

EVLI

EVLI CORPORATE BOND B



31.07.2024

ISIN: FI0008801097

BLOOMBERG: EVLCOBB FH



EVLI IN BRIEF

"We see wealth as an engine to drive sustainable progress."

Evli Plc

Evli Plc is a Finnish independent investment service company with a nearly 40-year operating history.

We are currently Finland's leading institutional asset manager with approximately 270 employees.

Our service range covers asset management services and funds, share plan design and administration and incentive programs, Corporate Finance services (mergers and acquisitions), as well as equity research.

ASSETS UNDER MANAGEMENT (EUR BILLION) JUNE 30, 2024

18.7

MARKET POSITION AS INSTITUTIONAL ASSET MANAGER (KANTAR PROSPERA 2023)

1.

NET REVENUE (EUR MILLION) IN 2023

108.7

FINLAND'S THIRD LARGEST FUND MANAGEMENT COMPANY

3.

EMPLOYEES, 30.6.2024 (PERMANENT)

~270

EVLI WAS RANKED EIGHT AMONG MID-SIZED COMPANIES IN THE EEZY FLOW'S PEOPLEPOWER JOB SATISFACTION SURVEY 2023

8.

Evli's mutual funds

FUND AUM (EUR BILLION)
JUNE 30, 2024

13.3

NUMBER OF FUNDS

72

EMPLOYEES IN ASSET MANAGEMENT
FUNCTIONS

170

PORTFOLIO MANAGERS IN TOTAL

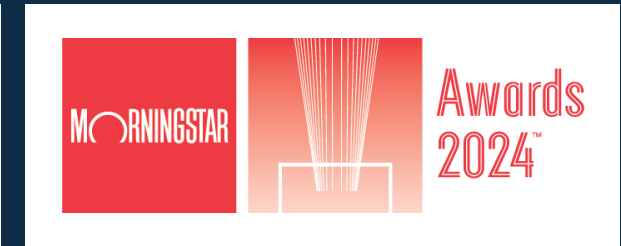
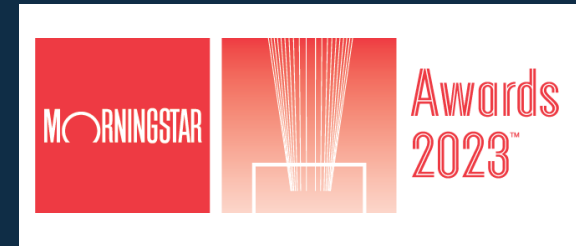
69

FUNDS CLASSIFIED AS ARTICLE 8 OR 9
ACCORDING TO EU SUSTAINABLE
FINANCE DISCLOSURE REGULATION
(SFDR)

93%

Funds are managed by Evli Fund Management Company Ltd, which is a Finnish fund management company. Evli Fund Management Company is part of Evli Group whose parent company is Evli Plc.

Morningstar, an independent fund research firm, awarded Evli Fund Management Company **"The Best Fund House Overall in Finland 2023 and 2024"** and **"The Best Fund House Overall in Sweden 2024"**.¹



Lipper, an independent fund research firm, awarded Evli Fund Management Company as **"Nordic Best Fund House 2023 and 2024"**² in category "small fund companies".

¹ Morningstar Awards 2023, 2024 (c). Morningstar, Inc. All Rights Reserved. Awarded to Evli for the "Best Fund House in Finland". Morningstar Awards 2024 (c). Morningstar, Inc. All Rights Reserved. Awarded to Evli for the "Best Fund House in Sweden".
² Lipper Fund Awards 2023, 2024, the category Small Fund Companies.

Award-winning asset management from Evli

Among the best asset managers in Finland in the Kantar Prospera customer survey for over 11 consecutive years and in the SFR customer survey for 6 consecutive years¹.



¹ KANTAR Prospera, "External Asset Management Finland 2013–2023". Overall Performance and SFR Scandinavian Financial Research, Competitive Positioning Report, 2015–2023.

SUCCESSFUL FIXED INCOME MANAGEMENT FROM EVLI

The results of Evli's corporate bonds
family of funds

Evli's excellent corporate bond track record

Historical returns are no guarantee of future returns.









- The first credit fund, Evli Corporate Bond Fund was launched in September 1999
- All Evli crossover credit funds have performed excellently against their peers, both in bull and bear markets
- Evli manages about €6 bn in corporate bond securities, of which some €3 bn in Nordic credit

Quartile Rankings 2Q 2024*

Evli Fund	Morningstar Peer Group	3 Years	5 Years	10 Years	15 Years
Evli Euro Liquidity	EUR Ultra Short-Term Bond	1	1	1	1
Evli Short Corporate Bond	EUR Corporate Bond – Short Term	2	1	1	1
Evli Nordic Corporate Bond	EUR Flexible Bond	1	2	–	–
Evli Corporate Bond	EUR Corporate Bond	1	1	1	1
Evli Green Corporate Bond	EUR Corporate Bond	2	–	–	–
Evli European Investment Grade	EUR Corporate Bond	2	2	1	2
Evli European High-Yield	EUR High Yield Bond	1	2	1	1
Evli Emerging Markets Credit	Global EM Corporate Bond – EUR Biased	2	1	2	–

* Source and copyright: Morningstar Direct

Evli's corporate bond funds in a nutshell

FUND	Evli Euro Liquidity	Evli Short Corporate Bond	Evli Nordic Corporate Bond	Evli Corporate Bond	Evli Green Corporate Bond	Evli European Investment Grade	Evli European High Yield	Evli Emerging Markets Credit
Invests into	Nordic ultra–short term corp bonds and commercial papers	Short dated European corporate bonds	Nordic crossover corporate bonds	European investment grade and high yield crossover bonds	European green corporate bonds	EUR IG bonds with at least one IG rating or similar credit profile	European high yield bonds	Emerging markets, higher and lower credit–rated corporate bonds
Key differentiators	Access to Nordic CP market with 15+ years of stable outperformance	Successful bottom–up credit selection in crossover space, with a Nordic bias and strict maturity rules	Access to Nordic bonds by quality issuers with 50–150 bps excess yield vs € credit and lower volatility	Active bottom–up selection in European crossover segment, outperforming EUR IG with beta <1	Sustainable corporate bond fund, no sovereign or agency exposure	Active share vs EUR IG >80%, overweight BBB's and underweight A's	Long–term outperformance vs available passives	Access to a rapidly growing asset class with a focus on higher credit–rated corporate bonds
Avg quality	BBB–/BB+	BBB–	BBB–	BBB–	BBB	BBB+	BB–	BBB–
Main restrictions	<ul style="list-style-type: none"> • ModDur 0–1 • Bank risk max 25% 	<ul style="list-style-type: none"> • Max 25 % / sector • Max 90% with 5y final legal maturity date, 10% max 8y • ModDur max 2.5 	<ul style="list-style-type: none"> • Unrated 40%–50% • IG/HY over time 50/50, now 60/40 • No deep HY • ModDur max 2–4 	<ul style="list-style-type: none"> • Average rating of fund at least BBB– • Non–rated max 20%, now ~10% 	<ul style="list-style-type: none"> • Average rating of fund at least BBB– • Non–rated max 20%, now <10% 	<ul style="list-style-type: none"> • All bonds IG quality • Non–rated max 15 %, now <5% • Fallen angels sold in 12m 	<ul style="list-style-type: none"> • Non–rated max 20% 	<ul style="list-style-type: none"> • Average rating of fund at least B • Non–rated max 20%
Morningstar Ratings ¹								
Morningstar Peer Group	EUR Ultra Short–Term Bond	EUR Corporate Bond – Short Term	EUR Flexible Bond	EUR Corporate Bond	EUR Corporate Bond	EUR Corporate Bond	EUR High Yield Bond	Global Emerging Markets Corporate Bond – EUR Biased
Benchmark	3–month Euribor Return Index	ICE BofA 1–3 Year Euro Corporate Index	ICE BofA 1–5 Year Euro Corporate Index	ICE BofA Euro Corporate Index	Bloomberg MSCI Euro Corporate Green Bond 5% Capped Index	ICE BofA Euro Corporate Index	ICE BofA European Currency Developed Markets High Yield Constrained Index	J.P. Morgan CEMBI Broad Diversified EUR hedged
Fund size (07/2024)	2.2bn EUR	1.5bn EUR	1.1bn EUR	230 MEUR	140 MEUR	430 MEUR	740 MEUR	140 MEUR
Launch date	01/1996	6/2012 new strategy	03/2016	09/1999	08/2020	05/2001	03/2001	10/2013
Current PM	05/2006	06/2012, since strategy launch	03/2016, since strategy launch	09/1999, since strategy launch	08/2020, since strategy launch	05/2013	03/2001, since strategy launch	07/2018

All funds always currency hedged for non € investments

¹ Morningstar Stars helps to assess a fund's track record relative to its peers, Morningstar Medalist Rating is a five–tier system to assess a strategy's ability to outperform its Morningstar Category index after fees.

WHY INVEST IN EUROPEAN CORPORATE BONDS?

Evli Corporate Bond

Evli Corporate Bond Fund

- Invests mainly in European Investment Grade and High Yield bonds. Will also invest in non-rated (Nordic) bonds
 - Currency hedged for all non-€ investments
 - Max 20% non-rated
- The credit quality of the fund is always at least BBB–
 - In normal situation, the weight of Investment Grade in the fund is 75% and High Yield is 25%
 - High Yield weight max. 35–40%
- Excellent long term track record with stable portfolio management team
 - Mikael Lundström PM since 14.9.1999
 - Jani Kurppa as co-PM since 15.5.2014

Evli Corporate Bond	
Invests into	European investment grade and high yield crossover bonds
Key differentiators	Active bottom-up selection in European crossover segment, outperforming EUR IG with beta <1
Excess return vs market ¹	+1,4% pa vs EUR IG (ER00) last 3y
Main restrictions	<ul style="list-style-type: none"> – Average rating of fund BBB– – Non-rated max 20%, avg. 10–15% – Dur: index ± 1 years (soft) – Currency always hedged for non-€ investments
Benchmark	<ul style="list-style-type: none"> – 75% BoA EMU Corporates Index – 25% BoA Euro High Yield, BB–B Constrained
Fund size (6/2024)	230 MEUR
Strategy launch date	09/1999
Current PM	09/1999, since strategy launch

¹ Fund performance is for institutional series after fees, excess return is annual excess return over the indicated time period

Unique long term track record

Exceptionally long track record since 1999

- Fund has performed excellent since launch
- Same PM since launch (co-PM since 2013)
- Excellent risk/return profile – 5 stars from Morningstar (Institutional-series, 03/2024)

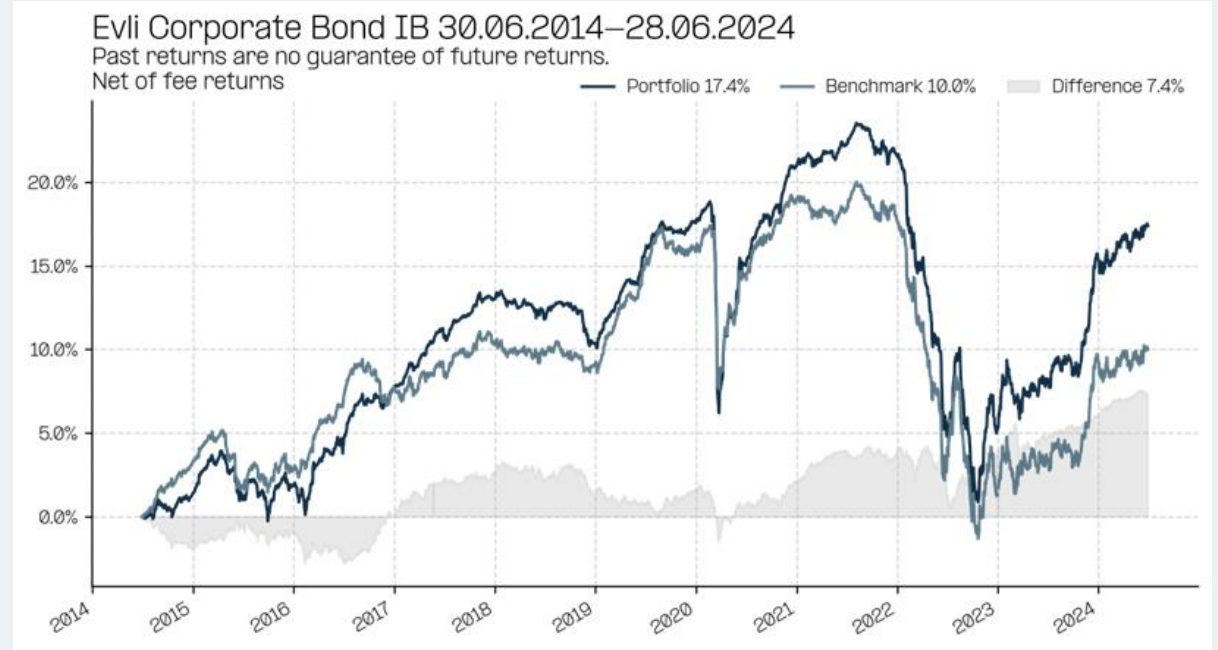
Excellent strategy

- Adding safest High Yield to the portfolio increases the return without adding considerable risk
- During the last 10 years Evli Corporate Bond has had clearly outperformed the €IG- market with a beta of 0.93 to the market

Yields higher than for years

- Rise in yields means that the funds yield to maturity is higher than it has been for years
- YTM at the time of investment has in the past correlated with the fund’s future returns

Institutional share against IG–market *)



	Portfolio	Benchmark	Difference		Portfolio	Benchmark	Difference
1 Year	8.57%	6.42%	2.15%	Volatility	3.79%	3.70%	0.10%
3 Years	-4.01%	-7.11%	3.10%	Sharpe	0.36	0.19	0.17
5 Years	1.44%	-4.24%	5.69%	Tracking Error	1.66%	-	-
10 Years	17.39%	10.00%	7.39%	Information Ratio	0.40	-	-
10 Years, annualized return	1.62%	0.95%	0.67%	Beta	0.93	-	-

The minimum investment for share class Evli Corporate Bond IB is EUR 10 000 000.
 The IB share class was launched on 22.05.2017.
 The return presented in the chart is simulated until 22.05.2017 based on the return of the B share but applying the 1.0 percent management fee of the IB series

*)ICE BofA Euro Corporate Index (ER00) has been the official benchmark for the fund since 1.3.2024.
 Until 1.3.2024, the official benchmark for the fund has been IOE BofA BB–B Euro High Yield Constrained Index 25%, IOE BofA Euro Corporate Index EUR 75%.

