Nordea ASSET MANAGEMENT

Fact Sheet | **Oct 2022**

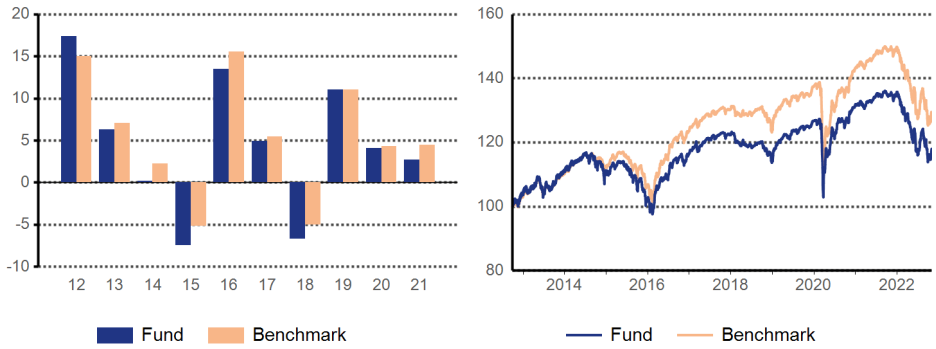
Nordea 1 - US High Yield Bond Fund (HBI-EUR)

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

Investment strategy

The fund seeks to achieve attractive risk-adjusted return by identifying target bonds through eliminating uncompensated risk. The fund manager rigorously screens the investment universe for risk in order to quantify upside potential using bond analysis, not equity-style analysis. By targeting the sweet spot for risk compensation, the managers goal is to eliminate rather than to include bonds. The underlying belief is that to deliver attractive returns it is more important to recognise which bonds not to include in the portfolio, than to focus on the ones that should be selected. Actively managed. Benchmark used for performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark.

Discrete year performance / Historical performance



Performance rebased to 100 (since 01/10/2012)

Cumulative / Annualised performance (in %)

	Fund		Benchmark	
Performance	Cumulative	Annualised	Cumulative	Annualised
Year To Date	**-12.97**		-13.88	
1 month	**3.37**		2.61	
3 months	**-3.34**		-4.41	
1 year	**-12.33**	**-12.33**	-13.36	-13.36
3 years	**-5.54**	**-1.88**	-4.40	-1.49
5 years	**-3.96**	**-0.80**	-1.40	-0.28
Since Launch	**89.97**	**4.60**	98.59	4.93

Monthly performance (in %)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2022	**-2.81**	**-1.26**	**-0.83**	**-3.56**	**-0.16**	**-6.61**	**5.23**	**-2.08**	**-4.50**	**3.37**			**-12.97**
2021	**-0.22**	**-0.07**	**-0.07**	**1.04**	**0.29**	**1.10**	**0.22**	**0.29**	**-0.07**	**-0.51**	**-1.02**	**1.76**	**2.74**
2020	**-0.62**	**-1.32**	**-9.68**	**3.57**	**4.12**	**0.00**	**4.60**	**0.46**	**-1.54**	**0.70**	**3.02**	**1.50**	**4.09**
2019	**3.94**	**1.57**	**0.57**	**1.13**	**-1.28**	**2.02**	**0.40**	**0.39**	**0.55**	**-0.16**	**0.08**	**1.41**	**11.05**
2018	**0.00**	**-1.60**	**-1.14**	**0.41**	**-0.65**	**-0.16**	**0.50**	**0.66**	**0.08**	**-2.20**	**-0.75**	**-2.02**	**-6.71**

Performances are in EUR

The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the full amount invested. The value of your investment can go up and down, and you could lose some or all of your invested money.

Key figures

	Fund	Benchmark
Volatility in %*	**9.99**	11.18
Correlation*	**0.99**	
Information ratio*	**-0.21**	
Tracking error in %*	**1.86**	
Alpha in %*	**-0.51**	
Beta*	**0.89**	

* Annualized 3 year data

Risk and Reward Profile

1	2	3	**4**	5	6	7

Lower risk Potentially lower reward

Higher risk Potentially higher reward

SFDR classification*: Article 6

*Product categorised based on the Sustainable Finance Disclosure Regulation (SFDR)

Fund details

Manager	MacKay Shields LLC
AUM (Million USD)	519.48
N° of holdings	354
Launch date	28/07/2008
Structure	SICAV
Fund Domicile	Luxembourg
Benchmark*	**ICE BofAML US High Yield Master II Index (EUR Hedged)**

