



Climate Solutions – Quarterly Insight

Second quarter 2018

Nordea 1 – Global Climate and Environment Fund






The **Nordea 1 – Global Climate and Environment Fund** is:

- A thematic portfolio leveraging a long-term megatrend supported by multiple drivers (economic, environmental, corporate and consumer)
- A concentrated, global bottom-up equity fund, with mid-cap growth bias (40-60 stocks)
- A fund whose core theme is companies that provide solutions to global challenges regarding climate change and the environment

The fund has a long track record, and has been managed by the same investment team since 2009.

This document outlines some of the portfolio holdings and how they contribute towards climate solutions and environmental protection. The table below highlights which Clusters – thematic groups of Strategies – and which Strategy within each Cluster each holding belongs to. In addition, the table exemplifies how each holding is related to one of the UN's Sustainability and Development Goals (SDGs)¹.

Sample portfolio holdings²

Company	Why is it a climate solution?	N1 – GCLIMEF Cluster / Strategy	Primary SDG ¹
Trimble	Trimble is a technology and software provider whose solutions allow users to collect, manage and analyse information easier and faster in order to gain greater efficiency and productivity . Trimble solutions are used primarily in the construction industry (mostly through Building Information Modelling – BIM – which is explained further on the next page), but also in the agricultural and the transportation sectors.	Resource Efficiency Intelligent Construction	
American Water Works	American Water Works is one of the largest water and wastewater utilities in the US and will be a clear beneficiary of increasing US water infrastructure spending. The company is providing clean, safe, reliable and affordable water services and will help to improve, restore and protect the US water supply.	Environmental Protection Clean Water and Air	
ASML Holding	ASML is the largest global supplier of photolithography systems used by chipmakers for processes that enable innovative technology solutions for our society. ASML's advanced equipment makes computing cheaper and reduces energy consumption across multiple applications from Automation Technology to Cloud Servers and Zero-Emission Vehicles.	Resource Efficiency Energy Efficiency	
Wacker Chemie	Wacker Chemie is a global leader in the manufacture of high purity polysilicon used in solar photovoltaic panels. This material improves the efficiency and lowers the manufacturing costs of these panels. The company also produces silicon that is used in batteries and many other applications that enable better resource efficiency in consumer, construction and industrial end markets.	Alternative Energy Solar	
Weyerhaeuser	Weyerhaeuser is one of the world's largest timberland owners and is dedicated to growing and harvesting trees in a responsible and renewable way. This goes hand in hand with protecting biological diversity, water quality and the ecosystem in general. The wood produced is sold to its customers as an alternative to other carbon-heavy materials like steel and cement, thereby contributing to a more sustainable society .	Environmental Protection Sustainable Forestry	

The UN's Sustainability and Development Goals are a series of thematic targets the UN identified in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The fund does not directly target these SDGs, but they offer an objective framework against which we highlight quickly how each company fits the Climate and Environment theme.

¹) This refers to the UN's Sustainability and Development Goals (SDG), which are laid out on the next page. ²) Source: Nordea Investment Funds S.A. As at 31.03.2018

Theme in the spotlight

The construction industry is one of the most harmful for our planet.

#1 consumer of raw materials



50% of the US solid waste comes from construction



30% of global greenhouse gas emissions are attributable to buildings



Source: World Economic Forum – Shaping the Future of Construction

How do we benefit from this trend?

Technology is shaping our world and our lives. While most industries quickly embrace technology, the construction industry is a clear laggard. It is also the most intensive resource user of our planet. Building Information Modelling (BIM) is helping to change this, breathing new life into the construction industry.

BIM is a digital tool that gives construction professionals insights and tools to more efficiently plan, design, construct and manage buildings and infrastructure. This software can improve resource efficiency by reducing consumption of raw materials, consumption of energy and emission of greenhouse gases. This results in lower overall building costs. For that particular reason we believe this is an attractive climate solution that will shape the future of the building industry. We are already part of this solution as we have positions in Autodesk, RIB Software and Trimble which are companies offering such products. We strongly believe these companies are well positioned to benefit from such a trend.

Complete list of SDGs:



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