



Fund Flash

Nordea 1 - European Value Fund

ISIN: LU0064319337 (BP-EUR) / LU0229519557 (BI-EUR)

The fund seeks to provide durable positive absolute returns by applying a disciplined value style approach.¹

Portfolio comment as of 30/09/2019

European markets ended September up +3.76% when measured by MSCI Europe index. Leading headlines in September was again the no-deal Brexit talk. We see over and over again that markets are mostly driven by politics where some issues have larger impact than others. Despite trade tensions, the UK's unclear path to exit the EU and the slowing global growth, markets and Nordea 1 – European Value fund's performance were back in positive territory at the end of September.

In the UK Prime Minister Boris Johnson promised Parliament to work on a deal with the EU while at the same time he seemed to be preparing for leaving without one. By law he is actually bounded to seek a delay to avoid a no-deal exit at the end of October, but asking for a delay is something he has insisted on not doing.

The economic climate is becoming more challenging with indicators deteriorating. The latest Germany's manufacturing PMI plunged to 41.4.

In this context, the fund delivered a monthly return equal to 0.97%, bringing YTD performance to 7.11% (BP-EUR).

Top Contributors

- Landis+Gyr (+10.54%) sees its share price still profiting from May's positive results, with further tailwinds stemming from its announcement of new SaaS contracts. Landis+Gyr contributed +0.75% to September performance.
- Stabilus (+9.89%) Stabilus contributed 0.36% as it rebounded somewhat after a difficult start of the year.

Bottom Contributors

- SAF-Holland (-21.64%) performed negatively after the company warned on its profit for the year and into 2020. A sharp deceleration of the trailer markets in the different regions of the world SAF-Holland operates in will pressure their revenue and profitability. Our review of the case leave us confident that the long term prospects for the company are good, driven by powerful structural trends in the US (conversion of the fleet to disc brake) and in China (tightening regulatory framework). The short term operational set backs leave the stock at a substantial discount to the company's fair value. SAF-Holland detracted -0.68% to the fund's performance in September.
- Pets at Home (-7.93%) No specific news flow, share price took a breather during the month. Pets detracted -0.34% from the fund's performance in September.

Period	Performance (BP-EUR)	Benchmark
Year 2018	-15.12%	-10.95%
Year 2017	10.30%	10.24%
Year 2016	3.93%	2.58%

Cumulative Performance	1M	YTD	3 Years
Fund (BP-EUR)	0.97%	7.11%	7.82%
Benchmark	3.76%	19.74%	24.74%
Alpha	-2.79%	-12.63%	-16.93%

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* investing in their own account - according to MIFID definition

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 31/08/2019 to 30/09/2019. 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 30/09/2019.

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