Mandatum SICAV-UCITS
Société d'investissement à capital variable
53, Boulevard Royal
L-2449 Luxembourg
R.C.S. Luxembourg B 225330
(the "**Company**")

NOTICE TO SHAREHOLDERS OF SUB-FUNDS

MANDATUM SICAV-UCITS – MANDATUM EUROPEAN SMALL & MIDCAP EQUITY FUND

AND

MANDATUM SICAV-UCITS – MANDATUM STAMINA EQUITY FUND

Luxembourg, 5 September 2024

Re: Merger of sub-fund Mandatum SICAV-UCITS – Mandatum European Small & Midcap Equity Fund into sub-fund Mandatum SICAV-UCITS – Mandatum Stamina Equity Fund of the Company (the "Merger")

Dear Shareholder,

This notice contains important information related to your holding in sub-fund Mandatum SICAV-UCITS – Mandatum European Small & Midcap Equity Fund or sub-fund Mandatum SICAV-UCITS – Mandatum Stamina Equity Fund. It is important that you review the below carefully and take such measures as you deem necessary within the given timeframes.

Terms not defined in this Notice shall have the meaning given to them in the prospectus of the Company which is currently in force (the "**Prospectus**").

For the reasons set out below, the board of directors of the Company (the "**Board of Directors**") decided to merge sub-fund Mandatum SICAV-UCITS – Mandatum European Small & Midcap Equity Fund (the "**Merging Sub-Fund**") into sub-fund Mandatum SICAV-UCITS – Mandatum Stamina Equity Fund (the "**Receiving Sub-Fund**"), another sub-fund of the Company.

The Merger will be effected by way of a merger by absorption in accordance with article 1 (20)(a) of the Luxembourg law of 10 December 2010 on undertakings for collective investment, as amended (the "**Law of 2010**"), whereby the assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund. The Merger is expected to enter into force on 15 October 2024 (the "**Effective Date**").

The Merger will lead to the termination of the Merging Sub-Fund on the Effective Date.

As a consequence of the transfer of assets and liability from the Merging Sub-Fund into the Receiving Sub-Fund and thus combining both portfolios in one product,

- the shareholders of the Merging Sub-Fund will be exposed to any increase or decrease of the value of the assets of the Receiving Sub-Fund; and
- the shareholders of the Receiving Sub-Fund will participate in any increase of decrease of the value of the assets transferred from the Merging Sub-Fund.

However, the board of directors of the Company (the "**Board of Directors**") would like to clarify that the Merger will neither result in any changes to the risk profile of the Receiving Sub-Fund nor will it cause any significant economic changes for the shareholders. In particular, the Board of Directors does not expect the Merger to result in a possible dilution of the performance of the Merging Sub-Fund or the Receiving Sub-Fund.

1. Background and rationale of the Merger

The Board of Directors believes that the Merger will be in the best interest of the shareholders of the Merging Sub-Fund and of the Receiving Sub-Fund as it increases the assets under management of the Receiving Sub-Fund and thus reduces the costs per share of the overall management of both sub-funds.

By focusing investment management resources on a single product, the investment manager can enhance the activities necessary for successful investments in order to improve the performance and to manage the Receiving Sub-Fund (together with the Merging Sub-Fund after the Merger) more efficiently.

2. Terms of the Merger

Information about the differences (if any) between the Receiving Sub-Fund and the Merging Sub-Fund are detailed below:

