



Fund Flash

Nordea 1 - Norwegian Short-Term Bond Fund

ISIN: LU0078812822 (BP-NOK) / LU0772961230 (BI-NOK)

This fund aims to provide attractive risk-adjusted returns by investing in investment grade NOK denominated short-term bonds and other short-term transferable debt securities.¹

Portfolio comment as of 31/10/2022

Norges Bank raised its deposit rate by 25 bps in early November, after hiking by 50 bps both in June, August and September. The deposit rate is now 2,50%, up from 0,5% in the start of the year. The November rate hike was in line with domestic market expectations, but less than the foreign market participants expected.

House prices are starting to adjust to higher rates, and seasonally adjusted house prices fell by 0.8% in September, while nominal prices fell by 1,9%. House prices are still up 2.8% over the last 12 months – and 15.0% since the start of 2020.

We believe the market balance is now tilted towards some continued price declines in the coming months due to rising supply of homes and a weakening demand on the back of rate hikes and increased economic uncertainty.

We saw credit spreads widening sharply in the Norwegian fixed income market in September. We believe that credit spreads will likely move sideways over the next few months, albeit with a widening bias.

In this context, the fund delivered a monthly return equal to 0.17%, bringing YTD performance to 0.01% (BP-NOK).

The money market rate measured by the 3 month NIBOR averaged around 3,24 % during the month.

Credit spreads have moved wider in October, and this has been the most important negative performance driver for both the portfolio and its benchmark. Spread changes contributed negatively to fund performance, while credit spread carry and roll contributed positively. The fund saw positive absolute performance and negative relative performance in October.

Portfolio Positioning	31/10/2022	30/09/2022	Cumulative Performance				
Average Rating ²	A	A	1M	YTD	3 Years	10 Years	
			Fund (BP-NOK)	0.17%	0.01%	2.53%	14.97%
			Benchmark	0.25%	0.95%	3.00%	13.36%
			Alpha	-0.07%	-0.94%	-0.47%	1.61%

With effect as of November 19th, 2018 the sub-fund is renamed from Nordea 1 – Norwegian Kroner Reserve to Nordea 1 - Norwegian Short-Term Bond Fund and the investment policy of the sub-fund was modified. With effect from 14.12.2020, the official reference index of the fund is 50% NIBOR 3M and 50% Norway FI - RM123FRN. Prior to this date, the fund did not have an official reference index. The performance of the reference index before this date is provided for convenience purposes. This reference index is used for performance comparison purposes. **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.** 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) Source : Nordea Investment Management AB. A specificity of the Norwegian Fixed Income market is that many NOK bonds and bond issuers do not have an official rating from S&P, Moody's or Fitch. The main reason for this is that there are many smaller issuers (and issues) in the market, and small issuers usually don't have an official rating. This is why the fund's management team thoroughly carry out a credit analysis and place an internal rating on all issuers without an official rating. All issuers, both those with and those without an official rating will be subject to a credit analysis by the fund's management team credit analyst. Please note that investments can take place in both certificates and bonds, subject to the prevailing credit lines available to the fund management team, as well as their proprietary analysis of high quality bonds. The proprietary analysis is conducted on a quantitative and qualitative basis, but does not contain any statistics regarding the probabilities of default. The ratings shown above are calculated as an average of officially rated issuers and issuers rated by Nordea Investment Management AB.

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

The fund invests a minimum of two-thirds of its net assets in fixed-income and floating rate debt securities issued by private borrowers and public authorities denominated in NOK. The strategy is to invest mainly in NOK denominated short-term bonds and other short-term transferable debt securities listed on the Oslo Stock Exchange or traded in another regulated market within the OECD. Actively managed. Benchmark used for performance comparison only. Risk characteristics of the fund's portfolio may bear some resemblance to those of the benchmark. Benchmark: 50% Norwegian Regular Market Index, sector 1, 2 and 3, Floating Rate Securities and 50% NIBOR 3M

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 30/09/2022 to 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 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. 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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. 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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 1-3, place Valhubert, 75206 Paris cedex 13, France. **Investors are advised to conduct thorough research before making any investment decision.** **Additional information for investors in Belgium:** The Financial Service Agent in Belgium is BNP Paribas Securities Services S.C.A., Brussels Branch, Rue de Loxum, 25, 1000-Brussels, Belgium. A hard copy of the above-mentioned fund documentation is available upon demand free of charge. **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. 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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 CVM 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, Grønlandsvej 10, Postbox 850 0900 Copenhagen C, Denmark. 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