

Mandatum Life SICAV-SIF

Finland Equity Fund

Monthly Review 31.1.2017

Fund Facts

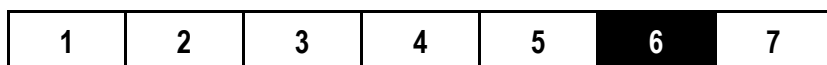
Name	Mandatum Life SICAV-SIF Finland Equity Fund
Inception Date	31.10.2014
Investment Manager	Mandatum Life
Base Currency	EUR
Benchmark Index	OMX Helsinki Benchmark Capped GI (31.10.2014 - 7.6.2016) OMX Helsinki Cap GI Index)

Investment Strategy

Mandatum Life SICAV-SIF Finland Equity Fund offers the opportunity to invest diversely in Finnish equity markets.

The fund aims to achieve capital appreciation in the long run by investing in shares and equity-related securities of Finnish companies. A return in excess of the benchmark index is sought by investing in selected companies based on careful analysis. The benchmark index for the fund is the OMX Helsinki Benchmark Capped GI. The fund has discretion in its choices of investments within its investment objectives and policies.

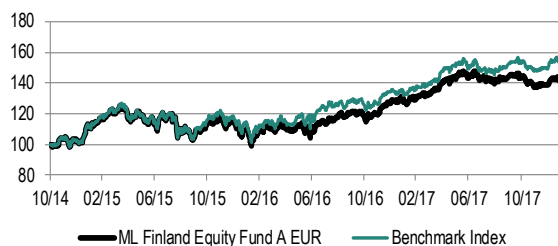
Risk and Reward Profile*



Lower risk ← Higher risk
Typically lower return ← Typically higher return

*The fund's risk category has been calculated using past performance of the fund's investment-policy-based portfolio.

Performance



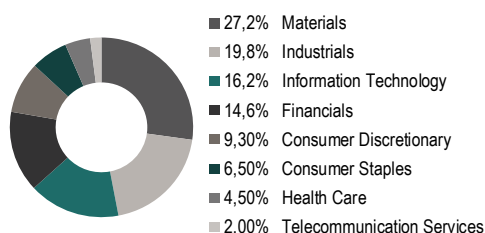
Top 10 Holdings

9,11 %	Sampo Oyj A	3,69 %	Amer Sports Oyj - A
9,03 %	Nokia Oyj	3,54 %	Nordea Bank Ab
8,87 %	Stora Enso Oyj - R	3,29 %	Valmet Corp
7,18 %	Upm-Kymmene Oyj	3,27 %	Caverion Oyj
4,20 %	Uponor Oyj	3,10 %	Tokmanni Group Oyj

	Share class	Bloomberg Ticker	ISIN Code	1 mth	3 mths	6 mths	12 mths	2018	Since Inception	Inception Date
Finland Equity Fund	A EUR	MLFINAE LX Equity	LU1112753519	2,18 %	-0,94 %	-0,33 %	11,41 %	2,18 %	41,67 %	31.10.2014
Benchmark Index	-	-	-	2,63 %	0,45 %	4,07 %	16,12 %	2,63 %	53,30 %	(31.10.2014)

Portfolio P/E	Portfolio P/B	EPS Growth	Dividend Yield	Fund AUM (EUR million)
15.8	2.2	8.0%	4.0%	36.2

Fund Composition



Sector Allocation

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Investment Manager's Review

The stock market started the year with the same positive tone it had last year. In the US the S&P 500 had its 15th monthly rise in a row and the strongest return during this period, growing +5.7% in January. The euro appreciated 3.4% in January against the US Dollar, so in euro terms S&P 500's performance was circa 2.3%. The European market had a positive month as well, with Stoxx 600 rising +1.7%. The Finnish stock market had a strong month as well, returning 2.6% in January. In January the ML Finland Equity Fund rose 2.18%.

Reporting season started fairly well in Finland. Some pre-announcements were made at the beginning of January. The pre-announcement news worth noting were the ones with information supporting the Finnish economy. Finnish retailers, textile producer Marimekko and the online retailer Verkkokauppa.com, gave positive pre-announcements due to a strong Christmas season. Only a dozen of companies had reported by the end of the month. On the weaker side were Nordea and especially steel producer Outokumpu. Elevator producer Kone, construction company YIT and capital goods company Wärtsilä reported okay results. Tele operators Telia and Elisa had a positive reaction as had the forest & paper company UPM.

During January, the best performers in the fund were Raisio, Caverion, Terveystalo and Valmet, which all had double digit returns. Caverion and Valmet are in our top 10 positions in the portfolio so they were among best contributors to the fund's performance together with forest & paper companies Stora Enso and UPM, which continually deliver good performances. The worst performers were Outokumpu, due to weak result, and paint producer Tikkurila, which gave a profit warning. Both declined circa 10% during January and were half of the reason for the fund's underperformance versus its index. The other half came from a few underweight positions in some well performing index members, electricity company Fortum and tyre manufacturer Nokian Tyres.

Earnings estimates for Finnish companies have been on a rising trend for 2018. Earnings growth estimates for 2018 in Finland are now a little over 6%. The P/E ratio for 2018 is below 17x and dividend yield comfortably over 4%. The earnings season has had a decent start. Finland has finally achieved a nicely growing domestic economy after a long wait. This together with the support from the global and European economies mean that Finnish companies are well positioned for rest of the year.

This fund review does not constitute a recommendation to subscribe for or redeem units in the fund. In compiling the fund 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 fund'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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