

# Global Brands

Investment Basket Monthly Review 30 November 2018

## Investment Basket Facts

Name	Mandatum Life Global Brands
Inception Date	27.11.2014
Investment Manager	Mandatum Life
Management Fee p.a.	1.5%
Carbon Footprint compared to benchmark index	2018: 71%, 50.1 tCO <sub>2</sub> per invested €1 million 2017: 74%, 52.1 tCO <sub>2</sub> per invested €1 million

## Performance



	1 mth	3 mths	6 mths	12 mths	Year-To-Date	Since Inception
<b>Global Brands</b>	0,33 %	-3,96 %	-0,45 %	1,71 %	1,32 %	26,71 %
<b>Benchmark Index</b>	1,73 %	-2,44 %	1,39 %	4,52 %	3,05 %	39,98 %

## Top Holdings

5,40 % Amazon.Com Inc	2,84 % Alphabet Inc - A
3,52 % Mcdonald'S Corp	2,81 % Coca-Cola Co/The
3,15 % Unilever Nv - Cva	2,74 % Walt Disney Co/The
3,10 % Nestle Sa	2,73 % Bank Of America Corp
2,86 % Apple Inc	2,62 % Pepsico Inc

## Investment Strategy

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

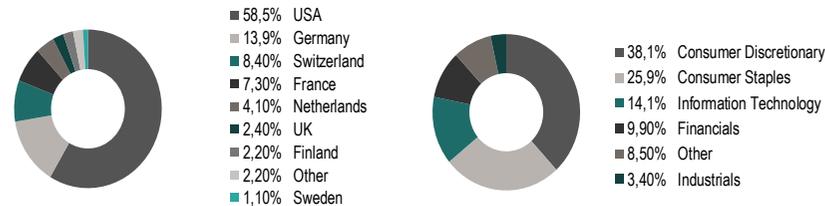
The investment basket has a benchmark index to which the return of the investment basket is compared. The benchmark index is a combination of the following indices: STOXX Global 3000 Consumer Goods NTR (50%) and STOXX Global 3000 Consumer Services NTR (50%). The long-term objective of the investment 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

ML Global Brands rose +0.33% in November. Since its inception in November 2014, the investment basket has yielded +26.71%.

The fall in the equity markets that began in August continued in November. Market concerns were unchanged: the trade war, the emerging market situation, Italy's budget and the Fed's possible interest rate hikes. In our earlier comments we have marveled at the growth, momentum and continued success of US equities. We have not previously held concerns about the incredibly high valuation levels of these companies. During the past two months, the situation changed and growth companies also experienced these self-same plummets in stock price. For example, FANG stocks, loved universally, fell 20–30% from their peaks. Investors should bear in mind that, during steep declines, various ETFs, hedge funds, algorithms and momentum strategies, for example, all sell the same stocks as buyers disappear. The market becomes illiquid and, in the short term, large movements escalate even further. One fine day in the future, investors will enjoy the same phenomenon in the form of added momentum. Companies' excellent earnings have received very little attention. The earnings of US companies have risen by more than 20% (half of the tax cut) and European companies' earnings by 10% year-on-year. It is understandable that companies' expectations for the remainder of the year will be moderate due to the threat of a trade war. In November, we met with the managements of several dozens of companies we own. The message concerning the companies' earnings performance and outlook is far more positive than their stock prices imply. The markets' valuation has declined to an attractive level, and what we need now is news that will improve market sentiment.

## 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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