



# Fund Flash

## Nordea 1 - Emerging Market Bond Fund

ISIN: LU0772926670 (BP-USD) / LU0772925789 (BI-USD)

The fund's objective is to outperform its benchmark after fees over a full market cycle (5 to 7 years).<sup>1</sup>

### Portfolio comment as of 31/12/2018

In December 2018, emerging market sovereign debt, measured by the EMBI Global Diversified index, returned 1.40%; the spread on the index widened by 20 basis points to a spread of 415 basis points. Emerging market assets performed well in spite of a risk off sentiment and commodities taking a leg lower amidst continued global trade uncertainty and growth concerns. Flows into EM assets were negative for the month.

In this context, the fund delivered a monthly return equal to 1.28%, bringing YTD performance to -6.19% (BP-USD).

The top hard currency performers included Turkey (+4.99%), Lebanon (+3.56%) and Uruguay (+3.33%). Turkey rallied as oil prices sank and geopolitical tensions with the west continued to subside. Lebanon rallied on the expectations of the formation of a new government. Uruguay outperformed alongside the rally in U.S rates.

The laggards included Oman (-4.01%), Argentina (-3.84%) and Venezuela (-2.08%). Oman underperformed after Fitch downgraded it to below investment grade. Argentina underperformed as the market continued to digest the supply overhang. Venezuela continues to lag as oil prices have collapsed and the country's economic and humanitarian crisis deepens.

Portfolio Positioning	30/11/2018	31/12/2018
Duration	6.61 years	6.98 years
Yield to maturity	7.44%	7.34%

Cumulative Performance	1M	YTD	3 Years
Fund (BP-USD)	1.28%	-6.19%	16.43%
Benchmark	1.40%	-4.21%	16.34%
Alpha	-0.13%	-1.99%	0.10%

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 official benchmark of the fund is the JP Morgan Emerging Markets Bond Index Global Diversified. 1) There is no guarantee that investment objectives will actually be achieved in the future.

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 30/11/2018 to 31/12/2018. 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 31/12/2018.

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