



# MANDATUM LIFE

## Portfolio Management Service 80

Rules of the investment basket, valid as of 2 December 2016

### Main terms and conditions of the investment basket

- **Name of the investment basket:** Mandatum Life Portfolio Management Service 80
- **Target market of the investment basket:** Various asset classes in a balanced way
- **Capital protection of the investment basket:**  
The investment basket does not have capital protection
- **Portfolio manager of the investment basket:** Mandatum Life Insurance Company Limited
- **Start date of the investment basket's investment activities:** 3 February 2010
- **Sales period:** Continuous
- **Investment period:** Continuous
- **Calculation of the value of the investment basket unit:**  
A value is calculated for the investment basket on each banking day.
- **The annual management fee of the investment basket** is 0.15%.

### Investment basket

The investment basket is an investment object owned by Mandatum Life Insurance Company Limited (hereinafter "Insurance Company") that may be linked to unit-linked life insurance and capital redemption contracts (hereinafter collectively "Contract") specified by the Insurance Company, where the assets of the investment basket are invested according to the investment strategy detailed below.

The investment basket does not distribute its return. Instead, any eventual return increases the value of the unit. The return on the investment basket

depends on the performance of the assets in the investment basket.

The Insurance Company defines the rules for the investment basket and legislation does not set diversification requirements for the investment basket's investment policy.

Unless otherwise provided in these rules, the regulations concerning investment objects in the Contract terms and conditions apply to the investment basket. Further information concerning the investment basket and its investment object is available by request from the Insurance Company.

### The investment strategy of the investment basket

Portfolio Management Service 80 is a combination strategy whose objective is to exceed the average return of the equity markets in the long run.

Achieving the investment objective and managing investment risk is carried out through active portfolio management between various investment objects, typically investment baskets and investment funds, but also other investment instruments, such as equities, alternative investments and fixed income investments can be used to achieve the investment objective.

The strategic weight of other than fixed income investments is close to 80 per cent in the long run. The weight of asset classes other than fixed income investments can, however, be adjusted between 50 and 100 per cent according to the market situation, which in the short term means that the share of fixed income, equity and alternative investments can vary quite a lot.

The investment basket may invest in derivative contracts in order to improve the efficient management of the portfolio and/or to hedge itself against

adverse changes in the markets. Derivatives can be both sold (written) and bought.

The investment basket may also include cash.

The portfolio manager can use the investment object for trading in the market place of his or her choice.

Any dividends paid by the investment objects and other returns are added to the value of the investment basket and reinvested in the investment instruments according to the portfolio manager's investment policy.

The Insurance Company is entitled to temporarily deviate from the agreed investment strategy when the market situation changes unpredictably, or for some other weighty reason. The Insurance Company shall ensure the situation is rectified as quickly as possible in accordance with the agreed investment strategy, while taking the shared interests of the clients into account. Occasional deviations to the agreed investment limits due to changes in the value of the investment objects are not regarded as exceptions to the investment strategy.

### Risk profile of the investment basket

The investment basket has a high return risk and capital risk. Return risk and capital risk mean that investors may lose the capital that they have invested as well as the returns in part or in full.

The value of the investment basket is calculated regularly at the current market values of the investment objects it contains. Changes in the equity, foreign exchange and fixed income markets are reflected in the value of the basket, which can vary substantially in the short term.

The investment basket's value is calculated in euros. The investor bears the foreign exchange risk for investments other than those denominated in euros.

The investment basket is not covered by the Investors' Compensation Fund or the Deposit Guarantee Fund.

## Targeted investors

The investment basket suits investors who seek an average return that exceeds the equity markets in the long term and accept the risk of losing capital and returns.

## Investment object's fees and expenses

The annual management fee of the investment basket is 0.15%.

The investment basket's fixed annual management fee and possible other expenses associated with the investment basket's direct investments, including safe custody expenses, subscription and redemption fees, trading costs and any taxes and other public charges will be deducted daily from the value of the investment basket when the value of the unit is calculated; they will not be charged separately from the policyholder.