*Source: Datastream

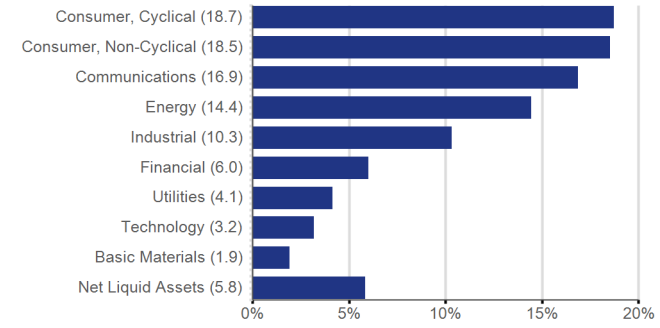
Share class details

Last NAV	12.06
Minimum investment	75,000 EUR
Distribution policy	Accumulating
AUM (Million EUR)	0.83
Share class code	HBI-EUR
Launch date	28/07/2008
ISIN	LU0378614993
Sedol	B3C9VC4
WKN	A0Q7BU
Bloomberg ticker	NHYHBIE LX
Swing factor / threshold	Yes / Yes
Annual management fee	0.60%
Ongoing charges (2021)	0.81%

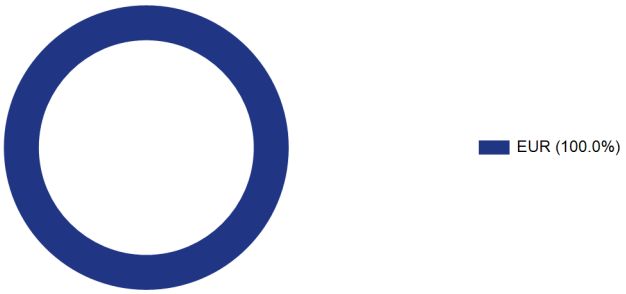
Top 15 holdings

Security Name	Weight (in %)	Sector	Country	Instrument Type	Rating
CCO Holdings LLC / CCO Holdi 4.25% 01-02-2031	1.20	Communications	United States	Bond	BB
Vistra Corp 8.000% MULTI Perp FC2026	1.13	Utilities	United States	Bond	B
CSC Holdings LLC 5.5% 15-04-2027	1.10	Communications	United States	Bond	BB
CCO Holdings LLC / CCO Holdi 4.75% 01-03-2030	0.98	Communications	United States	Bond	BB
EnLink Midstream LLC 5.375% 01-06-2029	0.86	Energy	United States	Bond	BB
Ford Motor Credit Co LLC 3.375% 13-11-2025	0.86	Consumer, Cyclical	United States	Bond	BB
SBA Communications Corp 3.875% 15-02-2027	0.84	Financial	United States	Bond	BB
Virgin Media Finance PLC 5% 15-07-2030	0.82	Communications	United Kingdom	Bond	B
Howmet Aerospace Inc 3% 15-01-2029	0.74	Industrial	United States	Bond	BB
Clearway Energy Operating LL 4.75% 15-03-2028	0.70	Utilities	United States	Bond	BB
Herc Holdings Inc 5.5% 15-07-2027	0.70	Consumer, Non-Cyclical	United States	Bond	B
Centene Corp 4.625% 15-12-2029	0.68	Consumer, Non-Cyclical	United States	Bond	BBB
IRB Holding Corp 7% 15-06-2025	0.66	Consumer, Cyclical	United States	Bond	B
Darling Ingredients Inc 5.25% 15-04-2027	0.63	Consumer, Non-Cyclical	United States	Bond	BB
Netflix Inc 4.875% 15-04-2028	0.63	Communications	United States	Bond	BBB

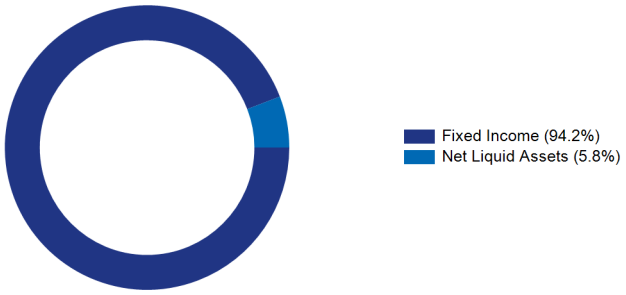
Sector breakdown (in %)



