

Mandatum Life SICAV-UCITS

Nordic High Yield Total Return Fund

Monthly Review 28 February 2019

Fund Facts

Name	Mandatum Life SICAV-UCITS 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-UCITS 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*



Lower risk ← Higher risk
Typically lower return ← Typically higher return

*The fund's risk category has been calculated using past performance of the fund's investment-policy-based portfolio.

Performance

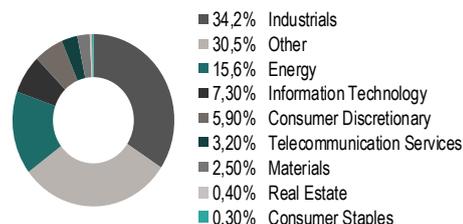


Top Holdings

Cash / Money Market	9,7 %
DSV Miljoe AS, FRN, Call 10.05.2019, Mat. 10.05.2021, EUR	5,3 %
Corral Petroleum Holdings AB, 1175%, Call 15.05.2019, Maturity 15.05.2021, EUR	5,0 %
Axzon A/S, FRN, Call 30.06.2019, Mat. 26.05.2021, EUR	4,7 %
European Directories BondCo SCA, FRN, Maturity, 09.06.2021, EUR	3,5 %
VV Holding AS, FRN, Call 10.07.2016, Maturity 10.07.2019, NOK	3,4 %
AINMT Scandinavia Holdings AS, FRN, Call 07.04.2019, Mat. 07.04.2022, NOK	3,2 %
Quant AB, FRN, Call 15.02.2020, Mat. 15.02.2023, EUR	3,1 %
Lebara, FRN, Mat. 07.09.2020, EUR	2,8 %
West Atlantic AB, 7%, Call 21.12.2017, Maturity 21.12.2019, SEK	2,8 %

	Share class	Bloomberg Ticker	ISIN Code	1 mth	3 mths	6 mths	12 mths	2019	Since Inception	Inception Date
Nordic High Yield Total Return Fund	A EUR Cap	MLNHYAELX Equity	LU1112754756	0,60 %	-0,22 %	0,02 %	4,30 %	1,91 %	6,59 %	15.12.2014
	B EUR Cap	MLNHYBELX Equity	LU1112755050	0,63 %	-0,14 %	0,10 %	4,18 %	1,96 %	7,83 %	16.3.2015
Running Yield		Modified Duration		Spread Duration		Total Number of Holdings		Fund AUM (EUR million)		
6.9%		0.6 years		1.9 years		62		245.0		

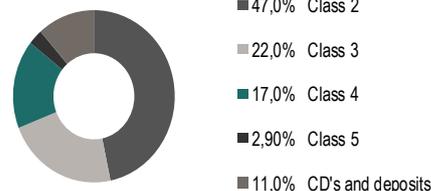
Fund Composition



Sector Allocation



Geographic Allocation



Allocation by Credit Rating*

Mandatum Life SICAV-UCITS

Nordic High Yield Total Return Fund

Monthly Review 28 February 2019

Investment Manager's Review

The risk appetite continued to come back in February on both equity and credit markets. Also the issuance of bonds increased during the month, although so far the bulk of supply has come from tap issues of existing bonds. The market concerns, which weighed on the market in the last quarter of 2018, have still not been removed, but the expectations of interest rate increases have moved to the background. Expectations for FED's rate increases in 2019 have been erased and ECB seems also unable to raise rates at least until 2020. The Swedish central bank raised its repo rate by 25bps to -0.25% in January and also the Norwegian central bank has initiated its rate hike cycle last autumn. Nevertheless, even these rate hikes are expected to remain modest for quite some time. Low interest rates maintain investors' strong demand for high yield bonds and other asset classes with high expected returns.

The Q4 reports were in general better than expected, although the growth expectations have been somewhat lowered. Moreover, the UK's Brexit decision might be postponed from the end of March deadline and the US trade war is unlikely to be solved anytime soon. This means that from a credit investor's point of view the market conditions look still very attractive, but there's naturally important headlines ahead, which puts short term a lid on further credit market rallies until at least the UK roadmap is clear.

The ML Nordic High Yield Fund has preferred relatively short dated and higher credit quality bonds in the first couple of months of the year, as we await further color on how European political risk plays out. In our opinion this will have in general rather indirect than direct effects on the Nordic credit market regardless of the outcome this spring. A high running yield combined with the short average maturity of the Fund's investments create a very attractive positioning for the year even in the case that market volatility would pick up.

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