	Merging Sub-Fund	*Receiving Sub-Fund*
Investment manager	Mandatum Asset Management Ltd[1]	
Base Currency	EUR	
Financial Year	1 January – 31 December	
Reporting	The audited annual report of the Company will be available free of charge within four months after the end of the financial year of the Company. Unaudited semi-annual reports are issued withing two months of the end of the period they cover.	
Income	All share classes of the Merging Entities are capitalisation shares.	
Investor Profile	Investors who understand the risks of the Merging Sub-Fund and plan to invest for at least five (5) years. The Merging Sub-Fund may appeal to investors who: • Are looking for long-term investment growth; • Are interested in exposure to developed equity markets, either for a core investment or for diversification; • Have a high risk profile and can tolerate significant temporary losses.	
Investment objective, restriction and strategy	The overall objective of the Merging Sub-Fund is to increase the value of the investment, and to outperform the benchmark, over the long term, while considering environmental, social or governance (ESG) factors. Benchmark is STOXX Europe Small 200 TR EUR Index, an index that does not take into account ESG factors. Such benchmark is used for determining financial outperformance and calculation the performance fee. The Merging Sub-Fund mainly invests in equities of small- and mid-capitalisation companies in European	The overall objective of the Receiving Sub-Fund is to increase the value of the investment~~, and to outperform the benchmark,~~ over the long term, while considering environmental, social or governance (ESG) factors. ~~Benchmark is STOXX Europe Small 200 TR EUR Index, an index that does not take into account ESG factors. Such benchmark is used for determining financial outperformance and calculation the performance fee.~~The Receiving Sub-Fund does not have a benchmark. The Receiving Sub-Fund mainly invests in equities of ~~small- and mid-capitalisation~~ companies of any market capitalisation in European developed

[1] As regards the termination of the sub-investment management agreement with Fourton Oy concerning the Receiving Sub-Fund, please see section 6. below.

	markets. Specifically, the Merging Sub-Fund invests at least 75% of net assets in equities and equity-linked securities of companies whose market capitalisation is typically less than EUR 10 billion. The Merging Sub-Fund limits its equity exposure to 125% of net assets. The Merging Sub-Fund may invest up to 10% of net assets in UCITS/UCIs, including ETF. The Merging Sub-Fund may also invest in debt securities and money market instruments, for liquidity management only. Non-EUR investments may or may not be hedged to EUR. The Merging Sub-Fund may use derivatives for reducing risks (hedging) and costs, and to seek additional income or growth, and intends to use core derivatives only. The Merging Sub-Fund does neither use total return swaps, repurchase nor reverse repurchase transactions. Up to 25% of the net assets of the Merging Sub-Fund may be subject to securities lending transactions, with a maximum of up to 40%. In actively managing the Merging Sub-Fund, the investment manager combines market and fundamental analysis to select investments that appear to offer superior growth prospects (bottom-up approach). The portfolio is not benchmark-constrained and its performance may deviate significantly from that of the benchmark.	markets. Specifically, the Receiving Sub-Fund invests at least 75% of net assets in equities and ~~equity-linked~~ equity-related securities of companies ~~whose market capitalisation is typically less than EUR 10 billion~~ of any market capitalisation that are located, or do most of their business, in Western European, Central European, Southern European or Nordic countries. The Receiving Sub-Fund limits its equity exposure to ~~125~~100% of net assets. The Receiving Sub-Fund may invest up to 10% to net assets in UCITS/UCIs, including ETFs. The Receiving Sub-Fund may ~~also~~ invest in debt securities and money market instruments, for liquidity management only. Non-EUR investments may or may not be hedged to EUR. The Receiving Sub-Fund may use derivatives for reducing risks (hedging) and costs, and to seek additional income or growth, and intends to use core derivatives only. The Receiving Sub-Fund does neither use total return swaps, repurchase nor reverse repurchase transactions. Up to 25% of the net assets of the Receiving Sub-Fund may be subject to securities lending transactions, with a maximum of up to 40%. In actively managing the Receiving Sub-Fund, the investment manager combines market and fundamental analysis to select ~~investments that appear to offer superior growth prospects (bottom-up approach). The portfolio is not benchmark-constrained and its performance may deviate significantly from that of the benchmark~~ a concentrated portfolio of approximately 35 high quality companies that appear to offer a comparatively high profitability and sustainable earnings growth (top-down and bottom-up approach).

