

Fixed Income Portfolio

Monthly Investment Basket Review June 2010

Name	Date	Value	Return %				
			1 m	3 m	12 m	Year-to-date	Since founded
Mandatum Life Fixed Income Portfolio	30.6.2010	124.02	0.36 %	1.84 %	14.13 %	5.12 %	24.02 %

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.

The interest rate risk (duration-measured) may vary from 0 to 15 years in duration and the credit risk may not exceed 100% of the investment basket's market value. The investment basket's return risk and capital risk are typical of medium-term interest rate products. The investment basket's foreign exchange risk component may be managed with standardized and non-standardized exchange rate contracts. The total foreign exchange risk may not exceed 100 % or be less than 0 % of the market value of the basket. Lending and repurchase agreements may be made on investments. The market value of investments given as loans may not exceed 30 % of the market value of the basket.

The collateral requirement of derivatives contracts, repurchase agreements and borrowed investments may not exceed 75 % of the market value of the basket. 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 of diversified medium-term interest rate baskets with moderately low risk. Changes in fixed income markets will affect the value of the investment basket, which may vary substantially in the short term.

Investment Manager's Review

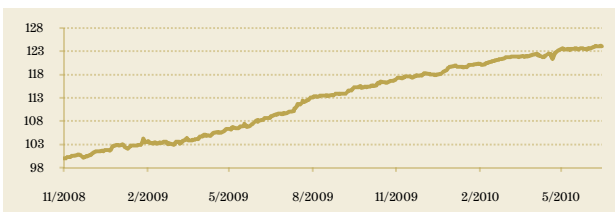
In fixed income markets less risky government bond yield levels continued to fall, and the German 10 -year rate fell to 2.5% as investors sought safety. The Spanish banking sector situation has kept Mediterranean government bond markets in turbulence and overall risk willingness has been scarce in markets. Good credit rated companies' credit risk premiums stayed intact astonishingly well in June, and high yield spreads behaved moderately. Issue markets cheered up clearly in June, and Finland received a few interesting new bonds. The Fixed Income basket subscribed to the new NesteOil and Outokumpu 5-year bond issues. The basket also bought Handelsbanken UT2 -bond in pounds from secondary markets and the sub-bond issued by IF (call 2011). In high yield names, we added ISS weight to the basket and in the EMD-side; we bought more of Polish bonds.

The Fixed Income basket's running yield was 5.14% at the end of July and the modified duration 1.54years. The duration moved in the range of 1.5 - 4.0 years. The basket's pound denominated investment hedge was 98% and US dollar hedge 99% at the end of the month. Polish zloty risk was open at the end of the month. The Fixed Income basket succeeded well in June.

Investment Basket Basics

Name	Mandatum Life Fixed Income
Inception Date	17.11.2008
Investment Manager	Mandatum Life
Annual Management Fee	0,75 %

Mandatum Life Fixed Income Unit Value



Investment Basket Composition

Allocation by Asset Class



Top Holdings 30.6.2010

17,66 %	CASH
4,83 %	RFGB 3.875 150917 EUR
4,49 %	TLIASS 4.75 161121 EUR
4,20 %	KINCIT 5.1 171214 EUR
4,03 %	STORA 6.404 150416 USD
3,77 %	IFSS VAR 21-11 300311 EUR
3,54 %	METSO 7.25 100614 EUR
3,17 %	OUTOK 5.125 240615 EUR
2,81 %	PELAGUS CAPITAL FUND
2,68 %	UPMKYM 6.625 230117 GBP

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