is aligned with UN SDGs
- 2 out of 105 holdings are aligned with UN SDGs

● ***...and compared to previous periods?***

At the end of 2022, the fund reported below KPIs

- 52.93% of AUM has at least 30% female board members
- 10 out of 23 holdings has at least 30% female board members
- 6.07% of AUM is aligned with UN SDGs
- 1 out of 23 holdings is aligned with UN SDGs

Some of this period's KPIs are slightly lower than those of last period's report mainly due to the significantly more diversified portfolio in place in the current reporting period.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

As end of 29th Dec 2023, the Sub-Fund had the following objectives with its sustainable investments:

- *Environmental objectives*, increased use of renewable energy, reduced greenhouse gas emissions, reduce climate change impact through

renewable energy, to finance and/or refinance Eligible Green Assets that promote the transition towards low-carbon and climate-resilient development

- *Social objectives*, Increased Access to Information and Communication Technology, and Flagship social programs facilitating socioeconomic advancement and empowerment
- *Other environmental and social objectives*, as outlined in the UN's Sustainable Development Goals (SDGs). SDG 11.2 - Sustainable, affordable, safe and accessible transport system, improving road safety (notably by expanding public transport)

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

How were the indicators for adverse impacts on sustainability factors taken into account?

All investments classified as sustainable met our Three-Step-Test for Sustainable Investments, including not having any red flags related to environmental or social controversies. All investments were Compliant in the controversy (norms-based) and the sector-based screening.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

All sustainable investments were Compliant in the controversy (norms-based) and the sector-based screening.

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 Union 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.



How did this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts on sustainability factors were taken into account according to our disclosed process outlined below.

- Upon a new investment, the Investment Manager checks and confirms the status of new holdings regarding norms and controversies. This norms-based (controversy) screening covers PAI indicators such as violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises or lack of processes and compliance mechanisms to monitor compliance with those regulations, and exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons).

Furthermore, all 14 mandatory PAI indicators are currently assessed at the holding level to the extent that data is available, in both absolute terms and in comparison with industry peers, as part of the investment process and the holistic assessment of company quality.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 29/12/2023



What were the top investments of this financial product?

Largest investments	Sector	% AUM	Country
Open Infra AB	Communications	6.77%	Sweden
Stadshypotek AB	Financial	3.91%	Sweden
CASTELLUM AB	Financial	3.26%	Sweden

Danske Bank A/S	Financial	2.83%	Denmark
B2 Impact	Financial	2.83%	Norway
Aker Horizons As	Financial	2.79%	Norway
Arise	Energy	2.55%	Sweden
Danske Bank A/S	Financial	2.42%	Denmark
SWEDAVIA AB	Industrial	2.33%	Norway
Nordea Bank Abp	Financial	2.24%	Finland
AKELIUS RESIDENTIAL AB	Financial	2.04%	Sweden
Gjensidige Forsikring Asa	Financial	2.00%	Norway
Willhem Ab	Financial	1.77%	Sweden
Swedbank	Financial	1.75%	Sweden
Getinge	Health Care	1.63%	Sweden

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



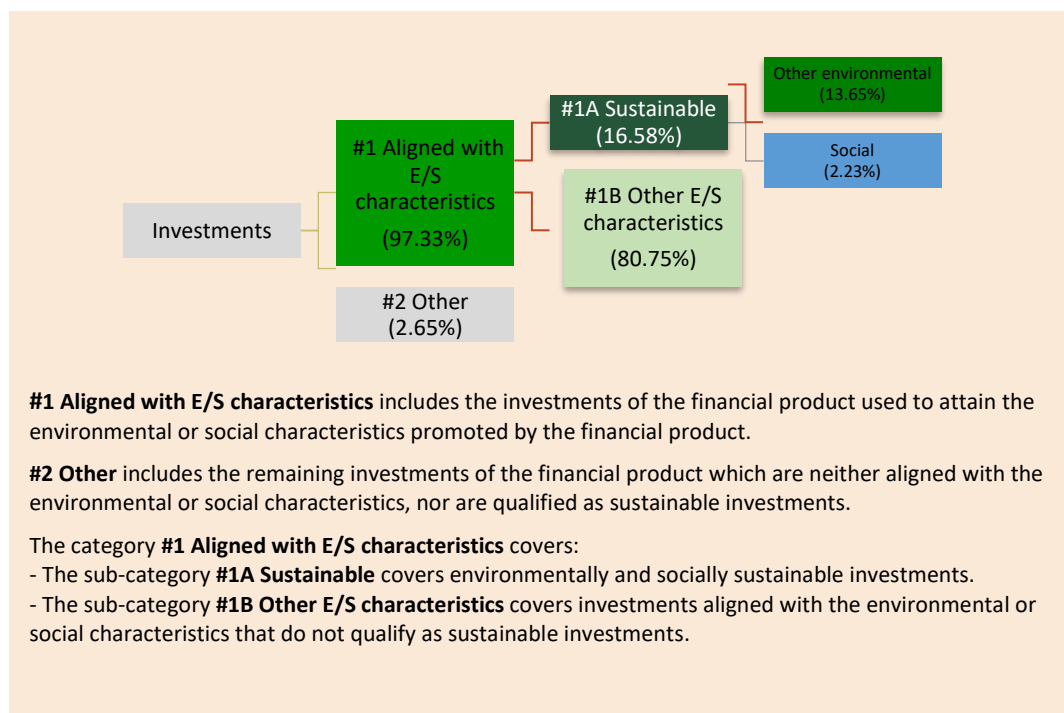
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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.

What was the proportion of sustainability-related investments?

16.58% of the fund's assets were invested in holdings classified as Sustainable Investments.