	The investment manager integrates ESG criteria factors as a core element of its strategy. In particular, the investment manager assesses potential investments based on UN Global Compact principles, such as climate action, health and decent work, and excludes or restricts certain sectors, such as controversial weapons, fossil fuels, gambling and tobacco. The sustainable investments of the Merging Sub-Fund do not align the Taxonomy Regulation criteria. The Merging Sub-Fund adheres to Mandatum's responsible investment policy. The Merging Sub-Fund qualifies as an article 8 financial product under SFDR, but will not make any sustainable investments.	The investment manager integrates ESG criteria factors as a core element of its strategy. In particular, the investment manager assesses potential investments based on UN Global Compact principles, such as climate action, health and decent work, and excludes or restricts certain sectors, such as controversial weapons, fossil fuels, gambling and tobacco. The sustainable investments of the Merging Sub-Fund do not align the Taxonomy Regulation criteria. The Merging Sub-Fund adheres to Mandatum's responsible investment policy. The Receiving Sub-Fund qualifies as an article 8 financial product under SFDR, but will not make any sustainable investments.
Global Exposure	The global exposure is calculated using the commitment approach. The exposure of a sub-fund through financial derivative instruments does not exceed 100% of the total net assets and that its total exposure does not exceed 210% of total net assets.	
Subscriptions and Redemptions	Requests to buy and sell shares which are received and accepted by the transfer agent by 2:00 p.m. CET on any day that is a banking day in Luxembourg and Finland are ordinarily processed the following business day at the net asset value calculated using market values from the day the request was accepted. Settlement typically occurs two business days after a request has been accepted.	
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No recalibration of adjustment of the portfolio of the Merging Sub-Fund is necessary prior to the Merger.

<u>Share Classes</u>

Shareholders of the Merging Sub-Fund will receive the following classes of shares in the Receiving Sub-Fund:

Class in the Merging Sub-Fund	*Class in the Receiving Sub-Fund*
F1 EUR Cap Perf	F1 EUR Cap Perf
F2 EUR Cap Perf	F2 EUR Cap Perf
FS I EUR Cap	FS I EUR Cap
S1 EUR cap	S1 EUR Cap
S3 EUR Cap	S3 EUR Cap

Share class S3 EUR Cap of the Receiving Sub-Fund will be launched on the Effective Date with an initial issue price per share which corresponds to the net asset value per share of share class S3 EUR Cap of the Merging Sub-Fund on the Effective Date.

<u>Fees</u>

The Merger will not result in an increase of costs or fees to be paid by shareholders of the Merging Sub-Fund or the Receiving Sub-Fund (in respect of the different performance fee calculation methods for certain share classes, please see below). In particular, the Management Company will bear all costs of the Merger, including legal, advisory, custody and administrative costs and expenses.

The fees payable out of the assets of the different share classes of the Merging Sub-Fund and the Receiving Sub-Fund are the same. For share classes F1 EUR Cap Perf and F2 EUR Cap Perf of the Merging and the Receiving Sub-Fund, a performance fee at a rate of 10% is charged, however, the performance fee calculation methods differ as follows:

Merging Sub-Fund: Index Outperformance Plus Recovery

This method is designed so that no performance fee will be paid on gains that only represent recovering from any previous underperformance compared to the benchmark. At the same time, a performance fee can be paid even in a period of negative performance, if the sub-fund has declined less than its benchmark. For each applicable share class and sub-fund, the fee is calculated every time the relevant net asset value is calculated using the following formula:

[(NAV - NAVadjust)

× performance fee rate

× number of shares in existence on NAV calculation day]

- flow adjustment

Where:

- the NAV is the share class net asset value
- the NAVadjust is the NAV at the day of the last crystallisation (meaning when a performance fee was due) or the NAV at class inception, whichever is higher, increased by the return of the benchmark since the day of the last crystallisation or class inception
- the performance fee rate is as stated in the Prospectus
- the flow adjustment is a calculation designed to take into account the effect of subscriptions (so that investors are not charged for performance that occurred when they didn't own shares) and redemptions since the start of the financial year, and nets out the performance fee which would have been charged

on subscribed shares, had they had been in existence since the last crystallisation, and any performance fee due on redeemed shares during the same period.

