

# Nordea 1 – European High Yield Bond Fund



CAPITAL  
FOUR

Any investment decision in the sub-funds should be made on the basis of the current prospectus and the Key Information Document (KID).  
The fund has been classified as an article 8 fund under SFDR. The fund has environmental and/or social characteristics but does not have sustainable investment as its objective.

Capital Four



# Focused Manager with Scaled Leveraged Finance Platform

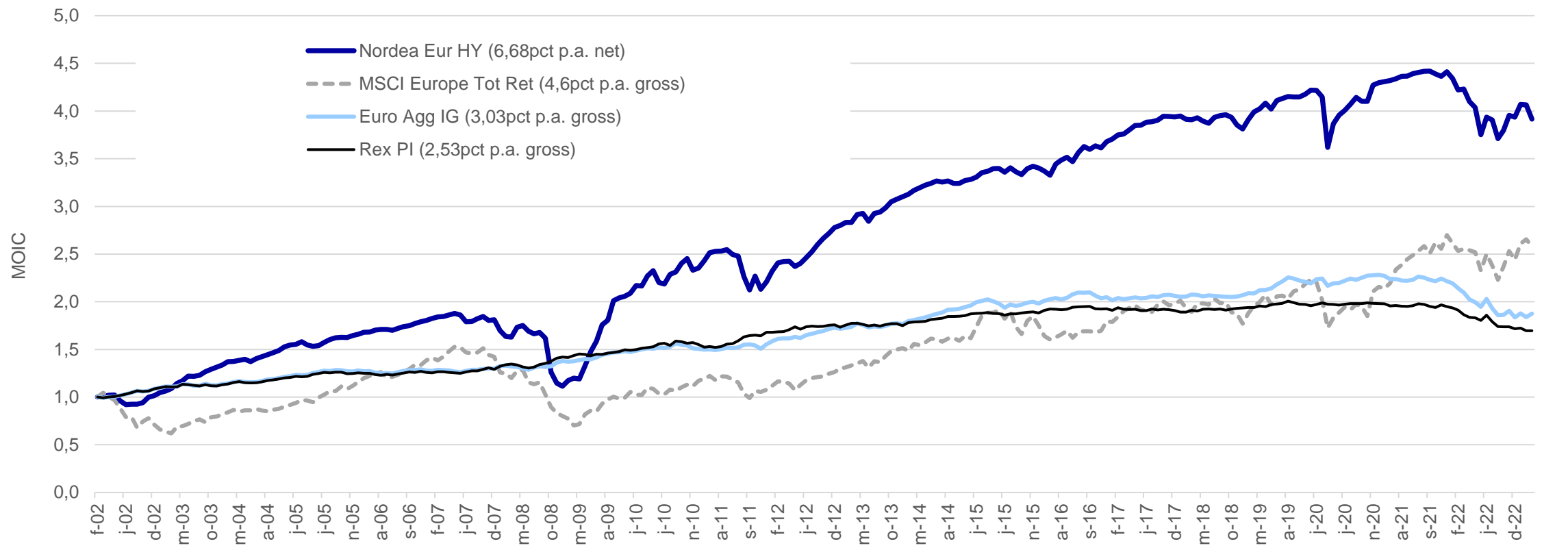
- Corporate credit specialist platform
- Fundamental bottom-up research approach
- Investment Committee anchors decision-making across strategies

High Yield		Leveraged Loans		Multi-Asset Credit		Structured Credit		Direct Lending	
AuM	€4.9bn	AuM (CLOs*)	€4.4b (€2.4b)	AuM	€2.7bn	AuM	€0.7bn***	AuM	€3.0bn
<b>Characteristics</b>				High Yield €2.2b    Loans € 0.3b Structured €0.2b					
Inception	2001	Inception	2013	Inception	2010	Inception	2019	Inception	2013
Regional Focus	EU, US, Global	Regional Focus	EU, US, Global	Regional Focus	Global	Regional Focus	EU	Regional Focus	Nordic
Liquidity	Daily	Liquidity	Bi-weekly	Liquidity	Daily, Weekly	Liquidity	Daily; Quarterly	Liquidity	Closed-ended
Annualized return**	+6.86%	Annualized return**	+3.25%	Annualized return	+6.77%	Annualized return	+0.23% (IG) +9.01% (EQ)	PD I – Flexible	+9.18%
Annualized alpha**	+125bps	Annualized alpha**	+113bps	Annualized alpha	+125bps			PD II – Flexible ****	+8.41%
								PD III – Senior *****	+9.06%
								PD IV – Flexible *****	+10.33%

