



# 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 30/09/2020

After almost 6 months of rally which followed March selloff, the markets has witnessed some volatility and drop in prices in the month of September.

Among other reasons for concern, presidential elections in the US are approaching and the presidential debates are rolling out as candidates communicate on their political agenda. While history teaches that such figures should be taken with a pinch of salt, national polls suggest Biden is currently leading the race to US presidency.

Rising Covid-19 cases are also worrying investors as a second wave seems to be looming in Europe, with number in the US increasing as well. A number of countries have already enforced partial lockdown measures to try and keep the situation under control and avoid larger economic damages in the future.

Rates were falling along the month, with spread levels widening instead: credit hence underperformed duration.

In this context, the fund delivered a monthly return equal to 0.55%, bringing YTD performance to 2.09% (BP-USD).

After underperforming during March selloff, structured products are starting to show signs of resilience. The portfolio moved into positive territory in September, while US credit markets (both IG and HY) dropped in price.

Portfolio Positioning	31/08/2020	30/09/2020
Duration <sup>2</sup>	3.29 years	3.28 years
Yield to Maturity <sup>3</sup>	2.17%	2.22%

Cumulative Performance	1M	YTD	3 Years
Fund (BP-USD)	0.55%	2.09%	7.71%

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\* investing in their own account - according to MIFID definition

Source (unless otherwise stated): Nordea Investment Funds S.A. Period under consideration (unless otherwise stated): 31/08/2020 to 30/09/2020. 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 30/09/2020.

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