



Nordea 1 – Latin American Equity Fund

ISIN: LU0309468808 (BP-EUR) / LU0351545826 (BI-EUR)

Fund highlights

- Latin America is a region offering strong growth potential, but with larger liquidity and lower risk than many other emerging markets
- Nordea entered into a partnership with one of the largest banks in Latin America, Itaú Unibanco, broadly recognised for its investment management capabilities
- The fund management team, located in São Paulo, Brazil, has a deep knowledge of the local stock markets and is supported by one of the region's largest and most regarded equity research teams

Why invest in Latin America?

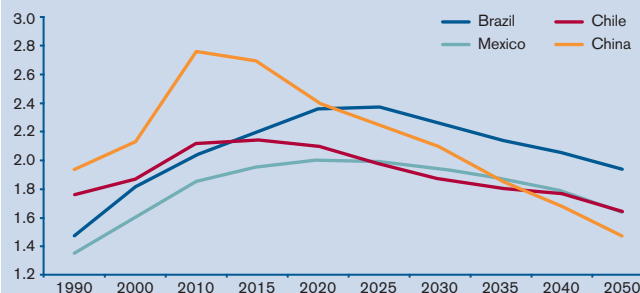
In the last 5 years, Latin American countries have outperformed many other emerging markets. The growth model implemented in the Latin American region differs from the one in Emerging Asia, as it is more driven by domestic dynamic as opposed to exports.

We believe that Latin American countries are well positioned to continue displaying high economic growth mainly because:

- of the strong domestic demand dynamics driven by the increase in real purchasing power;
- of the absence of mortgage-related problems and the low amount of credit in the economy. Therefore, the de-leveraging slowing down the economies of other parts of the world is not taking place in the region;
- the macroeconomic outlook of the most important countries within the region has strongly improved thanks to stable governments and healthy macroeconomic policies, allowing these countries to achieve investment grade rating. Stricter monetary policies have contained inflation rates and facilitated the creation of high levels of foreign currency reserves. These in turn allow protection from capital outflows which have been at the source of financial crises in the past.

- demographic bonuses (ratio between working age and dependent population) for the region are also supportive for the strong growth outlook. The region's demographic bonus is expected to expand until + – 2020 which should continue boosting the per capita GDP. In addition, there is sizeable urban society and no language or religion cleavage.

Demographic Bonus Ratio – Latin America Evolution and China



Brazil is currently in a situation very similar to Japan 30 years ago.
Source: Itaú Unibanco Asset Management.

The region offers a broad risk diversification among its constituent countries: different stock markets are not strongly correlated as they follow different domestic dynamics.

Correlations	1 year	3 years	5 years	7 years
MSCI Brazil x MSCI Mexico	0.80	0.85	0.84	0.81
MSCI Brazil x MSCI Chile	0.66	0.70	0.69	0.67
MSCI Mexico x MSCI Chile	0.66	0.71	0.70	0.66

Source: Itaú Unibanco Asset Management. Date: 30.06.2010.

The diversification is also strong at the sector level with countries specializing in different products to satisfy export markets.

Is it all about commodities?

It is common thinking that Latin America's major export products are commodities, as the region hosts some of the richest producers in the world. For example, Brazil is well known as a big producer of coffee, sugar and iron ore, while Mexico is renowned for its oil extraction.

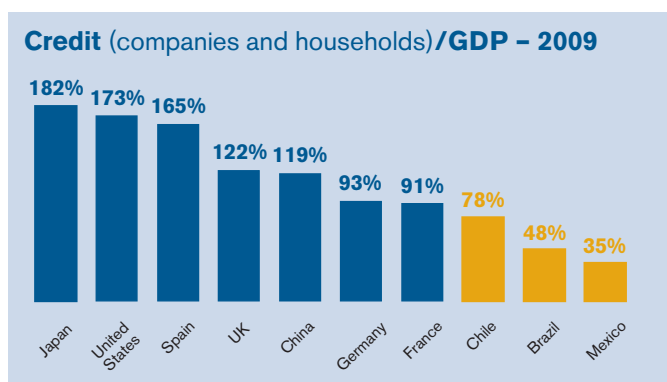
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Most are familiar with Chilean wine. But besides this Chile is also the largest copper producer in the world.

However, large and well-known commodity related companies hide huge economies driven by other sectors: for example in Brazil, while **commodity related companies count for more than 50% of the MSCI Brazil Index, they only count for 11% of GDP.**

Nevertheless, the supply/demand balance for most commodities relevant for the region is tight enough to support long term price increases and benefit the main commodity related companies.