INVESTMENT PHILOSOPHY AND PROCESS

Evli Corporate Bond

Investment Philosophy and Strategy

DISCIPLINED

- Creditworthiness is the most important factor in selecting investment targets
- We assess the TRUE credit quality, NOT relying on official rating
- The coupon is a central part of the return

ACTIVE

- We invest in issuers that we like, regardless of their weight in the index
- Active utilization of the movability of corporate bonds between different credit ratings
- Focus on stable companies
- Turnover usually below 1

DYNAMIC

- Strong and experienced team enables fast decision making
- We venture to analyse and invest in companies whose bonds have dropped significantly (for example bank subordinated debt)

RISK AWARE

- **Good diversification, 80–120 companies**
- The weight of single issuers in the portfolio usually max 5%, generally only the top 1–3 holdings would be at or above 3%
- Fund's average credit rating min BBB–

Investment Process

SCREENING

>1000 name universe

Investment universe:

- Euro-denominated IG bonds (at least EUR 300 million)
- Euro-denominated HY issuers (at least EUR 200 million)
- Non-rated (Nordic) bonds

Focus on bonds that have:

- Positive free cash flow
- Decreasing net leverage
- Increasing net interest coverage

New issues

Attractive pricing

- Cheap to sector or market
- High absolute yield
- Low cash price

COMPANY ANALYSIS

~250 names

Company analysis:

- Financial Statement Analysis
- Industrial & Economic Outlook
- Interest Groups
- Bond Terms
- Bond Liquidity
- Independent research providers (Reorg, Lucror, CreditSights, etc.)
- ESG

Valuation

- Relative value
- Spread / Leverage
- Peer group

PORTFOLIO

~100 names

Overview and diversity:

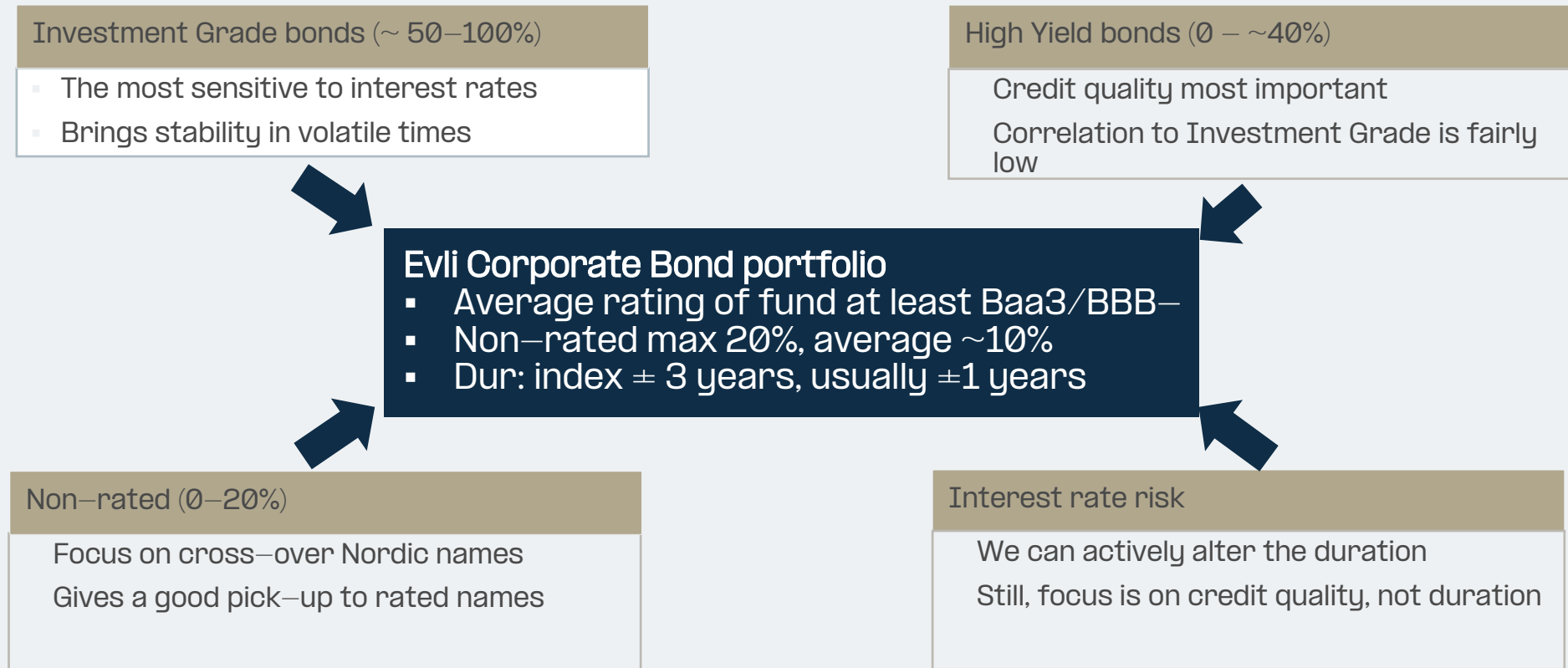
- Diverse portfolio with 80–120 companies
- Across many sectors
 - Many credit ratings
 - High yield weight based on market environment

Risk Control:

- Largest holdings are max 5% of fund
- Usually only 1–3 are above 3%
- Cash levels normally 2–4% of fund
- The credit quality of the fund as a whole is at least BBB–
- The minimum credit rating of each individual bond is B–

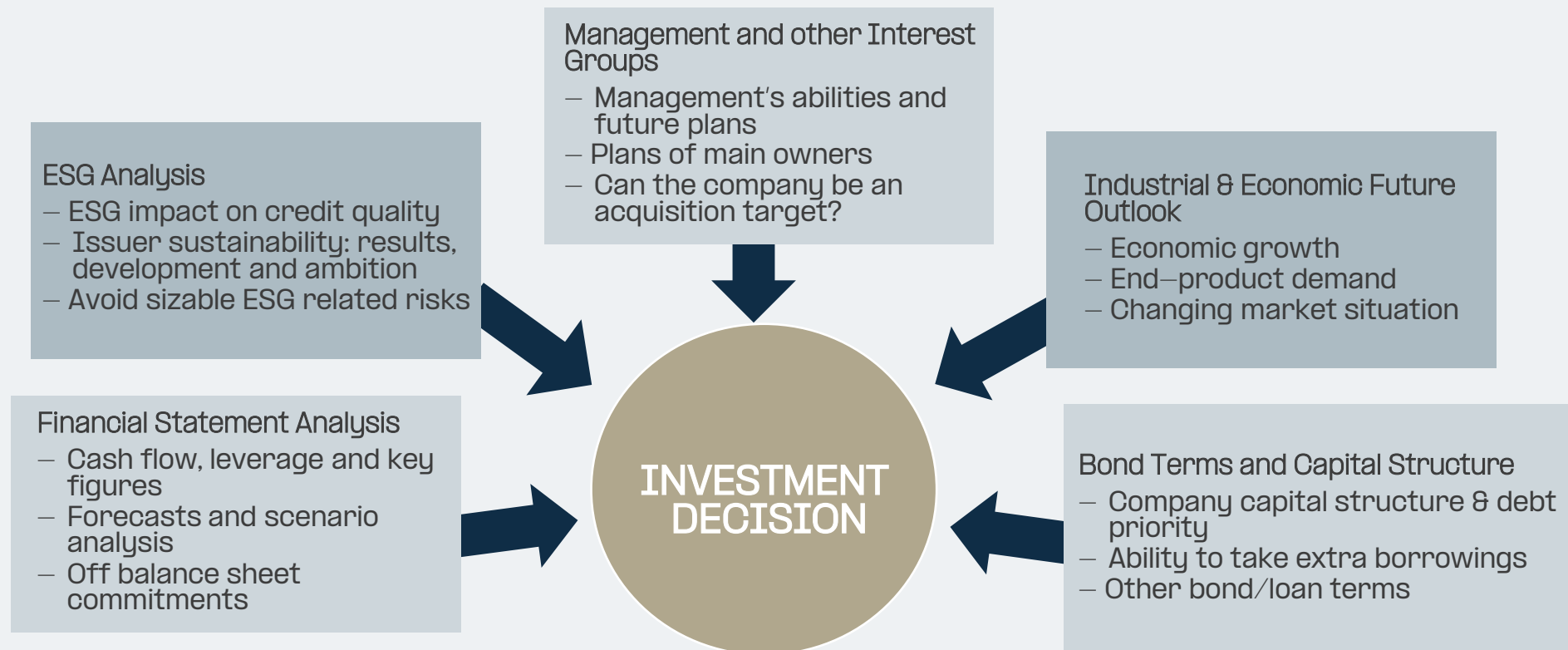
Portfolio Construction

- Aim is to build a well performing portfolio where the risk are contained
- Focus on credit quality; not duration



Company analysis

- Main focus on companies that over the cycle:
 - generate consistent positive free cash flow
 - debt leverage decreasing & debt coverage increasing
 - Are priced at an attractive spread compared to their risk



How ESG is taken into account in investment decisions?

ESG factors will influence our analysis of the company, industry as well as our thoughts on the management and owners.

Portfolio Managers

- Focus on issues that are quantifiable in terms of credit quality
- For example: Damage to brands, legal risk
- Company meetings are important and we will check availability as well

Investment Decision

ESG team and Executive Group

- Monitoring international principles, ESG scores, CO2 measurement
- Decides which sectors will be excluded
- Decides which companies will be excluded from all funds

ESG examples from Evli's corporate bond funds



ENVIRONMENTAL

Will affect certain sectors more (oil, mining). Examples:

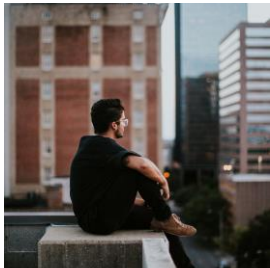
- Invested in the Volvo Car new green bond as the company committed to a new industry leading electric strategy
- Did not participate in Volkswagen Green bond issue due to UN Global Compact fail after the diesel scandal



SOCIAL

Applicable to all sectors. Examples:

- Sold Danske Bank when the first news of the money laundering scandal broke
- Sold Bayer when first verdict in Round-Up case



GOVERNANCE

Applicable to all sectors. Examples:

- Did not participate in Wirecard issue in Sept 2019 due to media reports on irregularities, despite an IG rating
- Did not buy Rallye (Groupe Casino) due to issues with up-streaming dividends to parent company

Evli Fixed Income Team: Evli Corporate Bond



Mikael Lundström

CHIEF INVESTMENT OFFICER

At Evli since 1996. Specialised in corporate bond and fixed income portfolio management. Mikael has invested in the European High Yield market since 1999 and has been the portfolio manager of Evli Corporate Bond fund and Evli European High Yield fund since launch. Mikael has received numerous awards and in 2014 he was a nominee for Morningstar European Fixed Income Manager of the Year.



Jani Kurppa

SENIOR PORTFOLIO MANAGER

M.Sc. (Econ.), Turku School of Economics. 20 years of experience in the fixed income markets, specializing in corporate bond portfolio management. Prior to joining Evli's fixed income team Jani worked e.g. as Portfolio Manager at eQ Asset Management, Fides Asset Management and State Treasury.

Broad-based collaboration within the team to leverage our strong position in different credit classes

		Investment Grade Corporates	High Yield Corporates	Nordic (unrated) Corporates
	Einari Jalonen Portfolio Manager In the Industry since 2008		✓	✓
	Juhamatti Pukka Head of Fixed Income In the Industry since 2007	✓*	✓*	✓*
	Juhana Heikkilä Senior Portfolio Manager In the Industry since 1994			✓

*) Short dated corporates (under 5 yrs.)

