
**Nordea Markets ETF
SICAV**

Investment Company under Luxembourg Law

R.C.S. Luxembourg B223977

**Unaudited semi-annual report for the period
from January 1, 2019 to June 30, 2019**

Nordea Markets ETF

Table of Contents

	Page
Directors and Administration	3
Information to the Shareholders	4
Statement of Net Assets	5
Key Figures	6
Statement of Operations and Changes in Net Assets	7
Statistics	8
Statement of Investments	
Nordea Smart Beta Eurozone Equity UCITS ETF	9
Notes to the Financial Statements	11
Additional Information	14

No subscription can be accepted on the basis of the financial reports. Subscriptions are only valid if they are made on the basis of the Key Investor Information Documents, the prospectus accompanied by the latest annual report and the latest semi-annual report, if published thereafter.

Nordea Markets ETF

Directors and Administration

Registered Office

11-13, Boulevard de la Foire
L-1528 Luxembourg
Grand Duchy of Luxembourg

Board of Directors of the Company

Peter Seippel

Member of the Board of Directors
Nordea Bank Abp

Krister Alvelius

Member of the Board of Directors
Nordea Bank Abp

Carl Christenson

Chairman of the Board of Directors
Nordea Bank Abp

Revel Wood (until January 17, 2019)

Member of the Board of Directors
FundRock Management Company S.A.

Management Company

FundRock Management Company S.A.
33, Rue de Gasperich
L-5826 Hesperange
Grand Duchy of Luxembourg

Investment Manager

Assenagon Asset Management S.A.
Aerogolf Center
1B Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

Depository and Paying Agent

RBC Investor Services Bank S.A.
14, Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Administrator, Registrar and Transfer Agent of the Company

RBC Investor Services Bank S.A.
14, Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Auditor

PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator,
L-2182 Luxembourg
Grand Duchy of Luxembourg

Distributor

Nordea Bank Abp
Smålandsgatan 17
SE-105 71 Stockholm
Sweden

Legal adviser

Clifford Chance (until May 2, 2019)
10, Boulevard Grande Duchesse Charlotte
L-1011 Luxembourg
Grand Duchy of Luxembourg

Arendt & Medernach S.A. (since May 2, 2019)
41A, Avenue JF Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

Nordea Markets ETF

Information to the Shareholders

Copies of the following documents will be available for inspection on Business Days free of charge at the Company's registered office or at the Representatives outside Luxembourg, where copies of this Prospectus, all key investor information documents and the financial reports will also be available free of charge:

- (a) the Articles of the Company,
- (b) the articles of incorporation of the Management Company,
- (c) the contract with the Depositary,
- (d) the contract entered into by and between the Company, the Management Company and the Administrator, and
- (e) the contract entered into by and between the Company, the Management Company and the Investment Manager.

ALFI code of conduct:

The Board is responsible for ensuring that a high level of corporate governance is met and considers that the Fund has complied with the best practices in the Luxembourg funds industry. In particular, the Board has adopted the ALFI Code of Conduct (the "Code") which sets out principles of corporate governance. The Board considers that the Fund has been in compliance with the principles of the Code in all material aspects throughout the period ended June 30, 2019.

Nordea Markets ETF

Statement of Net Assets as at June 30, 2019

**Nordea Smart Beta
Eurozone Equity
UCITS ETF**

	Note	EUR
ASSETS		
Investment portfolio at market value	(2b)	13,587,919.00
Cash at bank		24,824.27
Interest receivable		59,709.83
Other assets		3,811.64
TOTAL ASSETS		13,676,264.74
LIABILITIES		
Amounts payable on purchase of investments		73,466.86
Interest payable		5.68
All-In fees payable	(6)	5,380.90
TOTAL LIABILITIES		78,853.44
TOTAL NET ASSETS		13,597,411.30

The notes form an integral part of these financial statements.

