



# 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.<sup>1</sup>

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

US Treasury rates dropped further in March. The Fed decided to take a pause on its hiking path and the market is expecting the Fed to stay on hold in 2019. This was supportive for high quality fixed income but also for equities as the markets received well the dovish stance of central banks. We also saw an increase in US Existing Homes Sales which should be supportive for Non-Agency Residential Mortgage Backed Securities.

In this context, the fund delivered a monthly return equal to 1.25%, bringing YTD performance to 1.88% (BP-USD).

The fund benefitted from the drop in rates, especially through its exposure of 53% to Agency MBS which are rate sensitive. On the credit side, the fund remains positioned in Securitized Credit such as Residential MBS (25% exposure), Commercial MBS (9% exposure), CLOs (6% exposure) and ABS (5% exposure). These Securitized Credit sectors allow the fund to have a relatively low duration (3.6 years) while maintaining a yield of 3.5%.

Portfolio Positioning	28/02/2019	31/03/2019
Duration <sup>2</sup>	3.8 years	3.6 years
Yield to Maturity <sup>3</sup>	3.70%	3.50%

Cumulative Performance	1M	YTD	3 Years
Fund (BP-USD)	1.25%	1.88%	5.18%

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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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