

# Mandatum Life SICAV-SIF

## Nordic High Yield Total Return Fund

### Monthly Review 31.8.2017

#### Fund Basic Information

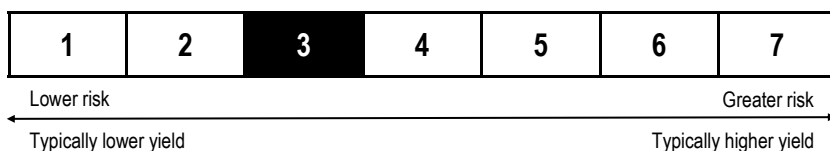
<b>Name</b>	Mandatum Life SICAV-SIF Nordic High Yield Total Return Fund
<b>Inception Date</b>	15.12.2014
<b>Investment Manager</b>	Mandatum Life
<b>Base Currency</b>	EUR
<b>Benchmark Index</b>	The fund does not have a benchmark index.

#### 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.

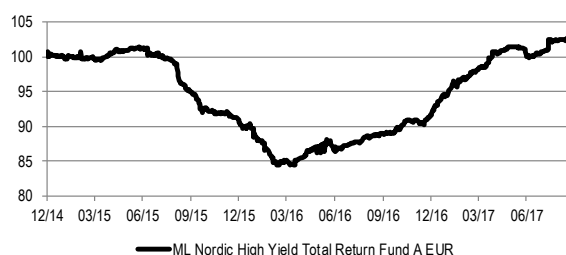
The Fund is actively managed as a Total Return Fund, taking advantage of a wide range of market information and using all available methods and instruments within this asset class. The interest rate risk of the portfolio is managed proactively and the foreign exchange risk is hedged at the discretion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

6,06 %	DSV Mijoe AS, FRN, Call 10.05.2019, Mat 10.05.2021, EUR	4,40 %	European Directories BondCo SCA, FRN, Maturity, 09.12.2018, EUR
5,68 %	Axzon A/S, FRN, Call 30.06.2019, Mat 26.05.2021, EUR	3,27 %	Teekay Shuttle Tankers LLC, 7.125%, 15.08.2022, USD
5,35 %	VV Holding AS, FRN, Call 10.07.2016, Maturity 10.07.2019, NOK	3,26 %	West Atlantic AB, 7%, Call 21.12.2017, Maturity 21.12.2019, SEK
4,97 %	Teekay Offshore Partners LP, FRN, 30.01.2019, NOK	3,23 %	Eagle Industries Oy, 8.25%, Callable/Sink, 13.03.2020, EUR
4,96 %	Cash / Money Market	3,06 %	Beerenberg Holdco II AS, FRN, Maturity 24.2.2021, NOK

	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	0,15 %	1,27 %	5,36 %	15,54 %	9,78 %	2,59 %
	B EUR	16.3.2015	MLNHYBELX Equity	LU1112755050	0,17 %	1,34 %	5,52 %	15,89 %	10,00 %	3,75 %

#### Running Yield

6.2%

#### Modified Duration

0.6 years

#### Spread Duration

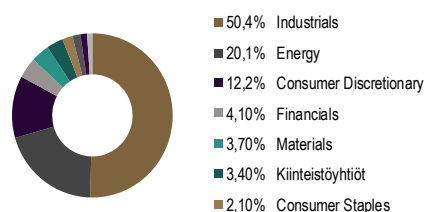
2.2 years

#### Total Number of Holdings

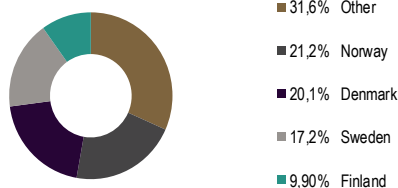
57

#### Fund Composition

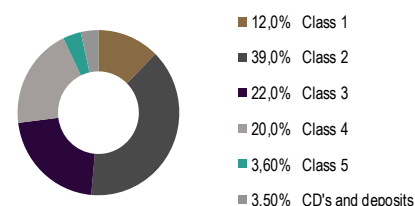
\*Based on assessments for each company's creditworthiness



Sector Allocation



Domicile Distribution



Allocation by Credit Quality\*

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#### Investment Manager's Review

Market activity increased as expected as August moved forward and the first new issues took off. It appears that autumn will be quite brisk, just like the spring. The Q2 earnings season is practically over and the fund did not experience any major surprises. West Atlantic was saddled with exceptional additional capacity leasing costs and the logistics company Scan Global struggled with margin pressure, but in both cases, the situation can be expected to improve over the course of the autumn.

Of the portfolio's biggest investments, worth mentioning are meat producer Axzon, whose report corresponded to the slightly optimistic-seeming expectations of its management and the recycling company VV Holding (Norsk Gjenvinning), whose efficiency-boosting programme is progressing well, marginals have improved and the company's position as the market's leading operator is strengthening. The price of oil stood still for almost the whole of August despite the hurricane that bombarded Texas's important oil ports and refineries. The extent of the damages, the recovery period for the area's production and the other impacts of this natural disaster on the US economy and the world's oil markets are still difficult to pinpoint very precisely. The direct impacts on the fund are few in any case.

One of the most interesting topics in terms of the Nordic high yield market is the sustained restructuring taking place at Seadrill. More information is in store by mid-September. The fund does not contain any of the company's shares but does contain some of its subsidiary's, North Atlantic Drilling's, bond (half a per cent). The resolution of this restructuring will be positive for the market, pretty much regardless of the end result. In Europe, the focus is currently on Germany: the ECB has not yet suggested that it will cut down on its securities purchases but this will probably be one of the hot potatoes for the rest of the year, with Draghi being pestered for clues. In addition, Germany's federal election is on September 24th.

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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.

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