



# Fund Flash

## Nordea 1 - Global Climate and Environment Fund

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

The fund is focused on companies that offer climate solutions to a more efficient and sustainable society.

### Portfolio comment as of 31/10/2018

The Royal Swedish Academy of Sciences has just awarded this year's Nobel Prize in economics to Yale University professor William Nordhaus and NYU's professor Paul Romer for their research of climate change and its economic impact, especially the efforts that led to a model widely used to understand the effects of climate change and energy- and environmental-policy interventions. This confirms how important is the Climate and Environment trend in our days.

In this context, the fund delivered a monthly return equal to -5.51%, bringing YTD performance to -6.32% (BP-EUR).

At the stock level, the top contributors we find:

- Linde (Germany, Materials) performed well as the proposed merger with US based Praxair finally got the last required approval from the FTC in the US. The combination of the two companies will drive profitability and lead to higher returns on capital employed which is now starting to be recognised by the market.
- Eversource Energy and American Water Works (US, Utilities) both did well during the sell-off in October due to their regulated and predictable business models.

The weakest contributors to performance were:

- Wacker Chemie (Germany, Materials) was weak due to continued price declines in the polysilicon market. Additionally, the market fears that supply increases and cyclical demand pressures could hit Wacker's other business units. □
- Westrock (US, Materials) underperformed as the market is concerned about the company's acquisition of US peer Kapstone, which will increase leverage at a time of a more uncertain supply/demand outlook.
- Hoshizaki (Japan, Industrials) declined as the company identified accounting irregularities at one of its domestic subsidiaries. The need for increased focus on Resource Efficiency in cooking and cooling applications remains favourable and the company has promising product launches in its pipeline.

| Period    | Performance (BP-EUR) |
|-----------|----------------------|
| Year 2017 | 15.38%               |
| Year 2016 | 16.36%               |
| Year 2015 | 11.44%               |

| Cumulative Performance | 1M     | YTD    | 3 Years |
|------------------------|--------|--------|---------|
| Fund (BP-EUR)          | -5.51% | -6.32% | 29.37%  |

The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the whole amount invested.

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 30/09/2018 to 31/10/2018. Performance calculated NAV to NAV (net of fees and Luxembourg taxes) in the currency of the respective share class, gross income and dividends reinvested, excluding initial and exit charges as per 31/10/2018.

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