Latin American countries possess strong domestic demand, mainly driven by an increase in real purchasing power of consumers. Going forward one important driver of domestic growth will be access to credit markets for individuals and companies. Until recently high interest rates limited this market; however, this is now changing.



Source: Itaú Unibanco Asset Management. Date: 2009

Once private consumers start borrowing money to finance residential property and begin using credit cards and loans, it is not difficult to imagine the boost to demand that will entail.

This strong domestic led growth is also likely to dampen the effects of global economic slowdown.

Leaders of the region

Brazil, Mexico and Chile are economic leaders in Latin America, accounting for around 90% of the region's market capitalisation. Brazil and Mexico are the most populated countries of Latin America and represent respectively the 10th and the 13th largest economies in the world by GDP. At the same time Chile is the most stable and richest nation of the region enjoying the highest GDP per capita.

Brazil

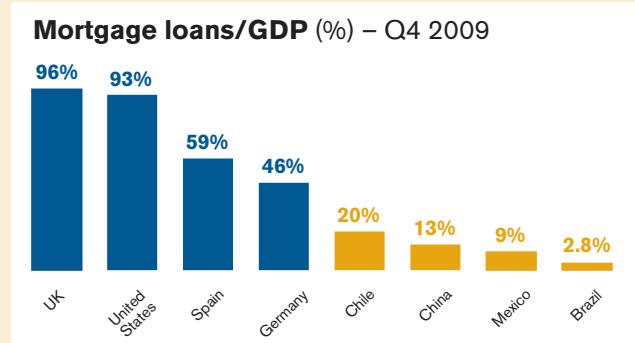
Over the past five years, more than 20 million Brazilians (around 10% of the population) have emerged from poverty and joined the middle class. In 2007, around 2 million new jobs were created.

Between 1995 and 2008, real GDP per capita increased by 170%, to \$ 9,700. In addition, government-assistance programs have transferred money to the poorest families with a consequent 50% plus increase in the minimum wage since 2004.

Some of the main domestic-driven sectors are:

Retail: strong consolidation; international players are competing for a higher market share. For instance Wal-Mart placed Brazil amongst its top four countries for strategic growth, and invested USD 693m in 2008 to open 36 new stores. By the end of 2009, more than 90 new stores have been opened. In 2010, Wal-Mart will increase its investments in Brazil by 40%, to benefit from the strong growth perspective offered by the country.

Banking: didn't suffer big losses during the financial crisis, as banks had no exposure to risky financial products. Currently banks are showing high rates of credit expansion (+25% yearly) with large opportunities existing for development in the mortgage loan market. This could prove to be a flywheel for the real estate sector, which is still in its infancy.



Source: Itaú Unibanco Asset Management. Date: 2009

Mexico

Even though the country suffered in 2008/2009 due to the slowdown in the US economy, an upturn is expected linked to same US economy improvement and more sustainable growth. This will enable Mexico to maintain robust economic dynamics.

The main government objectives remain creating jobs and stimulating the economy, while reducing dependency from oil exports. Government and banks are working closely together to encourage domestic consumption, mainly through re-investing oil revenues and expanding consumer credit. Additionally, the 5-year **“National Infrastructure Program”** launched in 2007 aims to increase the quality of Mexico's infrastructure and international competitiveness by upgrading motorways, airports, seaports and rail network.

One of the most interesting sectors, which makes Mexico attractive for international companies, is the **Telecom** industry. The fixed line and mobile markets in Mexico have enjoyed sustained growth over the past 5 years, more than double GDP growth. The most dynamic sector in the industry is clearly mobile (or wireless) telephony services: the number of lines has grown dramatically in the past 3 years.

Teaming up with a solid partner who offers a deep knowledge of the region

To strengthen our successful multi-boutique approach, Nordea has appointed Itaú Unibanco Asset Management (based in São Paulo, Brazil) as sub-manager of the Nordea 1 – Latin American Equity Fund, effective from November 27, 2008¹.

Itaú is one of the largest financial institutions by market capitalisation in Latin America with 24 million clients; more than 71,000 employees and upon the merge with Unibanco, the new entity is one of the largest financial institutions worldwide. The bank enjoys a strong reputation as a solid bank well established in Latin America. For a number of years, Itaú has been awarded the “best bank of Brazil” recognition by several financial magazines. It has been confirmed as Investment Grade by the main rating agencies. Itaú is also one of the largest asset managers in Brazil with over USD 150.7 bn of AuM (as of June 2010). Thanks to the support from the biggest equity research team in the region (14 local analysts), Itaú is the largest equity management company in Latin American equities.

The investment team searches for superior and consistent risk adjusted returns based on decisive local expertise.