Due fees for mutual funds, investment baskets and other investment objects that may be the investment targets will be charged. These fees are taken into account in unit value calculations.

## Calculation of the investment basket's value

The Insurance Company calculates the value of the investment basket and the value calculation principles are not confirmed by an external party.

The value of the investment basket is calculated by deducting the liabilities of the investment basket from its assets, including management fees and

expenses associated with investments. The investment basket's investment object is valued at the current market value. The value of the investment basket is expressed in euros.

Securities, money market instruments and standardised derivative contracts included in the investment basket are valued at the current market value.

The units of investment funds and units issued by collective investment undertakings are valued at the last available value of the unit.

Deposits are valued by taking into account their capital and the accrued interest added to the capital.

The investment basket's currency-denominated assets and liabilities are converted into euros using the reference exchange rates published by the European Central Bank.

Such non-standardised derivative contracts as well as other investment objects for which a reliable and current market value is not available, or if an investment object other than those mentioned above is in question, are valued according to objective criteria.

A price is calculated for the investment basket for the days that Finnish deposit banks are generally open (banking days). Based on any changes, market disturbances or other similar reasons possibly affecting the investment basket's investments, the Insurance Company can interrupt the calculation of the investment basket's value until the calculation of the value can be carried out normally.

## Calculation of the unit value of the investment basket

The value of the investment basket unit is calculated by dividing the value of the investment basket by the number of investment basket units in circulation. The value of the investment basket unit may be divided into fractions. An investment basket unit comprises ten thousand (10,000) fractions of equal size. The value of the investment basket unit is expressed in euros.

The latest value of the investment basket unit is available from the Insurance Company and on the Insurance Company's website.

## Investment basket unit subscription, redemption and associated restrictions

The subscription of the investment basket's units means the tying of a new payment under the customer's Contract or of already existing savings to the value of the investment basket's unit. The redemption of the investment basket means the withdrawal of the Contract's savings tied to the investment basket or their transference to another investment basket or some other investment object.

The investment basket is open for subscription and redemption once a day.

The Insurance Company is entitled to refuse subscriptions for the investment basket's units. Policyholders are entitled to withdraw their savings in the investment basket in accordance with the Contract's terms and conditions.

The Insurance Company is entitled to refuse a subscription or a subscription assignment if it has not been provided with the required information for carrying out the subscription. The Insurance Company can provide more detailed information about how the subscription is carried out from abroad or in a currency other than that in use in Finland at any given time.

The redemption value of the investment basket unit is determined according to the exchange rate for the day on which the required sales of the investment objects have been registered and taken into account in the calculation of the investment basket's value. The redemption value is paid in accordance with the insurance terms and conditions at the earliest on the banking day following the redemption date. Redemption assignments will be

fulfilled in the order of arrival. The Insurance Company can decide the minimum number of units or the minimum amount in euros to be subscribed for or redeemed at one time.

The redemption assignment can only be cancelled with the approval of the Insurance Company. The Insurance Company is entitled to restrict withdrawals due to market disturbances or other similar reasons.

## Termination of the investment basket

The Insurance Company is entitled to terminate the investment basket. When the activities of the investment basket end, the policyholder must notify the Insurance Company, within the reasonable period assigned by the Insurance Company, of which investment object's performance he or she wants the savings to be tied to. If the policyholder does not do this, the Insurance Company is entitled to transfer the insurance savings tied to the investment basket to other investment objects of its choice.

## Ownership of and rights to the investment basket and its units

The policyholder or beneficiaries do not have title or other rights to the investment basket or to its units linked to the Contract. The Insurance Company holds the title of the units of the basket and the investment instruments belonging to the basket linked to the Contract.

## Changes and restrictions on actions concerning the investment basket

The Insurance Company is entitled to restrict investment basket unit re-

demptions and subscriptions if the restriction is deemed necessary to protect the interests of other policyholders.

The Insurance Company is entitled to change the portfolio manager of the investment basket and make changes to the rules of the investment basket. Changes are reported on the Insurance Company's website.

