

Evli Emerging Markets Credit B

Long-term fixed income fund that invests in the emerging markets with both low and high credit ratings.

FUND MANAGER'S COMMENT



July was another strong month for emerging market corporate bonds, continuing their robust year. The most significant factor driving positive performance during the month was the decline in US interest rates, which boosted corporate bond prices. The US 10-year yield fell by nearly 40 basis points over the month. Meanwhile, the emerging market corporate bond spread widened by about ten basis points, largely due to the same interest rate movement.

The fund's return last month was 1.26% (B series) compared to the benchmark index return of 1.35%. The primary reason for the fund's modest underperformance during the month was its lower interest rate sensitivity compared to the benchmark. On the other hand, the fund outperformed its benchmark in company selection, particularly among high yield investments. However, as interest rates fell, interest rate sensitivity was the winning factor in July.

The development of US Treasury yields is the key driver for this dollar-denominated market. The US real economy has remained strong for a long time, but inflation now appears to have calmed, and the Fed is signaling easing monetary policy. This would support the dollar-denominated emerging market corporate bond asset class. At the end of the month, the fund's currency-hedged yield to maturity was 5.56% and the duration was 4.41.

PERFORMANCE SINCE START



Past performance is no guarantee of future returns.

PERFORMANCE, %

	Fund	Benchmark	Difference
Year-to-Date	3.58	4.45	-0.88
1 Month	1.26	1.35	-0.09
3 Months	2.84	3.51	-0.67
6 Months	2.97	3.97	-1.00
1 Year	7.18	7.96	-0.79
3 Years, annualized return	-2.71	-1.90	-0.81
5 Years, annualized return	-0.11	0.49	-0.60
Since Launch (10.10.2013)	14.23	29.47	-15.24
Since Launch, annualized return	1.24	2.42	-1.18
2023	5.66	6.67	-1.01
2022	-15.10	-14.41	-0.69
2021	-0.15	0.00	-0.15
2020	5.64	5.55	0.10

BASIC INFORMATION

Fund Manager	Juha Mäntykorpi
Benchmark	J.P. Morgan CEMBI Broad Diversified EUR hedged
ISIN	FI4000066899
Fund Starting Date	10.10.2013
Morningstar Fund Category™	Global Emerging Markets Corporate Bonds - euro bias
Morningstar Rating™	★★★★☆☆
SFDR	Article 8
Responsibility Score	A
Carbon Footprint (t CO2e/\$M sales)	443
Subscription Fee, %	-
Redemption Fee, %	-
Management and Custody Fee p.a., %	1.00
Performance Fee, %	-
UCITS	Yes

RISK AND REWARD PROFILE

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards



Read more about the fund risks and calculating the risk category from the Key Investor Document (KID).

RECOMMENDED INVESTMENT HORIZON

at least 4 years

KEY FIGURES, 12 MONTHS

	Fund	Benchmark
NAV per B Unit, EUR	114.235	-
Fund Size, EUR million	139.00	-
Volatility, %	3.53	3.41
Sharpe Ratio	0.91	1.17
Tracking Error, %	0.95	-
Information Ratio	-0.83	-
R2	0.93	-
Beta	1.00	1.00
Alpha, %	-0.78	-
TER, %	1.02	-
Portfolio Turnover	0.72	-
Modified Duration	4.41	4.13
Yield (YTM), %	5.56	4.94
Avg. Rating	BBB-	BBB-

RESPONSIBILITY SCORES

The Fund's responsibility scores are an assessment of the Fund's holdings from a responsibility perspective. The Fund's rating scale from best to worst is AAA, AA, A, BBB, BB, B and CCC. The ESG ratings distribution of the Fund's holdings are based on MSCI's analysis. MSCI is an independent ESG research provider offering a comprehensive global database.

Responsibility Score	A
Environment	BBB
Social	BBB
Governance	BBB
Coverage of the Analysis (%)	70



ESG means factors related to Environmental, Social and Governance issues.