Evli's fixed income team



Mikael Lundström

CHIEF INVESTMENT
OFFICER

AT EVLI SINCE 1996
AND IN THE INDUSTRY
SINCE 1996



Juhamatti Pukka

HEAD OF FIXED INCOME

AT EVLI SINCE 2008 AND
IN THE INDUSTRY SINCE
2007



Jussi Hyypä

HEAD OF LOAN
STRATEGIES

AT EVLI SINCE 2020 AND
IN THE INDUSTRY SINCE
1997



Juhana Heikkilä

SENIOR PORTFOLIO
MANAGER

AT EVLI SINCE 2008 AND
IN THE INDUSTRY SINCE
1994



Jani Kurppa

SENIOR PORTFOLIO
MANAGER

AT EVLI SINCE 2013 AND
IN THE INDUSTRY SINCE
2000



Juha Mäntykorpi

PORTFOLIO MANAGER

AT EVLI SINCE 2018
AND IN THE INDUSTRY
SINCE 2010



Jesper Kasanen

PORTFOLIO MANAGER

AT EVLI SINCE 2018
AND IN THE INDUSTRY
SINCE 2018



Einari Jalonen

PORTFOLIO
MANAGER

AT EVLI SINCE
2014 AND IN THE
INDUSTRY SINCE
2008



Noora Lakkonen

CREDIT ANALYST

AT EVLI SINCE 2019
AND IN THE INDUSTRY
SINCE 2019



Alina Seppä

CREDIT ANALYST

AT EVLI SINCE 2022
AND IN THE INDUSTRY
SINCE 2022

Evli Corporate Bond Fund in a Nutshell

Type of Fund	European Corporate Bond fund (UCITS)		
Benchmark	ICE BofA Euro Corporate Index		
Fund Units	Both distribution (A) and growth units (B), Institutional share class available (IB)		
Bloomberg/Reuters/ISIN	B units EUR: EVLCOBB FH / LP60080971/ FI0008801097 (no dividend) B units SEK: EVLCBBH FH / 915115.FBF / FI4000043682 (no dividend) IB units EUR: EVLCOIB FH / FI4000243217 (no dividend, min. investment EUR 10m)		
Fees	A/B units: 0.85% (annually) IB units: 0.45% (annually)		
Trading Days, NAV	Every Finnish banking day (subject to trading calendar)		
NAV Calculation	Evli Fund Management Company Ltd		
NAV Audits	Annual (statutory)		
Fund Registry Keeper	Evli Fund Management Company Ltd		
Supervision	The Finnish FSA (www.finanssivalvonta.fi/en/)		
Launch Date	15 September 1999	Performance Fee	None
Fund Manager	Mr. Mikael Lundström Mr. Jani Kurppa	Custodian	Skandinaviska Enskilda Banken AB (publ) Helsinki Branch (SEB)
Fund Currency	EUR	Auditor	EY (Ernst & Young)
Domicile	Finland	Track Record	GIPS Compliant
Sales Registration	FI/SE/FR/ES/IT(QI)/DE	CNMV & WKN numbers	CNMV: 1462, WKN: A2N503 (B)/A2N5ZY (IB)

More information and the fund's statutory documents (e.g. key investor information document, fund prospectus) are available at <https://www.evli.com/en/products-and-services/mutual-funds>

Considerations and Risk Factors

The fund's investment activities aim to achieve a higher long-term return on assets than the benchmark. The fund's return expectation and risk are higher than for funds that invest solely in government bonds.

The average remaining exercise period (duration) of the fund's fixed income investments may be ± 3 years compared to the interest rate risk of the benchmark index.

The fund's overall risk is also affected by the following risk factors, which may not be fully addressed by the fund's risk profile:

- Liquidity risk: The risk that a financial instrument cannot be bought or sold within the planned time or at the desired price.
- Credit risk: The uncertainty regarding the bond issuer's ability to repay.
- Derivatives risk: The use of derivatives to obtain additional returns may increase the fund's risk and return expectation. The use of derivatives for hedging purposes or for risk management may reduce risk and return expectation. The use of derivatives may increase counterparty risk and operational risk.

Further information on the risks associated with the fund is available in the Key Information Document (KID) and the Fund Prospectus.

If an investor wishes to give feedback about the fund or receive more information, the investor may contact Evli at: Evli Plc, Investor Service, PO Box 1081, FI-00101 or fundinfo@evli.com, or may contact the local distributor of the fund which has sold the fund to the investor. Investors may also send a message via our website: www.evli.com/en/contact-us. Information on how Evli handles client feedback is available at: www.evli.com/en/client-information.



TRACK RECORD AND PORTFOLIO COMPOSITION

Evli Corporate Bond

Net of fee returns – 1 Year

The presented benchmark index for the fund's return is ICE BofA Euro Corporate Index (ER00).

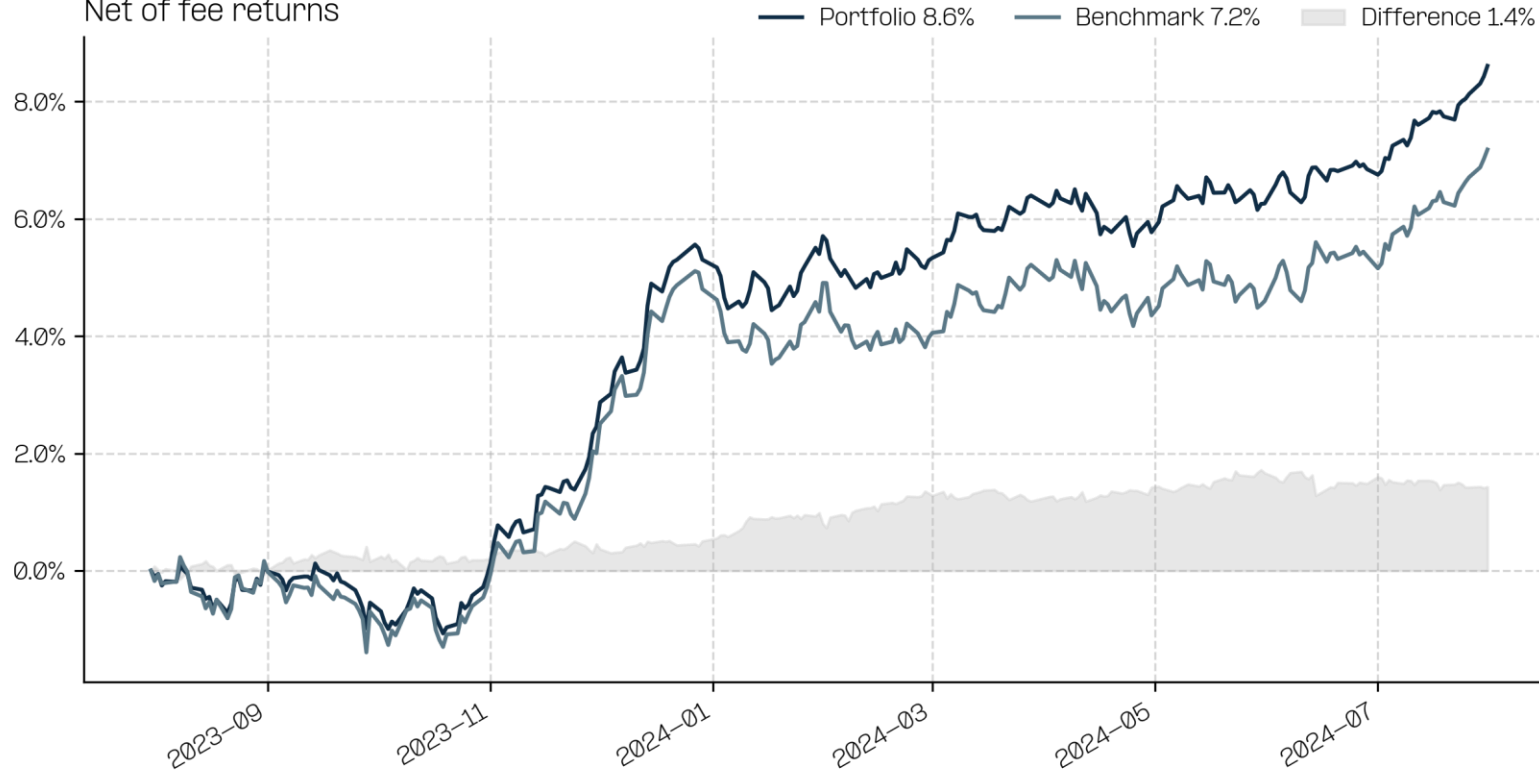
ICE BofA Euro Corporate Index (ER00) has been the official benchmark for the fund since 1.3.2024.

Until 1.3.2024, the official benchmark for the fund has been ICE BofA BB–B Euro High Yield Constrained Index 25%, ICE BofA Euro Corporate Index EUR 75%.

Evli Corporate Bond B 31.07.2023–31.07.2024

Past returns are no guarantee of future returns.

Net of fee returns



	Portfolio	Benchmark	Difference
1 Month	1.65%	1.72%	-0.07%
3 Months	2.68%	2.71%	-0.03%
6 Months	2.75%	2.17%	0.58%
1 Year	8.61%	7.18%	1.43%

	Portfolio	Benchmark	Difference
Volatility	3.36%	3.55%	-0.19%
Sharpe	1.37	0.90	0.48
Tracking Error	0.74%	—	—
Information Ratio	1.92	—	—
Beta	0.93	—	—

Net of fee returns – 10 Years

The presented benchmark index for the fund's return is ICE BofA Euro Corporate Index (ER00).

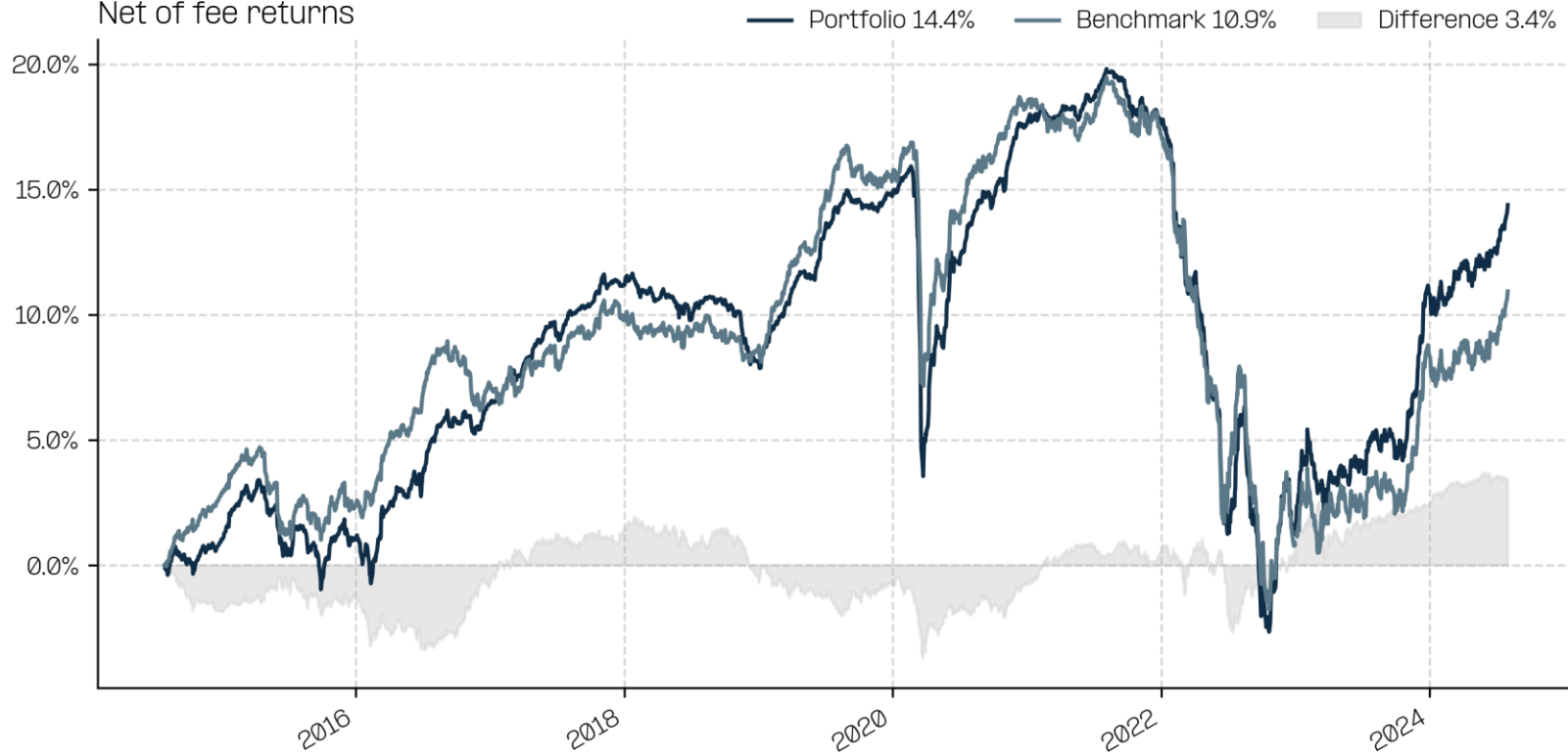
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Evli Corporate Bond B 31.07.2014–31.07.2024

Past returns are no guarantee of future returns.

