

# Mandatum Life SICAV-SIF

## Nordic High Yield Total Return Fund

### Monthly Review 30.6.2017

#### Fund Basic Information

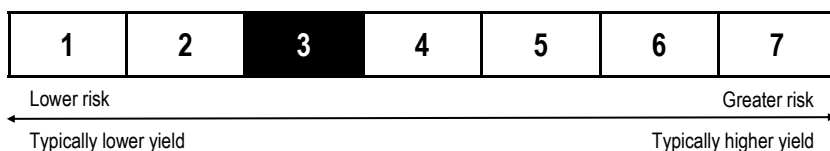
<b>Name</b>	Mandatum Life SICAV-SIF Nordic High Yield Total Return Fund
<b>Inception Date</b>	15.12.2014
<b>Investment Manager</b>	Mandatum Life
<b>Base Currency</b>	EUR
<b>Benchmark Index</b>	The fund does not have a benchmark index.

#### 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.

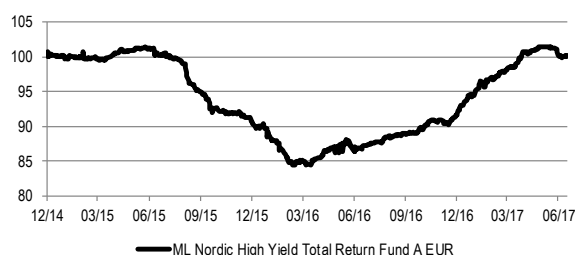
The Fund is actively managed as a Total Return Fund, taking advantage of a wide range of market information and using all available methods and instruments within this asset class. The interest rate risk of the portfolio is managed proactively and the foreign exchange risk is hedged at the discretion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

7,76 %	Cash / Money Market	3,89 %	Teekay Offshore Partners LP, FRN, 30.01.2019, NOK
6,45 %	DSV Miljoe AS, FRN, Call 10.05.2019, Mat 10.05.2021, EUR	3,43 %	Eagle Industries Oy, 8.25%, Callable/Sink, 13.03.2020, EUR
5,96 %	Axzon A/S, FRN, Call 30.06.2019, Mat 26.05.2021, EUR	3,05 %	Nordlys AB, FRN, 12.09.2018, SEK
5,52 %	VV Holding AS, FRN, Call 10.07.2016, Maturity 10.07.2019, NOK	2,86 %	Hoegh LNG Holdings Ltd, FRN, Call 05.06.2018, Maturity 05.06.2020, USD
4,59 %	European Directories BondCo SCA, FRN, Maturity, 09.12.2018, EUR	2,71 %	Golar LNG Partners LP, FRN, 22.05.2020, USD

	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	MLNHYAE LX Equity	LU1112754756	-1,14 %	1,22 %	7,16 %	15,17 %	7,16 %	0,15 %
	B EUR	16.3.2015	MLNHYBE LX Equity	LU1112755050	-1,12 %	1,29 %	7,32 %	15,52 %	7,32 %	1,23 %

#### Running Yield

6.4%

#### Modified Duration

0.5 years

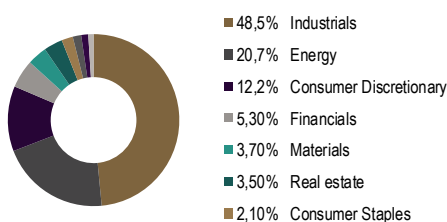
#### Spread Duration

2.0 years

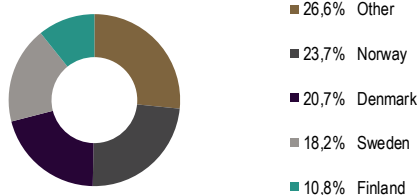
#### Total Number of Holdings

56

#### Fund Composition

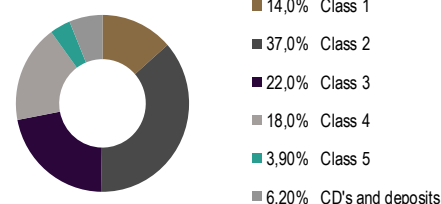


Sector Allocation



Domicile Distribution

\*Based on assessments for each company's creditworthiness



Allocation by Credit Rating\*

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#### Investment Manager's Review

Summer got off to a very brisk start, but in a fairly challenging situation on the Nordic corporate bond market. New issues were churned out almost daily, giving investors a lot to study, which simultaneously quietened the secondary market. Concerns over oil production growth in North America continued to depress the price of oil and oil short-selling also increased to peak levels. However, the fundamentals are looking bright for the oil sector in the longer term, as OPEC's and Russia's production cuts have already proven to have the desired effect and oil stocks will inevitably decrease due to an increase in demand, as shale oil alone will not be enough to satisfy the increased demand. Over the past few weeks, several oil service companies have been able to announce new contracts and the sale of old vessels, which provides some relief to a sector suffering from overcapacity. The Norwegian market still has a long way to go until a balance is reached between oil service supply and demand, but the trend is cautiously pointing in the right direction.

Discussions were raised around Teekay Offshore Partners, one of the largest investments in the portfolio, concerning their liquidity and need for refinancing, which resulted in a marked decline in the value of the company's convertible bonds. No significant news was received, but media coverage about the company's large convertible bonds maturing in 1.5 years' time and the company having liquidity needs before that prompted caution among investors. In operational terms, however, the company's situation is good and it has contracts for more than four years on average. Teekay, weak oil and the oversupply of new issues weighed down the ML Nordic High Yield fund in June. Foreign exchange risks are essentially hedged, but the strengthening of the euro against the USD and NOK also had a slight negative impact on the fund's return.

The Nordic market will now quieten down for the summer in terms of both new issues and the secondary market. Interest rates rose slightly at the end of June, but the fund's low interest rate risk (modified duration only/just 0.5 years) provided the portfolio with excellent protection against the impact of the rising interest rates. In June, Lindorff's bonds, among others, exited the portfolio as the company was merged with Intrum Justitia, which brought its own new convertible bond to the market. We slightly increased, among other things, our investments in recycling company Norsk Gjenvinning (VV Holding) and reduced our investments in Bluewater, which has climbed as a result of its new major contract. When it comes to Finnish issues, we participated in Caverion's hybrid bond in June. At the end of June, the portfolio's running yield continued at the 6% level.

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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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