Source: Capital Four. AuM and High Yield, Leverage Loans, Multi-Asset Credit and Structured Credit IG returns as of December 30, 2022. Structured Credit EQ returns as of November 30, 2022. Direct Lending returns as of September 30, 2022. All performance numbers are in EUR. For illustrative purposes only. No guarantee that Capital Four will be able to implement its investment strategy or achieve its objectives. Past performance is not indicative of future results. \*CLO portfolios are excluded from the net outperformance vs benchmark calculation. \*\* Since Inception, Annualized. \*\*\*Includes structured credit assets under management in multi-asset credit funds and mandates. \*\*\*\* Inception date of PD II – Flexible is May 3, 2018 \*\*\*\*\* Inception date of PD III – Senior is August 20, 2020. \*\*\*\*\* Inception date of PD IV is April 1, 2021. High Yield, Leveraged Loans and Direct Lending returns are Gross of Fees. Multi-Asset Credit and Structured Credit returns are Net of Fees. **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.**

# Long-term returns (20+ years)

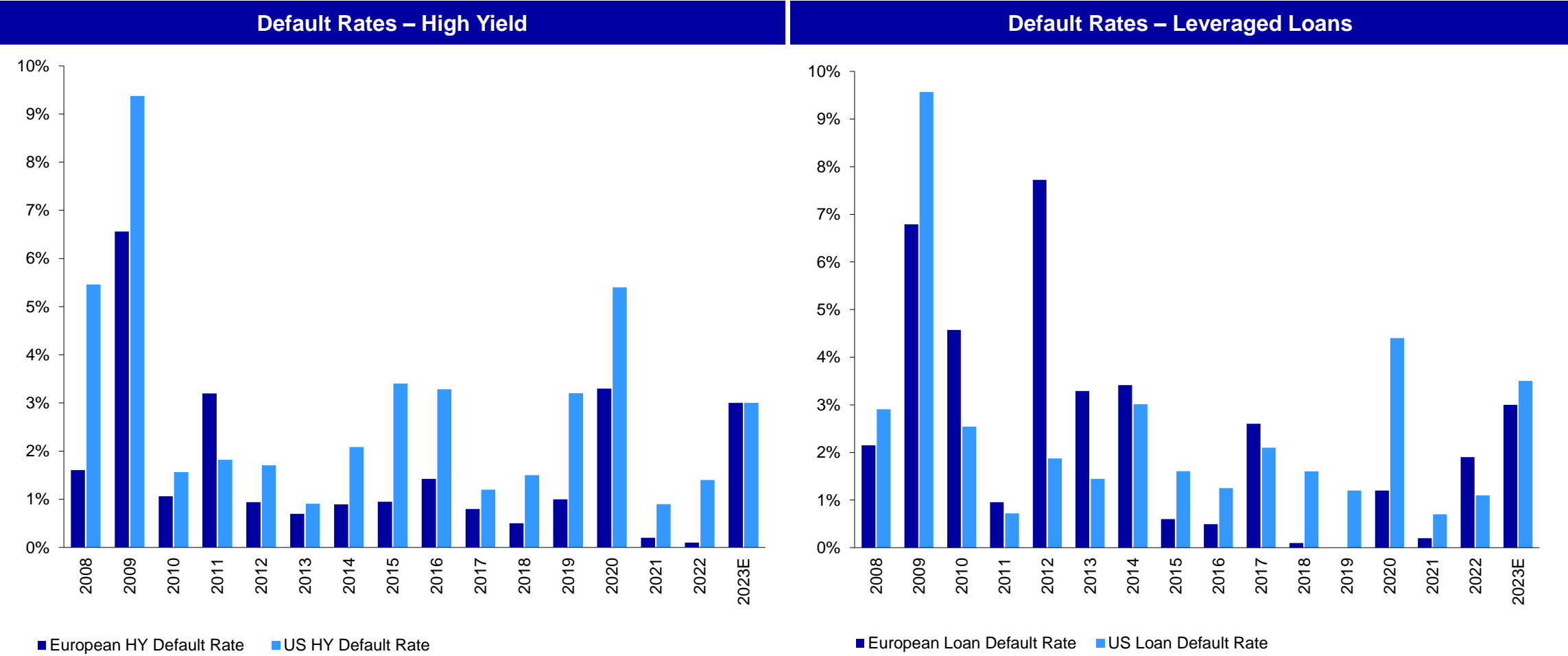
Nordea 1 - European High Yield Bond Fund (BI-EUR, net returns) since inception\* vs other asset classes