Net of fee returns



	Portfolio	Benchmark	Difference
1 Year	8.61%	7.18%	1.43%
3 Years	−4.33%	−6.96%	2.63%
5 Years	0.09%	−4.32%	4.41%
10 Years	14.38%	10.93%	3.45%
10 Years, annualized return	1.35%	1.04%	0.31%

	Portfolio	Benchmark	Difference
Volatility	3.80%	3.69%	0.10%
Sharpe	0.28	0.20	0.08
Tracking Error	1.66%	—	—
Information Ratio	0.19	—	—
Beta	0.93	—	—

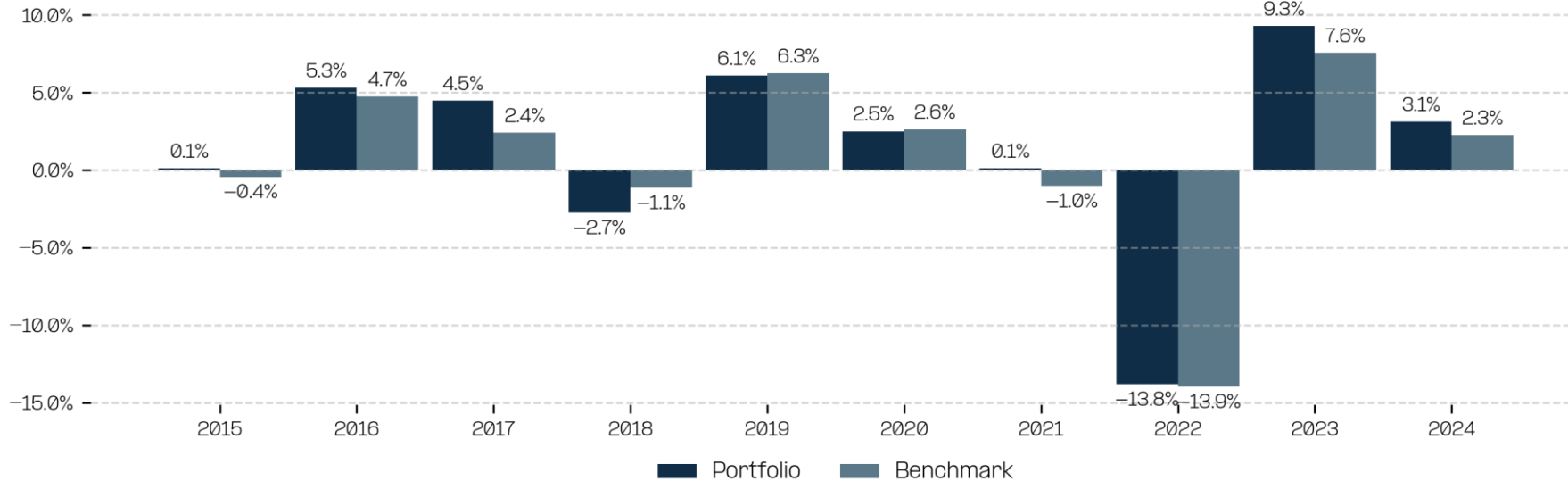
Annual returns, after fees, 31.07.2024

Past returns are no guarantee of future returns.

The presented benchmark index for the fund's return is ICE BofA Euro Corporate Index (ER00).

ICE BofA Euro Corporate Index (ER00) has been the official benchmark for the fund since 1.3.2024.

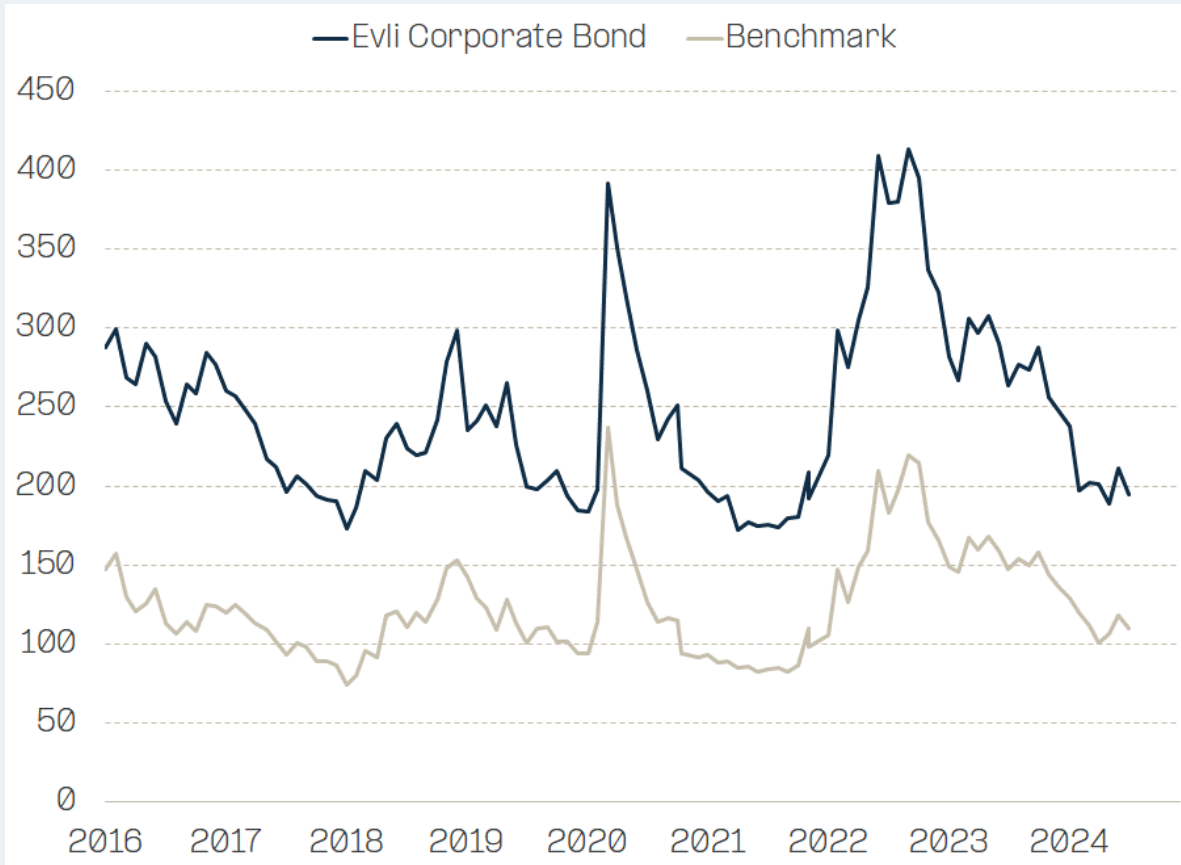
Until 1.3.2024, the official benchmark for the fund has been ICE BofA BB–B Euro High Yield Constrained Index 25%, ICE BofA Euro Corporate Index EUR 75%.



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Portfolio	0.11%	5.29%	4.48%	-2.73%	6.10%	2.50%	0.11%	-13.81%	9.29%	3.14%
Benchmark	-0.43%	4.75%	2.41%	-1.13%	6.25%	2.65%	-1.02%	-13.95%	7.58%	2.27%
Difference	0.54%	0.55%	2.06%	-1.60%	-0.16%	-0.14%	1.14%	0.13%	1.71%	0.87%
Volatility	2.44%	2.51%	1.25%	1.45%	1.41%	7.45%	1.69%	6.51%	3.84%	2.64%
Tracking Error	1.44%	1.82%	1.16%	1.17%	1.24%	1.93%	0.92%	2.93%	2.01%	0.84%

Evli Corporate Bond statistics

OAS (vs Govt)

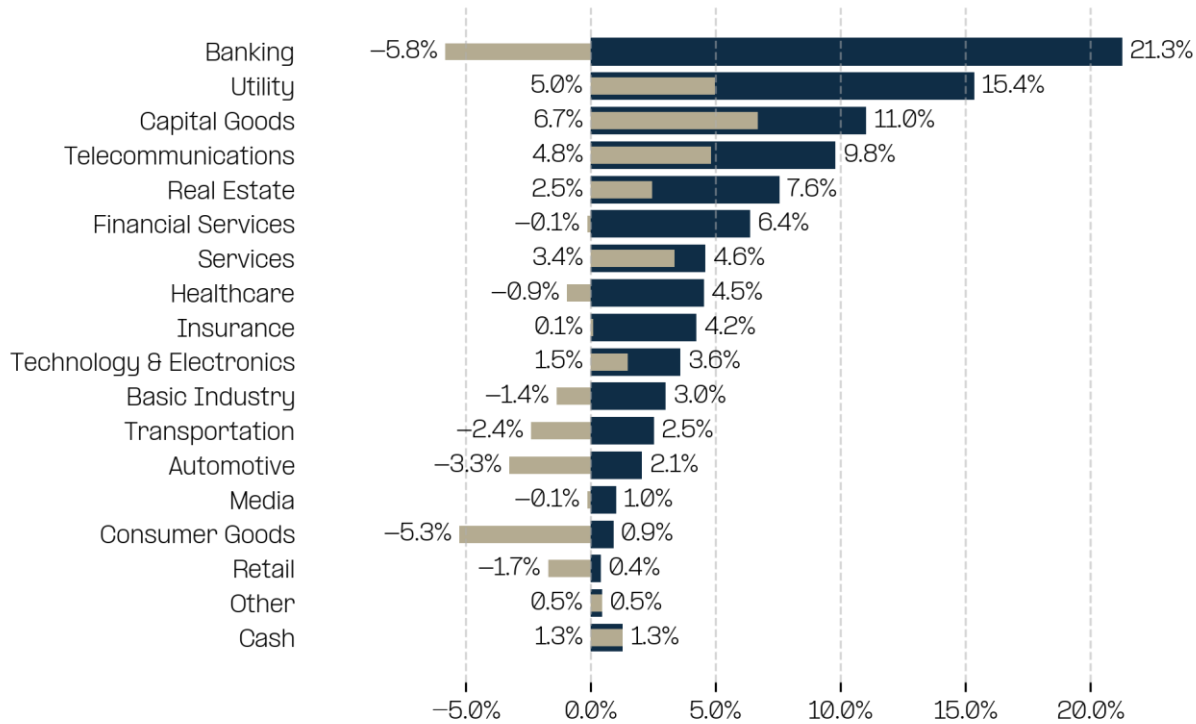


Statistics 31.7.2024	Fund	Index
Yield (YTM)	4.42%	3.57%
Yield to Worst (YTW)	4.32%	3.49%
Modified duration	4.05	4.58
Rating	Baa2/BBB	A3/A-
OAS	195	118
Number of issuers	104	> 1000

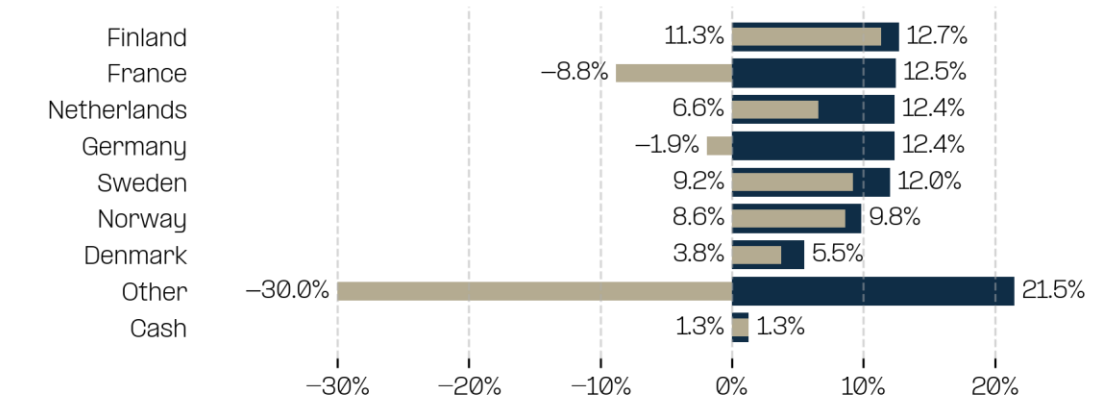
Portfolio structure 31.07.2024

■ Weight
■ Active weight

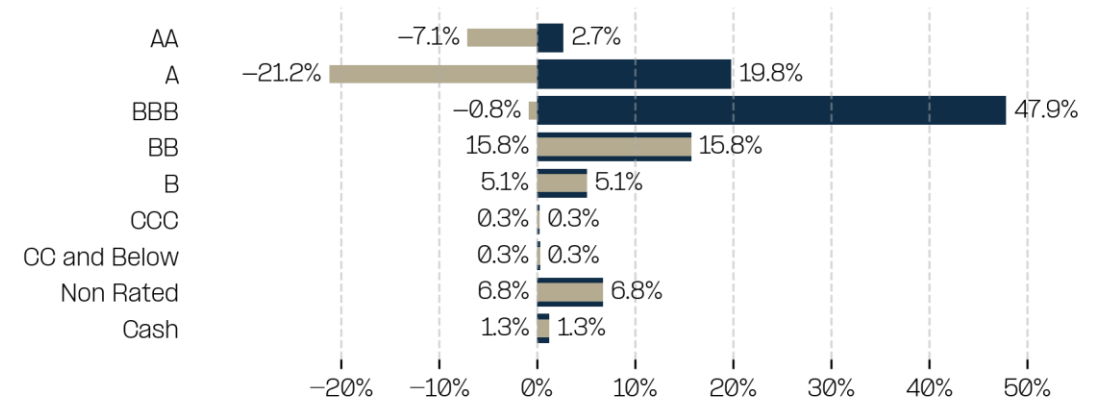
Sectors



Issuers by country



Ratings



Top holdings 31.07.2024

10 LARGEST INVESTMENTS

	%
Ing Groep Nv 26.5.2031 2.125% Callable Variable	2.08%
Societe Generale 30.6.2031 1.125% Callable Variable	2.01%
Statnett Sf 26.2.2036 3.375% Callable Fixed	1.73%
Molnlycke Hld 8.9.2028 4.25% Callable Fixed	1.54%
Dnb Bank Asa 16.2.2027 3.625% Callable Variable	1.52%
Kojamo Oyj 28.5.2029 0.875% Callable Fixed	1.49%
Stedin Holding 20.6.2031 3.625% Callable Fixed	1.40%
Amprion Gmbh 7.9.2034 4.125% Callable Fixed	1.39%
Red Electrica 9.7.2032 3.375% Callable Fixed	1.38%
Ubs Group 11.1.2031 4.375% Callable Variable	1.36%

