



Fund Flash

Nordea 1 - Emerging Market Bond Fund

ISIN: LU0772926670 (BP-USD)

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

Portfolio Comment as of 31/07/2018

In July 2018, emerging market sovereign debt, measured by the JPM EMBI Global Diversified index, returned 2.55%; the spread on the index tightened by 42 basis points to a spread of 327 basis points. Emerging market assets rallied as trade war rhetoric between the U.S and Europe softened and investors appeared to come off the sidelines. Flows into EM assets were positive for the month.

In this context, the fund delivered a positive return of +3.14% over the month and it now accumulates a performance of -3.6% YTD (BP-USD).

The fund therefore outperformed the benchmark in July, yet underperformed YTD.

The top hard currency performers included Ecuador (+7.92%), Pakistan (+7.14%) and Egypt (+6.21%). The laggards included Turkey (-1.35%), Trinidad & Tobago (0.07%) and Mexico (0.18%).

Portfolio Positioning	30/06/2018	31/07/2018
Duration	7.21 years	7.29 years
Yield to maturity	6.88%	6.46%

Cumulative Performance ²	1M	YTD	3 years
Fund ³	3.14%	-3.60%	18.12%
Benchmark ⁴	2.55%	-2.81%	16.91%
Alpha	0.58%	-0.80%	1.21%

1) There can be no warranty that investment objectives, targeted returns and results of an investment structure are achieved. 2) The performance represented is historical; past performance is not a reliable indicator of future results and investors may not recover the full amount invested. 3) BP-USD Share class 4) The official benchmark is the JP Morgan Emerging Markets Bond Index Global Diversified.

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 30/06/2018 to 31/07/2018. 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 31/07/2018.

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