We believe that to invest in a region such as Latin America, whose economy is growing fast and generating huge development at a domestic level, a capable investment team is not enough: you also need to be there to live this “economic revolution”.

Itaú Unibanco Asset Management

Investment process: the key of our success is based on a disciplined bottom-up approach with a top-down overlay

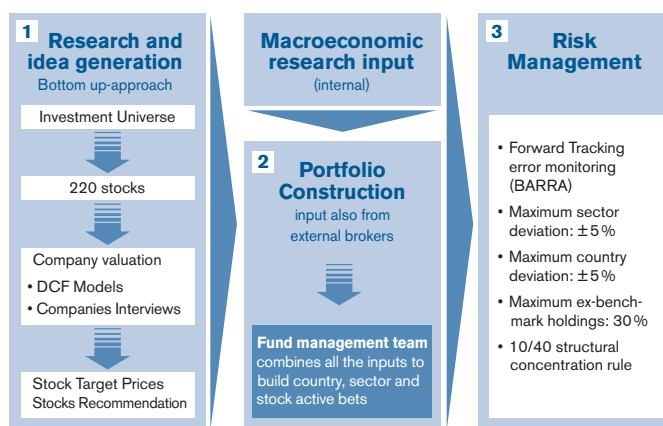
The fund management team follows a disciplined investment process centred around 3 steps. Equity re-

search analysts constantly monitor and analyse over 220 companies, defining for each of them the target price.

Company valuation is based on fundamental analysis built on a 10-year discounted cash flow model, as well as on company visits and management interviews. Based on market capitalisation of each company, these visits/interviews are scheduled on a quarterly, semi-annual or annual basis.

The team carries out over 360 company visits per year.

3-step investment process



The fund management team receives on one hand inputs from its equity analysts, and on the other hand, macro-indications from the in-house macroeconomic research team. This team of 5 professionals periodically visits economic institutions of countries to which Latin America is exposed (US, Asia and Europe, etc.). This analysis provides forecasts on a sector level for each of the Latin American countries. On this basis, the fund management team proceeds to portfolio construction, taking country, sector and stock active bets.

Strong emphasis is placed on a strict ex-post risk management process. In order not to take too much risk compared to the benchmark, the portfolio is set to have a maximum +/- 5% country and sector deviation. In addition, the fund will not invest more than 30% of its assets in stocks outside the benchmark.

Stocks are sold if:

- regional analysts change ratings
- there is a deterioration in the fundamentals of the company/ industry/country
- valuation target is achieved
- there are more attractive opportunities identified
- the risk budget is adjusted

¹ The Nordea 1 – Latin American Equity Fund has been launched 01.08.2007 and was previously managed internally by Nordea.

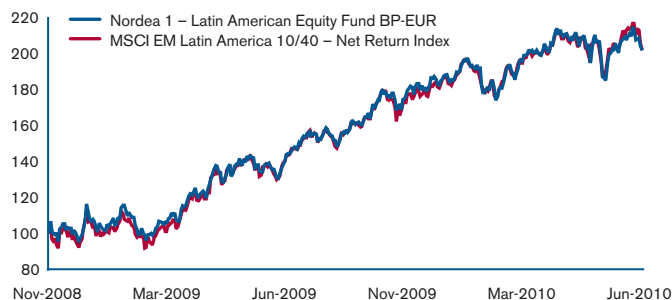
Nordea 1 – Latin American Equity Fund

Cumulative performance in % (30.06.2010)

Timeframe	Fund*	Index**
YTD	6.26	6.25
1 month	0.82	0.02
3 months	-1.52	-1.32
6 months	6.26	6.25
1 year	45.32	47.27
Since take over***	102.01	101.94
Since inception	10.30	17.23

* ISIN code LU0309468808 (BP-EUR). ** MSCI EM Latin America 10/40 – Net Return Index. *** Since the 27th of November 2008, Nordea has appointed Itau Unibanco to manage the Nordea 1 – Latin American Equity Fund. Hence, the performance before the 27th of November 2008 has not been built by the actual fund manager.
Sources: Nordea Investment Funds S.A. and Datastream. Date: 30.06.2010. 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 take over by Itau Unibanco (27.11.2008 – 30.06.2010)***



Country Breakdown in % (30.06.2010)	Weight
Brazil	70.26
Mexico	20.34
Chile	6.63
Switzerland	0.33
Net Liquid Assets	2.40
Total	100.00

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

Nordea 1 – Latin American Equity Fund **	
Fund manager	Itau Unibanco (São Paulo, Brazil)
Fund domicile	Luxembourg
ISIN codes	LU0309468808 (BP-EUR) LU0351545826 (BI-EUR)*
Annual management fees	1.85% p.a. (BP-EUR) 0.85% p.a. (BI-EUR)*
Base currency	EUR
Fund size in millions	77.18
Reference index	MSCI EM Latin America 10/40 – Net Return Index
No. of holdings	44
Launch dates	01.08.2007 (BP-EUR) 01.04.2008 (BI-EUR)*

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

*BI-EUR share class: only for distribution towards institutional clients. Minimum investment amount: EUR 75,000 (or the equivalent).