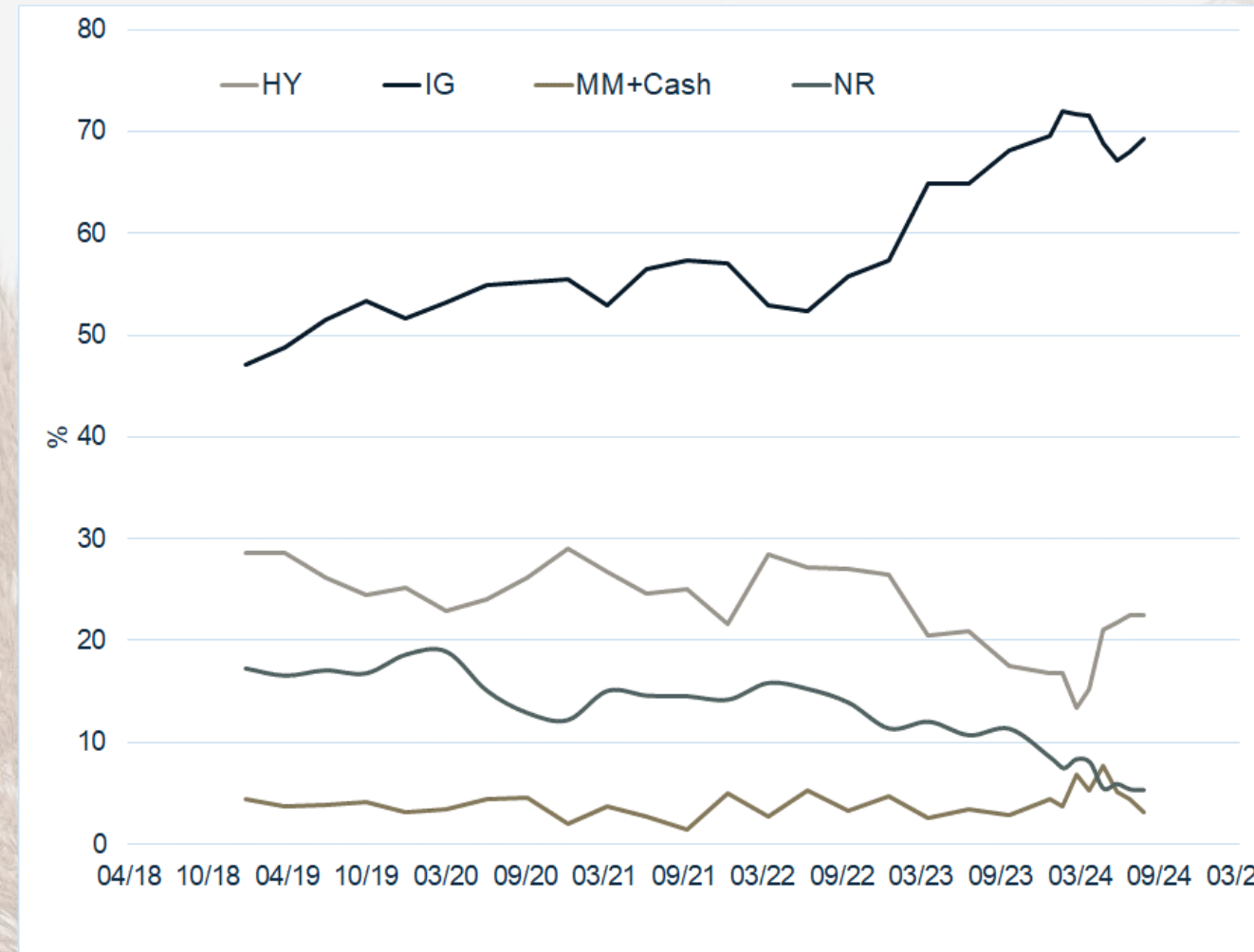
10 LARGEST ISSUERS

	%
Societe Generale SA	2.89%
ING Groep NV	2.49%
DNB Bank ASA	2.41%
UBS Group AG	2.11%
BNP Paribas SA	2.08%
ABN AMRO Bank NV	1.85%
Statnett SF	1.73%
Orange SA	1.59%
Telenor ASA	1.57%
Molnlycke Holding AB	1.54%

Portfolio positioning August 2024

- We prefer mid–curve (3–7 yrs) IG–bonds
 - Curve is flat, and these should benefit when ECB starts cutting rates
- Still modest 3% weight in AT1s
 - Banking bonds are cheap on a long–term horizon, but better value in senior and LT2 bonds
- We have increased our HY weight again
 - Mainly from new issues
- Portfolio should be well positioned for short term rates coming down
 - Good carry for the overall portfolio

Portfolio weights (%)



Attribution analysis 06/2024 YTD

Pls note: Here against the new benchmark (ER00) for the whole period

Summary												
Outperformance			Global Details				Attribution Effects			Top Buckets by Asset Alloc.		
+1.23 %			Attribution Effects 1.23				Asset Allocation 0.67			HY 0.28		
Port 1.00			FX Allocation & Hedging 0.00				Security Selection 0.67			NR 0.22		
Bmrk -0.23							Official Return Adjust... 0.03			IG 0.16		
							Leverage 0.00			MM 0.02		
							Transactions -0.14			GOV 0.00		
Overview FX Allocation Asset Allocation & Security Selection Custom												
Column Set Local w/ BM Hide/Show												
Identifier	Avg % Wgt			Tot Rtn			CTR			Holding Rtn Lcl		
	Port	Bmrk	Active	Port	Bmrk	Active	Port	Bmrk	Active	Port	Bmrk	Active
ECB					-0.23							
Residuals					-0.03							
Holdings	101.03	100.00	1.03	1.00	-0.20	1.20	1.00	-0.20	1.20	1.17	-0.17	1.35
IG	69.53	99.80	-30.27	0.72	-0.21	0.92	0.46	-0.21	0.67	0.71	-0.18	0.89
HY	17.27	0.21	17.05	2.29	2.10	0.19	0.41	0.00	0.41	2.51	2.11	0.40
GOV	0.01		0.01	-1.36	-1.36	-0.01	-0.01	-0.01	-0.01	-0.02		-0.02
MM	5.27	-0.11	5.39	0.72	5.99	-5.27	0.02	0.00	0.02	0.70	5.99	-5.36
NR	7.32		7.32	1.43		1.43	0.10		0.10	2.58		
Not Classified	1.63	0.10	1.53	1.55	0.00	1.55	0.01	0.00	0.01	0.05	0.00	0.05

– Portfolio outperformed the index by 123 bps (gross-of-fees).

– Selection 67 bps and allocation 67 both had an equal contribution

– Especially BBB and Bb selection performed very well

Attribution analysis 2023

Bloomberg

PORT MAC HPA

Attribution Main View

Portfolio: ECB_D

Benchmark: ECB BM

Period: 12/30/2022 to 12/29/2023

Base currency: EUR

	Avg % Wgt	Avg % Wgt	Avg % Wgt	CTR	CTR	CTR	Tot Rtn			Alloc	Selec	Curr	Transac t	Lev	Tot Attr
	Port	Bench	Active	Port	Bench	Active	Port	Bench	Active						
ECB_D	100.00	100.00	0.00	10.22	9.07	1.16	10.22	9.07	1.16	0.20	0.90	0.00	0.08	0.05	1.16
IG	65.27	74.89	-9.62	6.26	6.00	0.26	9.48	7.97	1.51	0.10	1.11	0.00	-0.04		1.18
HY	19.76	25.09	-5.34	2.52	3.07	-0.55	12.54	12.44	0.09	-0.14	-0.09	0.00	0.09		-0.15
GOV	-0.65		-0.65	-0.01		0.00	2.32		2.32	0.00	0.00	0.00	-0.04		-0.04
MM	3.23	0.02	3.21	0.01	0.00	0.01	0.18	3.58	-3.40	-0.16	-0.12	0.00	0.00		-0.29
NR	11.18		11.18	1.44	0.00	1.44	13.30	0.00	13.30	0.41	0.00	0.00	0.08		0.48
Not Classified	0.61		0.61	0.00	0.00	0.00	-6.45	0.00	-6.45	-0.05	0.00	-0.02	-0.01		-0.08

- Portfolio outperformed the index by 116 bps (gross–of–fees). Both allocation and selection worked well in 2023.
- Best performance from Non–rated bonds (e.g. Finnair 2025 but also IG and HY bonds performed well)

Attribution analysis 2023

Best/Worst Instruments by Security Selection Contribution					
Instrument	Bucket	Port wt (%)	Instr Ret	Bucket Ret	Outperf
SAGAX EURO MTN	IG	1.14	18.15	9.42	0.12
STOREBRAND LIVSF	IG	1.03	16.14	9.42	0.09
ABN AMRO BANK NV	IG	1.44	13.31	9.42	0.09
VODAFONE INT FIN	IG	0.90	12.90	9.42	0.08
P3 GROUP SARL	IG	0.56	21.96	9.42	0.07
ENGIE	IG	0.42	10.84	9.42	0.07
CASTELLUM HELSIN	IG	0.58	19.28	9.42	0.06
CRED AGRICOLE SA	IG	1.12	14.02	9.42	0.06
FORVIA SE	HY	0.82	20.07	12.46	0.06
CITYCON TREASURY	HY	0.69	12.17	12.46	0.06
DNB BANK ASA	IG	1.56	3.85	9.42	-0.03
VOLVO CAR AB	HY	0.91	4.32	12.46	-0.03
NEXI	HY	0.64	5.94	12.46	-0.04
JYSKE BANK A/S	HY	0.16	3.84	12.46	-0.04
SYDBANK A/S	IG	1.23	3.75	9.42	-0.04
GARFUNKELUX HOLD	HY	0.41	9.49	12.46	-0.04
ILIAD	HY	1.48	8.94	12.46	-0.05
HUHTAMAKI OYJ	HY	1.13	7.32	12.46	-0.06
HEIMSTADEN	HY	0.25	-27.14	12.46	-0.11
Euro Spot	MM	3.17	-0.05	0.18	-0.13

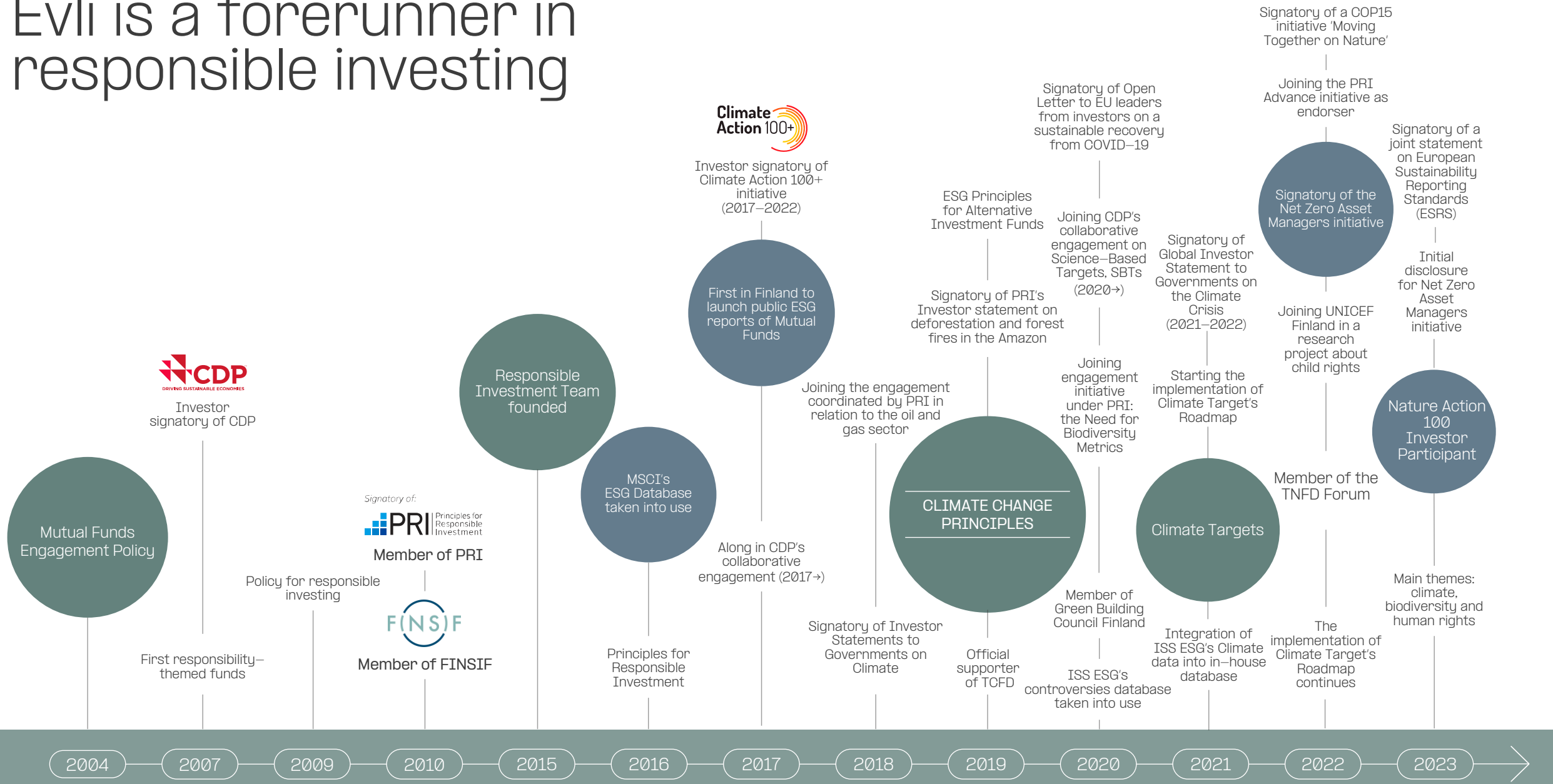
Source: Bloomberg PORT and Evli. NOTE: The portfolio attribution in Bloomberg PORT gives slightly different returns than the official NAV calculations due to: actual trades vs closing prices, tenders, consent fees etc.



