

Fund Portrait

2025

Nordea 1 – Global Climate and Environment Fund

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

SFDR classification

 ARTICLE
9

Highlights

- The **focus on climate solutions** was born out of the conviction that companies providing products and services with environmental benefits and attractive payback times would also be able to generate attractive shareholder returns over time¹
- Our longer-term belief in the **attractiveness of the Climate and Environment opportunity** set remains high as we continue to see emerging technologies entering, solving pressing environmental issues
- Passionate, experienced, stable (17 years) portfolio management team, and **pioneer in climate investing**



Asset Management at Nordea

As an active investment manager, Nordea Asset Management manages asset classes across the full investment spectrum and aims to serve its clients in every market condition. Nordea's success is based on a sustainable and distinctive multi-boutique approach that combines the expertise of specialized internal boutiques with exclusive external competences allowing us to deliver alpha in a stable way for the benefit of our clients.¹

The Nordea 1 – Global Climate and Environment Fund **has been managed internally by Nordea's Fundamental Equities** team since its launch in 2008. The investment team, based in Copenhagen, uses a bottom-up investment process to identify and analyse companies that are mispriced in respect to their ability to generate future cash flows.

The climate investing opportunity

The global shift towards clean energy and sustainable practices is fundamentally reshaping economies and industries worldwide, driven by compelling economic factors that are driving the demand for climate solutions. Notably, climate investments are no longer dependent on government subsidies or political goodwill. Instead, they are propelled by market dynamics, cost efficiencies, and technological advancements. For instance, technological breakthroughs, steep learning curves, and falling costs have transformed the landscape, **making renewable energy sources like solar and wind more cost-effective than fossil fuels in many regions.**

The economics behind climate investing are **increasingly favorable**. "It simply makes economic sense," says Thomas Sørensen, one of the two portfolio managers. "If companies can buy a new product that allows them to cut the energy bill and reduce the cost of material used in the production phase, and if all of this comes with a very **short pay-back period**, it is a no brainer." Saving energy and material has a direct impact both on a company's balance sheet and its sustainability profile.

Attractive opportunities exist across various industries. Innovations in resource and energy efficiency are delivering substantial cost savings and productivity gains in sectors ranging from manufacturing to IT infrastructure. Furthermore, companies leading the development of eco-friendly products, improving air and water quality, building a resilient and reliable power grid, and managing waste more effectively are seeing a multi-year investment cycle.

These trends are reinforced by evolving consumer preferences and tightening regulations, creating long-term tailwinds for climate and environment solution providers. The Nordea 1 - Global Climate and Environment Fund is **positioned to capitalize on these long-term trends** by identifying companies that provide competitive and efficient solutions to growing unmet needs in the climate and environmental space.

¹) There can be no warranty that an investment objective, targeted returns and results of an investment structure is achieved. The value of your investment can go up and down, and you could lose some or all of your invested money.

A proprietary investment universe is key

Since the fund's inception, the investment team has developed and expanded a broad **proprietary investment universe** of companies offering climate solution to pressing environmental challenges. These challenges have been consolidated into **three themes**, which have been designed based on our qualitative analysis into environmental issues that are globally insufficiently addressed and can be tackled through market-based solutions.

This dynamic investment universe continues to grow as **new companies emerge** and **existing ones broaden their climate solution offerings**. Serving as the cornerstone of our idea generation process, this proprietary universe enables us to identify the most attractive climate solution providers across three themes:

- 1) **Resource efficiency:** this theme focuses on investments in companies that enhance the productivity and optimization of our existing resource base. It targets companies developing innovative solutions to improve resource utilization efficiency across various sectors, ranging from advanced agricultural technologies to energy-efficient construction materials.
- 2) **Environment protection:** this theme encompasses investments in enterprises that offer a strong commercial propositions centered on environmental protection and nature conservation. The strategy identifies companies whose products or services address environmental degradation, often driven by regulatory requirements, risk management considerations, and increasing consumer demand for sustainable offerings.

- 3) **Alternative energy:** recognizing the imperative to transition away from fossil fuel dependence, this theme targets investments in companies at the forefront of clean energy development. It focuses on companies developing and implementing technologies for the generation and storage of renewable energy, positioned to capitalize on the structural changes occurring in the global energy sector.

The investment approach

The **Nordea 1 – Global Climate and Environment Fund** was launched as a fundamental bottom-up investment process in 2008. The focus on climate solutions was born out of the conviction that companies providing products and services with environmental benefits and attractive payback times would also be able to generate attractive shareholder returns over time². The investment philosophy is based on the following beliefs:

- **Solution approach** – we think that market based solution can contribute to the transition to a green economy and identify companies providing them at scale
- **Fundamental** – we believe free cash flows ultimately drive shareholder value
- **Disciplined** – we believe our investment process can produce consistent results and reduce the risk of unintended biases
- **Long-term sustainability** – we take a long-term view on ESG performance and believe in the role of active ownership to enhance it over time

The fund follows a structured and disciplined investment process with long-term thinking, with an emphasis on fundamental, bottom-up analysis in order to identify undervalued climate solution providers.

