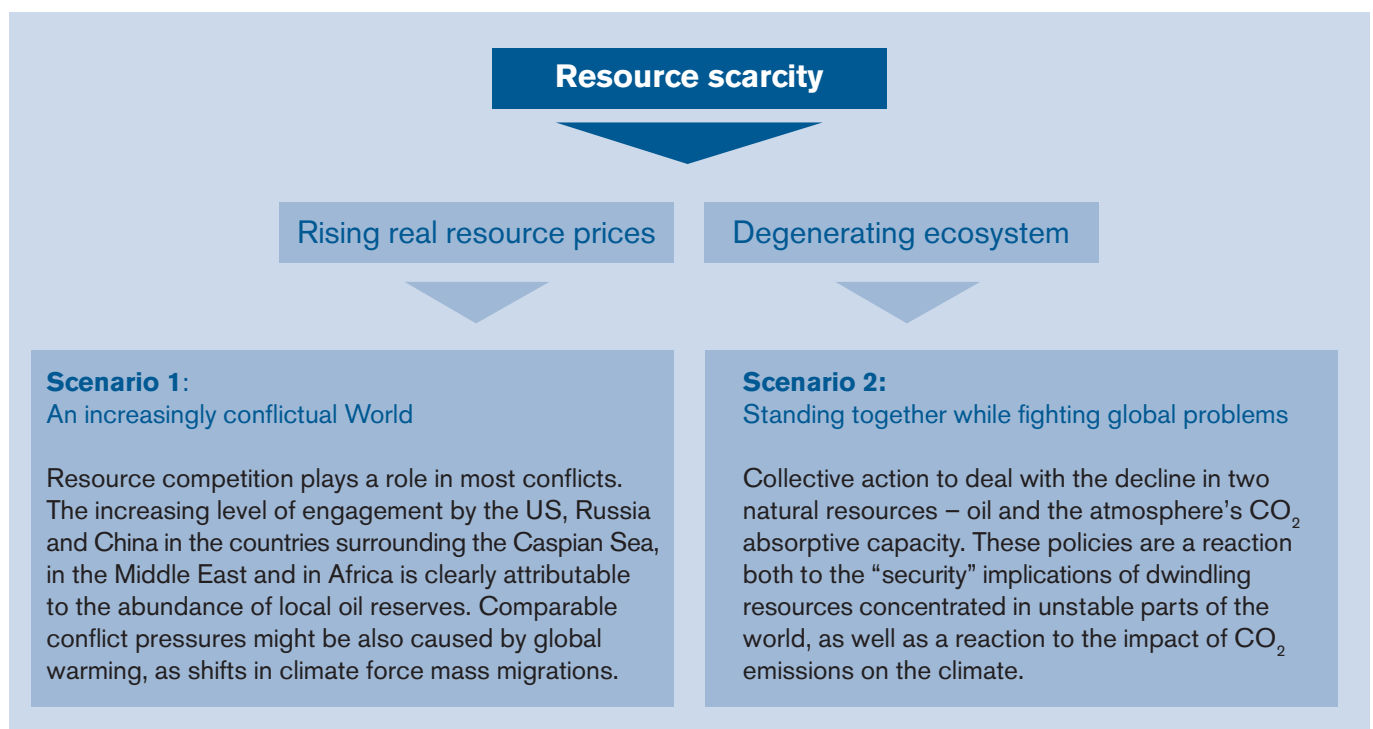




Nordea 1 – Climate and Environment Equity Fund

ISIN: LU0348926287 (BP-EUR) / LU0348927095 (BI-EUR)

The “resource constrained economy”



Whatever scenario prevails, Scenario 1, 2 or a mix of both, resource scarcity is likely to cause significant changes to the global economy. As a consequence a growing portion of the economy will be constituted by companies which perform the activities described in the boxes on page 2.

The revenues deriving from these activities will on the one side be generated following purely market-based prices and demand/supply dynamics.

On the other side they can also accrue from public intervention, at a single government or international level. Indeed, in order to protect the environment, public institutions will impose certain prices, or enact regulations which render compulsory, for companies or citizens, the use of products and services satisfying environmental requirements.