## Taxes and payments to authorities

If the investment basket or investment objects in the investment basket are subject to direct or indirect taxes under a law or an order issued or other fees imposed by the authorities, and which are payable by the Insurance Company, the Insurance Company is entitled to charge the corresponding sum from the investment basket.

The investment basket's investments may be subject to tax costs, which affect the value of the investment object.

## Due dates

If a due date referred to in these rules is not a banking day, the due date in question will be considered the first banking day following the due date.

## Risks associated with the investment basket

### MARKET RISK

Investment objects are affected by market risk, i.e. risk which is caused by general economic development; in other words, factors that affect the overall performance of companies operating on the markets and/or that the value of the investment changes as a result of changes in the economic outlook.

### RETURN RISK

The performance of the investment basket is dependent on the performance of the investment object, which may vary during the invest-

ment period. No guarantees can be made concerning the performance of the investment object. The past performance of investments is no guarantee of future performance. Investing in the investment basket is not the same as investing directly in the investment object. The investor will not necessarily benefit in full from the dividend paid on equities or on equities included in the equity indices.

### INTEREST RATE RISK

Interest rate risk results from changes in the value of the investment basket due to a change in the market interest rates.

### CREDIT RISK

Credit risk means a loss or the weakening of the financial position due to the fact that the issuer of a security or other debtor fails to meet his or her obligations. If the credit risk materialises, the investor bears the risk of losing the investment entirely or in part.

### COUNTERPARTY RISK

Counterparty risk arises due to the other party in a financing or derivative contract and materialises if the counterparty is unable or unwilling to meet his or her obligations. If the counterparty risk materialises, the market value of the contract concluded with the counterparty is subject to risk. The investor bears the risk of losing the investment entirely or in part if the counterparty risk materialises due to the insolvency of the derivative counterparty prior to the redemption of the investment.

### FOREIGN EXCHANGE RISK

If the investment objects include investments other than euro-denominated investments, changes in exchange rates may affect the performance of the investment object.

### LIQUIDITY RISK

The markets' liquidity risk means that investments cannot be or cannot easily be realised or covered at the current market price or that a value cannot be determined for the investments due to the markets' lack of depth or because the markets are not working due to some kind of disturbance. The value of an investment may need to be de-

fined in an exceptional manner at an exceptional time as the result of a market disturbance.

## Risks and observations related to unit-linked insurance

Risk is always inherent in investment activities. The performance of unit-linked insurance and capital redemption contracts depends on the performance of the investments selected by the policyholder. The value of the investment objects may rise or fall and the policyholder bears the risk of the financial consequences of his or her investment decisions and of losing his or her insurance savings. The policyholder should take into account that the past performance of investments is no guarantee of future performance.

The information and calculations concerning the returns, fees and ex-

penses for investment objects do not take into account the expenses for the insurance.

The investment basket is not covered by the Investors' Compensation Fund or the Deposit Guarantee Fund.

Policyholders independently decide on the selection of investment objects in accordance with their own investment objectives, and bear the risk of a decrease or loss in the value of the insurance savings.

Neither the Insurance Company nor its agents are liable for the performance of the investments, or the selection of the investments linked to the insurance.

The Insurance Company may change the investments that can be selected for an insurance during the validity of the insurance. Information on investments and related matters is supplied for information purposes only, and cannot be construed as a recommendation to subscribe for, hold or exchange certain investments, or to car-

ry out any other actions affecting the performance of the insurance.

Policyholders must carefully familiarise themselves with the terms and conditions, rules, price lists, product descriptions and brochures relating to the insurance and investment objects before taking out or changing an insurance contract or selecting or changing investment objects.

Changes in legislation, other regulations and official procedures or the decisions of courts of law can affect the business operations, financial position and performance of the Insurance Company as well as the market value of the investments in the investment basket. Additionally, the investor bears the risk of changes in taxation affecting the insurance products.

The insurance or capital redemption contract is granted by and the investment basket is offered by