On each NAV calculation day, the accrued performance fee increases only if NAV is higher than NAVadjust. At the end of the year, a performance fee is paid only if the NAV is higher than the NAVadjust.

Receiving Sub-Fund: HWM Plus Hurdle Rate Outperformance

This method is designed so that a performance fee will only be paid if a sub-fund exceeds both its high water mark (HWM) and its hurdle rate. For each applicable share class and sub-fund, the fee is calculated every time the relevant NAV is calculated, using the following formula:

[(NAV - (HWM + (1 + HR)))

× performance fee rate

× number of shares in existence on NAV calculation day]

- flow adjustment

Where:

- NAV is the share class NAV
- HWM is the NAV at the day of the last crystallisation (meaning when a performance fee was due) or the NAV at class inception if no performance fee was due
- HR is a hurdle rate of 3% per year.
- the performance fee rate is as stated in the Prospectus
- the flow adjustment is a calculation designed to take into account the effect of subscriptions (so that investors are not charged for performance that occurred when they didn't own shares) and redemptions since the start of the financial year, and nets out the performance fee which would have been charged on subscribed shares, had they had been in existence since the last crystallisation, and any performance fee due on redeemed shares during the same period.

On each NAV calculation day, the accrued performance fee increases only if NAV is higher than HWM increased by the hurdle rate. At the end of the year, a performance fee is paid only if the NAV is higher than the HWM increased by the hurdle rate.

Impact of the Change in the Performance Fee Calculation Method of share classes F1 EUR Cap Perf and F2 EUR Cap Perf of the Merging and the Receiving Sub-Fund

The difference between the performance fee calculation methods is that, in respect of share classes F1 EUR Cap Perf and F2 EUR Cap Perf of the Merging Sub-Fund, a performance fee is only payable in case the net asset value of the share class exceeds the net asset value for which a performance fee was paid for the last time as increased by the benchmark performance, whereas as regards share classes F1 EUR Cap Perf and F2 EUR Cap Perf of the Receiving Fund a performance fee is only payable in case (i) the net asset value of the share class exceeds the net asset value for which a performance fee was paid for the last time and (ii) the performance during the period is above a hurdle rate of 3% per annum.

As of the date of this notice, there is no performance fee crystallized, neither in the Merging Sub-Fund nor in the Receiving Sub-Fund as the current net asset values of the concerned share classes of both, the Merging and the Receiving Sub-Funds are below the applicable thresholds.

Subscription and Redemption Charges

No entry and redemption fees will be levied. Further, neither the Merging Sub-Fund nor the Receiving Sub-Fund are in scope of the swing pricing described in the Prospectus and the swing pricing disclosure.

3. Procedural Aspects

The assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund on the Effective Date.

The shareholders of the Merging Sub-Fund who continue to hold their shares in the Merging Sub-Fund at the Effective Date, will become shareholders of the corresponding share class of the Receiving Sub-Fund and

Shareholders of the Merging Sub-Fund holding shares in the Merging Sub-Fund at the Effective Date will automatically be issued, in exchange for their shares in the Merging Sub-Fund, a number of shares of the corresponding share class of the Receiving Sub-Fund as calculated in accordance with the merger exchange ratio described below. In case the application of the relevant exchange ratio does not lead to the issuance of full shares, the shareholders of the Merging Sub-Fund will receive fractions of shares up to four decimal points within the Receiving Sub-Fund.
Therefore, as of the Effective Date, shareholders of the Merging Sub-Fund will become shareholders of the Receiving Sub-Fund and thus be exposed to the assets held in the Receiving Sub-Fund's portfolio, thus participating in any increase or decrease in the net asset value of the Receiving Sub-Fund.

As the Company only issues registered shares, the shareholders of the Merging Sub-Fund will only receive registered shares of the corresponding share class of the Receiving Sub-Fund, in exchange of their shares in the Merging Sub-Fund.

