



Fund Flash

Nordea 1 - Global Climate and Social Impact Fund

ISIN: LU2355687059 (BP-USD) / LU2355687216 (BI-USD)

The fund is focused on companies that develop climate and environment-friendly solutions or social solutions through their products or services.

Portfolio comment as of 31/10/2022

In the wake of September's steep, almost double-digit declines in global equity markets, October provided some relief to investors as markets rebounded more than +7% – led by a somewhat broad-based risk-on rally in developed markets. Emerging market equities suffered, mainly driven by Chinese stocks, falling sharply as global investors turned incrementally more negative after being disappointed by the lack of growth measures and the leadership reshuffle during the party congress that took place during the month.

October also saw the beginning of the Q3 earnings season, which investors have been looking forward to in order to gauge the immediate impact from the current situation regarding cost inflation and dropping activity, but also to look for clues and hints about how 2023 might shape up. So far, earnings growth appears sequentially lower in both the US and the EU, driven by decelerating activity throughout the quarter that is slowly starting to show up in the numbers

In this context, the fund delivered a monthly return equal to 5.32%, bringing YTD performance to -25.08% (BP-USD).

Top contributors:

- Dexcom (Life Science) outperformed during the month of October. The medical device company for continuous glucose monitoring (CGM) in Type 1 and 2 intensive diabetics, got a local coverage decision proposal by the centres for Medicare and Medicaid services for Type 2 basal insulin patients, as a result doubling the total addressable market of the company.
- The agriculture equipment provider AGCO (Sustainable Food System) also outperformed in October. Shares rose as investors factored in that the current environment should continue to support healthy farmer income alongside elevated agriculture prices and fertilizer cost, which in turn should accelerate the adoption of precision equipment and technology to increase resource efficiency.

Bottom performers:

- The North American waste collection and recycling companies Republic Services and Waste Management (Natural Resource Management) detracted to performance in October as share prices consolidated after strong YTD performance. While the business models of those companies have noteworthy defensive characteristics and are net beneficiaries of the inflationary environment, shares were down amid fears that full year free cash flow could be lower than expected due to higher capex spend as well as higher interest expenses and taxes.

Top Contributors	Top Detractors	Cumulative Performance	1M	YTD	3 Years	Since inception*
Dexcom	Waste Man.	Fund (BP-USD)	5.32%	-25.08%	NA	-21.93%
AGCO	Rep. Services	Benchmark	6.03%	-21.14%	NA	-17.17%
Chart Industries	AIA Group	Alpha	-0.71%	-3.94%	NA	-4.77%

*7/6/2021

The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the whole amount invested. The value of shares can greatly fluctuate as a result of the sub-fund's investment policy and cannot be ensured, you could lose some or all of your invested money. Benchmark: MSCI ACWI Index (Net Return).

Any investment decision in the sub-funds should be made on the basis of the current prospectus and the Key Investor Information Document (KIID).

In actively managing the fund's portfolio, the management team focuses on companies that develop climate and environment-friendly solutions, such as renewable energy and resource efficiency, or social solutions through their products or services, and that appear to offer superior growth prospects and investment characteristics. Actively managed. Benchmark used for performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark. Benchmark: MSCI ACWI (Net Return)

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 30/09/2022 to 31/10/2022. 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 31/10/2022.

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