

Review 28.9.2018

Investment Basket Basic Information

Name	Mandatum Life Pension
Inception date	1.9.2016
Investment manager	Mandatum Life
Management fee p.a.	0.8%
Assets under management (EUR million)	212.4

Investment Strategy

Mandatum Life Pension investment basket is a combination strategy and a cost-effective overall solution made for pension client's needs. The investment basket's objective is to exceed the fixed income investment return in the long run, with a lower risk level than what the equity markets hold.

We believe in investing with a life-long horizon. Pension investor should take long market view into account. ML Pension takes advantage of our long experience in pension investing and our access to special investments together with the Sampo Group. ML Pension takes into account for example the future megatrends, such as responsibility.

Unit Value

	Q1	Q2	Q3	Q4	Year
2018	-1.82%	1.61%	1.40%		
2017	3.08%	0.39%	0.75%	0.81%	5.10%
2016	-	-	*0.08%	1.46%	1.54%

*Inception date 1.9.2016



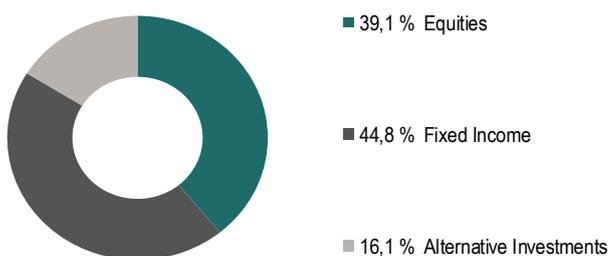
Investment Manager's Review

Investment markets around the world continued to rise in the third quarter of the year. Mandatum Life Pension increased in value during the period by +1.4% after management fees. The investment basket's assets totalled EUR 212.4 million at the end of the period. In equity investments, the overweight in European and Nordic equities and, correspondingly, the underweight in US equities were continued. In US equities, the valuation levels exceed the long-term average, and technology companies' role as drivers of the entire equity market is over-emphasised. Earnings forecasts primed to high levels may lead to disappointment. At the end of the period, the weight of emerging market equities was raised to neutral. The strengthening of the dollar and weakening of the Chinese yuan and other emerging market currencies calmed down during the early autumn. In fixed income investments, Nordic corporate bonds remain overweight, and the interest rate risk measured in duration was lower than the general fixed income market. Caution was again used in making new fixed income investments, and the share of money market investments is higher than normal. The share of US-dollar-denominated fixed income investments in the portfolio was reduced during the period, as the dollar's hedging cost continued to rise. In alternative investments, the focus is on European direct debt investments, which, in the current interest environment, have attractive return levels. We made new investment commitments during the period, mainly in commercial properties in Finland. The asset-class-specific return contribution for the third quarter of 2018 was as follows: equity investments +1.1%, fixed income +0.2% and alternative investments +0.1%.

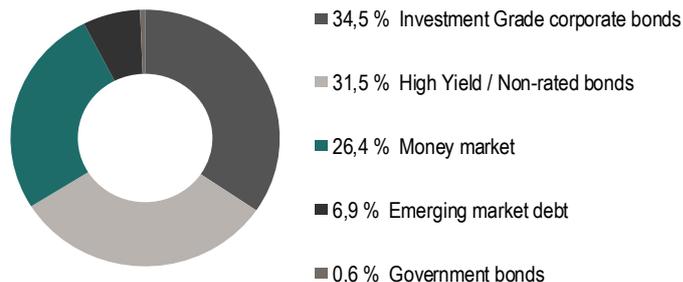
Increased trade policy tensions have led to growing concern over rising global trade friction costs and a slow-down in economic growth activity outside the US. The interest rate level in the US has continued to rise, thanks to the good economic momentum, which places increased pressure on the valuation levels of equity investments. Despite stricter monetary policy, global economic growth is expected to retain its upward trend, and companies' earnings growth rate is expected to remain good, which will maintain the markets' positive underlying mood.

Global economic growth is expected to remain positive over the next 12 months. In the US, the risk of a recession, measured by the interest rate differential, remains low, although there are some late-cycle signs. Earnings growth for Western companies is expected to exceed the long-term average, and if realised, this will create favourable conditions for a continued rise in stock prices. Earnings expectations for emerging market companies have been downgraded this year, reflecting the negative impacts of trade policy. Central banks' contractionary monetary policy is, however, expected to keep price volatility in the capital markets at a high level and put pressure on the valuation levels of investments. The return expectations for alternative investments clearly exceed the return on liquid fixed income investments.

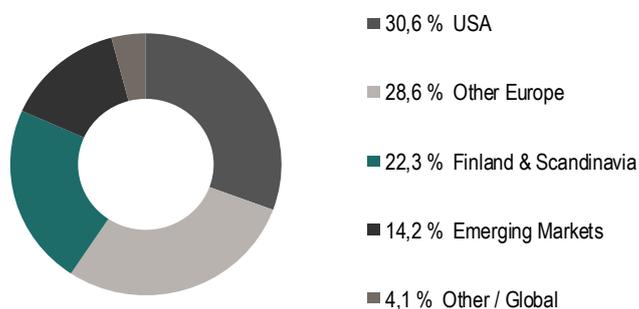
Allocation by Asset Class



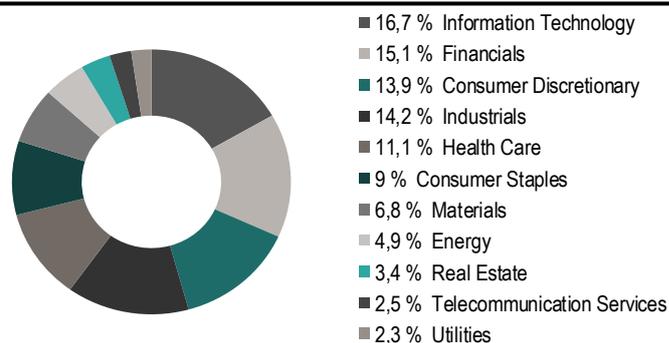
Fixed Income Allocation by Investment Class



Geographic Equity Distribution



Equity Industry Allocation



Top Holdings

Weight	Investment	3 month change (EUR)	Currency
15.99%	Mandatum Life Fixed Income Portfolio Abs	1.08%	EUR
14.63%	Mandatum Life Money Abs	0.05%	EUR
6.70%	Amundi Index Equity Global Low Carbon Fund	5.52%	EUR
5.51%	Mandatum Life Alternative Mandate 2016	-	EUR
5.23%	Mandatum Life Alternative Mandate 2017	-	EUR
4.63%	Mandatum Life Alternative Investments	1.51%	EUR
4.52%	iShares Core S&P 500 ETF	7.21%	USD
4.51%	Mercer Passive Emerging Markets Equity Fund	-0.87%	EUR
4.25%	Mandatum Life European Small & Mid Cap Equity Fund	-3.75%	EUR
3.86%	Mercer Sustainable Global Equity Fund	5.07%	EUR

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.

Mandatum Life Insurance Company Limited. Postal address: PO Box 627, 00101 Helsinki. Registered office and address Bulevardi 56, 00120 Helsinki, Finland. Business ID 0641130-2. www.mandatumlife.fi