

# Nordea 1 M-shares

August 2023

## Looking for regular income ... and returns? There is a better option than cash or sovereign bonds

Nordea 1 M-shares can help you reach your total return goals<sup>1</sup>

With the recent jump in interest rates, investors looking for income are increasingly returning to cash, deposits or sovereign bonds. Such a move, however, denies them the **total return opportunities** offered by other fixed income, equities or multi asset solutions.

With the **M-shares**, Nordea Asset Management actively approaches this issue by now offering **monthly distributing share classes**.

- Regular monthly cash flows
- Daily liquidity
- Continuous participation in long-term return potential<sup>1</sup>

**M-shares** are available for a number of Nordea 1 funds across various asset classes and **will fully distribute the income**<sup>2</sup> produced by the investment, whether bonds, equities or multi-asset solutions. This will ensure that **investors' income needs are met** while still enjoying the **longer-term benefits of investing** in these assets.

By investing in deposits or sovereign bonds investors may be overlooking the **higher yields now offered by other asset classes**. For example, the Nordea 1 – European High Yield Bond Fund is currently offering a distributed yield of 6.8%<sup>3</sup>, while the Nordea 1 – European Cross Credit Fund offers 5%.<sup>3</sup>

**Equities also offer robust dividend yields** in addition to the capital growth generated by the underlying businesses. As an illustration, the Nordea 1 – European Stars Equity Fund is currently yielding 3.6%<sup>3</sup> and the Nordea 1 – Global Sustainable Listed Real Assets Fund is yielding 4.2%.<sup>3</sup>

For investors in our **multi-asset solutions**, which do not have a specific income stream, we will **distribute the fund's expected return**.<sup>1,2,3,4</sup>

The **M-shares** open new possibilities for investors who are looking for an investment with daily liquidity to benefit from regular income while continuing to participate in the capital returns offered by their investments.

Nordea 1 – Stable Return Fund will pay out the expected return of the fund, effectively turning capital growth into income for M-share holders.<sup>3,4</sup>

### Funds now offering M-shares

Nordea 1 fund	ISIN	Asset class
European Cross Credit Fund	LU2637427530 (MP-EUR)	Fixed income
European High Yield Bond Fund	LU1005844920 (MP-EUR)	Fixed income
European Financial Debt Fund	LU2637427613 (MP-EUR)	Fixed income
European Stars Equity Fund	LU2637427704 (MP-EUR)	Equity
Global Listed Infrastructure Fund	LU2081627213 (MP-EUR) / LU2637427886 (MP-USD)	Equity
Global Real Estate Fund	LU2637428181 (MP-EUR) / LU2637427969 (MP-USD)	Equity
Global Sustainable Listed Real Assets Fund	LU2637428264 (MP-EUR) / LU2637428348 (MP-USD)	Equity
Stable Return Fund	LU1221952523 (MP-EUR)	Multi asset

In a negative environment, the monthly distribution income accrued in the M-shares may be taken from the capital. This may reduce capital and constrain future capital growth. 1) There can be no warranty that an investment objective, targeted returns and results of an investment structure is achieved. 2) Equity and Fixed Income funds will fully distribute the dividend/ coupon income generated by the fund. Multi Assets solutions will distribute the expected return of the fund + the relevant currency's 1M cash return. 3) As at 31.07.2023. **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.** 4) Please be aware that expected return may vary from actual delivered fund return, and that your capital may be reduced by regular monthly payouts.

## Overview of main risks\*

Main risks	Fixed income funds	Equity funds	Multi asset funds
<b>ABS/MBS risk:</b> Mortgage-backed and asset-backed securities (MBSs and ABSs) typically carry prepayment and extension risk and can carry above-average liquidity risk.			X
<b>Credit risk:</b> A bond or money market security, whether from a public or private issuer, could lose value if the issuer's financial health deteriorates.	X		X
<b>Derivatives risk:</b> 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.	X	X	X
<b>Prepayment and extension risk:</b> 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).	X		X
<b>Emerging and frontier markets risk:</b> Emerging and frontier markets are less established, and more volatile, than developed markets. They involve higher risks, particularly market, credit, legal and currency risks, and are more likely to experience risks that, in developed markets, are associated with unusual market conditions, such as liquidity and counterparty risks.		X	X
<b>Securities handling risk:</b> Some countries may restrict securities ownership by outsiders or may have less regulated custody practices.		X	X
<b>Depository receipt risk:</b> Depository receipts (certificates that represent securities held on deposit by financial institutions) carry illiquid securities and counterparty risks.		X	X
<b>Taxation risk:</b> A country could change its tax laws or treaties in ways that affect the fund or shareholders.		X	

\*For the complete list of the risks related to the funds, please refer to the section "Risk Descriptions" in the Prospectus and the PRIIPs KIDs of the respective funds.

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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 KID 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 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, Grønordsvej 10, Postbox 850 0900 Copenhagen C, Denmark. A hard copy of the above-mentioned fund documentation is available here. **Additional information for investors in Norway:** The Nordea 1, SICAV is registered in Norway. **Additional information for investors in Finland:** The Nordea 1, SICAV is registered in Finland. Source (unless otherwise stated): Nordea Investment Funds S.A. 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