

Mandatum Life SICAV-SIF

Nordic High Yield Total Return Fund

Monthly Review 31.5.2018

Fund Facts

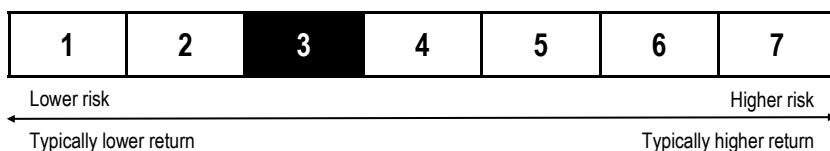
Name	Mandatum Life SICAV-SIF Nordic High Yield Total Return Fund
Inception Date	15.12.2014
Investment Manager	Mandatum Life
Base Currency	EUR
Benchmark Index	The fund does not have a benchmark index.

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.

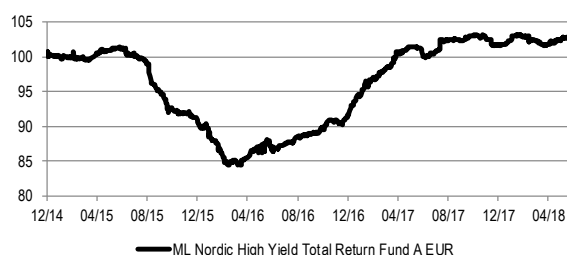
The Fund is actively managed as a Total Return Fund, taking advantage of a wide range of market information and using all available methods and instruments within this asset class. The interest rate risk of the portfolio is managed proactively and the foreign exchange risk is hedged at the discretion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

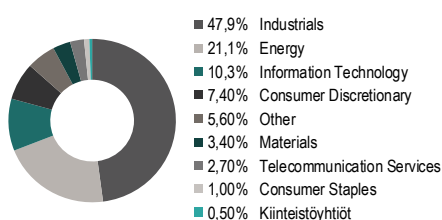


Top Holdings

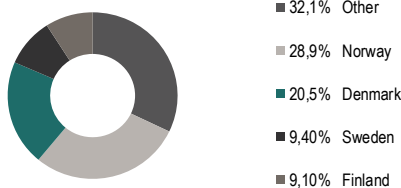
6,73 %	Cash	4,08 %	Point Resources AS, 8.5%, 20.09.2024, USD
6,05 %	Axzon A/S, FRN, Call 30.06.2019, Mat 26.05.2021, EUR	3,79 %	West Atlantic AB, 7%, Call 21.12.2017, Maturity 21.12.2019, SEK
5,68 %	VV Holding AS, FRN, Call 10.07.2016, Maturity 10.07.2019, NOK	3,43 %	Lebara, FRN, Call 07.09.2020, Mat 07.09.2022, EUR
5,32 %	Teekay Offshore Partners LP, FRN, 30.01.2019, NOK	3,33 %	Beerenberg Holdco II AS, FRN, Maturity 24.2.2021, NOK
4,40 %	European Directories BondCo SCA, FRN, Maturity, 09.06.2021, EUR	3,16 %	Teekay Shuttle Tankers LLC, 7.125%, 15.08.2022, USD

	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	MLNHYAELX Equity	LU1112754756	0,90 %	0,67 %	1,16 %	1,55 %	1,07 %	2,88 %	15.12.2014
	B EUR	MLNHYBELX Equity	LU1112755050	0,87 %	0,63 %	1,20 %	1,74 %	1,16 %	4,16 %	16.3.2015
Running Yield		Modified Duration		Spread Duration		Total Number of Holdings		Fund AUM (EUR million)		
7.2%		0.5 years		2.3 years		53		45,1		

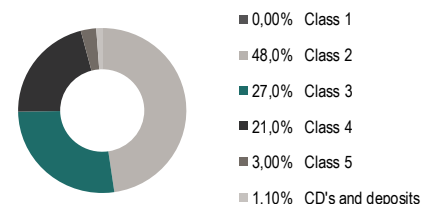
Fund Composition



Sector Allocation



Geographic Allocation



Allocation by Credit Rating*

Mandatum Life SICAV-SIF

Nordic High Yield Total Return Fund

Monthly Review 31.5.2018

Investment Manager's Review

May was eventful and a strong month for ML Nordic High Yield Total Return Fund. The Italian parliamentary elections, which spawned a victory for the EU-critical movement, created volatility in both the equity and corporate bond markets. In addition, Trump announced that he would, after all, set new import duties on the EU countries as well. The stability of the euro zone (and the euro) is thus once again uncertain and the EU will set its own import duties on US products. A trade war is still in the works between the US and China. These tensions have clearly weakened the euro in May and depressed Germany's benchmark interest rates. Conversely, the interests on Italian bonds surged towards the end of the month. The impacts on ML Nordic High Yield Total Return Fund are mostly small and indirect as the interest rate risk is very low and the currency risk on USD-denominated bonds is mostly hedged.

May saw an accelerating issue rate and issuers are having to compete for investors' attention. We expect to see a brisk issue rate all the way up to Midsummer. The risk is an excessive supply of bonds during the summer but what matters is for investors to remain critical and to reject any weakening of loan terms. In May, we increased our investments in the bonds of KotkaMills, Idavang and Point Resources. We sold Kvalitena's bond, as a result of which the investment fund does not contain any real estate company bonds. The earnings season is winding down and the earnings of portfolio companies mostly met or exceeded expectations. Mel Group was a disappointment with the company's earnings falling clearly behind, with its strong growth consuming its earnings potential. Lebara, on the other hand, called in its creditors to decide on an extension for its report, which has proven to be slower than expected due to a complex structure and personnel upheavals. The company's business was, however, reported to have met with expectations. The activity of the Nordic corporate bond market is expected to remain brisk for a few more weeks, until the markets begin to settle down for the holiday season.

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.

Mandatum Life Fund Management S.A.
Street address: 26-28 Rue Edward Steichen, L-2540 Luxembourg.
Business ID: B190624. www.mandatumlife.lu