What was the asset allocation?



In which economic sectors were the investments made?

NACE Sector	% AUM
Financial And Insurance Activities	55.90%
Real Estate Activities	12.70%
Information And Communication	8.30%
Electricity, Gas, Steam And Air Conditioning Supply	4.90%
Transportation And Storage	4.90%
Manufacturing	4.50%
Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles	2.40%
Construction	1.70%
Professional, Scientific And Technical Activities	1.00%
Water Supply; Sewerage, Waste Management And Remediation Activities	0.70%
Human Health And Social Work Activities	0.10%

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.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The EU Taxonomy is currently under development and the criteria for all the environmental objectives have not yet been implemented. Further, there is not yet any clearly established model and/or standard for how to calculate the proportion of Taxonomy-aligned investments. Lastly, company disclosure related to the EU Taxonomy has yet to become widespread. Therefore, as of now, the Sub-Fund is committed to 0% as the minimum proportion of investments that are aligned with the EU Taxonomy for environmentally sustainable investments.

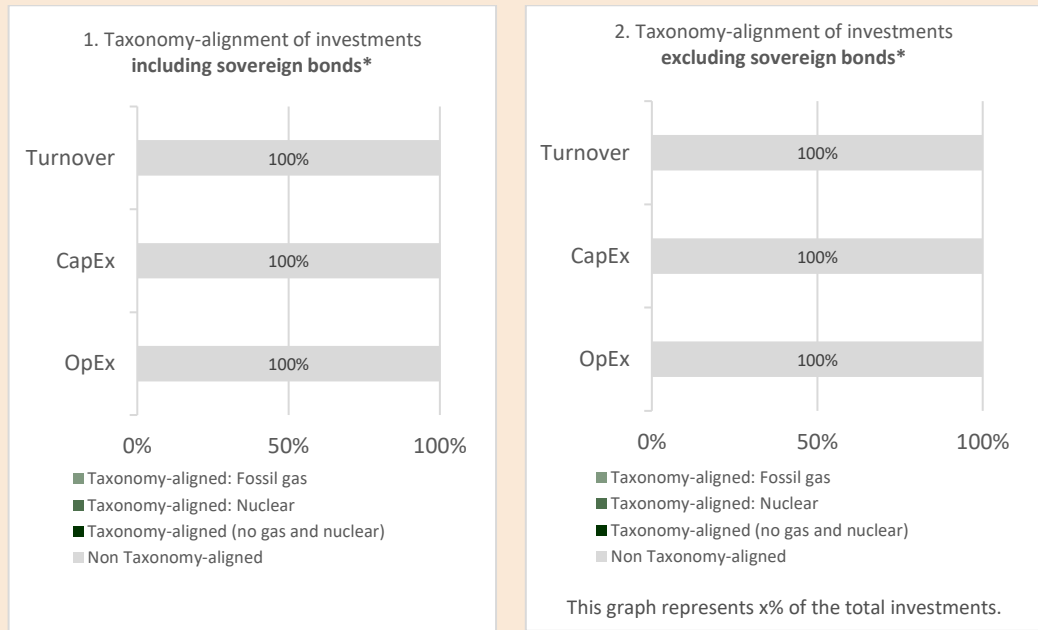
● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes:

¹ 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.

- In fossil gas
- In nuclear energy
- No

The graphs below show in green the percentage of investments that were 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 was the share of investments made in transitional and enabling activities?**

For reasons outlined above, the Investment Manager has not committed to a minimum proportion of investments in transitional and enabling activities, and the current information availability is lacking to make a full assessment. However, the Investment Manager believes that making investments that are not yet classified as sustainable but are aligned with E/S characteristics and show potential for improved ESG profiles and contributions to such characteristics is consistent with the spirit of the Taxonomy's notion of transitional activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The Sub-Fund is committed to a minimum proportion of 5% of total investments that are classified as sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

As of the end of the year, the percentage of sustainable investments with an environmental objective that do not align with the EU Taxonomy was **16.58%**.



What was the share of socially sustainable investments?

The Sub-Fund is not committed to a minimum proportion of investments that are classified as sustainable investments with a social objective.

As of the end of the year, the percentage of sustainable investments with a social objective was **2.23%**.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

There are two main purposes of investments included under "#2 Other":

- The Sub-Fund generally maintains a varied level of cash allocation in order to manage necessary fund liquidity; and
- The Sub-Fund may consider certain investments with a compelling investment rationale that are not aligned with the environmental or social characteristics the Fund promotes. The Investment Manager does consider various ESG related risks that such companies are exposed to and favours companies that effectively manage ESG related risks.

All investments included under “other” served either of above purposes and fulfilled the minimum environmental or social safeguards criteria set forth by the Investment Manager.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reference period, the Investment Manager used its sustainability integrated framework called the Espiria Quality & Sustainability Score (EQSS) to evaluate the quality and sustainability profile of each company at the holding level. The EQSS framework consists of five segments, including Leadership, Market Growth & Opportunities, Business Strength & Resilience, Fundamentals, and Sustainability, each of which has multiple sub-topics scored from 1 to 5. The Investment Manager has actively

promoted holdings with stronger environmental and social characteristics and a more sustainable footprint, as ESG characteristics are incorporated into all key segments of the EQSS framework. Therefore, the Investment Manager has taken actions to meet environmental and social characteristics by using the EQSS framework to assess and promote holdings that score higher in sustainability and ESG factors.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



How did this financial product perform compared to the reference benchmark?

- ***How does the reference benchmark differ from a broad market index?***
Not applicable.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***
Not applicable.
- ***How did this financial product perform compared with the reference benchmark?***
Not applicable.
- ***How did this financial product perform compared with the broad market index?***
Not applicable.