



Fund Flash

Nordea 1 - Emerging Stars Equity Fund

ISIN: LU0602539602 (BP-USD) / LU0602539354 (BI-USD)

The objective of the fund is to beat its benchmark by 300bps over a full investment cycle.¹

Portfolio comment as of 31/03/2019

After a great start in the first two months of 2019, Emerging Markets (EM) continued the positive trend and were up in March. This turnaround was driven by the FED's dovish interest rate policy, as they fretted over weak global growth, which led to first the inversion of the US yield curve since the financial crisis.

Looking at the sector performance in EM in March, the Real Estate industry performed especially well mainly due to Chinese policy easing to stabilize growth, while the banking sector had a month with headwinds as the futures markets revised their expectations to anticipate a rate cut. The top performing countries were India and China. The Indian market rallied following an increase in popularity of the incumbent government ahead of the upcoming general elections, while the Chinese market was strong thanks to initial signs of cyclical recovery and progress in trade war negotiations. Turkey, Chile and Brazil were the weakest performing countries. In Turkey, upcoming local elections caused credit spreads to increase, which drove the sell-off. In Brazil, weak economic activity data worried investors. The weakness in the Peso drove the fall in Chilean equities.

In this context, the fund delivered a monthly return equal to 1,32%, bringing YTD performance to 12,86% (BP-USD).

The fund outperformed the market in March with a negative contribution in sector allocation, but with a positive contribution in the stock selection. The overweight position within Real Estate drove the positive sector contribution while the Communication Services positions underweight were the largest negative contributor. Within stock selection Financials were the largest positive contributor while Consumer Discretionary were the largest negative contributors.

Top Contributors		Top Detractors		Cumulative Performance			
				1M	YTD	3 Years	
Itau Unibanco Holding		Hans Laser Technology		Fund (BP-USD)	1,32%	12,86%	36,90%
Azul		Kingdee International		Benchmark	0,84%	10,27%	35,59%
NMC Health		Sunny Optical Technology		Alpha	0,48%	2,59%	1,31%

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 MSCI EM Net Return 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.

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 28/02/2019 to 31/03/2019. 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 31/03/2019.

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A hard copy of the above-mentioned fund documentation is also available from here. **Additional information for investors in Austria:** The Information and Paying Agent in Austria is Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, A-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, FR-75206 Paris cedex, France. **Investors are advised to conduct thorough research before making any investment decision. 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A hard copy of the above-mentioned fund documentation is available here. **Additional information for investors in Norway:** The Paying Agent is Nordea Bank Abp, filial i Norge, Essendrops gate 7, Postboks 1166 Sentrum, NO-0107 Oslo, Norway. The Representative Agent is Nordea Funds Ltd., Norwegian Branch, Essendrops gate 7, Postboks 1166 Sentrum, NO-0107 Oslo, Norway. **Additional information for investors in Finland:** The Paying Agent is Nordea Bank Abp, Satamaradankatu 5, FI-00020, Helsinki, Finland. 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