



Fund Flash

Nordea 1 - US Total Return Bond Fund

ISIN: LU0826414673 (BP-USD) / LU0826413865 (BI-USD)

The fund seeks to identify investment opportunities within and across subsectors of the mortgage market.¹

Portfolio comment as of 31/12/2018

In December equities sold off due to slowing GDP growth, fear for less accommodating monetary policy by the Fed and the trade war between US and China. There was a clear flight to quality as 2-year and 10-year U.S. Treasury yields came down 30bps.

In this context, the fund delivered a monthly return equal to 1.07%, bringing YTD performance to 0.20% (BP-USD).

Agency MBS contributed positively to performance as prices increased due to the rate move. Fixed rate CMOs and passthroughs were the largest contributors to performance.

Non-Agency RMBS contributed also positively to performance due to interest income, partially offset by a decline in prices due to spread widening.

CMBS and ABS returns were positive due to interest income and an increase in prices, respectively. CLOs returns were negative as prices declined due to the rate rally and spread widening.

Portfolio Positioning	30/11/2018	31/12/2018
Duration ²	4.0 years	3.8 years
Yield to Maturity ³	3.80%	3.70%

Cumulative Performance	1M	YTD	3 Years
Fund (BP-USD)	1.07%	0.20%	4.42%

The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the full amount invested. 1) There can be no warranty that investment objectives, targeted returns and results of an investment structure are achieved. 2) Assumption based Effective Duration. Source: DoubleLine, preliminary numbers. Based on proprietary information. 3) Assumption based Yield to Maturity. Source: DoubleLine preliminary yield estimates. Based on proprietary information. There is no guarantee that the present estimate will be met.

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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