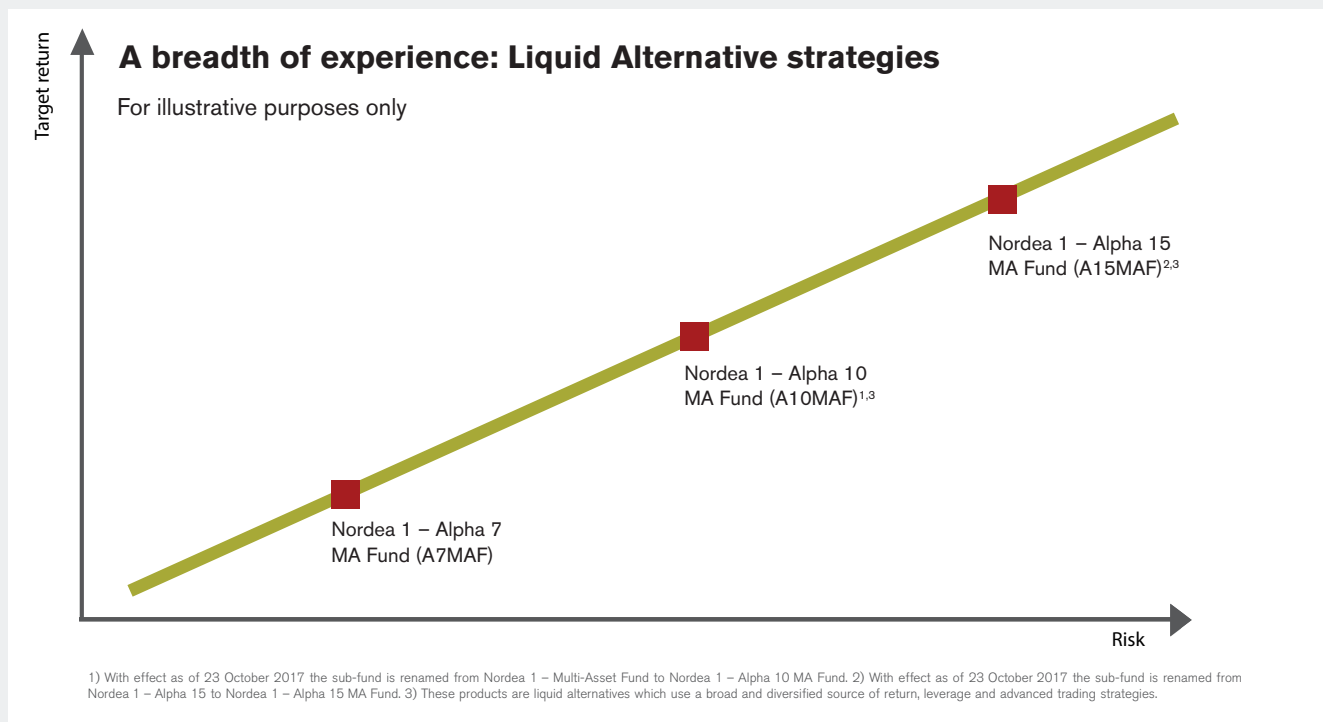


# Nordea's Alpha solutions: Liquid Alternative strategies

A different mindset is needed

Financial markets are more and more difficult to navigate and traditional ways of constructing portfolios seem to have reached their limits. This environment requires investors to consider new solutions and ways of investing. To adapt to these challenges, investors are urged to look for **different** strategies that can help their portfolios improve diversification and deliver returns while **controlling risk**.

Developing new and different investment solutions to adapt to ever changing market environments is a lengthy and complex process which requires extensive collaboration, expertise and experience. This is exactly the foundation of Nordea's Multi Assets Team (MAT) which was pulled together **more than 10 years ago** and built thorough investment experience. Continuous innovation – through experience, testing, development and research - has been a key driver to maintain the Team's competitive edge and deliver attractive investment solutions in today's low yield environment. Over the years, the Team has engineered a number of products with different risk-return profiles and one common denominator: **considering risk first** and using it as a starting point to allocate assets. To tackle the current environment, we believe at Nordea, that **experience matters**.



- The Team has a long-lasting experience in developing strategies focusing on risk management and allocation. It includes 40 highly experienced professionals with a strong research background
- To meet our client needs for solutions with different risk/return profiles, Nordea's MAT relies on risk budgeting that combines diversified risk premia<sup>4</sup> as a backbone to build their portfolios
- By combining uncorrelated assets, which behave differently in risk-off and risk-on environments these strategies aim to deliver performance irrespective of the investment cycle

**Come and discover our breadth of experience**

<sup>4</sup>) Risk premia are a widely recognised and studied source of return for investors. A risk premium is a reward for taking certain type of risks in excess of the risk free rate.

## Nordea's MAT Alpha solutions overview:

	Expected return (gross of fees, p.a) <sup>5</sup>	Expected volatility (p.a.) <sup>5</sup>	Investment universe	Philosophy	Use in a Portfolio allocation context / outcome	Strategy type
Nordea 1 – Alpha 7 MA Fund (A7MAF)	Cash + 4–5%	5–7% <sup>6</sup>	Fixed Income, Currencies and Equity	Risk balancing + directional strategies	Bond-like returns and volatility	Liquid alternative
Nordea 1 – Alpha 10 MA Fund (A10MAF)	Cash + 5–7%	7–10% <sup>6</sup>	Fixed Income, Currencies and Equity	Risk balancing + directional strategies	Balanced-like returns and volatility	Liquid alternative
Nordea 1 – Alpha 15 MA Fund (A15MAF)	Cash + 7–10%	10–15% <sup>6</sup>	Fixed Income, Currencies and Equity	Risk balancing + directional strategies	Equity-like returns and volatility	Liquid alternative

### Nordea 1 – Alpha 7 MA Fund (A7MAF)

ISIN: LU1807426207 (BP-EUR); LU1807426629 (BI-EUR)

- A liquid alternative solution with low volatility profile to target bond-like returns and volatility
- Uses risk balancing principles and directional strategies to create a market neutral portfolio over a market cycle
- Aims to generate a return of cash +4–5%<sup>5</sup> p.a. (gross of fees) over a full investment cycle with an expected volatility between 5 and 7%<sup>6</sup>

### Nordea 1 – Alpha 10 MA Fund (A10MAF)

ISIN: LU0445386369 (BP-EUR); LU0445386955 (BI-EUR)

- A liquid alternative solution with medium volatility profile to target balanced-like returns
- Uses risk balancing principles and directional strategies to create a market neutral portfolio over a market cycle
- Aims to generate a return of cash +5–7%<sup>5</sup> p.a. (gross of fees) over a full market cycle with an expected volatility between 7 and 10%<sup>6</sup>

### Nordea 1 – Alpha 15 MA Fund (A15MAF)

ISIN: LU0607983896 (BP-EUR); LU0607983383 (BI-EUR)

- A liquid alternative solution with a high volatility profile to target equity-like returns
- Uses risk balancing principles and directional strategies to create a market neutral portfolio over a market cycle
- Aims to generate a return of cash +7–10%<sup>5</sup> p.a. (gross of fees) over a full market cycle with an expected volatility between 10 and 15%<sup>6</sup>

<sup>5</sup> There's no guarantee that this expected return or volatility will be achieved. <sup>6</sup> During adverse market environments the volatility could reach 7% for the Nordea 1 – Alpha 7 MA Fund (A7MAF), 10% for the Nordea 1 – Alpha 10 MA Fund (A10MAF) and 15% for the Nordea 1 – Alpha 15 MA Fund (A15MAF)

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