Source: Bloomberg, Capital Four. \*Period under consideration: January 2002 – March 2023. 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. Comparison with other financial products or benchmarks is only meant for indicative purposes.

# Fundamentals

Default rate expectations imply better fundamentals than credit spreads



Source: Credit Suisse, JP Morgan Research, Capital Four. As of November 30, 2022.

# Return Expectations

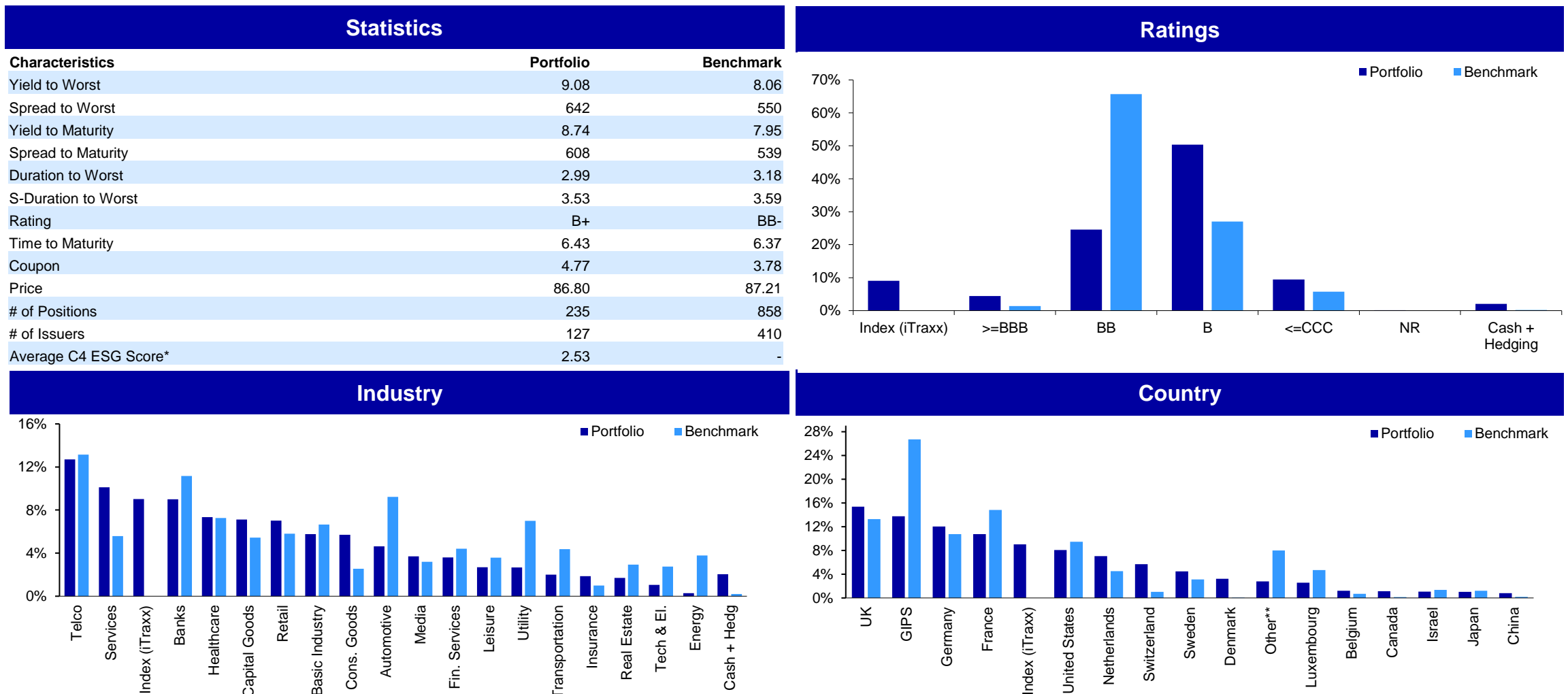
## 12 Month Sensitivity analysis

### European High Yield Market – 1Y Return Expectations

Spreads	Default Rate Scenarios				
	0.0%	1.5%	<b>3.0%</b>	4.5%	6.0%
223 bp	20.2%	19.5%	18.9%	18.2%	17.5%
323 bp	16.1%	15.4%	14.8%	14.1%	13.4%
423 bp	12.0%	11.3%	10.7%	10.0%	9.3%
<b>523 bp</b>	7.9%	7.2%	6.5%	5.9%	5.2%
623 bp	3.8%	3.1%	2.4%	1.8%	1.1%
723 bp	(0.3%)	(1.0%)	(1.7%)	(2.4%)	(3.0%)
