

# Mandatum Life SICAV-UCITS Nordic High Yield Total Return Fund

## Monthly Review 31 July 2019

### Fund Facts

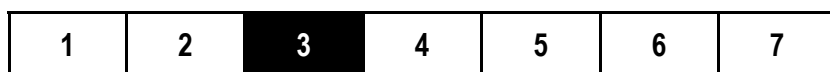
<b>Name</b>	Mandatum Life SICAV-UCITS Nordic High Yield Total Return Fund
<b>Inception Date</b>	15.12.2014
<b>Investment Manager</b>	Mandatum Life
<b>Base Currency</b>	EUR
<b>Benchmark Index</b>	The fund does not have a benchmark index.

### Investment Strategy

Mandatum Life SICAV-UCITS Nordic High Yield Total Return Fund offers the opportunity to invest diversely in Nordic fixed income investments with an attractive return potential and a moderate risk level. The fund invests in Nordic companies with mostly non-rated bond issues where the implied maximum credit rating would not exceed BB+ (by Standard and Poor's). The Fund's investment objective is to achieve long-term yields which will exceed those of other more conventional fixed income funds and to outperform these over the longer-term.

The Fund is actively managed as a Total Return Fund, taking advantage of a wide range of market information and using all available methods and instruments within this asset class. The interest rate risk of the portfolio is managed proactively and the foreign exchange risk is hedged at the discretion of the portfolio manager at any given time.

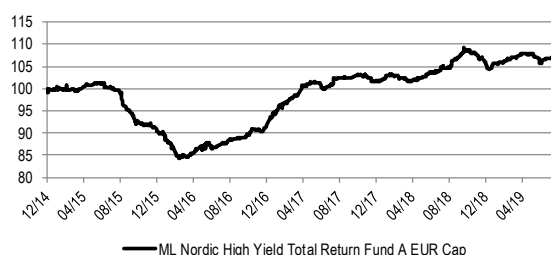
### Risk and Reward Profile\*



Lower risk ← Higher risk  
Typically lower return ← Typically higher return

\*The fund's risk category has been calculated using past performance of the fund's investment-policy-based portfolio.

### Performance

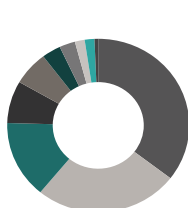


### Top Holdings

DSV Miljø AS, FRN, Call 10.05.2019, Mat. 10.05.2021, EUR	4,9 %
Goodvalley A/S, FRN, Call 30.06.2019, Mat. 26.05.2021, EUR	4,6 %
Corral Petroleum Holdings AB, 1175%, Call 15.05.2019, Maturity 15.05.2021, EUR	4,4 %
Norican Group ApS, 4.5%, Call 15.11.2019, Mat. 15.05.2023, EUR	2,8 %
AINMT Scandinavia Holdings AS, FRN, Call 07.04.2019, Mat. 07.04.2022, NOK	2,8 %
Ekornes QM Holding AS, FRN, Call 02.04.2022, Mat. 02.10.2023, NOK	2,7 %
Teekay Shuttle Tankers LLC, 7.125%, 15.08.2022, USD	2,7 %
Quant AB, FRN, Call 15.02.2020, Mat. 15.02.2023, EUR	2,5 %
European Directories BondCo SCA, FRN, Maturity, 09.06.2021, EUR	2,5 %
FNG Nordic AB, FRN, Call 11.02.2019, Mat. 25.07.2024, SEK	2,4 %

	Share class	Bloomberg Ticker	ISIN Code	1 mth	3 mths	6 mths	12 mths	2019	Since Inception	Inception Date
Nordic High Yield Total Return Fund	A EUR Cap	MLNHYAE LX Equity	LU1112754756	0,38 %	-0,73 %	1,01 %	2,31 %	2,33 %	7,03 %	15.12.2014
	B EUR Cap	MLNHYBELX Equity	LU1112755050	0,41 %	-0,65 %	1,17 %	2,48 %	2,51 %	8,41 %	16.3.2015
<b>Running Yield</b>		<b>Modified Duration</b>		<b>Spread Duration</b>		<b>Total Number of Holdings</b>		<b>Fund AUM (EUR million)</b>		
6.6%		0.3 years		2.1 years		70		277.9		

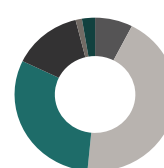
### Fund Composition



#### Sector Allocation



#### Geographic Allocation



#### Allocation by Credit Rating\*

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## Investment Manager's Review

July was a quiet summer month on the Nordic high yield market, but there were a few interesting new deals despite many investors being on holiday. We participated in the online retailer Ellos new bond deal, which also performed well in the secondary market. Benchmark yields declined to record low levels as the market has started to price in yet again more accommodative policy from the ECB. In the Nordics, on the contrary, Sweden and Norway are on a rate hiking path. The rising money market yields lead over time to higher coupons for floating rate bonds, but a decline in rates have no effect on the coupons as the reference rates have these days been defined with a floor at zero percent.

The Q2 reporting season is at full speed and the trade war and Brexit obviously raise question marks for some companies, although the impacts will be rather indirect than direct on them. On the other hand, central banks in the US and Europe are trying to balance out these risks and doing whatever they can to keep markets calm –With great success so far. The oil price has inched up during summer, as the US stock piles have decreased for several weeks in a row and the tight situation in the strait of Hormuz (Iran) is also providing some support to oil prices.

In general the low expected returns in most asset classes should continue to drive inflows into higher risk corporate credit and the Nordic high yield market, so the outlook seems quite good from that perspective.

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This fund review does not constitute a recommendation to subscribe for or redeem shares in the fund. In compiling the fund review, every attempt has been made to ensure that the information contained in it is correct. However, Mandatum Life is not accountable for the correctness of the information.

The fund's past performance is no guarantee of future returns. The value of investments may increase or decrease and investors risk losing the assets they originally invested.

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