



# Fund Flash

**Nordea 1 - Alpha 15 MA Fund**

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

**Nordea 1 - Alpha 10 MA Fund**

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

**Nordea 1 - Alpha 7 MA Fund**

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

Alpha 15 MA: Expected Volatility: 10 to 15% - Target Return: Cash +7 to 10% gross of fees p.a. over a full investment cycle<sup>1</sup>.

Alpha 10 MA: Expected Volatility: 7 to 10% - Target Return: Cash +5 to 7% gross of fees p.a. over a full investment cycle<sup>1</sup>.

Alpha 7 MA: Expected Volatility: 5 to 7% - Target Return: Cash +4 to 5% gross of fees p.a. over a full investment cycle<sup>1</sup>.

### Portfolio Comment as of 31/08/2019

In August, the escalation of Sino-American trade war tensions' (e.g. new tariffs on USD 300 billion of Chinese imports) and fears of a recession – reflected in the bond market by an inverted US 2-10Y yield curve – led to a choppy month for risky assets. Despite the generally negative behaviour, Developed Markets' (DM) were still more resilient than Emerging Markets (EM), especially when comparing US and Chinese assets. Yield curves flattened on both sides of the Atlantic, particularly on their long ends and global credit spreads widened sharply, except for the European High Yield segment.

In this context, the Alpha 15 MA, Alpha 10 MA and Alpha 7 MA funds delivered positive returns of +1.63%, +1.15% and +0.73% respectively over the month, and they now accumulate respective performance of +11.11%, +7.11% and +4.73% YTD (BP-EUR).

-In August, performance was mainly driven by our defensive strategies, which tend to be moderately to negatively correlated with equities. They benefitted from a turbulent market in August, which was fundamentally-driven. This was illustrated by our Low Risk Anomaly, which was the largest contributor within our Equity SuperStrategy, having outperformed thanks to the inherent stability of its stocks. Our Strategic Risk Balancing SuperStrategy also had an overall good performance, as its risk-off components delivered positive contributions and have more than offset the negative returns of our exposure to equity beta. Finally, we can highlight the interesting behaviour of our Cross Asset and Momentum SuperStrategy, which benefitted from a short equity stance.

- On the other hand, there were only minor detractors to performance, like our Carry based strategy from our Currency SuperStrategy. This behaviour is in line with what could be expected when equities go sour, as the strategy tends to be positively correlated to risky assets.

Regarding the portfolio positioning:

- The strategy continues to be composed by 6 underlying SuperStrategies. Four of which are comprised by both risk-on and risk-off premia (Equity, Currencies, Fixed income, and Strategic Risk Balancing) and two of which are built using mostly directional premia (Trading and Cross Asset & Momentum).

- As of the end of August, the Alpha 15 MA, Alpha 10 MA and Alpha 7 MA strategies had positive net equity exposures of 63.49%, 42.49% and 29.68% as well as modified duration of their portfolio of 3.06, 2.10 and 1.56 years (mainly coming from the US) respectively.

Portfolio Positioning	31/07/2019	31/08/2019
<b>A15 MA Fund</b>		
Duration	3,08 years	3,06 years
Net Equity Exposure	22,24%	63,49%
<b>A10 MA Fund</b>		
Duration	2,16 years	2,1 years
Net Equity Exposure	14,5%	42,49%
<b>A7 MA Fund</b>		
Duration	1,61 years	1,56 years
Net Equity Exposure	10,63%	29,68%

Cumulative Performance <sup>2</sup>	1M	YTD	3 years
<b>A15 MA Fund<sup>3</sup></b>	1,63%	11,11%	10,8%
<b>A10 MA Fund<sup>3</sup></b>	1,15%	7,11%	4,83%
<b>A7 MA Fund<sup>3</sup></b>	0,73%	4,73%	N/A

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) BP-EUR Share class.



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## Nordea 1 - Alpha 7 MA Fund

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Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 31/07/2019 to 31/08/2019. 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 31/08/2019

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 should 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 Loxum, 25, BE-1000- Brussels, Belgium or from our distributors as well as on [www.nordea.be](http://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. 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.