



# Fund Flash

## Nordea 1 - Balanced Income Fund

ISIN: LU0634509953 (BP-EUR) / LU0637308585 (BI-EUR)

The objective of the fund is to build an optimal fixed income portfolio with a fairly low level of risk (normal target volatility of 3-6%) and to generate an annualized return of 3% gross of fees in excess of cash rate over a full investment cycle<sup>1</sup>.

### Portfolio Comment as of 31/03/2019

Global equities ended the quarter on a positive note, continuing with their recovery from December's sell-off. On this note, Developed Markets delivered slightly higher performance than Emerging Markets. This month, investors' positive sentiment about the US-China trade deal talks and the Central Banks' cautious stances weighted more than Brexit and macroeconomic concerns. Within the fixed income space, yields overall declined on both sides of the Atlantic. Finally, due to a mixed risk environment, spreads widened to some extent during March – except for Investment Grade spreads.

In this context, the fund delivered a positive return of +0.77% over the month and it now accumulates a performance of +4.08% YTD (BP-EUR).

- The main positive contributions over the month came from our long duration exposure to High Quality Government Bonds, which benefitted from the overall yields' reduction. Our long equity beta exposure also delivered interesting positive contributions.
- The short tactical asset allocation to duration contributed, on the other end, negatively. The short position has been implemented to reduce the duration risk in the fund, on the back of yields' reduction in 2019. All in all, its negative impact has been however more than offset by our long exposure to High Quality Govies.

Regarding the portfolio positioning:

- Credit exposure decreased over the month, on the back of less attractive risk-adjusted valuations.
- Duration exposure was reduced over the month, as duration premia's attractiveness decreased.
- Equity exposure remained roughly unchanged.

Portfolio Positioning	28/02/2019	31/03/2019
Duration	3.00 years	2.02 years
Credit	16.3%	11.8%
Net Equity Exposure	19.1%	19.0%

Cumulative Performance <sup>2</sup>	1M	YTD	3 years
Fund <sup>3</sup>	0.77%	4.08%	1.99%

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. 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. 3) BP-EUR Share class.

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 28/02/2019 to 31/03/2019. 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 31/03/2019.

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A hard copy of the above-mentioned fund documentation is also available from here. **Additional information for investors in Austria:** The Information and Paying Agent in Austria is Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, A-1100 Vienna, Austria. **Additional information for investors in the Netherlands:** Nordea 1, SICAV is a Luxembourg Undertaking for Collective Investment in Transferable Securities (UCITS) registered in the Netherlands in the register kept by the AFM, and as such is allowed to offer its shares in the Netherlands. The AFM register can be consulted via [www.afm.nl/register](http://www.afm.nl/register). **Additional information for investors in France:** With the authorisation of the AMF the shares of the sub-funds of Nordea 1, SICAV may be distributed in France. 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