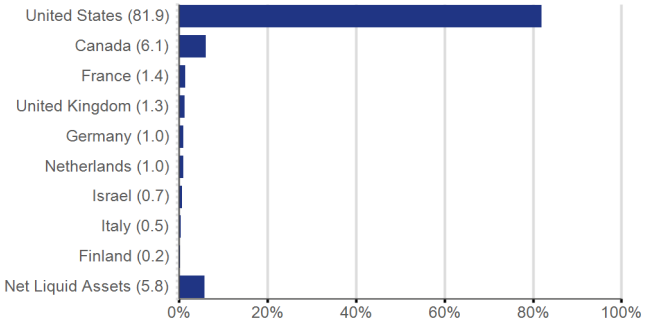
Currency exposure (post-hedge)



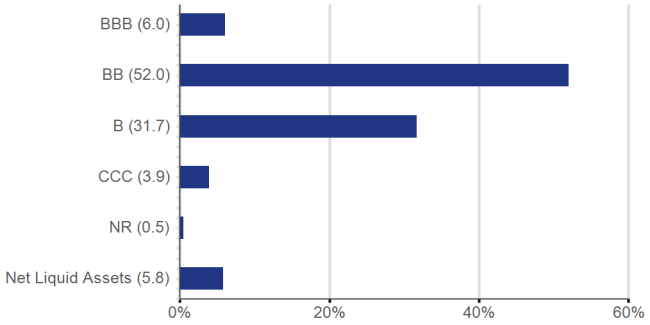
Asset allocation



Country breakdown (in %)



Rating breakdown (in %)



Bond characteristics

Effective Duration	3.81
Spread Duration	3.81
Effective Yield in %	7.40
Average Coupon in %	5.43
Average Rating	BB-
Running Yield in %	5.69
Year To Maturity	7.24
Modified Duration To Worst	4.14
Year To First Call	2.13

Risk data

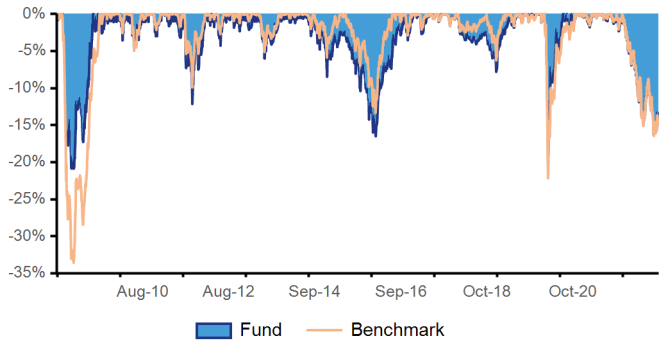
Commitment	0.00

A figure of zero is indicative of an economic exposure equal to 100%

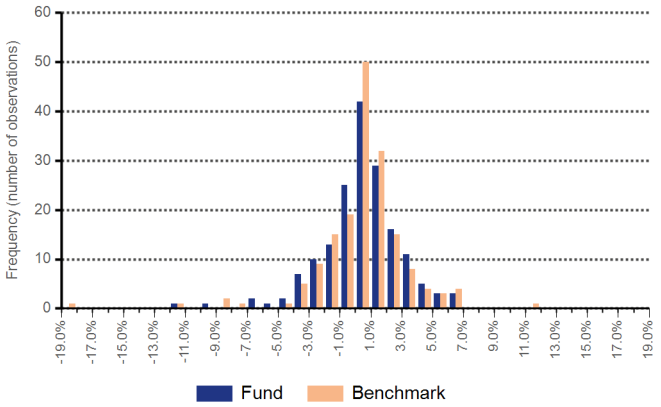
Drawdown

Fund maximum drawdown since inception: **-20.84%**

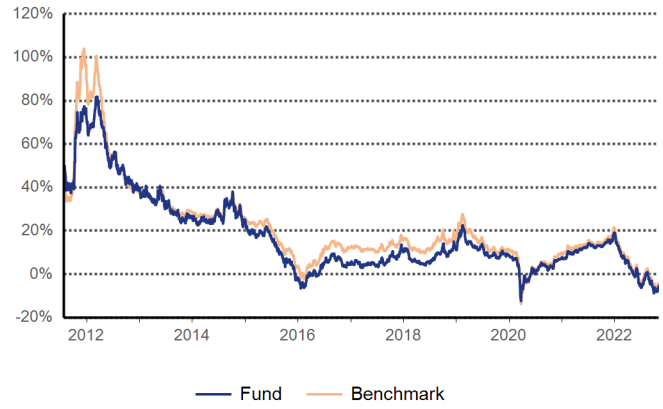
Benchmark maximum drawdown: -33.54%



Return distribution



3 years rolling performances



Risk & Reward Profile (RRP)