823 bp	(4.4%)	(5.1%)	(5.8%)	(6.5%)	(7.1%)

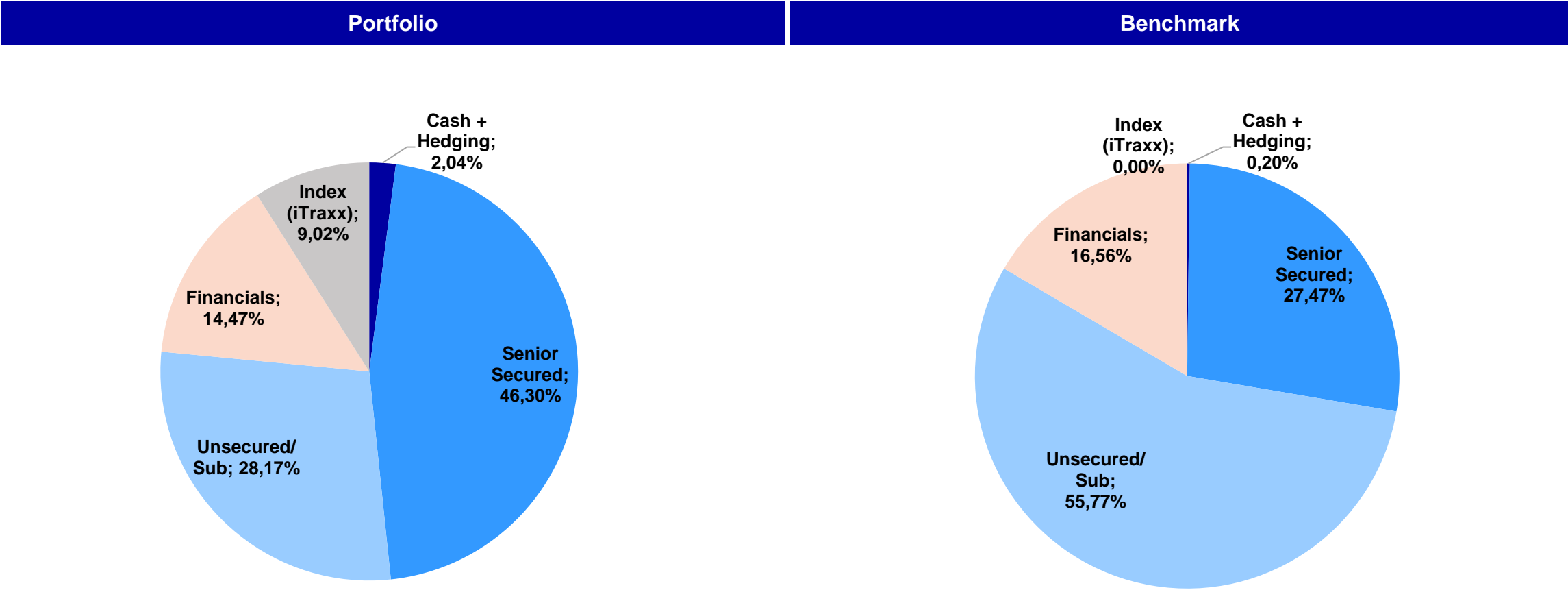
The presented figures are estimations of Capital Four and are based on assumptions and on information currently available. **No guarantee can be given for the accuracy of the data and these estimations might not be met in the future.**  
Source: ICE bond data; HPC0. As of December 30, 2022. Bold spread and 3Y Discount Margin indicate current level. Bold default rate indicate 2023 expected level. Return expectation calculations based on yield to worst, expected recovery rate, spread duration and spread to worst for high yield and 3Y discount margin for loans. Assumptions for High Yield calculations: Yield to Worst: 7.89%. Expected Recovery Rate: 50%. Spread Duration: 4.11. Spread to Worst: 523. Current High Yield price: 85.66.

