



Fund Flash

Nordea 1 - European High Yield Bond Fund

ISIN: LU0141799501 (BP-EUR) / LU0141799097 (BI-EUR)

The fund seeks to preserve shareholder capital and to provide a return exceeding the average return of the European high yield bond market.¹

Portfolio comment as of 30/04/2021

European high yield spreads tightened by 12bps from 298bps to 286bps during the month of April. The trend seen in the first quarter continued into April where lower rated parts of the market outperformed. The returns of the respective rating buckets were BB: 0.56%, B: 0.58% and CCC: 1.61%. Sectors that contributed the most to performance were Leisure, Media and Transportation whereas the worst performing sectors were Healthcare, Technology & Electronics and Utilities.

In this context, the fund delivered a monthly return equal to 0.56%, bringing YTD performance to 1.32% (BP-EUR).

On the positive side, selection within Banks and Insurance attributed to performance whereas the main detractor came from the fund's selection to Leisure and Retail.

On a single name basis, the positive contributions mainly came from an overweight in M&G and Natwest Group PLC together with an underweight in Electricite de France and Telecom Italia. The negative contributions primarily came from an overweight in Verisure, Teva and Stada together with an underweight in Codere, Vallourec and Petroleos Mexicanos.

The portfolio participated in seven new issues during the month of April including an inaugural sustainability linked bond from Rexel, a global distributor of low- and ultra-low-voltage electrical products. The offering was linked to Sustainability Performance Targets (SPTs), whereby the coupon steps up by 25 basis points unless the group meets two SPTs. Targets included a 23% reduction in greenhouse gas emissions from products sold by 2023, whilst also achieving a 23.7% reduction in greenhouse gas emissions by 2023.

| Performance Fund (BP-EUR) | Benchmark | |
|---------------------------|-----------|--------|
| Year 2020 | 1.28% | 2.92% |
| Year 2019 | 9.97% | 11.36% |
| Year 2018 | -3.76% | -3.48% |

| Cumulative Performance | 1M | YTD | 3 Years |
|------------------------|--------|--------|---------|
| Fund (BP-EUR) | 0.56% | 1.32% | 9.06% |
| Benchmark | 0.67% | 2.22% | 12.84% |
| Alpha | -0.11% | -0.90% | -3.78% |

Source for yield figures: Capital Four Management. **The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the whole 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.** The official benchmark of the fund is the ICE European Currency High Yield Constrained Index (EUR Hedged). **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.**

* investing in their own account - according to MIFID definition

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 31/03/2021 to 30/04/2021. 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 30/04/2021.

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