The indicator measures the risk of fluctuations of the Net Asset Value of the share class based on the last 5 years volatility and places the fund in category 4. This means that the purchase of units in the fund is connected to medium risk of such fluctuations. Please note that category 1 does not mean a risk free investment. Historical data, such as is used in calculating the synthetic indicator, may not be a reliable indication of the future risk profile of the UCITS, as the category might change in the future. Following risks are materially relevant to the UCITS but are not adequately captured by the synthetic indicator and may cause additional loss:

ABS/MBS risk: Mortgage-backed and asset-backed securities (MBSs and ABSs) typically carry prepayment and extension risk and can carry above-average liquidity risk.

Credit risk: A bond or money market security, whether from a public or private issuer, could lose value if the issuer's financial health deteriorates.

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.

Hedging risk: Any attempts to reduce or eliminate certain risks may not work as intended, and to the extent that they do work, they will generally eliminate potentials for gain along with risks of loss.

Liquidity risk : Certain securities may become hard to value or to buy or sell at a desired time and price which could affect the fund's value and its ability to pay redemption proceeds or other obligations in a timely manner.

Prepayment and extension risk: Any unexpected behaviour in interest rates could hurt the performance of callable debt securities (securities whose issuers have the right to pay off the security's principal before the maturity date).

Glossary / Definition of Terms

Alpha

The risk-adjusted excess return relative to the benchmark, resulting from portfolio active management. It reflects the portion of the excess return that is not explained by systemic risk.

Average Coupon

Defined as the average interest payment of portfolio's fixed income positions relative to their principal value.

Average Rating

The average credit rating of all fixed income securities in the portfolio.

Beta

A measurement of the volatility of returns relative to the overall market beta equal to one. A security with beta higher (lower) than one has greater (lower) risk relative to the broad market.

Commitment

Represented by the sum of notional, or the sum of the commitments of individual derivatives after netting and hedging.

Correlation

The degree to which two variables move together. The metric assumes values between -1 and 1. A positive (negative) correlation means that variables move in the same (opposite) direction(s). If there is no relationship between each other, the correlation will be close to zero.

Effective Duration

The relative sensitivity to an absolute change in the interest rates. More specifically, it gives the percentage change in instrument value if all interest rates are increased by an absolute of 1%.

Effective Yield

The duration weighted average yields on the fund's investments. It is calculated in the currency denomination of the instrument. It is not a return expectation, but a snapshot of the return of the fund's investments at current prices, yields and FX levels.

Fund VaR

The probability-based estimate of the minimum loss over a period of time (horizon), given a certain confidence level, presented as percentage of the assets under management of the fund.

Information ratio

A measure of risk-adjusted return that is defined as the excess annual return of the portfolio over its benchmark (active return) relative to the variability of that excess return (tracking error). It is used to assess the added value of the active management.

Maximum Drawdown

The largest loss measured from peak to trough until a new peak is attained.

Modified Duration To Worst

A measure of sensitivity of price to changes in the value of a bond in reponse to a change in interest rates, taking into account all call features.

Ongoing charges

It is an estimate of the charges that excludes performance related fees and transaction costs including third party brokerage fees and bank charges on securities transactions.

Running Yield

Annualised rate of return calculated as the annual income (coupons) of an investment divided by its current market value.

Spread Duration

A measure of the sensitivity of the security price to changes in its credit spread. Credit spread is defined as the difference between the security yield and risk free benchmark yield.

Tracking error

The volatility of the fund's excess returns over its benchmark returns. It quantifies how closely a manager's return pattern follows that of the benchmark.

Volatility

A statistical measure of the distribution of returns for a specific time period with a certain confidence interval. It gives an insight on the amount of risk and uncertainty of a security or portfolio. Commonly, the higher the volitility, the riskier the security or portfolio.

Year To First Call

The number of years until the next call date, in bond with embedded options.

Year To Maturity

Amount of time, in years, until a bond reaches maturity and repays its principal.

