

ML Allocation Fixed Income

March 2019

Investment Strategy

The Fixed Income strategy is for an investor who values safety and wants to avoid risks. The Fixed Income strategy is weighted fully towards fixed-income instruments and is efficient in terms of return to risk ratio. The expected proportion of high-risk assets classes is less than 5 per cent in the long run, but may vary between 0 and 10 per cent.

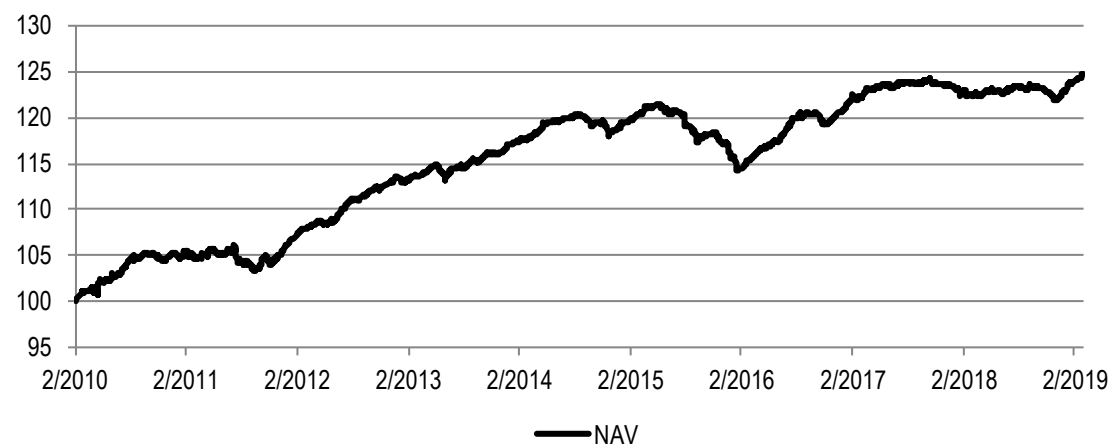
Investment Manager's Review

Return of the ML Allocation Fixed Income was +0.58% in March and +1.78% for the last 12 months.

In fixed income investments, the focus is on Nordic corporate bonds, in which we still see good return potential. We have also slightly increased continental European corporate bonds. In continental Europe, the return level is attractive compared to the US, taking the currency hedging cost into account. Due to the low return level, we underweight European government bonds, in particular. In addition, we sold the US long-duration government bonds purchased in January/February. The decline in interest rates and the moderate strengthening of the dollar had a positive impact on the position's returns. The interest rate risk of fixed income investments, measured by duration, has remained more moderate than the market index.

While the growth outlook for the global economy is still fairly good, growth is expected to slow down to around +3.3% in 2019. PMIs, which measure the confidence of companies and forecast economic activity, have continued to be negative, especially in Europe.

Performance



	Value	1 mth	3 mths	12 mths	Year-to-Date	Since Founded
ML Allocation Fixed Income	124,79	0,58 %	2,28 %	1,78 %	2,28 %	24,79 %

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

ML Allocation Fixed Income

March 2019

Top holdings

41,6 %	Mandatum Life Fixed Income Portfolio Abs
20,3 %	Mandatum Life Money Abs
9,8 %	Mandatum Life Nordic High Yield Total Return Fund
8,2 %	MGI Emerging Markets Debt Fund
6,2 %	Mercer Global High Yield Bond Fund
4,2 %	iShares 0-5 Year IG Corporate Bond ETF
3,2 %	iShares 20+ Year Treasury Bond ETF
3,1 %	iShares High Yield Corp Bond UCITS ETF
2,2 %	Mandatum Life Euro High Yield
0,7 %	Mandatum Life Senior Loan

ML Allocation Fixed Income's total fees: 0,86 % p.a.*

*Calculated the previous calendar year's fees including management and custody fees, as well as account handling fees and other bank fees that are deducted from the investment basket's capital. Updated annually.

ML Fixed Income Portfolio Abs is an actively managed investment basket investing in fixed income markets. The basket aims to produce stable return.

ML Money Abs is a low risk investment basket with wide diversification. The basket invests in money markets.

ML Nordic High Yield Total Return Fund is an actively managed investment fund investing in corporate bonds issued by Nordic high yield companies. The fund aims to produce stable return.

MGI Emerging Markets Debt Fund is an actively managed fund investing in emerging markets fixed income investments.

Mercer Global High Yield Bond Fund is an actively managed fund investing in global high yield bond investments.

iShares 0-5 Year Investment Grade Corporate Bond ETF is an index fund investing in the lower risk investment grade credit bonds.

iShares 20+ Year Treasury Bond ETF is an index fund investing in U.S. Treasury bonds with remaining maturities of 20+ years.

ML Euro High Yield is an actively managed investment basket investing in mainly euro-denominated fixed income investments with a good return potential at a moderate risk level

Mandatum Life Senior Loan is an actively managed investment basket investing in asset-backed loans.