

# Opening a Wider Door to Alts

Stockholm (HedgeNordic) – Finnish insurance firm Mandatum Life is now adding alternative investments to its ML Allocation Equity investment basket, previously a fully equity-based strategy. Starting from September 15, around 85 percent of the investment basket's assets will be invested in equities and the remaining 15 percent in alternatives such as private debt, real estate and private equity investments.

In connection with the change, Mandatum Life is also changing the investment basket's name from ML Allocation Equity to ML Allocation Equity+. Mandatum Life's Allocation Equity+ is an investment strategy aiming to exceed the average return delivered by equity markets in the long run through active portfolio management between various investment products, typically investment baskets and investment funds. The strategy can also invest in other investment instruments such as equities, alternative investments, fixed-income investments and derivatives.

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“Adding alternative investments alongside equity investments brings diversification benefits, improving the investment basket's return-risk ratio,” writes Mandatum Life in a press release. “Alternative investments play an important role in Mandatum Life's co-investment strategy together with” Nordic insurance group Sampo, which owns Mandatum Life Insurance. “Going forward, those who have invested in the investment basket will also gain access to alternative investments that are only intended for institutional investors, drawing on our Group's contact network, expertise and purchasing power. In alternative investments, co-investing takes place at the level of specific investments,” adds the press release.

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At Mandatum Life, alternative investments include various private debt investments, real estate and private equity investments. At the end of July, the portfolio of the now called ML Allocation Equity+ mostly comprised investments in various actively-managed equity-focused investment baskets at Mandatum Life and externally-managed equity investments funds and exchange-traded funds. ML Allocation Equity+ also had a 5.2 percent allocation to **ML Slim Tail US Long/Short Equity Fund**, a member of the Nordic Hedge Index. This vehicle employs a systematic strategy that adjusts its net exposure to equity markets between a negative 50 percent and a positive 100 percent using listed index futures depending on market conditions and fund flows.

Picture courtesy of Mandatum Life.