

Investment Portfolio Market Risks

In Sampo Group, performance and market risks related to investment portfolios are mostly straightforward to analyze and manage, because Group applies mark-to-market procedures to most of its investments and only seldom are there instruments that require mark-to-model procedures.

In addition to investment portfolio market risks, the companies' balance sheets are also exposed to market and liquidity risks. These balance sheet level risks are defined as ALM risks and they are covered later in the

section [ALM risks](#). The ALM risks at the balance sheet level are taken into account when investment portfolio allocations are designed and related limits and restrictions are defined.

Risk definitions related to investment portfolio market risks may be found in [Appendix 2 \(Risk Definitions\)](#). Principles of Investment Portfolio Management can be found in [Appendix 3 \(Principles of Investment Portfolio Management\)](#).