

Template 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 - Disruptive Opportunities

Legal entity identifier:
549300PNF3LXZPJVE042

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

● ● <input type="checkbox"/> Yes	● ● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%	<input type="checkbox"/> 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
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective 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"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

DNB Fund - Disruptive Opportunities promotes environmental and social (E/S) characteristics by avoiding any investments which are not in line with the DNB Standard for Responsible Investments and seeks to invest within the main sub-themes, which offer exposure to the underlying UN Sustainable Development Goals.

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.

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.

The indicators are the following:

- UN SDG alignment of the portfolio
- Percentage of the portfolio in breach of the fund exclusion criteria

● ***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?***

Not applicable.

● ***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? Details:

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.

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, DNB Fund - Disruptive Opportunities follows the DNB Group Standard for Responsible Investments. Thus, the fund considers the followings PAIs:
- No

PAIs	Consideration
1. GHG emissions	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.
2. Carbon footprint	
3. GHG Intensity of Investee Companies	
4. Exposure to companies active in the fossil fuel sector	<p>The fund applies strict exclusion criteria based on DNB's Standard for Responsible Investments.</p> <p>Oil sands extraction, mining companies and power produces from thermal coal are excluded in cases where the company derives 30 percent or more of their income from these activities unless there is a clear path to transition based on our forward-looking assessment.</p> <p>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.</p>
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 standard 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.

<p>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>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.</p>
<p>13. Board Gender Diversity</p>	<p>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.</p> <p>The topic is also addressed through voting. In all markets votes against management recommendations are considered if there is no gender diversity.</p>
<p>14. Exposure to controversial weapons (anti-mines, cluster munitions, chemical weapons and biological weapons)</p>	<p>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.</p> <p>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).</p>

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 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 as well as up- and downgrades in ESG scores are regularly made available to portfolio managers. Portfolio managers use this data in their investment decision making.

This fund follows DNB AMs Standard exclusion list, 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 changes to ESG scores/factors or 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 and/or material ESG risks and opportunities.

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.

● ***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?***

DNB Fund - Disruptive Opportunities commits to achieve an UN SDG alignment of the portfolio of at least 30%.

Note that we also apply strict exclusion criteria on product level based on:

- DNB's Standard for Responsible Investments: companies that produce cluster or nuclear weapons, cannabis for recreational use, tobacco, pornography, oil sands (more than 30%* of revenues) or thermal coal (more than 30% of revenues)*

**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.

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?**

Not applicable.

- **What is the policy to assess good governance practices of the investee companies?**

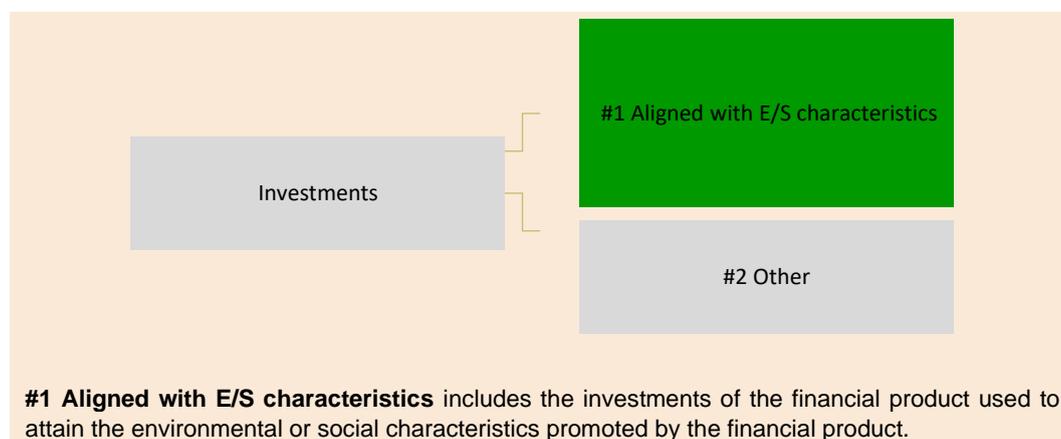
We consider corporate governance to be a material issue across all companies in the fund, and assessment of governance factors is therefore a part of our investment process.

DNB AM applies the DNB group standard for responsible investments across all holdings and fund products. The standard covers the product and norms-based grounds under which a company can be excluded from the DNB investment universe, and will ensure that DNB does not contribute to the infringement of human or labour rights, corruption, or other actions that could be regarded as unethical. This 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, the G20/OECD Principles of Corporate Governance.

In addition, DNB AM works to actively promote good governance 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.

What is the asset allocation planned for this financial product?

The fund will have a minimum proportion of 85% 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, derivatives, or other investments for which there is insufficient data.



Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

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.



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.

#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.



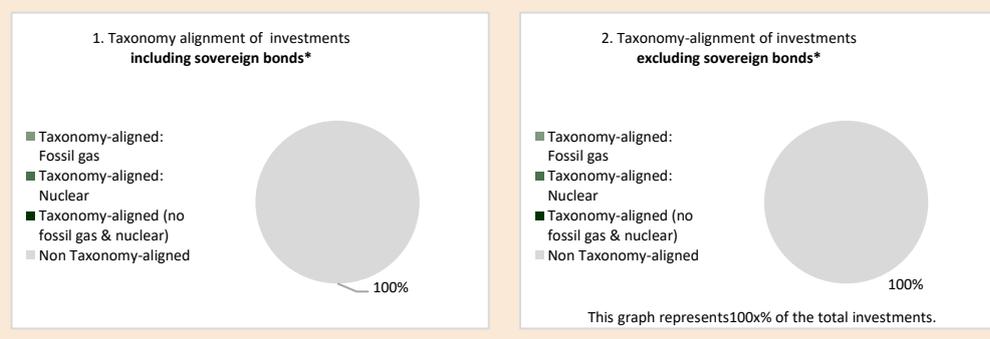
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

DNB Fund - Disruptive Opportunities 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 Taxonomy³?**

- 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.



³ 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.

investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

* 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?**

DNB Fund - Disruptive Opportunities does not commit to make any sustainable investments with an environmental objective, including 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?**

DNB Fund - Disruptive Opportunities 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, derivatives, and other investments for which there is insufficient data. Cash and derivatives may be included for liquidity and hedging purposes, see Section 6 'Investment policies and restrictions' in the Prospectus.

The DNB Standard for Responsible Investments which ensures that our investments are aligned with international norms and standards, and defines which products and services we do not tolerate, apply to all investments and will therefore act as a minimum environmental or social safeguard.



- **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.

- **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?**

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

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 DNB Fund - Disruptive Opportunities and a specific share class can be selected where you will find more information in the document called “Sustainability related disclosures