



Fund Flash



Nordea 1 - Flexible Fixed Income Fund

ISIN: LU0915365364 (BP-EUR) / LU0915363070 (BI-EUR)

The objective of the fund is to build an optimal fixed income portfolio with a fairly low level of risk (normal target volatility of 2-5%) and to generate an annualized return of 2% gross of fees in excess of cash rate over a full investment cycle¹.

Portfolio Comment as of 30/04/2022

In April, strong risk aversion continued to be fuelled by accelerating inflation, reaching a four-decades high in the US at 8.5% as well as the war in Ukraine pushed commodities' prices to record highs. Inverted US yield curve, being a harbinger of recession, also has been concerning investors. With that context, sovereign bonds continued to be out of favour as investors braced for expected interest hikes towards the end of the quarter. Yield curves are now in positive territory on both sides of the Atlantic, with US and German 10 Year yields ending respectively at 2.93% and 0.94%. Finally, credit suffered particularly as spreads widen, which especially impacted on both high yield (HY) and EM.

In this context, the fund delivered a negative return of -2,02% over the month and it now accumulates a performance of -5,98% YTD (BP-EUR).

In a month where risky assets suffered significantly, the aggressive side of the portfolio drag most of the performance down. Within it, our credit exposure (particularly the exposure to high yield and IG spreads) was the biggest detractor. However, this was partially offset by our tactical exposure to credit.

On the defensive side, with yields moving higher once again, our strategic allocation to high quality government bonds (duration) struggled the most. Nevertheless, this was partially offset by the positive impact of our tactical asset allocation to duration. Additionally, some of our more alternative risk-off strategies – such as FX Valuation & Quality and Cross Assets Anti-Beta strategies – posted some positive returns.

The rest of the strategies posted flat to slightly negative contributions, with no specific outlier.

Regarding the portfolio positioning:

The fund's duration and high yield credit exposure increased over the month.

Portfolio Positioning	31/03/2022	30/04/2022
Duration	3.38 years	3.77 years
HY Credit Exposure	22,40%	25,19%

	Cumulative Performance ²			
	MTD	YTD	3 years	10 years/SL
Fund ^{3, 4}	-2.02%	-5.98%	-4.76%	3.18%
Benchmark ⁵	-0.04%	-0.18%	-1.51%	-2.55%

**Preliminary data.

1) There can be no warranty that an investment objective, targeted returns and results of an investment structure is achieved. The value of your investment can go up and down, and you could lose some or all of your invested money. 2) 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 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. 3) Nordea 1 - Flexible Fixed Income Fund BP-EUR Share class. 4) Launch date: 02.05.2013. 5) With effect from 14/12/2020, the official reference index of the fund is EURIBOR 1M. Prior to this date, the fund did not have an official reference index. The fund performance since launch is measured against EURIBOR 1M. This reference index is used for performance comparison purposes.

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

Nordea 1 - Flexible Fixed Income Fund: Investment Strategy

The fund offers a robust diversification across fixed income asset classes and regions. Using active management, the fund aims to preserve capital and provide positive returns in excess of cash over an investment cycle. The objective is to build an unconstrained bond product, designed to address a constantly changing environment in the fixed income space, such as interest rates fall and rise as well as changes in credit spreads. The fund will use active currency management to mitigate risk without reducing the return expectancy. Actively managed without reference or constraints relative to its benchmark. Benchmark: EURIBOR 1M

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 31/03/2022 to 30/04/2022. 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 30/04/2022.

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 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.** 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-fund mentioned is a sub-fund 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 and which have been created for an unlimited period. **This document is advertising material and does not disclose all relevant information concerning the presented sub-fund. Any investment decision in the Nordea funds needs to 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, without charge upon request from Nordea Investment Funds S.A., 562, rue de Neudorf, P.O. Box 782, L-2017 Luxembourg, from our Financial service agent BNP Paribas Securities Services S.C.A., Brussels Branch, Rue de Loos, 25, 1000-Brussels, Belgium or from our distributors as well as on www.nordea.be.** 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 shares can greatly fluctuate as a result of the sub-fund's investment policy and cannot be ensured. 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.** 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. Further information can be obtained from your financial advisor. He/she can advise you independently of Nordea Investment Funds S.A. 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. 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 and must not be passed to private investors. This document contains information only intended for professional investors and financial advisers and is not intended for general publication. **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.