

SRD II Disclosure Report

Nordea Livförsäkring Sverige AB (publ)

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Introduction

In connection with the implementation of the 2nd version of the Shareholders Rights Directive (SRD II) in Swedish law, Nordea Livförsäkring Sverige AB (Nordea Life & Pension) is required to publicly disclose certain elements of its investment strategy with regards to equity investments as well as certain details concerning its arrangements with asset managers managing equity investments in Nordea Life & Pension's portfolios.

Main elements from the equity investment strategy

Nordea Life & Pension provides long-term savings and insurance products with the ambition to inspire and enable our clients lifelong financial well-being. Nordea Life & Pension's investment objective is to maximize long term risk adjusted return in a responsible way. Although, different Nordea Life & Pension savings products have different liabilities and different duration of liabilities, we have some common basic principles as the foundation for Nordea Life & Pension investment philosophy. One of our key principles when investing is to integrate sustainability in the investment decision. We believe that integrating environmental, social and governance issues (ESG) into our investment decisions ensures that we provide long term competitive return. We also believe that investing sustainable contributes to long-term attractive risk adjusted returns, both by mitigating the long-term risk as well as potentially creating values finding companies with sustainable business models. Nordea Life & Pension utilizes both internal and external managers, active and passive strategies to diversify and implement the portfolios in the best way. We cooperate closely with Nordea Asset Management in incorporating sustainability in our internal mandates. When selecting external investment managers, the managers' willingness and ability to address ESG is one of the factors we use in our selection process.

Arrangements with asset managers

Nordea Life & Pension use several asset managers to manage its equity investments. This is mainly done through fund formats, but some may be in the format of mandates where the asset managers trade equities on Nordea Life & Pension's behalf.

Being part of the Nordea Group, Nordea Life & Pension naturally has a close relationship with Nordea Funds and Nordea Investment Management, and these are the largest asset managers used by Nordea Life & Pension.

Nordea Life & Pension remunerates asset managers through regular management fees and as such do not incentivise them to manage the assets in a certain way by way of remuneration. When issuing mandates, Nordea Life & Pension sets limits and guidelines as to how the mandate shall be managed. Nordea Life & Pension follows up on this through monitoring and meetings with asset managers. The limits and guidelines are set to ensure that the asset managers invest in line with Nordea Life & Pension's investment strategy. The overall responsibility for aligning the duration of liabilities with the asset management rests fully with Nordea Life & Pension.

Nordea Life & Pension follows up and monitor the performance of asset managers and evaluate the manager selection continuously. When assessing performance, Nordea Life & Pension's focus is on long term performance, but Nordea Life & Pension also takes short term performance into account to catch possible trend changes. Nordea Life & Pension conducts regular meetings with asset managers used in our managed portfolios and address any issues related to the management of funds. The methods and time horizon for the monitoring are not explicitly agreed with the asset manager as Nordea Life & Pension want to retain a large degree of freedom when evaluating its asset managers. The goals may also differ between Nordea Life & Pension's products. Concerns arising from the evaluation are further

addressed with the asset managers before Nordea Life & Pension act upon them, giving the asset managers ample time to respond or adjust their management.

When choosing asset managers for managed portfolios, Nordea Life & Pension always considers how the asset manager works with ESG and corporate governance and whether they actively engage with the companies they invest in on such matters. Although not all portfolios are ESG enhanced products, Nordea Life & Pension requires all managers to have a policy on Corporate Governance and to include ESG-aspects as part of their investment process, as we consider this to be an important factor in generating long term returns. We also prefer managers that actively engage with the companies they invest in.

The mandate guidelines, manager selection and monitoring of managers and their performance are Nordea Life & Pension's main tools for ensuring the asset managers' compliance with Nordea Life & Pension's investments strategy and decisions with the profile and duration of Nordea Life & Pension's liabilities, in particular long-term liabilities as well as the managers financial and non-financial performance. Nordea Life & Pension does generally not enter into any agreement according to which a specific element of the agreement incentivises the asset managers with respect to any of the aforementioned items. Nordea Life & Pension consider these issues to best be addressed through mandate guidelines, manager selection and monitoring and follow up of managers, in which issues can be addresses directly with the asset managers.

Nordea Life & Pension is unlikely to invest with managers who have a strategy leading to high turnover as we do not believe such strategies lead to long term returns. Asset managers are continuously being evaluated with regards to performance as well as management fees and managers not performing from a risk-, return- and cost perspective will be considered for divestment. Nordea Life & Pension considers that this regular evaluation captures any manager that incur unnecessary high turnover costs. Therefore, Nordea Life & Pension does generally not enter into any agreement with asset managers specifically on how Nordea Life & Pension monitors portfolio turnover costs incurred by the asset managers and how Nordea Life & Pension defines and monitors a targeted portfolio turnover or turnover range.

Asset managers and funds used in our managed portfolios are continuously being evaluated, focusing mainly on long term performance, but also reviewing short term performance and changes to strategy or management to uncover changes in trend. If a manager is found to not be performing at the desired level, divestment will be initiated. Therefore, Nordea Life & Pension does generally not enter into any agreement with asset managers specifically regarding the duration of the arrangement.