Nordea Markets ETF

Key Figures

Nordea Smart Beta Eurozone Equity UCITS ETF

EUR

Net asset value per share as at June 30, 2019

Class I	102.1971
Class R	101.9405

Number of shares outstanding as at June 30, 2019

Class I	112,749.93
Class R	20,352.00

Nordea Markets ETF

Statement of Operations and Changes in Net Assets for the period from January 1, 2019 to June 30, 2019

Nordea Smart Beta Eurozone Equity UCITS ETF

	Note	EUR
NET ASSETS AT THE BEGINNING OF THE PERIOD		19,660,084.63
INCOME		
Dividends, net	(2f)	436,426.78
Other income	(2g)	11,238.99
TOTAL INCOME		447,665.77
EXPENSES		
Interest paid		58.96
All-In fees	(6)	41,340.45
TOTAL EXPENSES		41,399.41
NET INCOME / (LOSS) FROM INVESTMENTS		406,266.36
Net realised gain / (loss) on sales of investments		1,115,385.39
NET REALISED GAIN / (LOSS)		1,521,651.75
Change in net unrealised appreciation / (depreciation) on investments		1,329,180.91
NET INCREASE / (DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS		2,850,832.66
EVOLUTION OF THE CAPITAL		
Subscriptions of shares		3,624,871.86
Redemptions of shares		(12,538,377.85)
NET ASSETS AT THE END OF THE PERIOD		13,597,411.30

The notes form an integral part of these financial statements.

Nordea Markets ETF

Statistics

Nordea Smart Beta Eurozone Equity UCITS ETF

EUR

Total Net Asset Value

June 30, 2019	13,597,411.30
December 31, 2018	19,660,084.63

NAV per share at the end of the period

June 30, 2019

Class I	102.1971
Class R	101.9405

NAV per share at the end of the year

December 31, 2018

Class I	88.5756
Class R	88.4633

Nordea Markets ETF

Nordea Smart Beta Eurozone Equity UCITS ETF

Statement of Investments

as at June 30, 2019

(expressed in EUR)

Description	Quantity	Currency	Cost	Evaluation	% net assets
Transferable securities and money market instruments admitted to an official stock exchange or dealt in on another regulated market					
Shares					
Belgium					
UCB	6,572.00	EUR	459,402.47	479,230.24	3.52
			459,402.47	479,230.24	3.52
France					
CNP ASSURANCES	22,092.00	EUR	436,774.64	440,956.32	3.24
COVIVIO ACT	4,816.00	EUR	425,473.32	443,312.80	3.26
GECINA /ACT.NOM.	3,492.00	EUR	455,212.40	459,547.20	3.38
GETLINK SE	32,392.00	EUR	378,486.67	456,403.28	3.36
SARTORIUS STEDIM BIOTECH	3,841.00	EUR	385,524.07	532,746.70	3.91
TELEPERFORM.SE	2,713.00	EUR	404,802.15	478,030.60	3.52
			2,486,273.25	2,810,996.90	20.67
Germany					
ALLIANZ SE/NAM.VINKULIERT	2,164.00	EUR	459,081.25	458,768.00	3.37
BMW-BAYER.MOTORENWERKE	6,124.00	EUR	451,445.80	398,611.16	2.93
CARL ZEISS MEDITEC AG	5,309.00	EUR	375,790.89	460,555.75	3.39
DEUTSCHE WOHNEN SE	11,600.00	EUR	476,521.83	374,332.00	2.75
HANNOVER RUECKVERSICHERUNG SE	3,487.00	EUR	427,693.73	495,851.40	3.65
LEG IMMOBILIEN	4,480.00	EUR	450,353.23	444,416.00	3.27
TAG IMMOBILIEN AG	23,195.00	EUR	472,293.17	471,322.40	3.47
VONOVIA SE /NAMEN	10,452.00	EUR	444,601.86	438,984.00	3.23
			3,557,781.76	3,542,840.71	26.06
Ireland					
GLANBIA PLC /-A-	28,360.00	EUR	442,082.39	405,548.00	2.98
KERRY GROUP A	4,657.00	EUR	466,311.76	488,985.00	3.60
			908,394.15	894,533.00	6.58
Italy					
POSTE ITALIANE SPA	48,878.00	EUR	454,666.60	452,610.28	3.33
UNIPOLSAI - SAI NPV SHS	190,349.00	EUR	425,619.23	429,998.39	3.16
			880,285.83	882,608.67	6.49
Luxembourg					
AROUNDTOWN S.A.	64,327.00	EUR	469,122.18	466,113.44	3.43
			469,122.18	466,113.44	3.43
Netherlands					
ARGEN-X N.V.	4,070.00	EUR	455,217.85	501,424.00	3.69
ASR NEDERLAND NV	11,738.00	EUR	448,874.01	419,750.88	3.09
KONINKLIJKE AHOLD DELHAIZE N.V.	21,660.00	EUR	456,974.46	428,391.48	3.15
UNILEVER CERT.OF SHS	8,614.00	EUR	458,288.20	461,365.84	3.39

The notes form an integral part of these financial statements.

