

# Money Plus

Investment Basket Monthly Review 31 December 2018

## Investment Basket Facts

Name	Mandatum Life Money Plus
Inception Date	23.2.2017
Investment Manager	Mandatum Life
Management Fee p.a.	0.3%
Carbon Footprint	2018: 43.6 tCO <sub>2</sub> per invested €1 million 2017: 16.6 tCO <sub>2</sub> per invested €1 million

## Performance



	1 mth	3 mths	6 mths	12 mths	Year-To-Date	Since Inception
<b>Money Plus</b>	-0,48 %	-0,80 %	-0,98 %	-0,93 %	-0,93 %	-0,07 %

## Investment Strategy

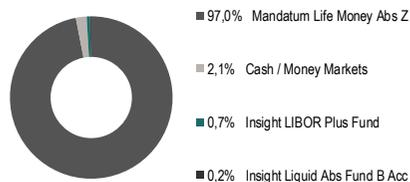
ML Money Plus invests in mutual funds whose investment objects consist of widely diversified secured loan portfolios. The credit rating of the investments is at least AA-, which makes the risk of credit losses very low. Practically all of the investments have floating rates, which makes the interest rate risk extremely low. The key risk that the investor is subject to is a change in the credit spread, which is dependent on the overall performance of the money markets.

The investment basket's net return target is the 3-month Euribor + 1% p.a. The recommended investment period is at least 12 months.

## Investment Manager's Review

The instability of the markets increased towards year-end when many stock markets plummeted by more than -20% from the previous peaks, and around Christmas, the equity markets showed intra-day movements of more than 5%. Behind this volatility was the trade war between China and the United States, but the stock price plummet also highlighted the importance of the markets' psychological factor, i.e. the balance between fear and greed. One factor behind the negative market sentiment has been the Fed's key interest rate hikes and the resulting partially descending yield curve. Some of the long-term interest rates are thus at a lower level than shorter interest rates, which is generally considered to be one of the key indicators predicting a downturn. As in the previous month, an extensive widening of credit risk premiums took place around the world in December, particularly in corporate bonds, but also in the secured loan markets. Due to a relatively short duration, the market value of floating rate secured loans remained relatively stable nonetheless, compared with other low credit risk investments. In the United States, expectations of a rise in interest rates have, however, subsided thanks to the market turmoil and, based on the futures market, it is considered equally likely that interest rates may either rise or fall.

## Investment Basket Allocation



This investment basket review does not constitute a recommendation to subscribe for or redeem units in the investment basket. In compiling the investment basket 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 investment basket'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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