

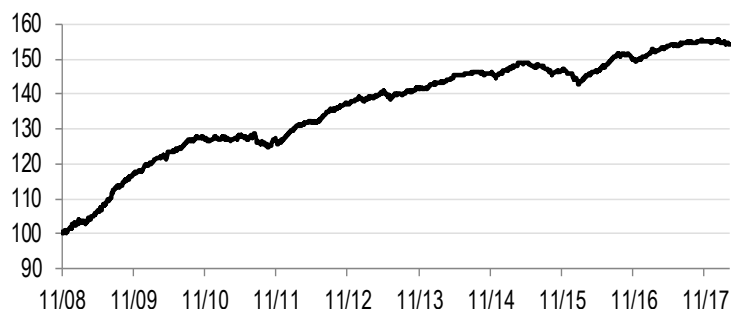
Fixed Income Portfolio Abs

Investment Basket Monthly Review 30.4.2018

Investment Basket Facts

Name	Mandatum Life Fixed Income Portfolio Abs
Inception Date	17.11.2008
Investment Manager	Mandatum Life
Management Fee p.a.	0.75%
Carbon Footprint compared to market	2017: 59%, 378.5 tCO ₂ per invested €1 million 2016: 51%, 314.2 tCO ₂ per invested €1 million

Performance



	1 mth	3 mths	12 mths	36 mths	Year-To-Date	Since Inception
Fixed Income Portfolio Abs	-0,22 %	-0,82 %	0,49 %	3,56 %	-0,64 %	54,14 %

Top Holdings

7,87 %	Cash/ Money Market	1,85 %	AP Moeller - Maersk A/S, 4%, 04.04.2025, GBP
3,44 %	iShares iBoxx \$ Investment Grade Corporate Bond ETF	1,84 %	Pohjola Bank PLC, 5.75%, 28.02.2022, EUR
2,36 %	Mandatum Life Raha Abs Z	1,76 %	United Kingdom Gilt, 3.75%, 07.09.2021, GBP
2,16 %	United States Treasury Note/Bond, 1.625%, 31.08.2022, USD	1,61 %	Cash/ Money Market
2,11 %	Telefonaktiebolaget LM Ericsson, 4.125%, 15.05.2022, USD	1,61 %	Vattenfall AB, 3%, Call 19.03.2027, Perpetual, EUR

Investment Strategy

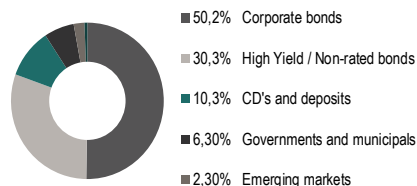
Mandatum Life Fixed Income Portfolio strategy provides an active and extensive portfolio management solution. Investments are made in fixed income markets on a diversified basis and according to current market views. Basket funds are invested in deposits, money market and fixed income instruments, mutual fund units and derivatives contracts. Interest rate risk (duration-measured) may vary from 0 to 15 years in duration and credit risk may not exceed 100% of the investment basket's market value.

The investment basket suits both inexperienced and experienced investors, who seek returns typical for medium-term fixed income investments. The investment basket's return risk and capital risk are typical to diversified medium-term interest rate baskets with moderately low risk.

Investment Manager's Review

Interest rates rose marginally in April, following March's decline. Market rates rose more strongly in the US than in Europe, and the United States' 10-year government bond managed to break the 3% level at the end of the month. Inflation expectations have risen slightly in the US with pressure on wages to rise looming around the corner and labour costs, generally speaking, rising by more than 3% annually. The cost of dollar-hedging against a possible weakening is, due to a widening of the interest rate differential between the US and Europe, as high as roughly 3% annually. This has pushed some foreign debt investors to consider finding options to US government bonds and corporate bonds. According to reports, assets have already begun to transfer to Europe and Japan, for example. Simultaneously, the US budget policy is creating a twin deficit in the country (both the current account and state budget are in deficit). The budget deficit will grow, at this rate, by around -5% of the GDP, which raises some questions at this point of the economic cycle. The US would not necessarily require a strong stimulating economic policy at this time, with unemployment figures at this cycle's lowest, nearing a practically full-employment scenario, while the Fed continues its key interest rate hikes (three more scheduled for this year). The ECB, conversely, is still continuing its stimulus measures at least until September this year and the first key interest rate hike is not in the books until well into next year. Due to low interest rates, the credit risk premiums of companies are also at this cycle's lowest levels in Europe. Before the reporting of Q1 earnings and the closed windows, many companies took advantage of the opportunity to use bonds to acquire money from the markets. In April, our Fixed Income Portfolio participated in the new issues of BEWI's, Rettig's and TVO's corporate bonds. We also bought some more of Color Group's and Nordea's bonds. The value of the Fixed Income Portfolio declined by -0.21% in April, falling -0.42% from the beginning of the year.

Investment Basket Allocation



Allocation by Investment Class

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.

Mandatum Life Insurance Company Limited. Postal address: PO Box 627, 00101 Helsinki. Registered office and address Bulevardi 56, 00120 Helsinki, Finland. Business ID 0641130-2. www.mandatumlife.fi