

Mandatum Life SICAV-SIF

European Small & Mid Cap Equity Fund

Monthly Review 29.3.2018

Fund Facts

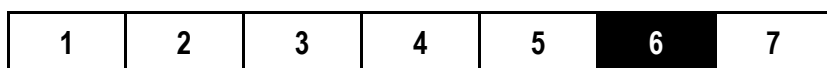
Name	Mandatum Life SICAV-SIF European Small & Mid Cap Equity Fund
Inception Date	28.5.2015
Investment Manager	Mandatum Life
Base Currency	EUR
Benchmark Index	Stoxx Europe Small 200 NTR

Investment Strategy

Mandatum Life SICAV-SIF European Small & Mid Cap Equity Fund offers the opportunity to invest diversely in European equity markets.

The fund aims to achieve capital appreciation in the long run by investing in shares and equity-related securities of European 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 Stoxx Europe Small 200 NTR. The fund has discretion in its choices of investments within its investment objectives and policies.

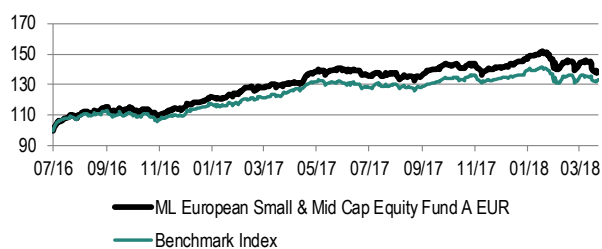
Risk and Reward Profile*



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



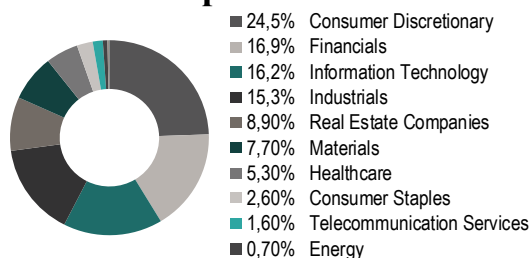
Top 10 Holdings

3,99 % Medios Ag	2,18 % Corestate Capital Holding Sa
3,25 % Burford Capital Ltd	2,10 % Grand City Properties Sa
2,38 % Aurelius Ag	2,06 % Aroundtown Property Holdings Plc
2,35 % Teleperformance Sa	2,03 % Morphosys Ag
2,19 % Indivior Plc	2,03 % Snp Schneider-Neureither & Partner Ag

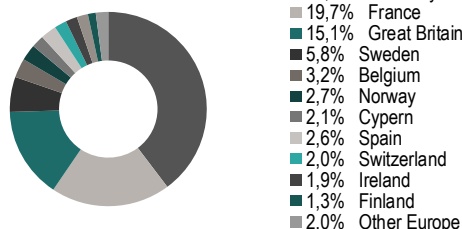
	Share class	Bloomberg Ticker	ISIN Code	1 mth	3 mths	6 mths	12 mths	2018	Since Inception	Inception Date
European Small & Mid Cap Equity Fund	A EUR	MLESMAE LX Equity	LU1112755563	-4,48 %	-4,88 %	-2,73 %	5,86 %	-4,88 %	38,25 %	7.7.2016
	B EUR	MLESMBE LX Equity	LU1112755993	-4,37 %	-4,46 %	-2,42 %	6,40 %	-4,46 %	21,30 %	15.12.2015
	C EUR	MLESMCE LX Equity	LU1112756371	-4,34 %	-4,41 %	-2,32 %	6,71 %	-4,41 %	19,23 %	28.5.2015
Benchmark Index	-	-	-	-1,43 %	-2,43 %	-0,24 %	6,74 %	-2,43 %	33,26 %	(7.7.2016)

Portfolio P/E	EPS Growth	Company Market Cap (EUR billion)	Dividend Yield	Fund AUM (EUR million)
14.9	9.7%	1.7	3.0%	64.4

Fund Composition



Sector Allocation



Geographic Allocation

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Investment Manager's Review

The stock prices of European SMEs fell once again in March. ML European Small & Mid Cap Equity fund fell -4.5% while the investment basket's benchmark index declined -1.4%. Since inception, the investment basket's return has been +38.3% and the benchmark's +33.3%.

The weak start to the year continued. In the US, Trump's talk of import duties and the downward pressure in the technology sector caused by Facebook dampened global stock prices. Fundamentals in companies and the economy have not, however, changed much. The earnings season was fairly successful, and companies were predictably conservative when it came to their 2018 guidance. Despite the market decline, Burford Capital and Smurfit Kappa rose nicely.

The largest sector weights in the investment fund are consumer discretionary and financials. The largest country exposures are Germany and France. The ML European Small & Mid Cap Equity Fund has a median P/E of 14.9x, a dividend yield of 3.0% and an earnings-growth expectation of around +10%. The investment fund is made up of the stocks of around 80 companies, with an average company size of approximately EUR 1.7 billion.

Many investors have been waiting for a course correction from the markets to increase their equity exposure. Over the past six years, all cases of market nervousness have provided excellent opportunities to increase small & mid cap exposure. We believe these companies will grow faster than large caps and offer investors a better return in the long run.

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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