Climate & Environment investment universe

Clusters			
	Resource efficiency Universe ~70%*	Environment protection Universe ~20%*	Alternative energy Universe ~10%*
Strategies	Energy efficiency Smart grid Eco-mobility Smart farming Intelligent construction Advanced materials	Clean water & air Green Consumerism Waste management Environmental services Sustainable forestry	Renewable power Solar Wind Energy storage

Source: Nordea Investment Management AB (FET). For illustrative purposes only. *Please note that the weights are dynamic, based on market cap and a consequence of the bottom-up selection and risk management.

² There can be no warranty that an investment objective, targeted returns and results of an investment structure is achieved. The value of your investment can go up and down, and you could lose some or all of your invested money.

The investment process **integrates ESG as part of the strategic assessment** of all potential companies we invest in. Together with all other relevant inputs, ESG is reflected in our valuation predominantly via how we fade returns (sustainability of returns) in our DCF model.

Our portfolio construction and risk management process involves continuous evaluation of upside potential and risk for all investments. The portfolio managers strategically allocate higher weights to high-conviction names while implementing strict risk controls.

The outcome of this investment process is a **high-conviction portfolio of 40–60 stocks**, with a mid-cap, growth bias. This focused selection embodies our team's expertise in identifying promising opportunities within the climate solutions space.

Distinct product characteristics

We believe we have the specialist expertise and experience to successfully implement our philosophy into a disciplined, consistent and repeatable investment process based on:

- **Passionate, experienced, stable** (17 years) portfolio management team, and pioneer in climate investing
- Distinct approach focused solely on the **climate and environmental solutions segment** that aims to generate positive outcomes for society
- **High return potential** through a broad proprietary investment universe in an attractive global mid- and large-cap growth segment³
- **Structured and disciplined investment process** focused on long-term investing, based on bottom-up fundamental analysis and proprietary modeling
- Aim to **generate alpha** through fundamental and ESG analysis, while including engagement opportunities with portfolio companies
- Strong emphasis on **portfolio construction** and **risk management**
- Supported by a strong **global research platform** with a diverse international team

Nordea 1 – Global Climate and Environment Fund	
Fund manager	Fundamental Equities Team
Fund domicile	Luxembourg
ISIN codes*	LU0348926287 (BP-EUR) LU0348927095 (BI-EUR) ⁴
Annual management fees	1.50% p.a. (BP-EUR) 0.75% p.a. (BI-EUR) ⁴
Base currency	EUR
Reference index ⁵	MSCI World Index (Net Return) ⁶
Launch date	13.03.2008

To find out more, visit our local microsite:

nordea.lu/YourClimateExpert
nordea.co.uk/YourClimateExpert
nordea.ch/YourClimateExpert



3) There can be no warranty that an investment objective, targeted returns and results of an investment structure is achieved. The value of your investment can go up and down, and you could lose some or all of your invested money. 4) BI-EUR share class: only for distribution towards institutional clients. Minimum investment amount: EUR 75,000 (or the equivalent). 5) The fund uses a benchmark that is not aligned with its sustainable investment objective. 6) With effect from 14.12.2020, the official reference index of the fund is MSCI World Index (Net Return). Prior to this date, the fund did not have an official reference index.

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Risk indicator



Risks

The summary risk indicator is a guide to the level of risk of this product compared to other products.

For more information on risks the fund is exposed to, please refer to the section "Risk Descriptions" of the prospectus.

Other risks materially relevant to the PRIIP not included in the summary risk indicator:

Depository receipt risk: Depository receipts (certificates that represent securities held on deposit by financial institutions) carry illiquid securities and counterparty risks.

Derivatives risk: Small movements in the value of an underlying asset can create large changes in the value of a derivative, making derivatives highly volatile in general, and exposing the fund to potential losses significantly greater than the cost of the derivative.

Emerging and frontier markets risk: Emerging and frontier markets are less established, and more volatile, than developed markets. They involve higher risks, particularly market, credit, legal and currency risks, and are more likely to experience risks that, in developed markets, are associated with unusual market conditions, such as liquidity and counterparty risks.

Securities handling risk: Some countries may restrict securities ownership by outsiders or may have less regulated custody practices.

Taxation risk: A country could change its tax laws or treaties in ways that affect the fund or shareholders.

For UK investors, please refer to the SRRI and risks as per the Key Investor Information Document (KIID) and Prospectus, which are available on nordea.co.uk.

Investment policy

The fund mainly invests in equities of companies from anywhere in the world. Specifically, the fund invests at least 75% of total assets in equities and equity-related securities. The fund will be exposed (through investments or cash) to other currencies than the base currency. The fund is actively managed.

SFDR classification

The fund has been classified as an article 9 fund under SFDR. The fund has sustainable investment as its objective.

For more information on sustainability-related aspects of the fund, please visit:

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