

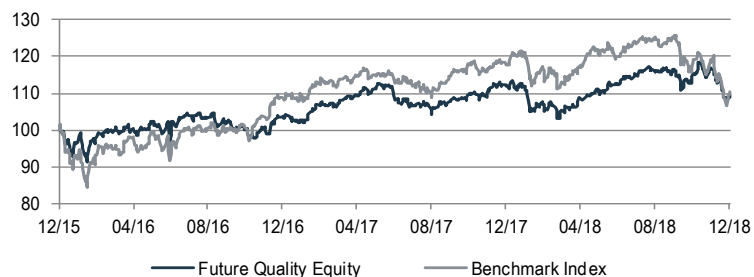
Future Quality Equity

Investment Basket Monthly Review 31 December 2018

Investment Basket Facts

Name	Mandatum Life Future Quality Equity
Inception Date	28.12.2015
Investment Manager	Mandatum Life
Management Fee p.a.	1.5%
Carbon Footprint compared to benchmark index	2018: 103%, 158.8 tCO ₂ per invested €1 million 2017: 75%, 124.6 tCO ₂ per invested €1 million

Performance



	1 mth	3 mths	6 mths	12 mths	Year-To-Date	Since Inception
Future Quality Equity	-5,85 %	-5,91 %	-2,60 %	-2,04 %	-2,04 %	9,61 %
Benchmark Index	-7,41 %	-11,81 %	-8,15 %	-6,17 %	-6,17 %	10,31 %

Top Holdings

1,83 % Eli Lilly & Co	1,57 % Clorox Co/The
1,61 % Procter & Gamble Co	1,57 % Whitbread Plc
1,61 % Pfizer Inc	1,56 % Hormel Foods Corp
1,60 % McCormick & Co Inc/Md	1,55 % Hershey Co/The
1,57 % Mcdonald'S Corp	1,53 % Wal-Mart Stores Inc

Investment Strategy

The investment basket invests in equities and equity-related securities worldwide. The investment basket may use fixed income investments only for cash management.

The investment basket has a benchmark index to which the return of the investment basket is compared. The benchmark index is a combination of the following indices: STOXX Europe 600 (55%) and STOXX America 600 (45%). The objective of the investment basket is to outperform the benchmark index in the long run. The proportion of equity-related securities in the investment basket of the total value of the investment basket may vary between 75% and 125%.

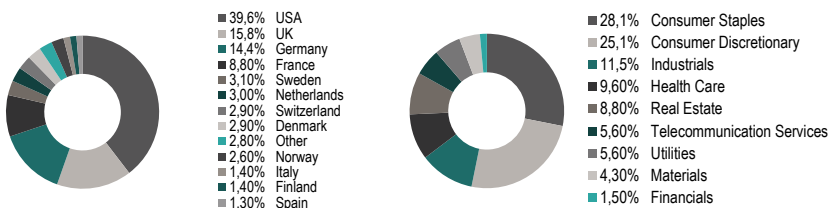
Investment Manager's Review

The equity markets fell dramatically in December. Behind the plummet were investors' fears of stalling global economic growth and the slowing of companies' earnings growth. The Fed raised its key interest rate, as expected, but its guidance on further interest rate hikes in 2019 was a slight disappointment to the markets, which expected more moderate guidance. Rumours that Trump, who is disappointed in the Fed's actions, intends to fire Fed President Powell added temporarily to monetary policy uncertainty. In Europe, the EU and Italy reached an agreement on an acceptable budget deficit for Italy, which lowered the interest rate level of Italian government bonds and is essentially a positive thing for the euro zone. On the other hand, the UK parliament's Brexit vote was postponed until January. In January, more information should also be available on the trade policy negotiations.

The investment basket made it through December's market turmoil with fewer losses than the benchmark index, which is typical for investee companies that are more stable than average. The yield difference can be attributed to, above all, the zero weight of the dramatically plummeting financing and technology sectors. On the other hand, investments in consumer sector companies returned somewhat less than the benchmark index. In terms of the whole of 2018, the investment basket's return in a difficult market environment was slightly negative, however clearly better than the benchmark index. The key successes in 2018 included the underweighting of the financial sector, health care sector investments and zero weight in the energy sector.

Net sales growth of +3.2% and earnings growth of +6.3% on average is expected from the investment basket's companies, which would mean more moderate growth figures than the benchmark index's. The valuation level is slightly higher than the benchmark index. We consider companies that are sustainable and more stable than average to be attractive investments in the current environment with its stronger-than-average price volatility. In our view, the key risks include the weaker-than-expected global economic growth rate, trade and geopolitical shocks and the tightening of the Fed's monetary policy at a faster rate than market expectations.

Investment Basket Allocation



Geographic Allocation

Sector Allocation

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.

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