

Mandatum Fixed Income Total Return Fund A

FUND'S BASIC INFORMATION

Report Date	30.05.2025
Inception Date	29.04.2020
Currency	EUR
NAV	118.584
Share Class	A EUR cap.
AUM	1528M
SFDR Classification	Article 8

INVESTMENT STRATEGY

The Fund 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. The 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's market value. The objective of the investment activities is to apply active interest rate allocation to achieve a long-term return that outperforms money market instruments with credit risk. Other than euro-denominated investments' currency risk can be modified with FX derivatives (both exchange traded derivatives and OTC-products).

PORTFOLIO MANAGER'S REVIEW

In May, global financial markets experienced significant gains, as the S&P 500 stock index rose by +6.2%, driven especially by strong performance in the technology and healthcare sectors. The U.S. Federal Reserve decided to keep the federal funds rate unchanged at 4.25–4.50%, citing concerns over persistent inflation and signs of cooling in the labor market—raising the risk of stagflation. April's inflation figures, released in May, showed headline inflation at 2.3% and core inflation at 2.8%. However, several companies announced expected price increases due to rising costs from new tariffs, adding to inflationary pressure. Despite these concerns, markets in the U.S. are still expecting two interest rate cuts later this year.

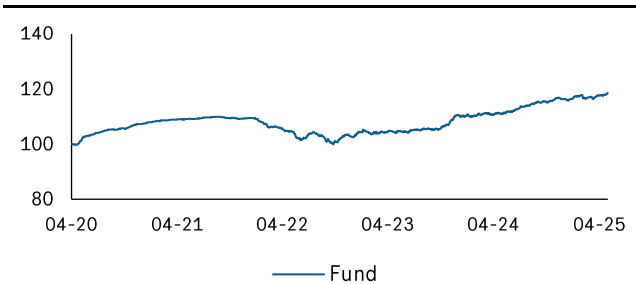
In Europe, the European Commission revised its 2025 GDP growth forecast downward to 0.9%, citing weak demand and rising tensions in trade relations with the United States. Inflation in the region is expected to average around 2% this year. Despite economic headwinds, European equities rose by +4.0%, and public trust in EU institutions reached its highest level since 2007, reflecting political and economic stability. The ECB did not hold a monetary policy meeting in May, but markets had priced in two interest rate cuts for later in the year by the end of the month, ahead of the June meeting.

European corporate bond markets delivered positive returns in May: the euro-denominated investment grade index rose by +0.5%, and high yield bonds returned +1.4%. In European government bond markets, yields fell—particularly in core countries such as Germany and France—as investors sought safe havens amid ongoing economic uncertainty. In the U.S., investment grade bond returns remained virtually unchanged, as the 10-year Treasury yield rose by 24 basis points. At the short end of the yield curve, the 3-month Euribor fell by 16 basis points, ending the month at 2.0%.

The primary market was extremely active in May following earnings season and April's market volatility; with €88 billion in EUR-denominated investment grade issuance, it was the busiest May on record. We participated in new issues in a diversified manner, purchasing bonds including: HSBC EUR SUN (3.9%), Société Générale EUR SUN (4.2%), Erste Group Bank EUR AT1 (6.4%), Prysmian EUR Hybrid (5.4%), Vimian Group EUR SUN (4.1%), Nexi EUR SUN (3.9%), Philips EUR SUN (4.1%), Wolseley GBP SSN (9.7%), Metso EUR SUN (3.8%), Bosch EUR SUN (4.1%) and AXA EUR RT1 (5.8%). In the secondary market, we increased positions in, for example: Merlin EUR SSN (8.4%) and Citycon EUR SUN (4.8%). We also extended the maturity of our holding in Medtronic EUR SUN, swapping the 2031 bond for the 2034 bond (from 3.1% to 3.4%).

As of the end of May, the year-to-date net return for the strategy was 1.9%, and the rolling 12-month return was 6.9%. The portfolio's credit selection and high credit quality provide investors protection against potential defaults. The weighted average price of the portfolio was 99.0, and the forward-looking yield to maturity (YTM) remained attractive at 4.1%, adequately compensating for potential credit spread widening. The portfolio duration is 4 years, providing a tailwind to returns if interest rates decline.

VALUE DEVELOPMENT



RISK-RETURN PROFILE

Smaller risk and typically smaller returns

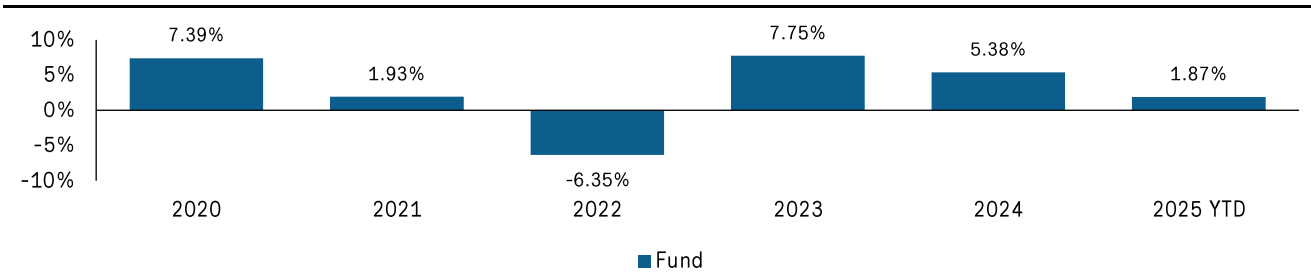
Higher risk and typically higher returns

1 2 3 4 5 6 7

The Fund's risk category describes the relationship between risk and reward and fluctuations in the Fund share's performance. The perfect information regarding the risks involved can be found in the Prospectus and Key Information Document (KID) of the Fund.

