



Fund Flash

Nordea 1 - US Corporate Bond Fund

ISIN: LU0458979746 (BP-USD) / LU0475887237 (BI-USD)

The fund invests in US Investment Grade Credit and aims to deliver attractive risk-adjusted performance relative to its benchmark, the Bloomberg Barclays US Credit Index.¹

Portfolio comment as of 30/09/2019

The Bloomberg Barclays Credit Index tightened by 4bps m/m, to 109bps. The best-performing sectors were oil field services, finance companies, diversified manufacturing, refining and supermarkets. The worst performing sectors were tobacco, transportation services, sovereigns, foreign local government and supranationals. Crossover fared the best across the investment grade quality spectrum, while Aa+ fared the worst.

In this context, the fund delivered a monthly return equal to -0.95%, bringing YTD performance to 12.22% (BP-USD).

In September, the riskiest parts of the market, specifically longer duration bonds within BBB's and emerging markets (EM), outperformed. The fund is underweight EM due to guideline constraints. At the sector level, Oil Field Services, Finance Companies and Diversified Manufacturing outperformed in large part due to strength in the General Electric/Baker Hughes. While GE continues to demonstrate progress in addressing its balance sheet, we remain underweight this name. We recognize various risks to investing in GE including cyclical, business and asset sale execution risk, LTC potential liabilities, as well as SEC & DOJ investigations.

Portfolio Positioning	31/08/2019	30/09/2019
Duration	7.66 years	7.58 years
Effective Yield	2.93%	3.03%

Cumulative Performance	1M	YTD	3 Years
Fund (BP-USD)	-0.95%	12.22%	10.47%
Benchmark	-0.65%	12.88%	13.57%
Alpha	-0.30%	-0.65%	-3.10%

Source for yield and duration figures: MacKay Shields. **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 Bloomberg Barclays US Credit 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.

* 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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