



# 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.<sup>1</sup>

### Portfolio comment as of 31/10/2018

In October, growing concern over the impact of the China-US trade war on global growth and inflation in the US rippled through global markets, which experienced their worst month since 2012. Emerging markets (EM) fared worse than others due to dollar strength, risk-off sentiment, and a much more cautious tone from Chinese companies about demand in coming months. Crude prices fell by nearly 9% after an agreement between Russia and Saudi Arabia to address supply concerns and lower forecasts for demand next year. The one bright spot in October for EM was Brazil, where market-friendly Bolsonaro won the presidential elections, sparking a rally in the currency and equity markets.

In this context, the fund delivered a monthly return equal to -9.95%, bringing YTD performance to -23.80% (BP-USD).

The fund underperformed the market in October with a negative contribution in both sector allocation and stock selection. The underweight positions within Materials were the most positive sector contribution while the Information Technologies positions overweight were the largest negative contributor. Within stock selection Health Care 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		<b>Fund (BP-USD)</b>	-9.95%	-23.80%	13.52%
Azul		Kingdee International		<b>Benchmark</b>	-8.71%	-15.72%	20.88%
NMC Health		Sunny Optical Technology		<b>Alpha</b>	-1.24%	-8.09%	-7.35%

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 MSCI EM Net Return Index. 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): 30/09/2018 to 31/10/2018. 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 31/10/2018.

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