ESG Rating: companies are analysed and measured by how well they manage key risks and opportunities arising from ESG factors. The assessment is done within the industry.

Responsibility Score: based on MSCI's methodology and taking into account the market value-weighted average of the fund's individual companies' ESG ratings.

CARBON FOOTPRINT

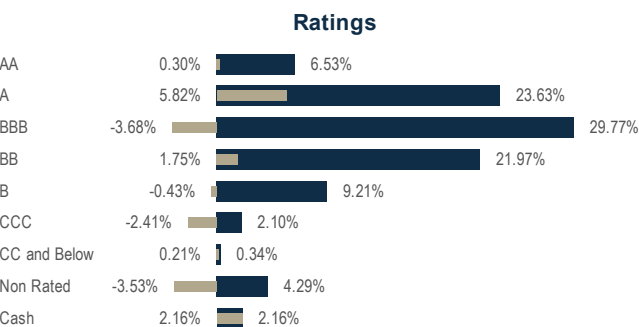
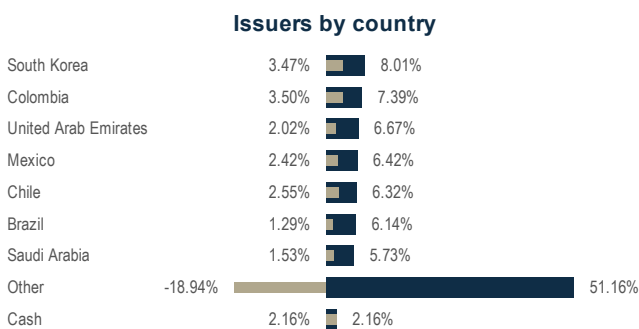
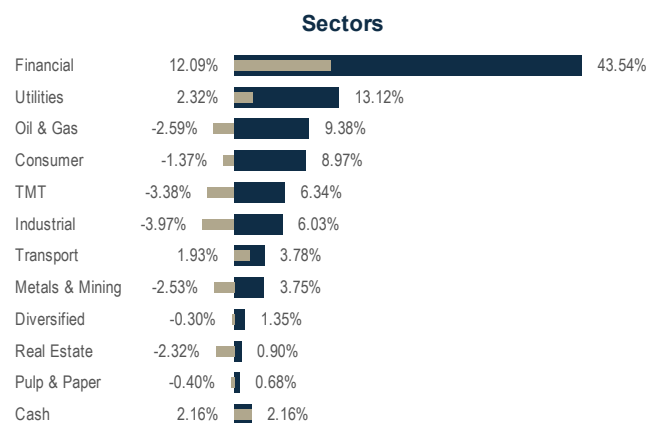
Evli uses weighted average carbon intensity to measure the carbon footprint according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). According to MSCI's analysis, the weighted average carbon intensity is categorized as following Very Low (0 to <15), Low (15 to <70), Moderate (70 to <250), High (250 to <525), and Very High (>=525).

Carbon Footprint	443 (t CO2e/\$M sales)
------------------	---------------------------

[Read more about Fund's responsibility from its ESG-report](#)

PORTFOLIO STRUCTURE

■ Weight
■ Active weight



10 LARGEST INVESTMENTS

Investment	%
Oversea-Chinese 10.9.2030 1.832% Callable Variable	2.25
Otp Bank 5.10.2027 6.125% Callable Variable	2.06
Uzbek Industrial 24.7.2029 8.95% At Maturity Fixed	1.96
Arab National Bk 28.10.2030 3.326% Callable Variable	1.75
Abu Dhabi Deve 8.5.2034 5.5% Callable Fixed	1.73
Tatra Banka As 29.4.2030 4.971% Callable Variable	1.71
Qnb Finance Ltd 12.5.2025 2.625% At Maturity Fixed	1.63
Banco Inter Peru 8.7.2030 4% Callable Variable	1.62
Gohl Capital Ltd 24.1.2027 4.25% At Maturity Fixed	1.61
Kazmunaygas Nat 24.10.2048 6.375% At Maturity Fixed	1.58