	1 m	3 m	6 m	12 m	QTD	YTD	3 y	5 y	Since inception	Since inception p.a.
Fund	0.71%	0.58%	1.76%	6.89%	1.27%	1.87%	13.26%	17.19%	18.58%	3.41%

YEARLY RETURNS



Past performance does not predict future returns. The performances are displayed net of all costs except any entry and exit fees, dividend reinvested for accumulated share classes. Reference currency of the Fund is EUR: returns may increase or decrease as a result of currency fluctuations. The future performance is subject to taxation which depends on the personal situation of each investor and which may change in the future.

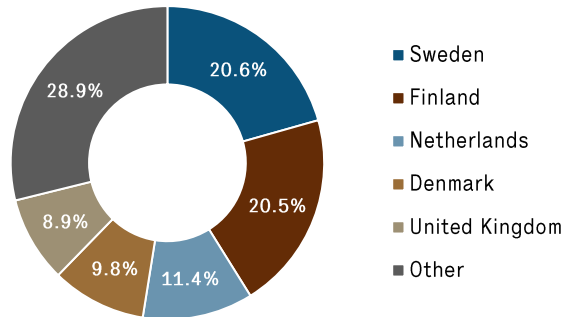
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DISTRIBUTIONS AND KEY FIGURES

TOP HOLDINGS

UPM-Kymmene Oyj	2.0%
Stora Enso Oyj	1.8%
Danske Bank A/S	1.7%
Nordea Bank Oyj	1.4%
Kojamo Oyj	1.4%
EQT AB	1.4%
Skandinaviska Enskilda Banken	1.4%
Vattenfall Ab	1.4%
Gjensidige Forsikring ASA	1.3%
Citycon Oyj	1.3%
TOP 10	15.0%
OTHER COMPANIES AND CASH	85.0%

COUNTRY ALLOCATION



KEY FIGURES

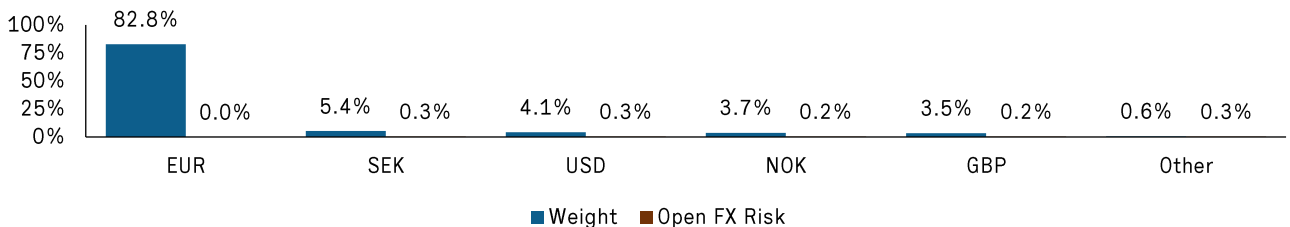
Volatility p.a. (5Y)	2.15%
Sharpe p.a. (5Y)	0.8
Modified duration	3.96
Spread duration	4.03
Average maturity	4.64
Yield to maturity	4.08%

AVG. CARBON INTENSITY, TC02e/M€

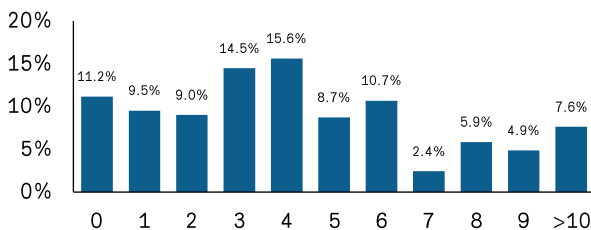
	2019	2022	2023	2024
Carbon intensity	242	136	100	63
Coverage	49%	58%	63%	79%

Carbon intensity describes the greenhouse gas emissions of a company in relation to its net sales. The carbon intensity of an investment is calculated as a weighted average of the investment objects' carbon intensity. tCO₂e, i.e. tonnes of carbon dioxide equivalent, is used to commensurate the greenhouse gas emissions produced by the investment object.

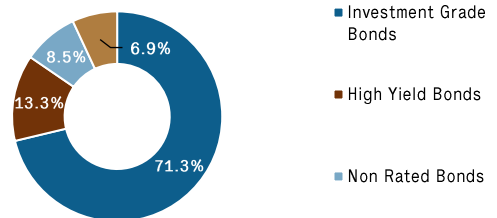
CURRENCY ALLOCATION



MATURITY DISTRIBUTION



ASSET CLASS ALLOCATION



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