

Mandatum Life SICAV-SIF

Nordic High Yield Total Return Fund

Monthly Review 28.2.2017

Fund Facts

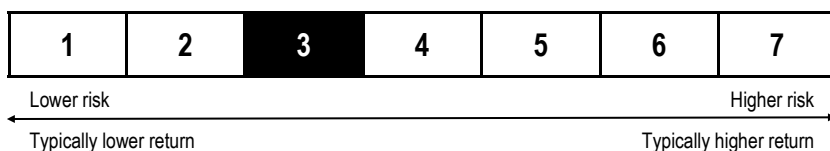
Name	Mandatum Life SICAV-SIF Nordic High Yield Total Return Fund
Inception Date	15.12.2014
Investment Manager	Mandatum Life
Base Currency	EUR
Benchmark Index	The fund does not have a benchmark index.

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.

Performance



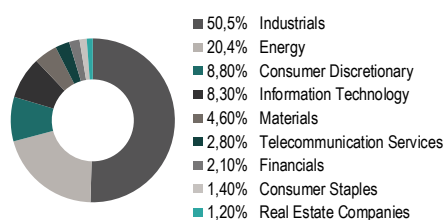
Top Holdings

6,67 %	Cash	4,15 %	European Directories BondCo SCA, FRN, Maturity, 09.12.2018, EUR
6,31 %	DSV Mijoe AS, FRN, Call 10.05.2019, Mat. 10.05.2021, EUR	3,70 %	West Atlantic AB, 7%, Call 21.12.2017, Maturity 21.12.2019, SEK
5,81 %	Axzon A/S, FRN, Call 30.06.2019, Mat. 26.05.2021, EUR	3,59 %	Eagle Industries Oy, 8.25%, Callable/Sink, 13.03.2020, EUR
5,46 %	VV Holding AS, FRN, Call 10.07.2016, Maturity 10.07.2019, NOK	3,08 %	Beerenberg Holdco II AS, FRN, Maturity 24.2.2021, NOK
5,08 %	Teekay Offshore Partners LP, FRN, 30.01.2019, NOK	3,00 %	Cembrit Group A/S, FRN, Call 20.03.2019, Mat. 20.03.2021, EUR

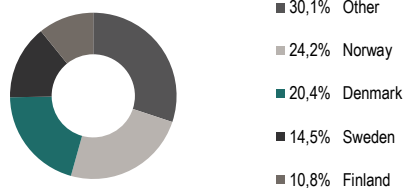
	Share class	Bloomberg Ticker	ISIN Code	1 mth	3 mths	6 mths	12 mths	2018	Since Inception	Inception Date
Nordic High Yield Total Return Fund	A EUR	MLNHYAE LX Equity	LU1112754756	-0,84 %	0,49 %	-0,38 %	4,95 %	0,40 %	2,20 %	15.12.2014
	B EUR	MLNHYBE LX Equity	LU1112755050	0,02 %	1,40 %	0,60 %	6,14 %	1,36 %	4,37 %	16.3.2015

Running Yield	Modified Duration	Spread Duration	Total Number of Holdings	Fund AUM (EUR million)
6.7%	0.4 years	2.0 years	54	45.8

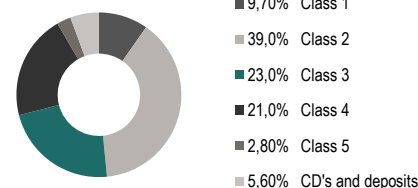
Fund Composition



Sector Allocation



Geographic Allocation



Allocation by Credit Rating*

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Investment Manager's Review

February ushered in a return of volatility to the equity markets and a less cohesive turn in the development of the European corporate bond market. The Nordic corporate bond market weakened slightly but was relatively stable compared to other markets. Of particular interest on the fixed income market is the acceleration of inflation and the timing of central banks' key interest rate hikes. It currently seems that the ECB's hike will not take place until well into 2019 but securities purchases may end this year. The new Chairman of the Federal Reserve, Jerome Powell, has been somewhat hawkish and, in the US, we can expect up to four interest rate hikes this year. The bonds of ML Nordic High Yield Total Return Fund have a running yield of +6.7% on average, the interest rate exposure is very low and the portfolio's position is well suited, otherwise as well, to the slightly more challenging global investment environment of today.

Individual issues were available on the primary market, but we expect March to be considerably more active. Q4/2017 reporting picked up towards the end of February and the earnings season was mostly good. The mobile operator Lebaran's Q4 report, published at the very end of the month, caused investors some headaches. The report largely met with expectations, but communication was inconsistent and in parts incomplete, for which the markets penalised the company immediately. The situation has not been helped by the actions of the hedge funds that sold the bond short. This caused a strongly negative day for the investment basket at the very end of February, which caused the month's return to fall below zero. We will meet with the company in connection with a seminar at the start of March, giving them the chance to respond to questions that remain unanswered. The six-month rise in the oil price abated in February with shale oil producers having apparently been able to step up their production again. Also the strengthening of the dollar pushed the oil price down in February. The price of oil is, however, good enough for new contracts to be made in the oil service sector and for old ones to be continued, as oil companies increase their activity following years of underinvestment.

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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