10 LARGEST ISSUERS

Issuer	%
Oversea-Chinese Banking Corp Ltd	2.25
OTP Bank Nyrt	2.06
Uzbek Industrial and Construction Bank ATB	1.96
Arab National Bank	1.75
ABU Dhabi Developmental Holding Co PJSC	1.73
Tatra Banka as	1.71
Tullow Oil PLC	1.68
AIA Group Ltd	1.64
QNB Finance Ltd	1.63
Banco Internacional del Peru SAA Interbank	1.62

SHARE CLASS INFORMATION

Share Class	A	B	IB	BSEK
Launch Date	10.10.2013	10.10.2013	22.5.2017	10.10.2013
Currency	EUR	EUR	EUR	SEK
NAV 31.7.2024	78.319	114.235	104.011	1,143.638
Management and Custody Fee per Year, %	1.00	1.00	0.55	1.00
TER per Year, %	1.02	1.02	0.57	1.02
Sales Registration	FI,SE	FI,SE	FI,SE,IT	FI,SE
ISIN	FI4000066881	FI4000066899	FI4000243225	FI4000068549
Bloomberg	EVEMCDA FH	EVEMCDB FH	EVEMCIB FH	EVEMCBS FH
WKN	-	-	-	-
Clean Share	No	No	Yes	No
Minimum Investment	5,000	1,000	10,000,000	10,000
Profit Distribution	Annually	Accumulated	Accumulated	Accumulated
Target Investor	Retail	Retail	Institutional	Retail

DICTIONARY

Alpha describes the effect of the portfolio manager's investment choices on the fund's return compared with the return of an index portfolio with corresponding market risk, i.e. the additional returns attained by the fund in relation to its market risk.

Beta describes the sensitivity of the fund's value to changes in the benchmark index. If the value of the benchmark index changes by one percent, the expected change in the fund's value is beta x 1 percent. On average, the fund's value will change more than the value of the benchmark index if the beta value is greater than 1. A beta value less than 1 indicates the opposite, i.e. that the fund's value will change less than the benchmark value.

Carbon Footprint Evli uses weighted average carbon intensity to measure the carbon footprint according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The funds' carbon intensity figures are based on the emissions figures produced by MSCI.

Duration measures the average repayment term (in years) of a fixed income instrument. Modified duration indicates the price sensitivity of a fixed income security to changes in interest rates. The higher the duration number, the greater the interest rate risk of the fund portfolio.

Information Ratio describes the long-term ability of a portfolio manager to add value through active portfolio management. If the Information Ratio is zero, the long-term return of the fund equals that of the benchmark index. In practice this means that the fund has outperformed the benchmark index, on average, for five years out of ten. The higher the Information Ratio, the greater the probability that the fund will outperform its benchmark. With an IR of 0.5 the fund has outperformed the benchmark, on average, in seven years out of ten, and with an IR of 1.0 in 8.5 years out of ten.

OAS describes average credit spread to similar maturity government bonds in basis points (0.01 percentage points). Measures the excess yield of corporate bonds to risk free rate.

Portfolio Turnover is a measure of the length of time that a security remains in a portfolio during a given period. The portfolio turnover rate is calculated by subtracting the sum of subscriptions and redemptions of fund units (EUR S+T) from the sum of the securities bought and sold by the fund (EUR X+Y). The turnover is the abovementioned difference divided by the average market value of the fund, which has been calculated from the daily market values over the past 12 months. For example, if all assets have been sold and bought once it would equal to a turnover rate of 1. Portfolio turnover rate = $((X + Y) - (S + T)) / M \times 100 / 2$, where X = Securities bought, Y = Securities sold, S = Fund's fund units issued / subscribed, T = Fund's fund units cancelled / redeemed, M = Average total value of net assets.

R2 (R-squared) describes the extent to which the fund's performance is dependent on the performance of the benchmark index. R-squared is the square of the correlation coefficient.

