

# Mandatum Life SICAV-SIF

## European Small & Mid Cap Equity Fund

### Monthly Review 29.6.2018

#### Fund Facts

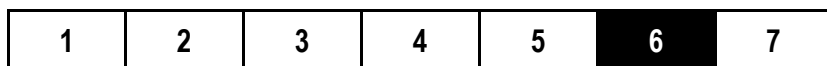
<b>Name</b>	Mandatum Life SICAV-SIF European Small & Mid Cap Equity Fund
<b>Inception Date</b>	28.5.2015
<b>Investment Manager</b>	Mandatum Life
<b>Base Currency</b>	EUR
<b>Benchmark Index</b>	Stoxx Europe Small 200 NTR

#### 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.

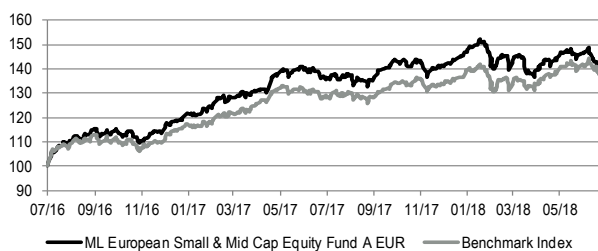
#### Risk and Reward Profile\*



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

4,16 %	Medios Ag	2,26 %	Aroundtown Property Holdings Plc
3,45 %	Burford Capital Ltd	2,16 %	Aurelius Ag
2,75 %	Teleperformance Sa	1,96 %	Aumann Ag
2,37 %	Morphosys Ag	1,93 %	Indivior Plc
2,32 %	Grand City Properties Sa	1,91 %	Corestate Capital Holding Sa

	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	-3,21 %	1,61 %	-3,35 %	2,80 %	-3,35 %	40,47 %	7.7.2016
	B EUR	MLESMBE LX Equity	LU1112755993	-3,16 %	1,77 %	-2,77 %	3,47 %	-2,77 %	23,45 %	15.12.2015
	C EUR	MLESMCE LX Equity	LU1112756371	-3,15 %	1,82 %	-2,67 %	3,67 %	-2,67 %	21,40 %	28.5.2015
Benchmark Index	-	-	-	-0,51 %	4,02 %	1,50 %	8,40 %	1,50 %	38,62 %	(7.7.2016)

#### Portfolio P/E

14.5

#### EPS Growth

12.6%

#### Company Market Cap (EUR billion)

1.8

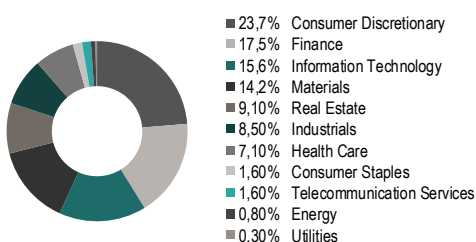
#### Dividend Yield

2.8%

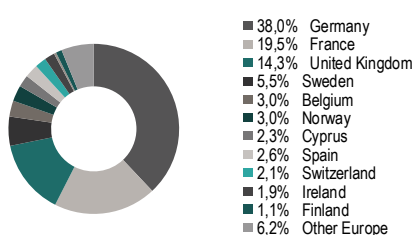
#### Fund AUM (EUR million)

67,4

#### Fund Composition



#### Sector Allocation



#### Geographic Allocation

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#### Investment Manager's Review

The stock prices of European SMEs rose slightly in May. ML European Small & Mid Cap Equity Fund fell -3.21% while the fund's benchmark index returned -0.51%. Since inception, the investment fund's return has been +40.47% and the benchmark's +38.62%.

After a somewhat calmer April, price volatility strengthened on the markets in May. Over the first three weeks the markets rose steadily, driven by the earnings season. In the final week of the month, Italy's elections and the resulting government negotiations caused market nervousness – a reminder of the commotion in Spain and Greece last year. In our view, there is no need to panic; the course correction offers an opportunity to buy more equities. We have increased the weight of Italian companies during the political nervousness. Investors should bear in mind that the location of companies' headquarters and their business are not the same thing. In Europe, the markets' valuation level is attractive, the PE ratio is close to 13.5x and the depreciation of the euro will prove helpful. The best-performing stocks in May were Stemmer, Aumann, Puma and Siegfried.

The largest sector weights in 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 14.5x, a dividend yield of 2.8% and an earnings-growth expectation of around +12%. 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.

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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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