Nordea Markets ETF

Nordea Smart Beta Eurozone Equity UCITS ETF

Statement of Investments (continued)

as at June 30, 2019

(expressed in EUR)

Description	Quantity	Currency	Cost	Evaluation	% net assets
Transferable securities and money market instruments admitted to an official stock exchange or dealt in on another regulated market (continued)					
Shares (continued)					
Netherlands (continued)					
WOLTERS KLUWER NV	7,475.00	EUR	399,018.14	478,549.50	3.52
			2,218,372.66	2,289,481.70	16.84
Spain					
ACCIONA SA /ESP 167	4,499.00	EUR	457,579.90	424,705.60	3.12
BANKINTER SA	65,303.00	EUR	470,802.73	395,605.57	2.91
INMOB COL /REIT	48,445.00	EUR	432,802.46	474,518.78	3.49
MERL SOCIMI /REIT	38,257.00	EUR	434,253.63	466,735.40	3.43
RED ELECTRICA CORPORACION. SA	25,146.00	EUR	466,426.28	460,548.99	3.39
			2,261,865.00	2,222,114.34	16.34
Total - Shares			13,241,497.30	13,587,919.00	99.93
Total - Transferable securities and money market instruments admitted to an official stock exchange or dealt in on another regulated market			13,241,497.30	13,587,919.00	99.93
TOTAL INVESTMENT PORTFOLIO			13,241,497.30	13,587,919.00	99.93

The notes form an integral part of these financial statements.

Nordea Markets ETF

Notes to the Financial Statements

as at June 30, 2019

1 - General

Nordea Markets ETF (the "Company") is registered in the Grand Duchy of Luxembourg as an undertaking for collective investments in transferable securities in accordance with Part I of the law of December 17, 2010 concerning undertakings for collective investments, as amended (the "2010 Law").

The Company qualifies as an undertaking for collective investments in transferable securities ("UCITS") pursuant to article 1(2) of Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (the "UCITS Directive").

The Company is listed in the Luxembourg Register of Trade and Companies under number B223977. Its original Articles of incorporation have been published in the RESA on May 4, 2018.

The Company is currently structured as an umbrella fund, so that both institutional and retail investors are able to choose from different Sub-funds whose performance may be fully or partially linked to the performance of an underlying index, a basket consisting of securities or selected equities or equity-type securities via derivatives.

FundRock Management Company S.A. acts as the Company's Management Company.

As at June 30, 2019, the following Sub-fund is open:

- Nordea Smart Beta Eurozone Equity UCITS ETF, denominated in EUR

The capitalisation classes available are as follows:

- Class I available to institutional investors
- Class R available for retail investors and advisory concept investors.

The Director Revel Wood resigned as of January 17, 2019 from the Board of Nordea Markets ETF.

2 - Summary of Significant Accounting Policies

a) *Presentation of financial statements*

The financial statements of the Company have been presented in accordance with Luxembourg legal and regulatory requirements and prepared in accordance with generally accepted accounting principles in Luxembourg relating to Undertakings For Collective Investment In Transferable Securities, including the following significant policies.

b) *Valuation of the investment securities*

The transferable securities or money market instruments that are listed on a recognised stock exchange or traded on any other regulated market will be valued at their last available official closing prices or, in the case of several such markets, based on their last available closing prices on the most important market for the relevant security, so long as these prices are normally the same as the prices used by the index offeror in the calculation of the index of the relevant Sub-fund; if the last available price does not accurately reflect the fair market value of the relevant securities, the value of such securities shall be determined by the Board of Directors on the basis of their reasonable foreseeable realisation prices determined subject to due deliberations and in good faith.