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Activities which are focus of the Fund (the “Activities”)

Sector	Activity
Alternative energies	Production or contribution to the development of sources of energy alternative to carbon-fossil-based energy, which are clean or possess a clear advantage in terms of higher efficiency with respect to the amount of pollution produced.
Energy & Pollution efficiency	Production of materials, engines or other inputs of a production process which improve the energy-efficiency and/or diminish the polluting impact of the production process or of the goods result of the production process.
Cleaning Environment	Set-up of technologies for, or involvement in: cleaning the environment or providing clean water or recycling waste.

Nordea top-down approach: the key to successful investing in the “resource constrained economy”

We believe a true top-down approach can clearly provide a forecasting advantage concerning the development of these Activities. Future developments are highly uncertain. Only having a view encompassing all the drivers of different nature, it is possible to make forecasts on the evolutions of the Activities and the related businesses.

Furthermore, we believe that concentrating only on some particular areas, like alternative energies, water resources or “green technologies”, limits the approach and the possibility to uncover the winners of tomorrow. As these Activities are amongst the most dynamic and interconnected in the world, the most fruitful investment approach is one which takes into account all the developments generated by the world’s resource scarcity theme.

Positioning itself within this type of approach, Nordea believes to possess an advantage with respect to competitors in the identification of the best investment opportunities in the field.

Nordea’s top-down approach is based on the formulation of strategies, which possess the following features:

Strategy features

Description

A strategy consists of a view on some drivers related to the Activities which is not yet reflected in the market prices and analysts’ forecasts.

Trigger

The formulation of a strategy is a dynamic process for which the initial trigger can come from the observation of any relevant element, which highlights a potential for further research (see below) to evidence a view for which there is not a common consensus in the market place.

Underlying research (examples)

- Macroeconomic drivers
- Demographic and socio-economic drivers
- Competitive pressure
- Regulatory environment
- Industry analysis
- Technological changes

Selection of Beneficiaries

We select companies which:

- are carrying out or will carry out one of the above-mentioned Activities.
- are substantially undervalued by the market in relation to the growth and/or profitability potential related to these Activities.

In depth forecasts of the future cash flow of the company and valuations under different scenarios are performed.

Strategy Example: “Carbon fibers as energy-efficient replacement of metals”

Description

- Fuel efficiency will be one of the key factors in future aerospace, industrial applications and new generation of autos.
- Industries diversify away from metals to carbon fibers due to significant material advantages (lighter weight, higher strength, higher resistance regarding corrosion and ultra-low temperature).
- In particular, the new generation of commercial aircrafts (A380, BA787) will use an increasing amount of composite material.

Trigger

- Starting point: After the collapse of the airplane industry following 9/11 we recognized a significant raise in orders for airplanes in 2004/2005.
- We decided to investigate the features of the new planes and the environmental implications.

Underlying research

- Industry research showed that the massive demand was mainly driven by fast growing airlines from Middle East/Asia and was focused on old AND new airplane models.
- Significant and unexpected high growth in demand for large commercial aircrafts.
- Studying the features of the upcoming new models, we realized a massive growth of carbon fiber as a composite material used in the aircraft platforms.
- Airlines demanding higher share of carbon fiber in airplanes in order to reduce fuel consumption and CO₂ emission.
- This trend was amplified by the increasing focus on climate change and overall carbon footprint: In December 2007 the EU-Environment Ministers decided that starting 2012 airlines will be included in the EU-Emission Trading framework.
- A huge production-backlog indicated a consistently growing demand for high-end carbon fiber in the aerospace business.

Beneficiaries

- Zoltek Company Inc., based in St. Louis, Missouri, manufactures and markets carbon fibers and technical fibers in the United States.
- Hexcel Corporation, based in Stamford, Connecticut, manufactures and markets advanced composites mainly for use in the commercial aerospace, space and industrial applications worldwide.

For both companies, we believe that the revenue and cash-flow projections currently underlying their market prices do not reflect the increasing demand for their products, especially in the mid- to long-term.

Management team and some indicators of performance

The fund manager has been working on strategies related to the Activities since 2003 in the context of the management of two other Nordea thematic funds: the Nordea 1 – European Equity Fund (EEF) and the Nordea 1 – Global Equity Fund (GEF). He is supported by the Nordea Thematic Investment Team, which consists of a staff of 19 including analysts and sector specialists.

