



Sustainability-related website disclosure in accordance with Article 10 of the SFDR

Product name (the “Sub-Fund”): Northern Yield

The Sub-Fund is a financial product that promotes an environmental or social characteristic under Article 8 SFDR.

Summary

The Sub-Fund invests in products that promote environmental and social characteristics. These characteristics are identified through a screening process and an ESG analysis. The data used primarily originates from publicly available information and investor presentations. There is currently no sustainability benchmark for the Sub-Fund.

No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment. This Sub-Fund promotes environmental or social characteristics pursuant to Article 8 of the SFDR, to better manage risk and generate sustainable returns for its investors. It does not commit though to making environmentally sustainable investments, as defined in the EU Taxonomy Regulation.

The sustainable investments are aligned with the UN Guiding Principles on Business and Human Rights but not aligned with the OECD Guidelines for Multinational Enterprises.

Environmental or social characteristics for the financial product

The factors below are analysed and promoted by the Sub-Fund.

Environment:

- Climate change and reduced carbon emissions

- Energy efficiency

- Improved waste management

Social:

- Workers' health & safety

- Diversity & Inclusion

- Community engagement

Governance:

- Anti-corruption and anti-bribery

- Diverse Board composition

- Executive compensation

- Business ethics

- Tax transparency

This list is non exhaustive.

Investment strategy

The Sub-Funds strategy is to invest in sustainable, high quality, Nordic corporate bonds. By integrating sustainability factors and risk consideration into our due diligence, we believe that we will be able to generate higher risk-adjusted returns to our investors. ESG is an additional due diligence area, which helps understand the risks the businesses may face. Before an investment decision is made the product undergoes a sustainability assessment consisting of an exclusion screening and an ESG analysis.

Screening

The exclusion screening limits the Sub-Funds investing into areas such as oil and gas, alcohol, tobacco, pornography, gambling and weapons. In addition, the Investment Manager will exclude companies that are in severe breach of any of the ten principles of the UN Global Compact.

ESG Analysis

The investment manager will make an evaluation of the company's ESG processes and risk mitigation. The investment manager will rate each company through our ESG rating system. If the rating is satisfactory, we may invest. Afterwards, we perform a thorough qualitative analysis to ensure that the ESG risks are mitigated. This process includes analysis of sound governance practices. At least 90% of the companies the fund invests in must be considered sustainable.

Proportion of investments

The Fund will invest at least 90% of its NAV in companies aligned with the environmental and social characteristics promoted and the exclusion list.

Monitoring of environmental or social characteristics

The environmental and social characteristics of the investments in the portfolio are monitored on an ongoing basis to ensure that a satisfactory standard remains.

Methodologies for environmental and social characteristics

The methodology to measure the attainment of the environmental or social characteristics promoted by the Sub-Fund is through analysis of our own ESG ratings as well as company data. The ESG rating system consists of different E, S and G metrics where each investment is awarded a score for each metric. These scores are compiled into an overall rating, "unsatisfactory", "light green", "green" or "dark green".

Data sources and processing

The Investment Manager will evaluate the investments alignment with environmental and social characteristics by using publicly available information, management meetings, investor presentation and questionnaire that is filled in by management. The proportion of data that are estimated is low.

Limitations to methodologies and data

The primary limitation to our sustainability analysis is the lack of data presented by the companies we invest in. Some companies are still in early stages and has thus not yet started extensive ESG reporting. To combat this issue, we are relying on questionnaires filled in by management to extract ESG information. However, these questionnaires do not cover every metric that we would like to analyse.

Engagement policies

The Sub-Fund engages with investee companies to influence their behaviour on sustainability related issues. Company engagements are both of proactive and reactive nature. When applicable and deemed appropriate the Sub-Fund collaborates with other investors.

Due diligence

The due diligence consists of analysis of ESG data. The internal controls are review by the investment committee. There are no external controls of the due diligence.

Designated reference benchmarks

The fund has not established a benchmark for measuring the achievement of sustainability characteristics.

For further information about the sustainability implementation, please contact us.