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 30/09/2022 - 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. Initial and exit charges could affect the value of the performance. **The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the full amount invested. The value of your investment can go up and down, and you could lose some or all of your invested money.** If the currency of the respective share class differs from the currency of the country where the investor resides the represented performance might vary due to currency fluctuations. 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 2009/65/EC of 13 July 2009. **This document is advertising materialand does not disclose all relevant information concerning the presented sub-funds**. Any investment decision in the sub-funds should be made on the basis of the current prospectus and the Key Investor Information Document (KIID), which are available, along with the current annual and semi-annual reports, electronically in English and in the local language of the market where the mentioned SICAV is authorised for distribution, without 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 as well as on www.nordea.lu. Investments in derivative and foreign exchange transactions may be subject to significant fluctuations which may affect the value of an investment. **Investments in Emerging Markets involve a higher element of risk. The value of your investment can go up and down, and you could lose some or all of your invested money. Investments in equity and debt instruments issued by banks could bear the risk of being subject to the bail-in mechanism (meaning that equity and debt instruments could be written down in order to ensure that most unsecured creditors of an institution bear appropriate losses) as foreseen in EU Directive 2014/59/EU. For further details of investment risks associated with these sub-funds, please refer to the relevant Key Investor Information Document (KIID), available as described above.** The investment promoted concerns the acquisition of units or shares in a sub-fund, not in any given underlying asset such as shares of a company, as these are only the underlying assets owned by the fund. Nordea Investment Funds S.A. has decided to bear the cost for research, i.e. such cost is covered by existing fee arrangements (Management-/Administration-Fee). Nordea Investment Funds S.A. only publishes product-related information and does not make any investment recommendations. A summary of investor rights is available in English through the following link: https://www.nordea.lu/documents/engagement-policy/EP_eng_INT.pdf/. Nordea Investment Funds S.A. may decide to terminate the arrangements made for the marketing of its sub-funds in any respective EU-country of distribution in accordance with Article 93a of Directive 2009/65/EC. Published by Nordea Investment Funds S.A., 562, rue de Neudorf, P.O. Box 782, L-2017 Luxembourg, which is authorized by the Commission de Surveillance du Secteur Financier in Luxembourg. Further information can be obtained from your financial advisor. He/she can advise you independently of Nordea Investment Funds S.A. **Please note that all sub funds and share classes might not be available in your country of jurisdiction. Additional information for investors in Switzerland:** The Swiss Representative and Paying Agent is BNP Paribas Securities Services, Paris, Succursale de Zurich; Legal successor (expected merger date: on or around 1 October 2022): BNP Paribas, Paris, Zurich branch, Selnaustrasse 16, 8002 Zurich, Switzerland. **Additional information for investors in Germany:** The Information Agent in Germany is Société Générale S.A. Frankfurt Branch, Neue Mainzer Straße 46-50, 60311 Frankfurt am Main, Germany. A hard copy of the above-mentioned fund documentation is also available here. **Additional information for investors in Austria:** The Facility Agent in Austria is Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, 1100 Vienna, Austria. **Additional information for investors in the Netherlands:** Nordea 1, SICAV is a Luxembourg Undertaking for Collective Investment in Transferable Securities (UCITS) registered in the Netherlands in the register kept by the AFM, and as such is allowed to offer its shares in the Netherlands. The AFM register can be consulted via www.afm.nl/register. **Additional information for investors in France:** With the authorisation of the AMF the shares of the sub-funds of Nordea 1, SICAV may be distributed in France. Centralising Correspondent in France is CACEIS Bank, located at 89-91 rue Gabriel Peri, 92120 Montrouge, France. **Investors are advised to conduct thorough research before making any investment decision. Additional information for investors in Belgium:** The Nordea 1, SICAV is registered in Belgium. Financial Service Agent responsibilities have been assumed by Nordea Investment Funds S.A.A hard copy of the above-mentioned fund documentation is available upon demand free of charge from the management company Nordea Investment Funds S.A. (562, rue de Neudorf, L-2017 Luxembourg, Grand Duchy of Luxembourg) or on the website: www.nordea.be. **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. The Depositary of the SICAV's assets is, J.P. Morgan Bank Luxembourg S.A. 