The exchange ratio will be calculated as of the Effective Date on the basis of the net asset values of the share classes of the Merging Sub-Fund and of the corresponding share classes of the Receiving Sub-Fund, in accordance with the following formula:

$$x = \frac{\mathrm{y} * \mathrm{NAV\ share\ class\ Merging\ Sub - Fund}}{\mathrm{NAV\ share\ class\ Receiving\ Sub - Fund}}$$

whereas "x" corresponds to the number of shares of the corresponding share class of the Receiving Sub-Fund which a shareholder in the Merging Sub-Fund will receive with effect of the Effective Date and "y" to the number of shares held by such shareholder in a share class of the Merging Sub-Fund.

Shareholders of share class S3 EUR Cap of the Merging Sub-Fund will receive an identical number of shares of share class S3 EUR Cap of the Receiving Sub-Fund on the Effective Date as they currently hold in class S3 EUR Cap of the Merging Sub-Fund.

As the Merging Entities and their share classes have the same reference currency, no exchange rate between the reference currencies will need to be applied in order to calculate the number of shares of the share class of the Receiving Sub-Fund to be issued on the Effective Date in exchange for the shares of the corresponding share class of the Merging Sub-Fund.

All costs of the Merger, including legal, accounting, custody and administrative costs and expenses, will be borne by Mandatum Fund Management S.A.

4. Rights of Shareholders

Shareholders who agree with the Merger do not have to take any action.

Shareholders of the Merging Sub-Fund and shareholders of the Receiving Sub-Fund may redeem their shares held in the Merging or Receiving Sub-Fund, respectively, free of charge (except any disinvestment costs) until 2.00 p.m. CET on 8 October 2024. With effect as of the Effective Date, redemptions of shares of the Receiving Sub-Fund will again be possible.

Subscriptions for or conversions to shares of the Merging Sub-Fund will not be accepted or processed if received after 2.00 p.m. CET on 8 October 2024.

Subscriptions for or conversions to shares of the Receiving Sub-Fund will not be accepted or processed if received between 2.00 p.m. CET on 8 October 2024 and the Effective Date.

The Shares will be exchanged as of the Effective Date on the basis of the exchange ratio calculated as set out above in accordance with the Prospectus, subject to any accounting adjustments deemed necessary and without any charge.

5. Further Information

Shareholders have the right to receive further information at the registered office of the Company free of charge upon request, including:

- A copy of the report issued by the approved statutory auditor (*réviseur d'entreprises agréé*) of the Company. Such report will be available beginning of November 2024 and will validate (i) the criteria adopted for the valuation of the assets and of the liabilities as of the date for calculating the exchange ratio, (ii) where applicable, the cash payment per share and (iii) the calculation method of the exchange ratio as well as the actual exchange ratio determined at the date for calculation;
- a copy of the Prospectus;
- a copy of the key information document of the Receiving Fund, which is also attached to this notice.

The Prospectus as well as the key information documents of the Receiving Fund are also available in the internet on www.mandatumam.com/ucits.

The Board of Directors would like to stress the importance to read the key information document of the Receiving Sub-Fund.

6. Taxation

The Merger may have tax consequences for the shareholders of the Merging and the Receiving Sub-Fund. Shareholders should inform themselves about their own tax situation and we recommend that shareholders discuss their tax situation with their own tax advisors.

7. Termination of the Sub-Investment Management Agreement with Fourton Oy as regards the Receiving Sub-Fund

Shareholders of the Receiving Sub-Fund are further informed that the sub-investment management agreement with Fourton Oy will be terminated with effect as of the Effective Date.

As a result, Fourton Oy will, with effect as of the Effective Date, no longer act as sub-investment manager of the Receiving Sub-Fund. Irrespective of such termination, Mandatum Asset Management Ltd. will continue to act as investment manager of the Receiving Sub-Fund.

The Board of Directors would like to highlight that such termination will not result in a change in the manner in which the Receiving Sub-Fund is managed or in an increase of fees.

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For additional information, please contact your usual relationship manager with any questions regarding the Merger.

BY ORDER OF THE BOARD OF DIRECTORS