

Going from Strength to Strength



Stockholm (HedgeNordic) - Whereas some private debt managers are facing difficulties in raising capital amid the coronavirus pandemic, Mandatum Life's private debt investment programme goes from strength to strength. The Mandatum Life Private Debt IV investment basket raised investment commitments worth €84 million, more than the first closing of Mandatum Life Private Debt III.

"We are pleased that our customers have shown interest in the alternative programmes, even in the current market situation," says Claes Siegfrids (*pictured*), Vice President, Investment Solutions at Mandatum Life. "We believe that the markets offer opportunities to patient, agile investors, and that it makes sense to pursue alternative programmes over the cycles," he adds. Mandatum Life's private debt investment platform raised €1.1 billion in assets from Finland, Sweden and Denmark since the beginning of 2016.

The Finnish insurer's private debt investment vehicles rely on a co-investment model that allows Finnish and other Nordic institutional clients such as pension funds, foundations, major companies and other professional investors to continuously invest in private debt. "Our private debt programme is also a concrete example of successful co-investing," Siegfrids emphasises. "Co-investing opens doors for our customers by enabling larger investment volumes, more favourable terms and an overall smoother investment process."

According to the Financial Times, several large pension funds in the United States are looking to pour capital into private credit to capitalise on opportunities stemming from the coronavirus pandemic. Mandatum Life sees opportunities across private credit markets as well. According to Jussi Tanninen, Director, Alternatives at Mandatum Life, “in private debt, the market environment has become much more interesting especially when it comes to opportunistic strategies, and the level of activity is high in that area.”

Mandatum Life’s own loan strategy of investing in corporate credit raised a total of €75 million in investment commitments in a new opportunistic loan strategy by the end of April. The investment focus of the new loan strategy is to predominantly invest in the European and Nordic credit market, focusing on senior secured leveraged loans. Investor activity in other alternative assets such as private equity and real estate has been relatively muted. “In other illiquid asset classes, such as private equity and real estate, the market price has yet to find its level and few transactions are being made,” concludes Tanninen.