The fund manager and other members of the team have therefore a consolidated experience in formulating strategies related to the Activities. They already demonstrated skills in picking outperforming stocks in this area while managing the before-mentioned funds.

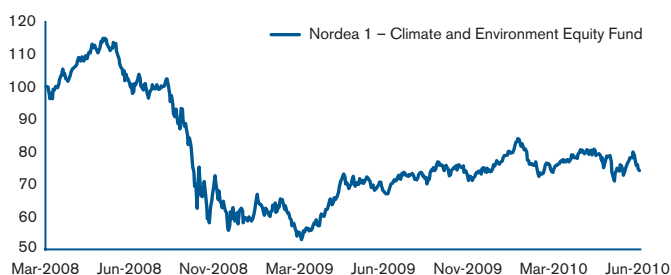
Nordea 1 – Climate and Environment Equity Fund

Cumulative performance in % (30.06.2010)

Timeframe	Fund
YTD	-7.02
1 month	-0.93
3 months	-4.87
6 months	-7.02
1 year	4.95
Since inception	-25.80

Source: Nordea Investment Funds S.A. and Datastream. Performance calculated NAV to NAV (net of fees and Luxembourg taxes) gross income reinvested, in EUR, excluding initial and exit charges as per 30.06.2010. The performance represented is historical; past performance is not necessarily a guide to the future and investors may not recover the full amount invested.

Performance since launch: 13.03.2008 – 30.06.2010



Top Ten in % (30.06.2010)	Weight
Quanta Services	4.00
Vestas Wind Systems	3.50
Lkq	3.28
Linde	3.22
ABB	3.09
National Grid Transco	3.01
Dresser Rand	2.90
Republic Services	2.67
Calgon Carbon Corp	2.66
Covanta Holding Corp	2.65

Source: Nordea Investment Funds S.A. Date: 30.06.2010.

Sector Breakdown in % (30.06.2010)	Weight
Industrials	40.20
Utilities	14.68
Materials	14.47
Information Technology	11.95
Consumer Discretionary	10.58
Energy	4.56
Health Care	2.42
Net Liquid Assets	1.14
Total	100.00

Source: Nordea Investment Funds S.A. Date: 30.06.2010.

Nordea 1 – Climate and Environment Equity Fund	
Fund manager	Thematic Investment Team
Fund domicile	Luxembourg
ISIN codes	LU0348926287 (BP-EUR) LU0348927095 (BI-EUR)*
Annual management fees	1.5% (BP-EUR) 0.85% (BI-EUR)*
Base currency	EUR
Fund size in million	31.91
No. of holdings	48
Launch date	13.03.2008

Source: Nordea Investment Funds S.A. Date: 30.06.2010.

*BI-EUR share class: only for distribution towards institutional clients.

Opportunities

- In the long run equities offer above average return potential*
- The fund offers a participation to the stock in the climate and environment area
- By investing in foreign currencies the return can be improved to fluctuations in the currency rates

Risks

- Equity prices can show significant volatility and may suffer from price losses
- By concentrating on the climate and environment area the investor runs the risk that the fund underperforms the broad equity markets
- By investing in foreign currencies the return can decline due to fluctuations in the currency rates

*The performance indication is only indicative and may not be met in the future.

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For the risk profile of the mentioned sub-funds, please refer to the fund prospectus. **Additional information for investors in the United Kingdom:** Approved by Nordea Bank Finland Plc, London Branch, which is regulated by the FSA in the United Kingdom. **Additional information for investors in Latvia:** The Representative and Paying Agent is Nordea Bank Finland Plc, Latvia Branch, 15, Kalku Street, LV-1050 Riga. **Additional information for investors in Estonia:** The Representative and Paying Agent in Estonia is Nordea Bank Finland Plc, Estonia Branch, Hobujaama 4, 15068 Tallinn. **Additional information for investors in Lithuania:** The Representative and Paying Agent in Lithuania is Nordea Bank Finland Plc, Lithuania Branch, Didzioji str. 18/2, LT-01128 Vilnius. Shareholders must evaluate possible investment risks and take this into consideration when making investment decisions. Source: Nordea Investment Funds S.A. 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