SFDR In accordance with the Sustainable Finance Disclosure Regulation (SFDR), article 8 funds promote sustainability factors among other features, and article 9 funds aim to make sustainable investments. Other funds address only sustainability risks in their investment decisions (article 6 funds).

Sharpe Ratio indicates the size of return relative to risk taken. The Sharpe ratio measures the fund's return (with volatility of one percent) in excess of a risk-free return. The higher the Sharpe ratio, the more favorable the relationship between return and risk.

TER (Total Expense Ratio) is a measure of a fund's total expenses in relation to its average assets and is expressed as an annualized percentage. The expenses include all the fund's management and custody fees and any profit-related fees. Securities commissions are excluded. $TER = A + B + C + D$, where A = Management fee charged from the fund's assets, B = Custodian fee that may be charged separately from the fund's assets, C = Account maintenance and other bank charges that may be charged from the fund's assets, D = Any other fees which, according to the fund's rules, are charged directly from the fund's assets. As a rule, funds registered in Finland do not make such charges on top of trading fees.

Tracking Error indicates the risk of active portfolio management in relation to the risk of the benchmark index. The higher the number, the more the fund's performance differs from the benchmark's performance. If the tracking error is 5%, the fund's return will deviate in about two years out of three $\pm 5\%$ of the benchmark's return. The tracking error is zero if the relative weights of the fund's investments are exactly the same as in the benchmark index. Tracking error increases if investment weights are changed relative to the weights of the benchmark index.

Volatility is a risk measure generally used in financial markets. It reflects variability in the return of an investment or a portfolio. The higher the volatility, the greater the variability in return and the risk involved. If the fund's expected return is 12% and the volatility is 20%, then the fund's return for two years out of three is $12 \pm 20\%$, that is, between -8% and +32%. Volatility is calculated on the basis of the standard deviation of weekly returns and expressed as an annual percentage.

Yield (YTM) Estimated annual rate of return to maturity (yield to maturity).

YTW Lowest estimated annual rate of return, if bonds are callable before maturity date (yield to worst).

BASIC INFORMATION

Domicile	Finland
Trade Frequency	Daily
Clearing Time	Trade Date + 2
Cut Off Time	14:00 EET (Trade date)
Currency	EUR
Custodian	Skandinaviska Enskilda Banken AB (publ) Helsinki branch
Auditor	Ernst & Young
NAV Calculation, Fund Registry Keeper and Fund Management Company	Evli Fund Management Company Ltd
Global Investment Performance Standards (GIPS®) Compliant	Yes
Orders In	Shares or currency

GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

DISCLAIMER

Evli

This report is intended only for the client's personal and private use. This report is based on sources that Evli considers correct and reliable. However, neither Evli nor its employees give any guarantee concerning the correctness, accuracy or completeness of any information, views, opinions, estimates or forecasts presented in this review, nor are they liable for any damage caused by the use of this publication. Evli is not responsible for any material or information produced or published by a third party that may be contained in this review. The information provided in the review is not intended as investment advice, or as a solicitation to buy or sell financial instruments. Past performance is no guarantee of future returns. This publication may not be copied, distributed, or published in the USA, and it is not intended for citizens of the USA. This material is not intended for persons resident in countries where the activities carried out by Evli have not been authorized by law. This publication, or any part thereof, may not be copied, distributed or published in any form without Evli's written, advance consent. All rights reserved.

Sources of data: Evli, MSCI, Morningstar, Bloomberg.

J.P. Morgan

Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2024, J.P. Morgan Chase & Co. All rights reserved.

Morningstar

©2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

MSCI ESG Research

©2024 MSCI ESG Research Inc. Reproduced by permission.

Although Evli's information providers, including without limitation, MSCI ESG Research Inc. and its affiliates (the "ESG Parties"), obtain information from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness of any data herein. None of the ESG Parties makes any express or implied warranties of any kind, and the ESG Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to any data herein. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein. Further, without limiting any of the foregoing, in no event shall any of the ESG Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.