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. The Representative Agent is Allfunds Bank S.A.U., C/ de los Padres Dominicos, 7, 28050 Madrid, Spain. A complete list of the authorised distributors is available in the CNMV's webpage (www.cnmv.es). **Additional information for investors in Portugal:** The Management Company of the SICAV, Nordea Investment Funds, S.A., and the Depositary of the SICAV's assets, J.P. Morgan Bank Luxembourg S.A., are validly formed and existing in accordance with the laws of Luxembourg and authorized by the Commission de Surveillance du Secteur Financier in Luxembourg. The Paying Agent in Portugal is BEST - Banco Electrónico de Serviço Total, S.A., duly incorporated under the laws of Portugal and registered with the CMVM as a financial intermediary. **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 or from the Paying Agents: State Street Bank International GmbH – Succursale Italia, Allfunds Bank S.A.U. – Succursale di Milano, Société Générale Securities Services S.p.A., Banca Sella Holding S.p.A, Banca Monte dei Paschi di Siena S.p.A., CACEIS Bank S.A., Italian Branch and on the website www.nordea.it. Any requests for additional information should be sent to the distributors. **Before investing, please read the prospectus and the KIID carefully.** We recommend that you read the most recent annual financial statement in order to be better informed about the fund's investment policy. **The prospectus and KIID for the sub-funds have been published with Consob.** For the risk profile of the mentioned sub-funds, please refer to the fund prospectus. **Additional information for investors in the United Kingdom:** The Facilities Agent is FE Fundinfo (UK) Limited., 3rd Floor, Hollywood House, Church Street East, Woking GU21 6HJ, United Kingdom. **Additional information for investors in Ireland:** The Facilities Agent is Maples Fund Services (Ireland) Limited, 32 Molesworth Street, D02 Y512 Dublin 2, Ireland. **Additional information for investors in Sweden:** The Paying Agent is Nordea Bank Abp, Swedish Branch, Smålandsgatan 17, 105 71 Stockholm, Sweden. **Additional information for investors in Denmark:** The Representative Agent is Nordea Danmark, Filial af Nordea Bank Abp, Finland, Grønjordsvej 10, Postbox 850 0900 CopenhagenC, Denmark. A hard copy of the above-mentioned fund documentation is available here. **Additional information for investors in Norway:** The Nordea 1, SICAV is registered in Norway. **Additional information for investors in Finland:** The Nordea 1, SICAV is registered in Finland. **Additional information for investors in Latvia:** The Representative Agent is Luminor Bank AS, 62 Skanstes iela 12, 1013 Riga, Latvia. **Additional information for investors in Estonia:** The Representative Agent in Estonia is Luminor Bank AS, Liivalaia 45, 10145 Tallinn, Estonia. **Additional information for investors in Lithuania:** The Representative Agent in Lithuania is Luminor Bank AB, Konstitucijos pr. 21A, 03601 Vilnius, Lithuania. Shareholders must evaluate possible investment risks and take this into consideration when making investment decisions. **Additional information for investors in Brazil:** This is a strictly privileged and confidential document for the purposes of a potential investment in foreign securities on a one-on-one basis with potential investors with a pre-existing relationship with Nordea Investment Funds S.A. This document contains information addressed only to a specific individual and is not intended for distribution to, or use by, any other person. This document (i) is provided for informational purposes only, (ii) should not be construed in any manner as any solicitation or offer to buy or sell any securities or any related financial instruments, (iii) should not be construed in any manner as a public offer of any securities or any related financial instruments, and (iv) and will be addressed to a potential investor with restrict access of information. Neither Nordea Investment Funds S.A nor Nordea 1, SICAV have been, and will not be, registered with the Brazilian Securities Commission (Comissão de Valores Mobiliários - CVM). Nordea 1, SICAV must not be offered or sold in Brazil except in circumstances which do not constitute a public offering or distribution under Brazilian laws and regulations. Any public offering, placement or distribution, as defined under Brazilian laws and regulations, of securities in Brazil, is not legal without prior registration under Law No. 6,385 of December 7, 1976, as amended. Documents relating to the offering of the Nordea 1, SICAV, as well as information contained therein, must not be supplied to the general public in Brazil (as the offering of the Nordea 1, SICAV is not a public offering of securities in Brazil) or used in connection with any offer for subscription or sale of the Nordea 1, SICAV to the general public in Brazil. Investors within Brazil should consult with their own counsel as to the applicability of these laws and regulations or any exemption there from. **Additional information for investors in Canada:** For further information please refer to the Canadian Information Statement, Canadian Marketing Legend and Notification to Canadian Clients. Source (unless otherwise stated): Nordea Investment Funds S.A. Unless otherwise stated, all views expressed are those of Nordea Investment Funds S.A. This document may not be reproduced or circulated without prior permission. **Reference to companies or other investments mentioned within this document should not be construed as a recommendation to the investor to buy or sell the same but is included for the purpose of illustration**. The level of tax benefits and liabilities will depend on individual circumstances and may be subject to change in the future.