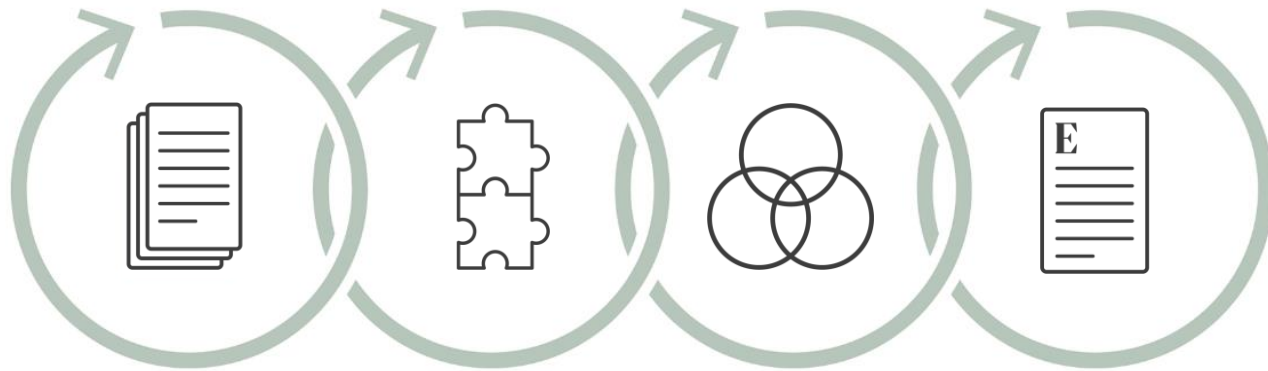
AMBITION

"We want to be the forerunner in responsible wealth management in the Nordics, and in this way help our clients in managing their wealth to support a sustainable future."

Evli is a forerunner in responsible investing



Four pillars of responsible investing at Evli



Principles for Responsible Investment

- Decided by Evli's Responsible Investment (RI) Executive Group

ESG¹ –integration in investment process

- Portfolio managers responsible for daily implementation

Engagement and active ownership

- Managed by dedicated RI Team, ESG also part of the discussion at portfolio managers' company meetings

Reporting

- Comprehensive and transparent reporting at fund and client level

#1

in Sustainable investing
according to Finnish institutions
2017–2023²

¹ESG = Environmental, Social ja Governance

²KANTAR Prospera "External Asset Management Finland" 2023, 2020, 2019, 2018, 2017 and SFR 2022, 2021, 2017

Monitoring, engagement and active ownership

UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and Evli's climate principles compliance are screened quarterly.

All norm violation cases assessed by Responsible Investment team, which decides to start the engagement or to exclude the company.

Main engagement themes are:

- International norm violation
- Mitigating climate change
- Transparent ESG reporting
- Corporate Governance

Active ownership:

- ESG issues are regularly discussed in all meetings with company management
- Evli attends general meetings in Finland, but does not do proxy voting abroad

Collaborative engagement initiatives such as Climate Action 100+, CDP Investor Letters, Nature Action 100 and PRI¹ led collaborative engagements.

ENGAGEMENT ACTIVITIES 2023

COLLABORATIVE ENGAGEMENT INITIATIVES

3349

companies

PARTICIPATING IN GENERAL MEETINGS

27

general meetings

INDEPENDENT ENGAGEMENT

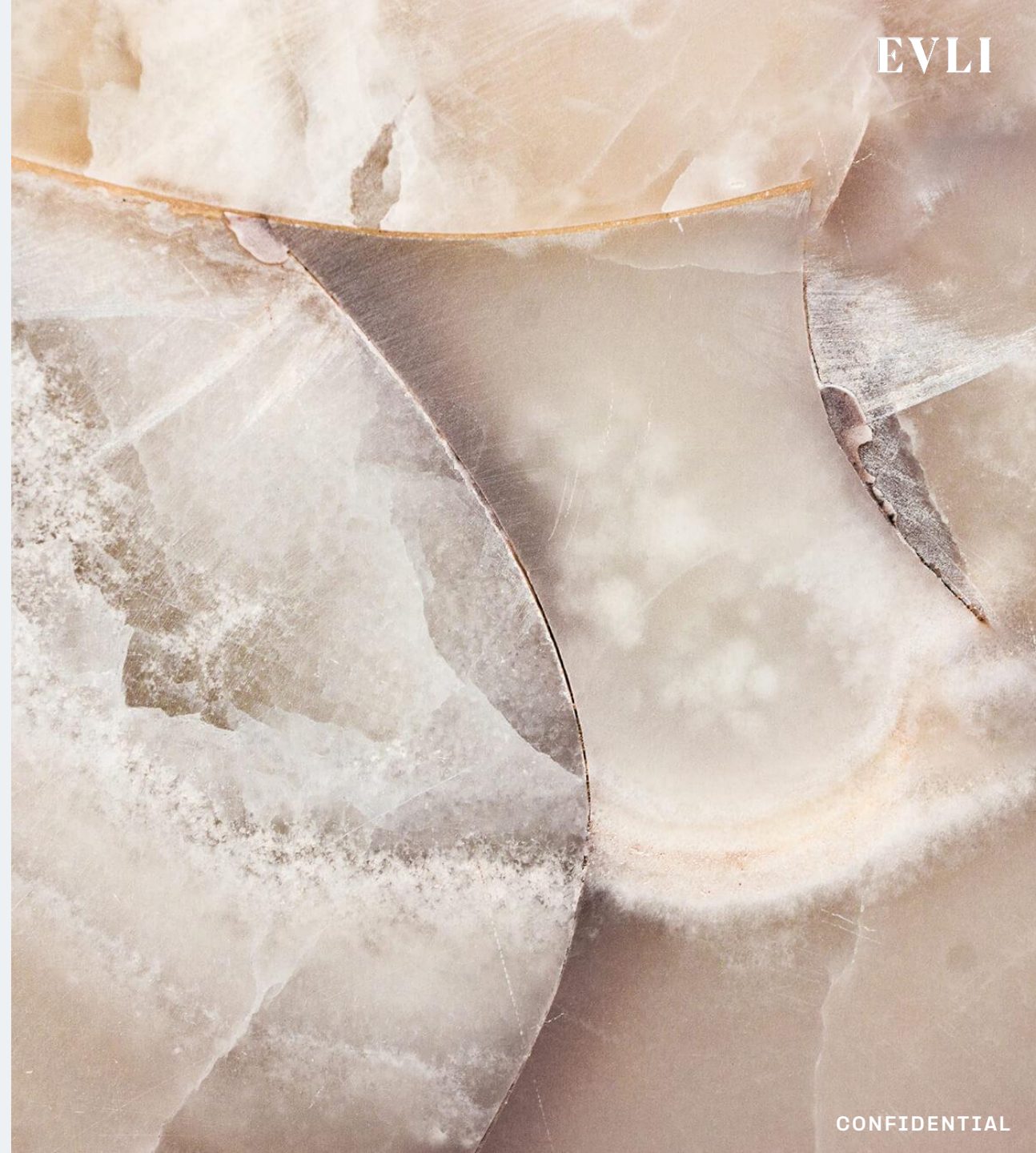
37

times

¹Principles for Responsible Investment is an umbrella organization for responsible investment supported by the UN.

Exclusions in practice in all Evli funds

- With 0% revenue threshold:
 - Controversial weapon manufacturers
 - Companies manufacturing peat for energy production
- With 5% revenue threshold:
 - Tobacco producers, adult entertainment producers and companies practicing controversial lending
- With 10% revenue threshold:
 - Thermal coal and oil sands companies
- In addition, some funds exclude:
 - Companies with more than 5% of their revenues coming from gambling, alcohol or weapons manufacturing
 - Companies in extraction and mining of fossil fuels or thermal coal
- International norm violations can also lead to an exclusion; however, this is only a last resort.
- In addition, since March 2022 Russia is excluded as a region where investments can be made. The exclusion covers both Russian companies and the Russian state.



Evli's climate change principles

1. Analysis

- Monitoring the emissions of companies in Evli's funds through fund-specific carbon footprints.
- Funds' carbon footprints are also assessed by Evli's Responsible Investment team.

2. Exclusion

- Avoiding investments in companies that gain a significant part of their revenue (at least 10%) from thermal coal (mining and energy production) and oil sands extraction.
- Also, companies manufacturing peat for energy production are excluded (0%).

3. Engagement

- Encouraging companies to report the climate impacts of their operations, and possible risks vs. benefits.
- Participating in several investor joint engagements and letters, such as Climate Action 100+ , CDP Investors Letters, and Global Investor Statement to Governments on the Climate Crisis.

4. Reporting

- Funds' carbon footprints are reported publicly.
- Evli has published in 2020 first TCFD¹ report of its climate risks.

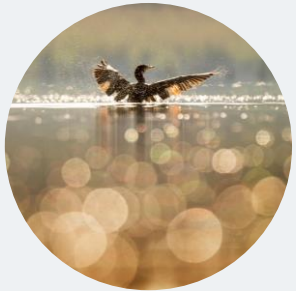
¹Task Force on Climate-related Financial Disclosure, www.fsb-tcfd.org



Evli's climate targets



Evli aims for carbon neutrality of its own operations by 2025, and carbon neutrality of investments by 2050 at the latest.



The interim target for the investments –50% reduction in indirect emissions from investments by 2030 (compared to 2019).



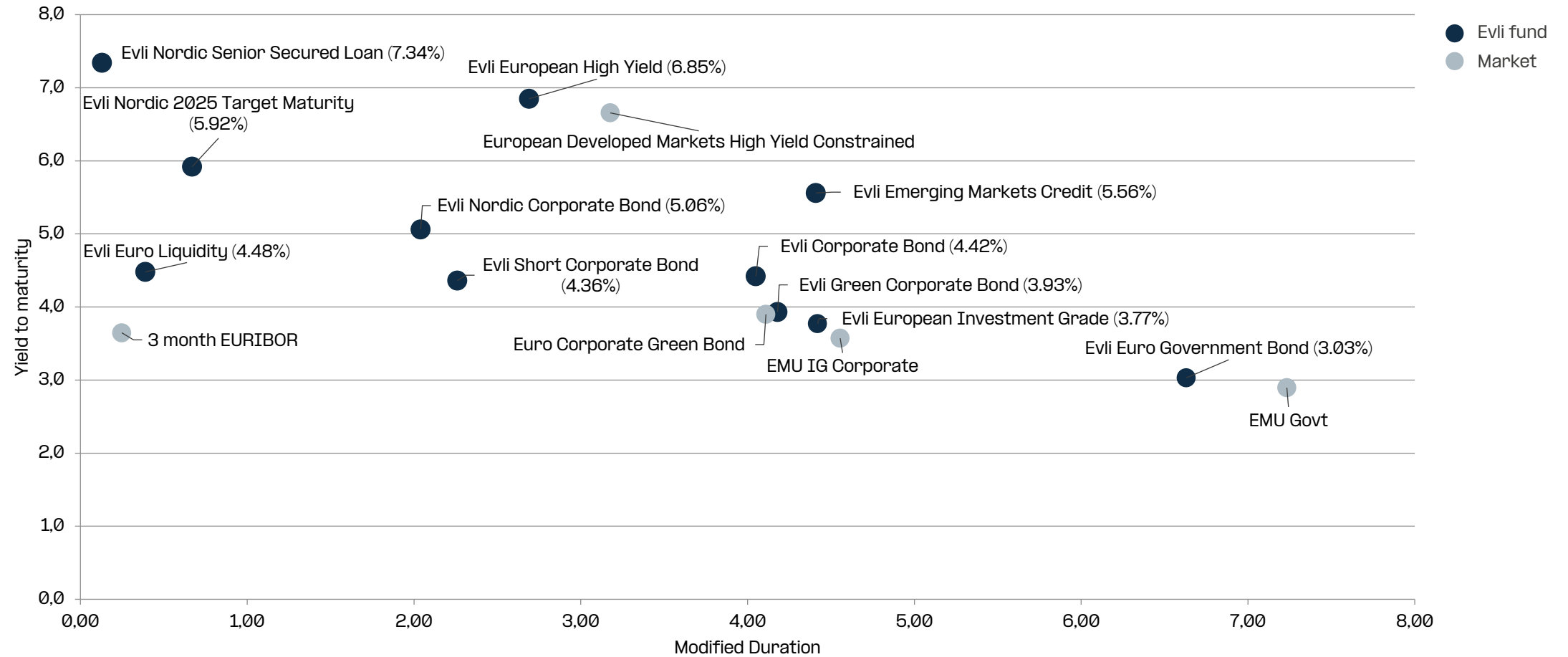
We are aware that a credible long-term carbon-neutral goal requires systematic work and sufficiently ambitious interim targets to support it.