** Since 27.11.2008 Itau Unibanco has taken over the role of the sub-manager of the Nordea 1 – Latin American Equity Fund.

Opportunities

- In the long run equities offer above average return potential*
- Latin American GDP represents 6.5% of global GDP while Latin American stock markets represent only 3.5% of the Global stock markets. In the coming years the Latin American stock markets are expected to offer a higher growth potential compared to those of many developed countries
- The fund offers participation in Latin American stock markets while concentrating on the main stock exchanges in the region and offering a broad diversification across sectors

Risks

- Equity prices, especially the ones of emerging markets stock exchanges, can show significant volatility and may suffer from losses
- By investing in foreign currencies the return can decline due to fluctuations in the foreign exchange rates
- The investments made in this fund may be subject to substantial fluctuations. A list of possible factors, which could cause such fluctuations can be found in the latest Nordea 1, SICAV sales prospectus

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

The sub-funds mentioned are part of Nordea 1, SICAV, an open-ended Luxembourg-based investment company (Société d'Investissement à Capital Variable), validly formed and existing in accordance with the laws of Luxembourg and with European Council Directive 85/611/EEC of 20 December 1985. The custodian of the SICAV's assets is Nordea Bank S.A., Luxembourg. Investments in the Nordea funds should be made on the basis of the current prospectus, which is available, along with the simplified prospectus, current annual and semi-annual reports, free of charge upon request from Nordea Investment Funds S.A., 562, rue de Neudorf, P.O. Box 782, L-2017 Luxembourg, from the local representatives or information agents, or from our distributors. A transaction involving a foreign exchange transaction may be subject to fluctuations of currency values which may affect the value of an investment. Investments in Emerging Markets involve a higher element of risk. 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Luxembourg, Zweigniederlassung Zürich, Mainaustrasse 21-23, CH-8008 Zürich, Telephone (+41) 44 421 42 42, Fax (+41) 44 421 42 82. **Additional information for investors in Germany:** The Information and Paying Agent in Germany is Nordea Bank Finland Plc, Niederlassung Deutschland, Grüneburgweg 119, D-60323 Frankfurt am Main. A hard copy of the above-mentioned fund documentation is also available from here. **Additional information for investors in Austria:** Sub-paying Agent and Representative in Austria is the Erste Bank der Österreichischen Sparkassen AG, Graben 21, A-1010 Vienna. **Additional information for investors in France:** With the authorisation of the Autorité des Marchés Financiers (AMF) as per 11 March 2003, 13 December 2005, 03 April 2007, 28 September 2007, 29 February 2008, 29 April 2008, 25 November 2008 and 09 June 2009, Nordea 1, SICAV may be distributed to investors in France, as published in the Bulletin des Annonces Légales Obligatoires dated 19 March 2003, 19 December 2005, 18 April 2007, 10 October 2007, 19 March 2008, 28 May 2008, 15 December 2008 and 26 June 2009. Centralising Correspondent in France is CACEIS Bank, located at 1-3, place Valhubert, 75013 Paris. Investors are advised to conduct thorough research before making any investment decision. **Additional information for investors in Spain:** Nordea 1, SICAV is duly registered in the CNMV official registry of foreign collective investment institutions (entry no. 340) as authorised to be marketed to the public in Spain. In Spain, any investment must be made through the authorised distributors and on the basis of the information contained in the mandatory documentation that must be received from the SICAV's authorised distributor prior to any subscription, or that may be obtained from the CNMV registries. **Additional information for investors in Italy:** Fund documentation as listed above is also available in Italy from the distributors and on the website www.nordea.it. The updated list of distribution agents in Italy, grouped by homogenous category, is available from the distributors themselves, at State Street Bank S.p.A. branches (located in the main towns of each region), BNP Paribas Securities Services, Banca Sella Holding S.p.A., Allfunds Bank S.A., Societe Generale Securities Services Sp.A. and on the website www.nordea.it. Any requests for additional information should be sent to the distributors. **Before investing, please read the prospectus carefully.** We recommend that you read the most recent annual financial statement in order to be better informed about the fund's investment policy. 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. and Itau Unibanco Asset Management. 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.** The value of shares can fluctuate and is not guaranteed.