The transferable securities or money market instruments that are not traded on a regulated market will be valued on the basis of their likely realisation price, as determined by the Board of Directors subject to due deliberations and in good faith.

Nordea Markets ETF

Notes to the Financial Statements (continued) as at June 30, 2019

2 - Summary of Significant Accounting Policies (continued)

c) Net realised result on sales of investments

Net realised result on sales of investments are calculated on the basis of average cost of the investments sold.

d) Conversion of foreign currencies

The accounting records and the financial statements of the Company are expressed in EUR. Cash at sight, other net assets and market value of the investments in securities expressed in currencies other than EUR are converted into EUR at the exchange rates prevailing on the date of valuation. Income and expenses in currencies other than EUR are converted into EUR at the rate of exchange prevailing at transaction date. The resulting gain/loss is included in the statement of operations and changes in net assets.

e) Cost of investments in securities

Cost of investment in securities in currencies other than EUR is converted into EUR at the exchange rate applicable at purchase date.

f) Income and expenses recognition

Dividends are recorded net at ex-date. Interest are accounted net on a prorata basis.

g) Other income

Other income consists of commissions on subscriptions and redemptions.

3 - Management Company

The Board of Directors of the Company has appointed FundRock Management Company S.A. as the Management Company of the Company.

FundRock Management Company S.A. is approved as a management company regulated by chapter 15 of the 2010 Law and has also been authorised as Alternative Investment Fund Manager ("AIFM") under the amended Law of July 12, 2013 on alternative investment fund managers.

4 - Investment Manager

The Management Company, upon recommendation and with the consent of the Company, has appointed Assenagon Asset Management S.A. as Investment Manager of the Sub-fund Nordea Smart Beta Eurozone Equity UCITS ETF.

5 - Administrator, Depositary and Paying Agent, Registrar and Transfer Agent of the Company

RBC Investor Services Bank S.A. has been appointed as depositary bank and principal paying agent of the Company with responsibility for:

- The safekeeping of the assets;
- The oversight duties;
- The cash flow monitoring; and
- The principal paying agent functions.

RBC Investor Services Bank S.A. has also been appointed as central administrative agent, registrar and transfer agent.

Nordea Markets ETF

Notes to the Financial Statements (continued)

as at June 30, 2019

6 - All-In fees

Each Sub-fund will pay an All-In fee including in particular the fees for the Management Company, the Investment Manager of the Sub-fund, the Depository and paying Agent, as well as the fees for the Registrar and Transfer Agent of the Company and the Administrator.

The All-In fee is paid by the Company and paid directly to the Depository and/or the relevant service providers. The All-In fee is calculated on the basis of the average daily NAV of the share class of the relevant Sub-fund and is payable in arrears on a monthly basis, as follows:

<u>Sub-fund</u>	<u>Share Class</u>	<u>% p.a.</u>
Nordea Smart Beta Eurozone Equity UCITS ETF	Class I	0.40
	Class R	0.65

7 - Other fees

Other fees are composed of Stamp fees.

8 - Subscription tax

According to current Luxembourg Law and practice, the Company must pay an annual subscription tax (*taxe d'abonnement*) in Luxembourg which is calculated as a rate of 0.05% of the NAV of all its Sub-funds. The rate of taxation is 0.01% for all share classes reserved for institutional investors. The subscription tax is payable quarterly on the basis of the NAV of the Sub-funds at the end of the quarter to which the tax relates. Sub-funds (i) whose Shares are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public; and (ii) whose exclusive object is to replicate the performance of one or more indices, are exempt from the *taxe d'abonnement*. If several Share Classes exist within a Sub-fund, the exemption only applies to the share class fulfilling the condition (i) above. Without prejudice to additional or alternative criteria that may be determined by regulations, the index referred to under condition (ii) above must represent an adequate benchmark for the market to which it refers and must be published in an appropriate manner.

9 - Changes in the Securities Portfolio

A copy of the changes in the securities portfolio of the Company for the period from January 1, 2019 to June 30, 2019 is available free of charge at the Registered Office of the Company.

Nordea Markets ETF

Additional Information

Securities Financing Transactions and of Reuse Regulation (“SFTR”)

The Company does not use any instruments falling into the scope of SFTR.