WHAT OPPORTUNITIES DOES THE MARKET CURRENTLY OFFER?

Evli Corporate Bond – Overview of the
market

Evli's funds vs. the market

31.7.2024



Market outlook

- Global rate hike cycle is over, Swedish Riksbank and the ECB already delivered first cuts
- Weakening macroeconomic data in the US boosted expectations for Fed rate cuts
- Market pricing for rate cut path continues to be a source of volatility during H2
- The Q2 reporting season was in general on the weaker side compared to market estimates, but broadly neutral from credit investor's perspective
- Credit fundamentals are healthy and refinancing risk is relatively low
- Company outlooks for the H2 turned more cautious, reflecting the expectations of softer economic development
- The corporate bond market offers attractive spreads and yield level
- Rate cuts offer a strong support for total returns as yield curve is expected to move lower
- Currently inverted yield curve is set to normalize when short end of the yield curve shifts down with rate cuts

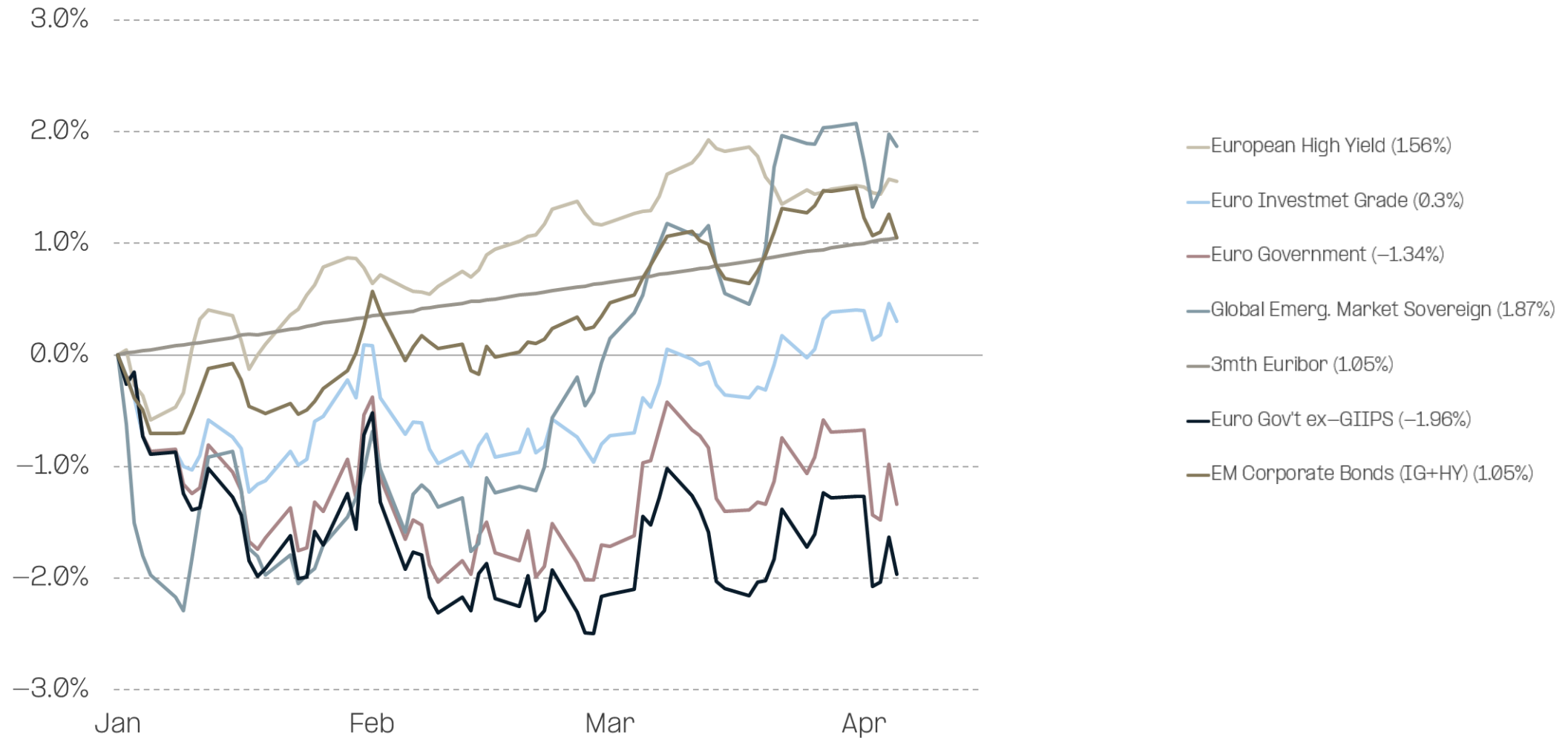
CENTRAL BANK POLICY IS STILL A SUPERIOR MARKET DRIVER, CLOSE FOCUS ON INCOMING MACROECONOMIC DATA

FOR CREDIT INVESTOR, STRONG CREDIT FUNDAMENTALS AND RELATIVELY LOW REFINANCING RISK OUTWEIGHS ECONOMIC HEADWINDS

THE CORPORATE BOND MARKET OFFERS AN ATTRACTIVE YIELD AND IS SET TO BENEFIT FROM RATE CUTS

Benchmark total return % 2024 YTD

Historical returns are no guarantee of future returns.

