

# Mandatum Life SICAV-SIF

## Nordic High Yield Total Return Fund

### Monthly Review 31.10.2017

#### Fund Basic Information

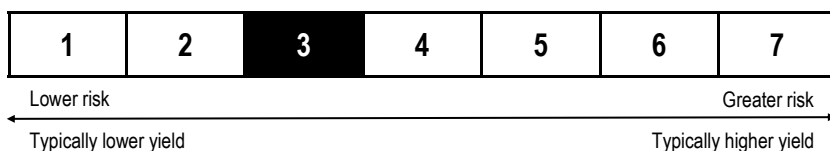
<b>Name</b>	Mandatum Life SICAV-SIF Nordic High Yield Total Return Fund
<b>Inception Date</b>	15.12.2014
<b>Investment Manager</b>	Mandatum Life
<b>Base Currency</b>	EUR
<b>Benchmark Index</b>	The fund does not have a benchmark index.

#### Investment Strategy

Mandatum Life SICAV-SIF 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.

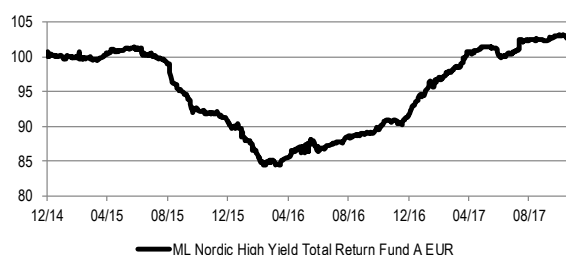
The Fund is actively managed as a Total Return Fund, taking advantage of a wide range of market information and using all available methods and instruments within this asset class. The interest rate risk of the portfolio is managed proactively and the foreign exchange risk is hedged at the discretion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

#### Risk and Reward Profile\*



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

#### Unit value



#### Top 10 Holdings

6,22 %	DSV Mijoe AS, FRN, Call 10.05.2019, Mat 10.05.2021, EUR	3,80 %	West Atlantic AB, 7%, Call 21.12.2017, Maturity 21.12.2019, SEK
5,82 %	Axzon A/S, FRN, Call 30.06.2019, Mat 26.05.2021, EUR	3,08 %	Lebara, FRN, Call 07.09.2020, Mat 07.09.2022, EUR
5,28 %	VV Holding AS, FRN, Call 10.07.2016, Maturity 10.07.2019, NOK	3,07 %	Teekay Shuttle Tankers LLC, 7.125%, 15.08.2022, USD
4,95 %	Teekay Offshore Partners LP, FRN, 30.01.2019, NOK	3,07 %	Beerenberg Holdco II AS, FRN, Maturity 24.2.2021, NOK
4,40 %	European Directories BondCo SCA, FRN, Maturity, 09.12.2018, EUR	2,94 %	Eagle Industries Oy, 8.25%, Callable/Sink, 13.03.2020, EUR

	Share class	Inception Date	Bloomberg Ticker	ISIN Code	1 mth	3 mths	6 mths	12 mths	2017	Since Inception
Nordic High Yield Total Return Fund	A EUR	15.12.2014	MLNHYAELX Equity	LU1112754756	0,12 %	0,30 %	1,81 %	13,01 %	9,94 %	2,75 %
	B EUR	16.3.2015	MLNHYBELX Equity	LU1112755050	0,14 %	0,38 %	1,96 %	13,35 %	10,22 %	3,96 %

Running Yield

6.8%

Modified Duration

0.6 years

Spread Duration

2.3 years

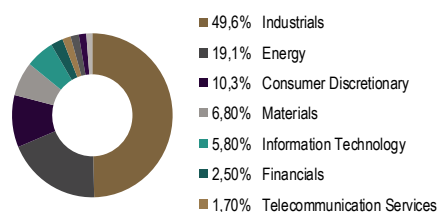
Total Number of Holdings Fund AUM (EUR million)

59

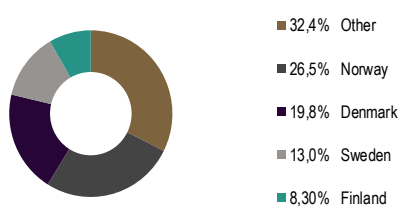
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#### Fund Composition

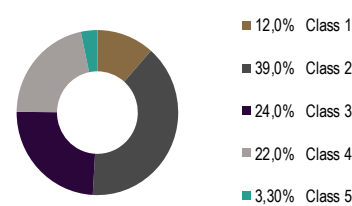
\*Based on assessments for each company's creditworthiness



Sector Allocation



Domicile Distribution



Allocation by Credit Quality\*

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#### Investment Manager's Review

September's brisk issuing of new bonds ended soon after we moved into October with the start of the Q3 earnings season. October was a fairly quiet month on the Nordic market in any case and the political front failed to conjure up anything to shake up the market. Catalonia's situation is worth monitoring, however, even though it does not directly impact the Nordic high yield market. One of the autumn's most interesting topics is the ECB's plans to reduce stimulus, which were finally clarified at the meeting held at the end of October. The ECB's securities purchase rate will be halved at the turn of the year and this is also likely to slowly normalise the European corporate bond market. The ECB has already purchased so many corporate bonds that it would have found it difficult to continue purchases at the current rate next year. The strong global economic outlook also finally gives central banks leeway in dismantling exceptional measures.

Swedish real estate companies' plentiful bond issues, a phenomenon in recent years, hiccupped in October with signs of a cooling down in the housing markets in the more expensive areas of Stockholm and Oslo over the autumn. ML Nordic High Yield Total Return Fund has very few of this sector's bonds and this autumn's housing market data does not give reason to raise their weight. If interest rates start rising next year, the credit risk premiums on these bonds will have room to grow. Following a few calm weeks, we expect the bond market to pick up again in November, with several companies wishing to issue bonds before the end of the year. In October, we participated in the refinancing of the bond of the Danish clothing company PWT and the issue of Melin Group, which offers invoicing and collection services. The outlook for the rest of the year is stable on the market and, in addition to the Q3 earnings, the focus is beginning to shift to positioning.

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This fund review does not constitute a recommendation to subscribe for or redeem units 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.

Mandatum Life Fund Management S.A.  
Street address: 26-28 Rue Edward Steichen, L-2540 Luxembourg.  
Business ID: B190624. [www.mandatumlife.lu](http://www.mandatumlife.lu)