

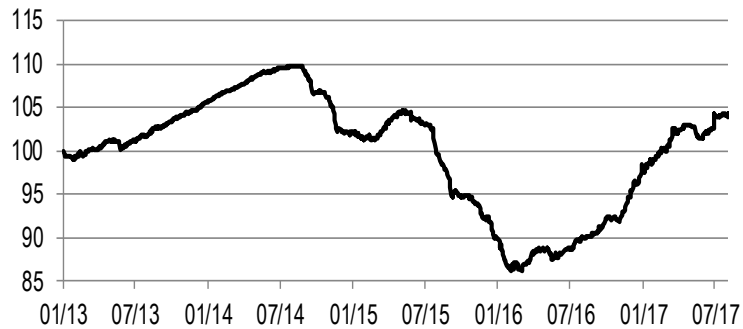
Nordic High Yield Abs

Monthly Investment Basket Review 31.8.2017

Investment Basket Basic Information

Name	Mandatum Life Nordic High Yield Abs
Inception date	28.1.2013
Investment Manager	Mandatum Life
Management Fee p.a.	1,0 %

Unit Value



	1 mth	3 mths	6 mths	12 mths	Year-To-Date	Since Founded
Nordic High Yield Abs	0,12 %	1,42 %	5,27 %	15,85 %	9,41 %	4,29 %

Top Holdings

6,18 %	DSV Miljoe AS, FRN, Call 10.05.2019, Mat. 10.05.2021, EUR	4,66 %	European Directories BondCo SCA, FRN, Maturity, 09.12.2018, EUR
5,81 %	Cash/ Money Market	3,45 %	West Atlantic AB, 7%, Call 21.12.2017, Maturity 21.12.2019,
5,55 %	Axzon A/S, FRN, Call 30.06.2019, Mat. 26.05.2021, EUR	3,14 %	Eagle Industries Oy, 8.25%, Callable/Sink, 13.03.2020, EUR
5,18 %	VV Holding AS, FRN, Call 10.07.2016, Maturity 10.07.2019, NOK	3,06 %	Lebara, FRN, Call 07.09.2020, Mat. 07.09.2022, EUR
4,78 %	Teekey Offshore Partners LP, FRN, 30.01.2019, NOK	2,91 %	Bluewater Holding BV, 10%, 10.12.2019, USD

Investment Strategy

The Mandatum Life Nordic High Yield Abs investment basket offers the opportunity to invest diversely in Nordic fixed income investments with a good return potential at a moderate risk level. The investment basket invests its assets in the bonds of Nordic companies, which have no credit rating or which are rated as *high* yield, i.e. credit rating at most BB+ (Standard and Poor's).

The objective of the investment basket's investment activities is to achieve, through proactive portfolio management, a long-term yield on the investment basket's assets that outperforms the typical return on conventional fixed income investments. The interest rate risk of the portfolio is managed proactively. The foreign exchange risk is hedged according to the portfolio manager's judgement at any given time.

Investment Manager's Review

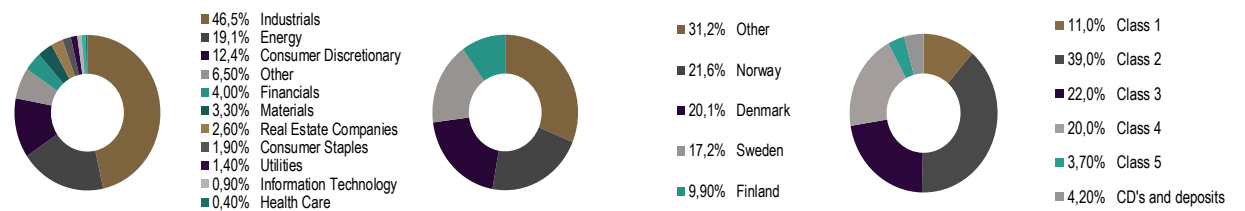
Market activity increased as expected as August moved forward and the first new issues took off. It appears that autumn will be quite brisk, just like the spring. The Q2 earnings season is practically over and the investment basket did not experience any major surprises. West Atlantic was saddled with exceptional additional capacity leasing costs and the logistics company Scan Global struggled with margin pressure, but in both cases, the situation can be expected to improve over the course of the autumn.

Of the portfolio's biggest investments, worth mentioning are meat producer Axzon, whose report corresponded to the slightly optimistic-seeming expectations of its management and the recycling company VV Holding (Norsk Gjenvinning), whose efficiency-boosting programme is progressing well, marginals have improved and the company's position as the market's leading operator is strengthening. The price of oil stood still for almost the whole of August despite the hurricane that bombarded Texas's important oil ports and refineries. The extent of the damages, the recovery period for the area's production and the other impacts of this natural disaster on the US economy and the world's oil markets are still difficult to pinpoint very precisely. The direct impacts on the investment basket are few in any case.

One of the most interesting topics in terms of the Nordic high yield market is the sustained restructuring taking place at Seadrill. More information is in store by mid-September. The investment basket does not contain any of the company's shares but does contain some of its subsidiary's, North Atlantic Drilling's, bond (half a per cent). The resolution of this restructuring will be positive for the market, pretty much regardless of the end result. In Europe, the focus is currently on Germany: the ECB has not yet suggested that it will cut down on its securities purchases but this will probably be one of the hot potatoes for the rest of the year, with Draghi being pestered for clues. In addition, Germany's federal election is on September 24th.

Investment Basket Composition

*Based on assessments for each company's creditworthiness



Industry Allocation

Geographic Distribution

Allocation by credit rating*

This investment basket review does not constitute a recommendation to subscribe for or redeem units in the investment basket. In compiling the investment basket 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 investment basket'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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