

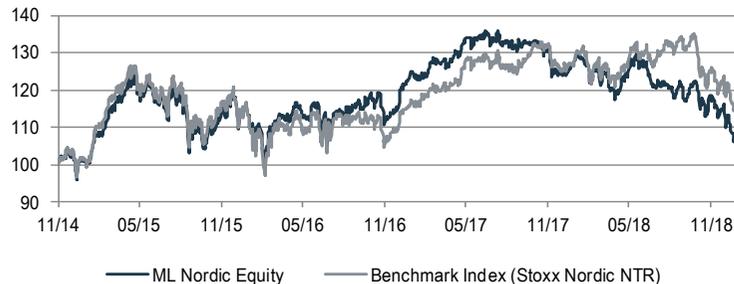
# Nordic Equity

Investment Basket Monthly Review 31 December 2018

## Investment Basket Facts

Name	Mandatum Life Nordic Equity
Inception Date	4.11.2014
Investment Manager	Mandatum Life
Management Fee p.a.	1.2%
Carbon Footprint compared to benchmark index	2018: 119%, 113.5 tCO <sub>2</sub> per invested €1 million 2017: 117%, 107.1 tCO <sub>2</sub> per invested €1 million

## Performance



	1 mth	3 mths	6 mths	12 mths	Year-To-Date	Since Inception
<b>Nordic Equity</b>	-6,07 %	-11,58 %	-11,10 %	-14,60 %	-14,60 %	8,01 %
<b>Benchmark index</b>	-4,09 %	-12,82 %	-8,20 %	-7,37 %	-7,37 %	17,19 %

## Top Holdings

9,03 %	Novo Nordisk A/S - B	2,86 %	Equinor ASA
3,57 %	Orion Oyj - B	2,80 %	Telefonaktiebolaget LM Ericsson
3,43 %	Kone Oyj - B	2,73 %	UPM-Kymmene OYJ
3,15 %	Hennes & Mauritz AB - B	2,71 %	Sw edbank Ab - A
2,94 %	Vestas Wind Systems A/S		

## Investment Strategy

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

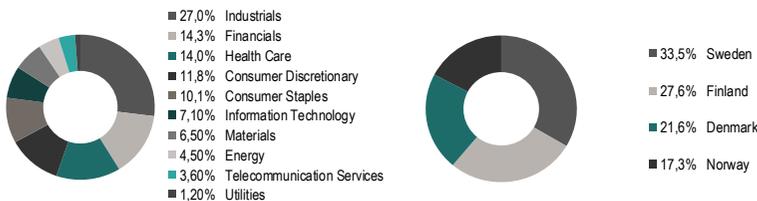
The investment basket has a benchmark index to which the return of the investment basket is compared. The benchmark index is Stoxx Nordic NTR. The long-term objective of the investment basket is to outperform the development of the benchmark index. The benchmark index can be outperformed by investing in selected companies based on a fundamental analysis. 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

ML Europe Equity fell by -6.07% in December while the benchmark index fell by -4.09%. Since inception, the investment basket's return has been +8.01%.

The fall in the equity markets that began in August continued in December. Market concerns were unchanged: the trade war, the emerging market situation and the Fed's interest rate hikes. Besides, the current focus is solely on concerns with no-one pointing out any positive aspects. In our earlier comments we have marvelled at the growth, momentum and continued success of US equities. We have not previously held concerns about the incredibly high valuation levels of these companies. During the fourth quarter, the situation changed and massive stock price plummets occurred across the board. Companies' excellent earnings have received very little attention. The earnings of US companies have risen by more than +20% (half of the tax cut) and European companies' earnings by +10% year-on-year. It is understandable that companies' expectations for the remainder of the year will be moderate due to the threat of a trade war. In November, we met with the managements of several dozens of companies we own. The message concerning the companies' earnings performance and outlook is far more positive than their stock prices imply. The markets' valuation has declined to an attractive level, and what we need now is news that will improve market sentiment.

## Investment Basket Allocation



### Sector Allocation

### Geographic 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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