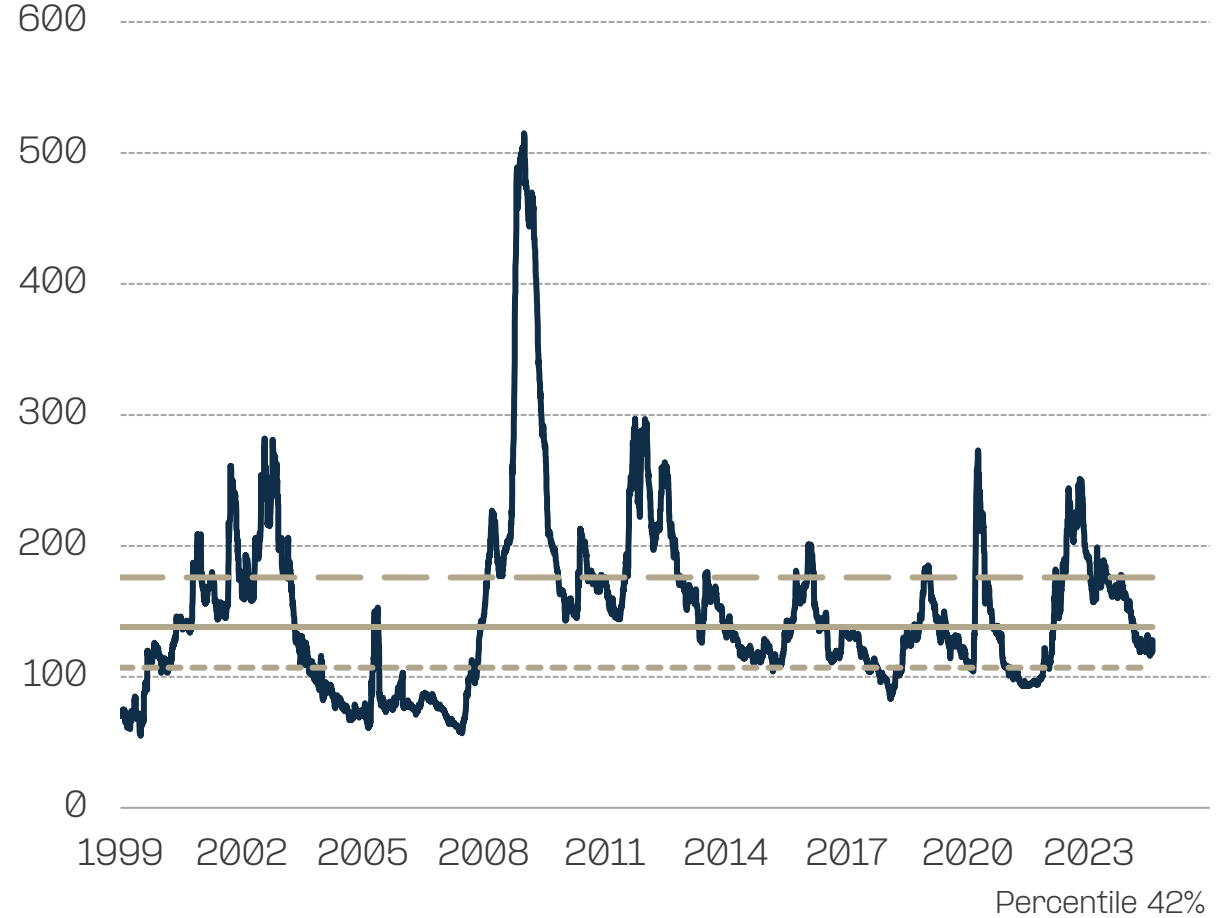


Spreads: BBB-rated IG in Europe

Last 5 years



Since 1999

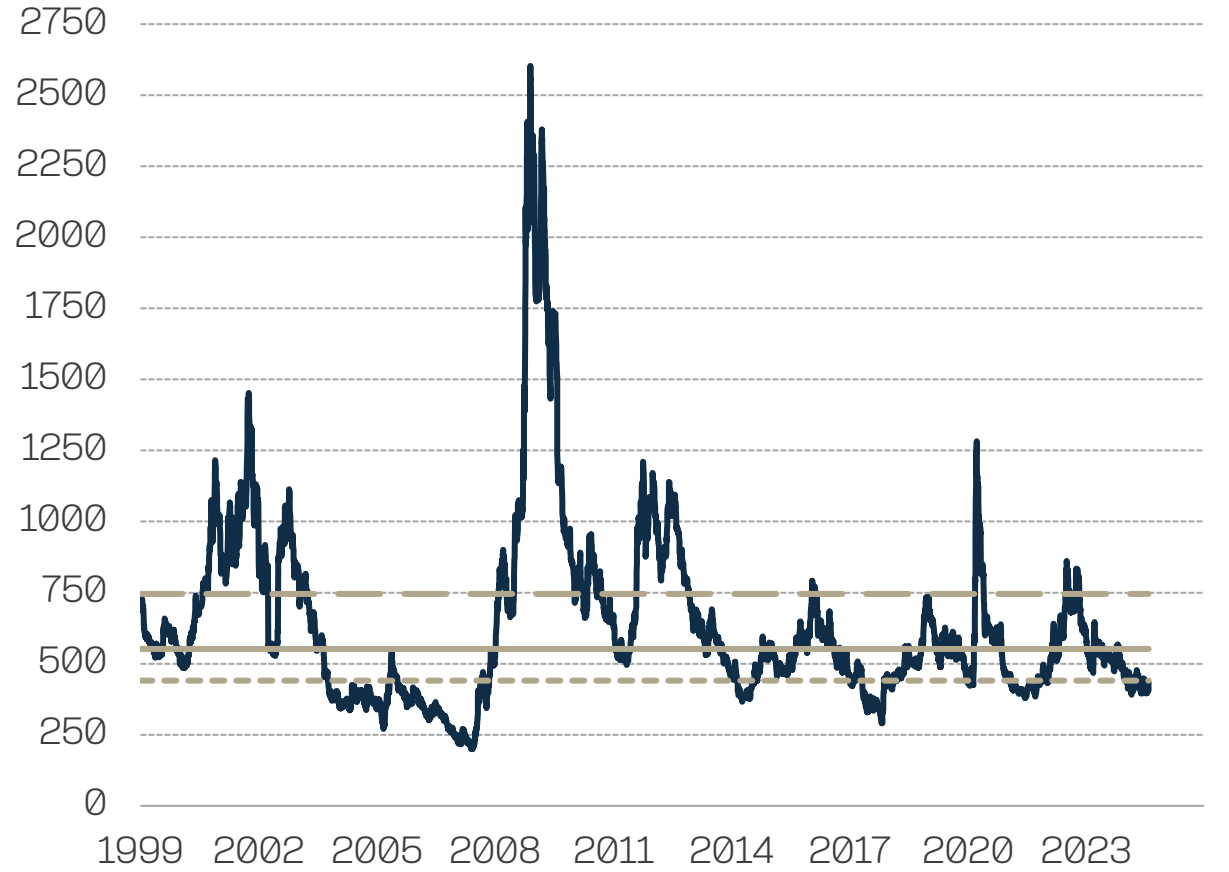


Spreads: B-rated HY in Europe

Last 5 years



Since 1999

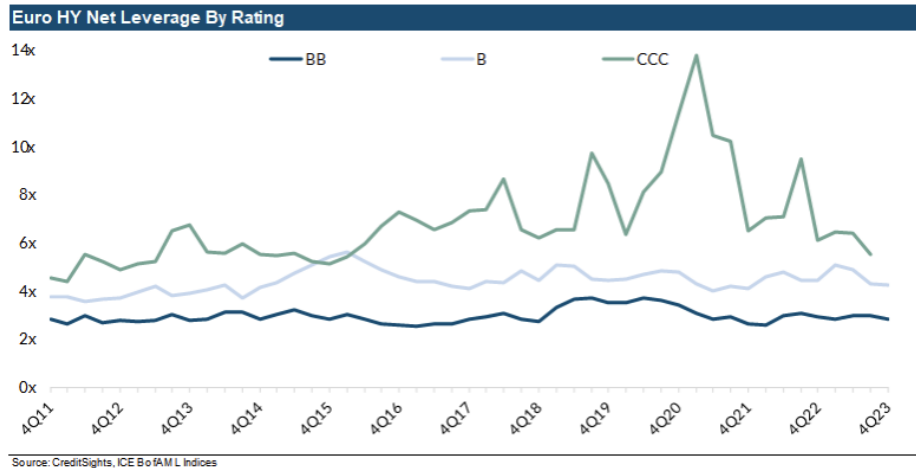
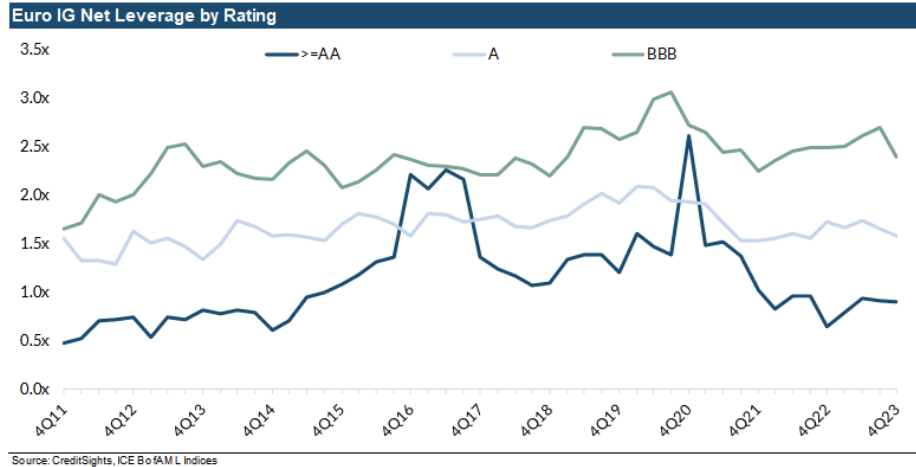


— B rating
— Median, since 1999
- - - 25% percentile, since 1999
- · - 75% percentile, since 1999

Percentile 23%

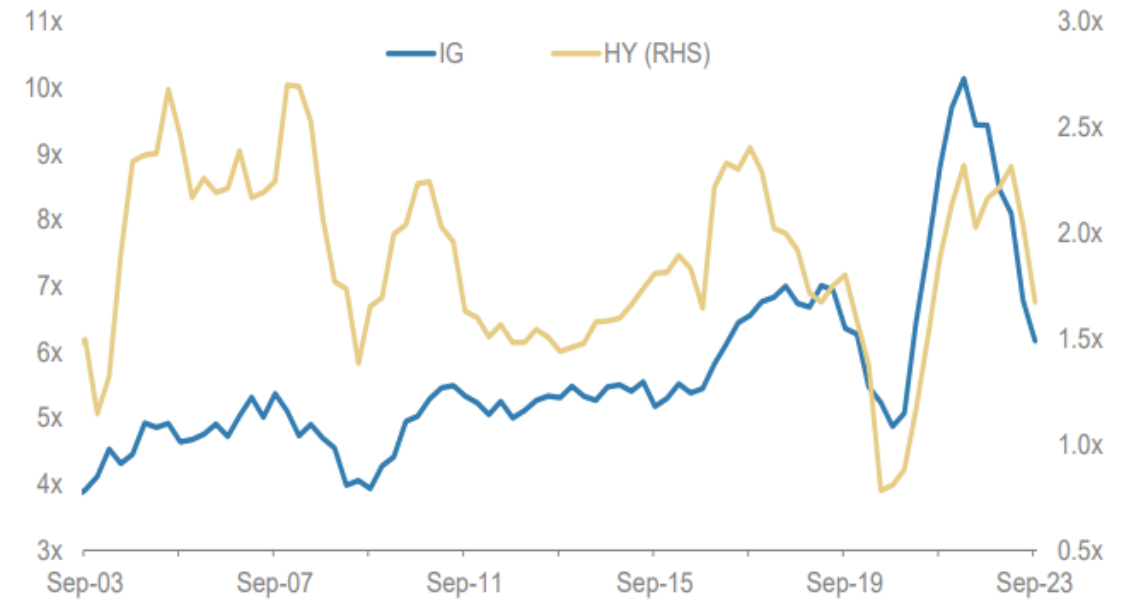
Credit metrics (IG + HY)

Net leverage (net debt to EBITDA)



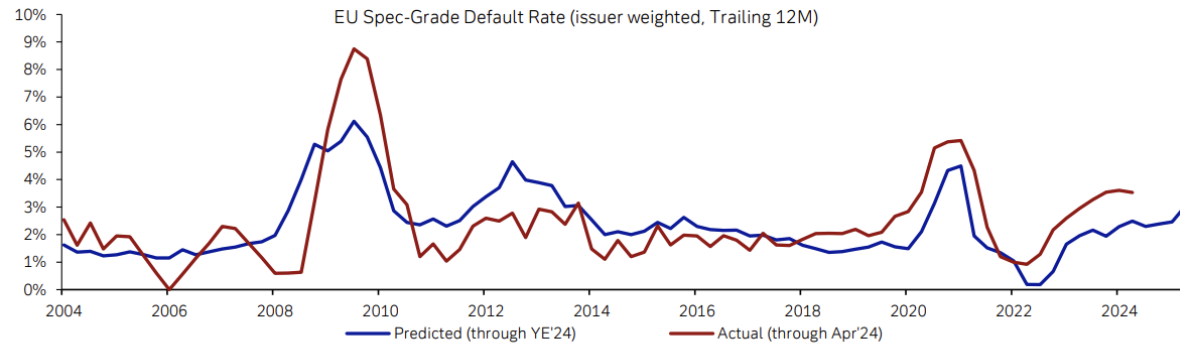
Interest coverage

Interest Coverage (Based on EBIT)



Note: Data as of 3Q23. Source: Morgan Stanley Research, Bloomberg, company data

HY: Defaults on the rise, expected to plateau this year



Source : Deutsche Bank, Bloomberg Finance LP, S&P, *includes distressed exchanges
See the appendix for the model parameters

- Defaults are at moderate level but up from 2022 abnormally low level
- Due to the healthy credit fundamentals and high balance sheet liquidity, forecasts for Europe are moderate
- 2023 defaults 2.54%, 2024 forecast 3.7% (Deutsche Bank)

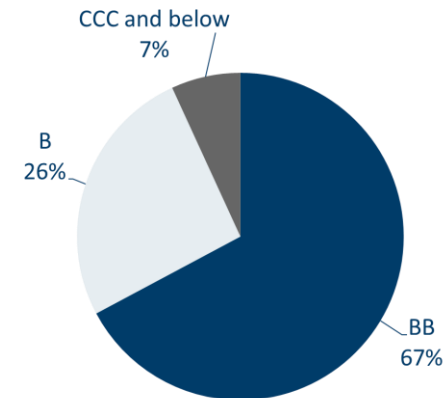
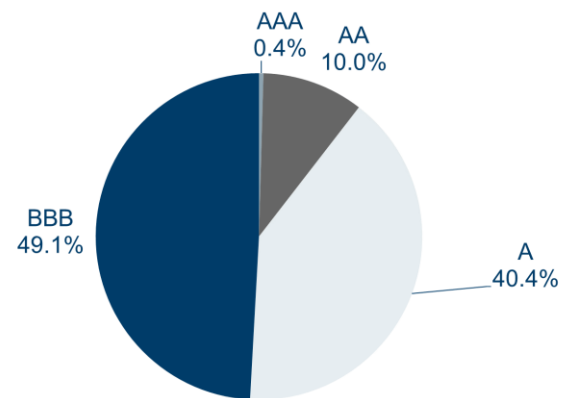
The European Credit Market

	Euro Investment Grade*	European High Yield**
Yield (%)	3.88	6.86
Modified Duration	4.54	3.08
Average Rating	A-	BB-
Average price (%)	93.97	93.91
Spread to Government (bps)	118	364
Number of bonds	4291	748
Par value market size (bln €)	3112	400

*) ICE BofAML Euro Corporates Index

Updated as of June 30, 2024

***) ICE BofAML European Currency Developed Markets High Yield Constrained Index

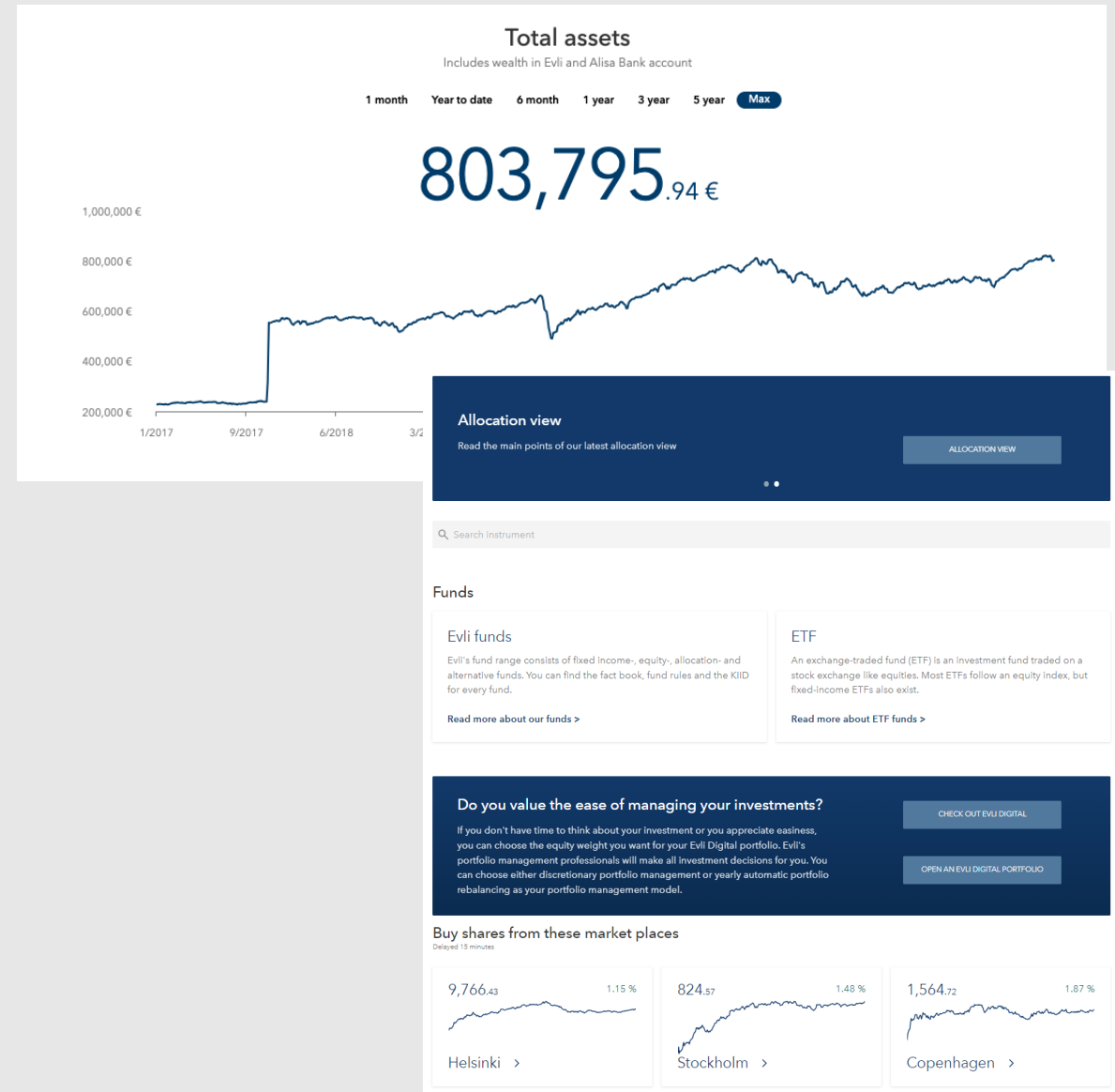


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Fund Group Evli Fund Management has a Gold Rating in the sector Bonds – Euro Corporates Short Term, a Silver rating in the sector Bonds – Euro Corporates and a Bronze rating in the sectors Equity – Nordic, Equity – Finland, Equity – Europe Blend by Citywire for their rolling risk-adjusted performance, across all management teams in the sector, over the period 31/12/2014–31/12/2021.

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