# Portfolio Overview – Nordea 1 – European High Yield Bond Fund



Source: Capital Four. As of December 30, 2022. \*All holdings scored on a scale from 1 to 5 (1 being the best, 5 being the worst) according to Capital Four's internal ESG Scoring Model. \*\*Other Countries: Austria, Brazil, Bulgaria, Cyprus, Czech Republic, Finland, Gibraltar, Hungary, Ireland, Jersey, Lithuania, Mexico, Norway, Poland, Romania, Slovenia, Turkey, Ukraine. Portfolio: Nordea 1 – European High Yield Fund. Benchmark: ICE BofA European Currency High Yield Constrained Euro Hedged. Please note that the country breakdown is based on the actual countries where the companies sell their goods not on the country of incorporation of the companies.

# Seniority Positioning – Nordea 1 – European High Yield Bond Fund



Source: Capital Four. As of December 30, 2022. Portfolio: Nordea 1 – European High Yield Bond Fund. Benchmark: ICE BofA European Currency High Yield Constrained Euro Hedged.

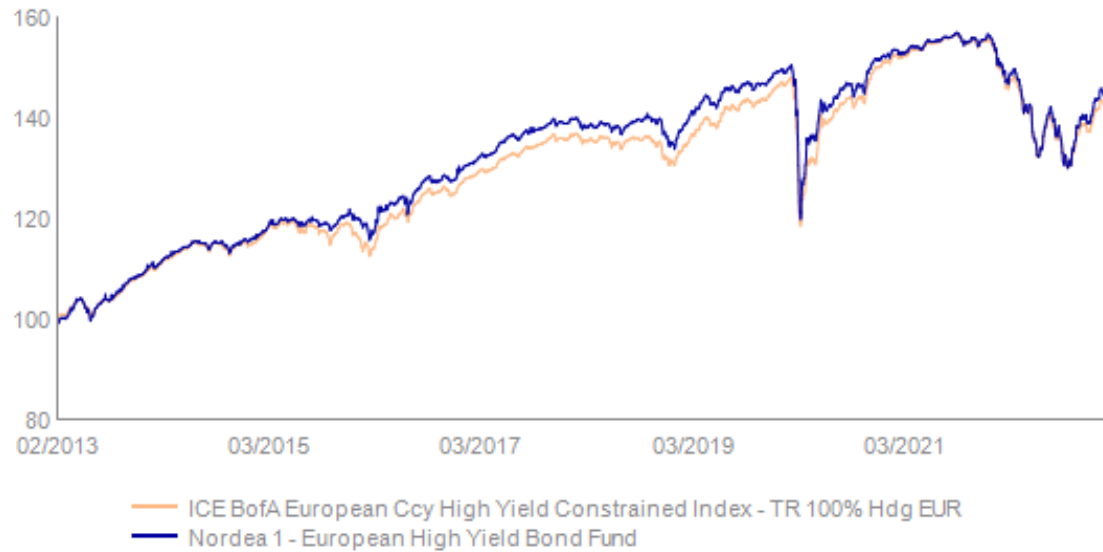


**Thank You!**



# Nordea 1 – European High Yield Bond Fund (BI-EUR)

## Performance



Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 28/02/2013 - 28/02/2023. 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 28/02/2023. 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 fund uses a benchmark which is not aligned with the environmental and social characteristics of the fund.

