

ML Allocation 50

March 2019

Investment Strategy

The Allocation 50 strategy is for an investor who is looking for an efficient combination of both fixed income and equity investments. The assets are equally allocated between safer fixed income investments and high-risk asset classes, both making an average of 50 per cent in the long run. The proportion of high-risk investments may vary between 30 and 70 per cent according to market situation.

Investment Manager's Review

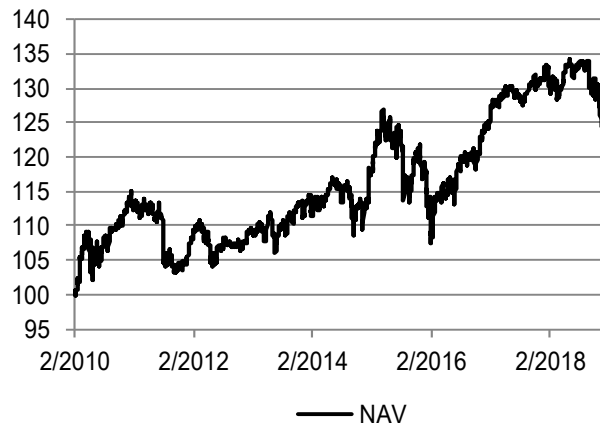
Return of the ML Allocation 50 was +0.94% in March and +3.85% for the last 12 months.

During March, we have gradually increased the equity weight. Over the past six months, companies' earnings forecasts have been adjusted clearly downwards but the fall in forecasts is now ceasing. Driving this is especially the levelling out of US tech companies' earnings forecasts and their coming to rest at a more realistic level. The earnings power of the oil sector has stabilised with the decline in the oil price coming to a halt due to the picking up of Asian demand. The equity weight was raised by growing the weight of the US equity markets in the portfolios.

In fixed income investments, the focus is on Nordic corporate bonds, in which we still see good return potential. We have also slightly increased continental European corporate bonds. In addition, we sold the US long-duration government bonds purchased in January/February. The interest rate risk of fixed income investments, measured by duration, has remained more moderate than the market index.

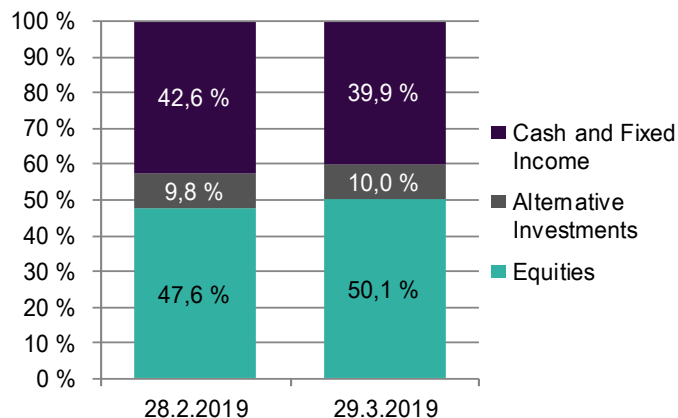
Building the portfolio has proceeded according to plan and alternative investments have mitigated the price volatility of the investment portfolios, as we expected them to. The degree of investment was approximately 80% at the end of March. We did not make any new investments in March.

Equity Weight and Performance



Value	1 mth	3 mths	12 mths	Year-to-Date	Since Founded
133,66	0,94 %	6,55 %	3,85 %	6,55 %	33,66 %

Investment Allocation by Asset Class



Alternative investments consist of commodities and convertible bonds. They are intended to improve risk-corrected return as equity and alternative investment prices typically have a low correlation.

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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Top Holdings

16,6 %	Mandatum Life Fixed Income Portfolio Abs
10,0 %	Mandatum Life Alternative Investments
8,1 %	Mandatum Life Money Abs
6,3 %	MGI Global Equity Fund
5,1 %	MGI Eurozone Equity Fund
5,0 %	Amundi Index Equity Global Low Carbon Fund
4,6 %	Mandatum Life European Small & Mid Cap
3,9 %	Mandatum Life Nordic High Yield Total Return Fund
3,8 %	Mercer Sustainable Global Equity Fund
3,8 %	MGI Emerging Markets Equity Fund

ML Allocation 50 total fees: 1,37 % p.a.*

*Calculated the previous calendar year's fees including management and custody fees, as well as account handling fees and other bank fees that are deducted from the investment basket's capital. Updated annually.

ML Fixed Income Portfolio Abs is an actively managed investment basket investing in fixed income markets. The basket aims to produce stable return.

ML Money Abs is a low risk investment basket with wide diversification. The basket invests in money markets.

Alternative Investments include among others unlisted bonds and real estate investments with a broad international diversification.

MGI Global Equity Fund is an active fund investing in the global markets

MGI Eurozone Equity Fund is an active fund investing in the European markets.

ML European Small & Mid Cap is an actively managed investment basket investing in European Small & Mid Cap companies. The basket aims to beat its benchmark index in the long term.

Amundi Index Equity Low Carbon Fund invests in the global stock markets with emphasis on the low carbon footprint companies.

ML Nordic High Yield Total Return Fund is an actively managed investment fund investing in corporate bonds issued by Nordic high yield companies. The fund aims to produce stable return.

Mercer Sustainable Global Equity Fund invests globally and concentrates on the sustainable investments.

Mercer Passive Emerging Markets Equity Fund invests in emerging equity markets.