

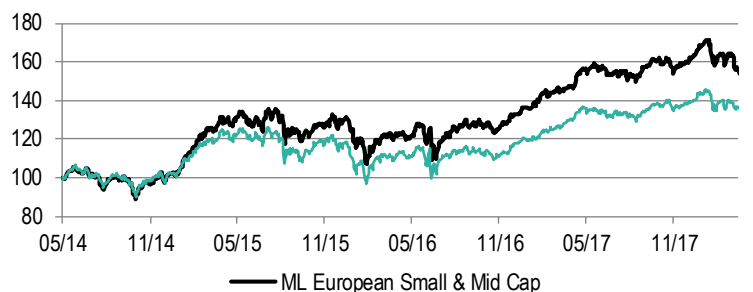
European Small & Mid Cap

Investment Basket Monthly Review 30.4.2018

Investment Basket Facts

Name	Mandatum Life European Small & Mid Cap
Inception Date	15.5.2014
Investment Manager	Mandatum Life
Management Fee p.a.	1.5%
Carbon Footprint compared to benchmark index	2017: 45%, 112.6 tCO ₂ per invested €1 million 2016: 27%, 74.5 tCO ₂ per invested €1 million

Performance



	1 mth	3 mths	6 mths	12 mths	Year-To-Date	Since Inception
European Small & Mid Cap	3,56 %	-4,34 %	0,10 %	5,19 %	-1,34 %	61,64 %
Benchmark index	3,28 %	-1,19 %	1,40 %	5,50 %	0,78 %	41,51 %

Top Holdings

4,03 %	Medios Ag	2,27 %	Snp Schneider-Neureither & Partner Ag
3,50 %	Burford Capital Ltd	2,24 %	Aroundtown Property Holdings Plc
2,70 %	Aurelius Ag	2,15 %	Playtech Plc
2,46 %	Indivior Plc	2,12 %	Morphosys Ag
2,40 %	Teleperformance Sa	2,03 %	Smurfit Kappa Group Plc

Investment Strategy

The investment basket invests in European small and mid cap equities and equity-related securities. The investment basket may use fixed income investments only for cash management.

The investment basket has a benchmark index to which the return of the investment basket is compared. The benchmark index is STOXX Europe Small 200 NTR. The long-term objective of the investment basket is to outperform the development of the benchmark index. The benchmark index can be outperformed by investing in selected companies based on a fundamental analysis. The proportion of equity-related securities in the investment basket of the total value of the investment basket may vary between 75% and 125%.

Investment Manager's Review

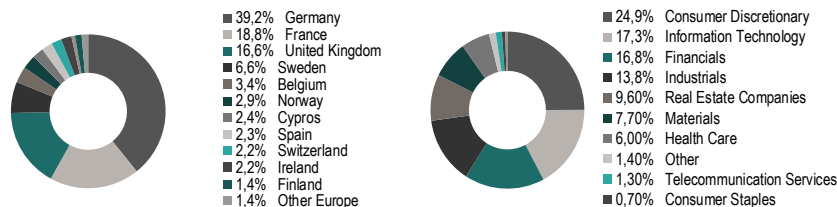
The stock prices of European SMEs rose in April. ML European Small & Mid Cap rose +3.6% while the basket's benchmark index returned +3.3%. Since inception, the investment basket's return has been +61.6% and the benchmark +41.5%.

The strong start-of-year volatility settled down in April and the equity markets recovered. Globally, stock prices are more or less on a par with figures in the early part of the year. In Europe, the economy is growing nicely, companies' earnings are rising, investments have taken off and new jobs are being created. From this viewpoint, we have no reason to worry. In Europe, equity valuation levels are roughly at PE 14x, with a dividend yield of 3.6%. The best-performing stocks in April included Anima, Solutions30 and Borregaard.

The largest sector weights in the investment basket are consumer discretionary and financials. The largest country exposures are Germany and France. The ML European Small & Mid Cap investment basket has a median P/E of 14.9x, a dividend yield of 2.7% and an earnings-growth expectation of around +12%. The investment basket is made up of the stocks of around 80 companies, with the average company size being approximately EUR 1.8 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.

Investment Basket Allocation



Geographic Allocation

Sector Allocation

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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