Calendar Year Returns in %	Fund	Reference index
2012	25.82%	28.59%
2013	11.56%	10.21%
2014	5.87%	5.33%
2015	3.68%	1.49%
2016	8.09%	9.12%
2017	7.04%	6.77%
2018	-3.18%	-3.48%
2019	10.67%	11.36%
2020	1.87%	2.92%
2021	2.63%	3.33%
YTD	-10.38%	-10.93%

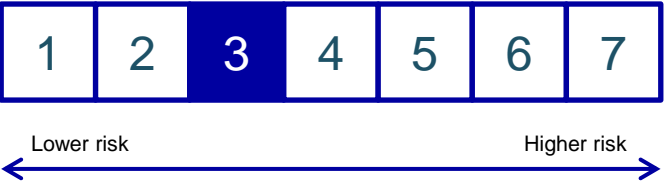
Cumulative Returns in %	Fund	Reference index
YTD	-10.38%	-10.93%
1 month	4.15%	3.72%
3 months	1.23%	1.02%
6 months	-2.10%	-2.57%
1 year	-9.41%	-10.17%
3 years	-5.29%	-4.27%
5 years	0.30%	1.75%
Since inception	260.46%	271.40%

Inception date: 18.01.2002.

# Nordea 1 – European High Yield Bond Fund

## Risk considerations and key information

### Risk indicator



The risk indicator assumes you keep the product for 5 years

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this Fund as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the Fund's capacity to pay you. Be aware of currency risk. In some circumstances you will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. 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:

- **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.
- **CDO/CLO risk:** The lower tranches of CDOs and CLOs can experience significantly higher risk than upper tranches of the same CDOs or CLOs. These securities can be hurt by a decline in the underlying assets. Because of their complex structure, they can also be hard to value accurately and their behavior in different market conditions may be unpredictable.
- **Convertible securities risk:** Because convertible securities are structured as bonds that typically can, or must, be repaid with a predetermined quantity of equity shares, rather than cash, they carry both equity risk and the credit and default risks typical of bonds.
- **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.
- **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).

This product does not include any protection from future market performance so you could lose some or all of your investment

### Fund key information

#### Investment Policy

The fund mainly invests in European high yield bonds and credit default swaps. Specifically, the fund invests at least two thirds of total assets in high yield debt securities, credit default swaps and other debt securities, including contingent convertible bonds, that are denominated in European currencies or issued by companies that are domiciled or conduct the majority of their business, in Europe. The fund may invest in, or be exposed to up to 10% of its total assets in asset-backed securities including collateralised debt and loan obligations (CDOs and CLOs) and up to 20% of its total assets in contingent convertible bonds. The fund's major part of currency exposure is hedged to the base currency, although it may also be exposed (through investments or cash) to other currencies.

Sub-fund's name	Nordea 1 - European High Yield Bond Fund
Fund Manager	Capital Four Management Fondsmæglerselskab A/S
Fund Domicile	562, rue de Neudorf, 2220 Luxembourg, Luxembourg
Share class	BP-EUR
Annual Man. Fee	1.000%
Security number (ISIN)	LU0141799501
Security number (WKN)	529937
Fund Size in millions	3,026.37
Currency	EUR
Reference index	ICE BofA European Ccy High Yield Constrained Index - TR 100% Hdg EUR
Management Style	Actively managed
Benchmark Constraints	Benchmark used for performance comparison only.
No. of holdings	234
Launch date	04/01/2006
Minimum investment (EUR)	0

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 material and 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 Information Document (KID), 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 and on [www.nordea.lu](http://www.nordea.lu). A hard copy of the above-mentioned fund documentation is also available at Nordea Investment Funds S.A.

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 Information Document (KID), 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).

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A summary of investor rights is available in English through the following link:  
[https://www.nordea.lu/documents/summary-of-investors-rights/SOIR\\_eng\\_INT.pdf/](https://www.nordea.lu/documents/summary-of-investors-rights/SOIR_eng_INT.pdf/).

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Source (unless otherwise stated): Nordea Investment Funds S.A.

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