



# 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 31/07/2019

During July, risky assets resumed their rally, but to a slower and more diverging way. Once again, Developed Markets' performance (DM) dwarfed the one from Emerging Markets (EM), thanks to US strong outcome. This was triggered by the support from the central banks, with the Federal Reserve's interest rate cut and the ECB's accommodative stance with the perspective of a cut too. As a result, yield curves flattened but with diverging patterns on both sides of the Atlantic, as the US one was owed to short term rates increase, meanwhile the European one was mainly due to long term yields' decrease. Finally, credit spreads continued to tighten this month, except for European High Yield segment.

In this context, the Alpha 15 MA, Alpha 10 MA and Alpha 7 MA funds delivered positive returns of +1.64%, +0.99% and +0.71% respectively over the month, and they now accumulate respective performance of +9.33%, +5.89% and +3.97% YTD (BP-EUR).

- In July, performance was mainly determined by our equity strategies. These strategies benefitted from a positive trend for DM equities paired with investors' focus on fundamentals as analysts' earnings revisions went South in July. As an illustration, our Low Risk Anomaly, from our Equity SuperStrategy was the main contributor and outperformed, thanks to better earnings revisions and higher resilience. Within the same SuperStrategy, the Momentum and Growth strategy also continued to perform well in this positive month. It is also interesting to highlight that our Carry based strategy, from our Currencies SuperStrategy, added to performance too.

- On the other hand, there was still no significant detractor, but only minor negative outcomes, as the one from our Risk Momentum strategy, from our Cross Asset and Momentum SuperStrategy. This is in line with what could be expected when equities deliver sturdy outcome as this strategy only goes short when risk is rising in the market.

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 July, the Alpha 15 MA, Alpha 10 MA and Alpha 7 MA strategies had positive net equity exposures of 22.24%, 14.50% and 10.63% as well as modified duration of their portfolio of 3.08, 2.16 and 1.61 years (mainly coming from the US) respectively.

Portfolio Positioning	30/06/2019	31/07/2019
<b>A15 MA Fund</b>		
Duration	3.89 years	3.08 years
Net Equity Exposure	21.9%	22.2%
<b>A10 MA Fund</b>		
Duration	2.67 years	2.16 years
Net Equity Exposure	13.9%	14.5%
<b>A7 MA Fund</b>		
Duration	1.92 years	1.61 years
Net Equity Exposure	10.1%	10.6%

Cumulative Performance <sup>2</sup>	1M	YTD	3 years
<b>A15 MA Fund<sup>3</sup></b>	1.64%	9.33%	9.46%
<b>A10 MA Fund<sup>3</sup></b>	0.99%	5.89%	3.82%
<b>A7 MA Fund<sup>3</sup></b>	0.71%	3.97%	N/A

1) There can be no warranty that an investment objective, targeted returns and results of an investment structure is achieved. During adverse market environments the volatility could reach on average 15%, 10% and 7% respectively.

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.

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 30/06/2019 to 31/07/2019. 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 31/07/2019.

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