



Fund Flash



Nordea 1 - US Corporate Bond Fund

ISIN: LU0458979746 (BP-USD) / LU0475887237 (BI-USD)

The fund invests in US Investment Grade Credit and aims to deliver attractive risk-adjusted performance relative to its benchmark, the Bloomberg Barclays US Credit Index.¹

Portfolio comment as of 31/08/2019

In August we experienced once more a month of renewed escalation of trade tensions between the United States and China. With the US president threatening Beijing with a 10% tariff on their remaining exports to the US that were not yet affected by the trade war.

The yield curve remained inverted with the spread between the three-month treasury bill yielding ~50 bps more than the 10-year treasury note.

US Investment Grade Corporate Bond spreads widened 11bps to 114bps; underperforming duration-matched Treasuries by 92bps.

In this context, the fund delivered a monthly return equal to 3.41%, bringing YTD performance to 13.30% (BP-USD).

The best-performing sectors were supranationals, foreign agencies, office REITS, airlines and foreign local government. The worst performing were oil field services, independent, refining, midstream and metals and mining. Aa+ fared the best across the investment grade quality spectrum, while BBB fared the worst.

Portfolio Positioning	31/07/2019	31/08/2019
Duration	7.49 years	7.66 years
Effective Yield	3.12%	2.93%

Cumulative Performance	1M	YTD	3 Years
Fund (BP-USD)	3.41%	13.30%	11.46%
Benchmark	3.13%	13.62%	14.00%
Alpha	0.29%	-0.32%	-2.55%

Source for yield and duration figures: MacKay Shields. **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 Bloomberg Barclays US Credit Index. 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): 31/07/2019 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-funds mentioned in this document are part of Nordea 1, SICAV, a Luxembourg Undertaking for Collective Investment in Transferable Securities (UCITS), **validly formed and existing in accordance with the laws of Luxembourg and with European Council Directive 2009/65/EC of 13 July 2009**, 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. **This document is advertising material** and does not disclose all relevant information concerning the presented sub-funds. Any investment decision in the sub-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 and in the local language of the market where the mentioned SICAV is authorised for distribution, without charge upon request from Nordea Investment Funds S.A., 562, rue de Neudorf, P.O. Box 782, L-2017 Luxembourg, from the local representatives or information agents, or from our distributors. 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. 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. Further information can be obtained from your financial advisor. He/she can advise you independently of Nordea Investment Funds S.A. 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.