

EVLI

EVLI USA GROWTH B



31.07.2024

ISIN: FI4000530647

BLOOMBERG: EVLUGRB 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

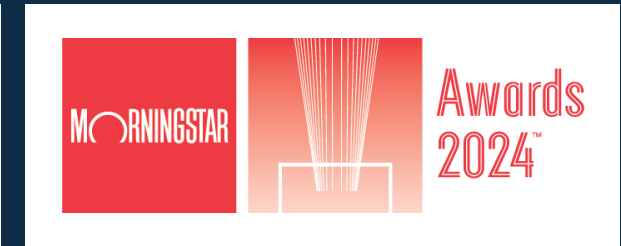
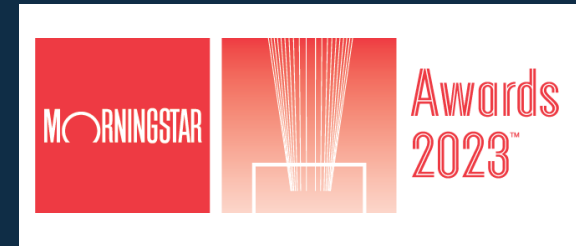
69

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.

EVLI'S SYSTEMATIC FUNDS

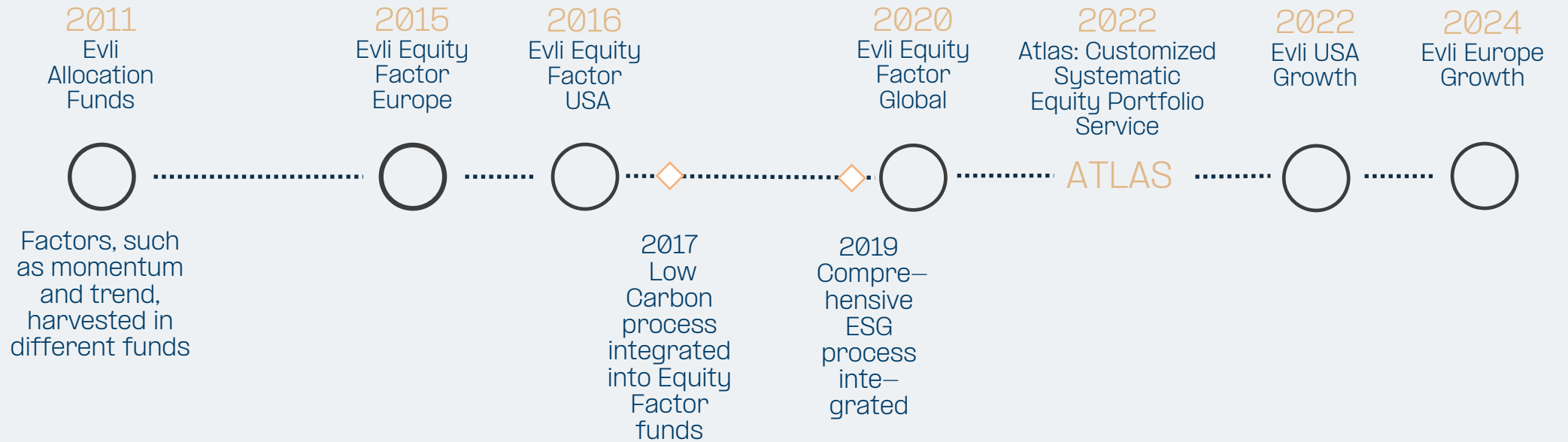
Evli's multifactor and growth fund
strategies

Evli systematic funds and strategies



Systematic investing at Evli

Systematic factor strategies utilized across various funds for >10 years



Portfolio management team



Peter Lindahl

PORTFOLIO MANAGER
AT EVLI SINCE 2000

- M.Sc. (Econ.), Hanken. Peter has worked in finance since 1996. Before joining Evli, Peter worked in the US as an equity broker and analyst.



Antti Sivonen

PORTFOLIO MANAGER
AT EVLI SINCE 2010

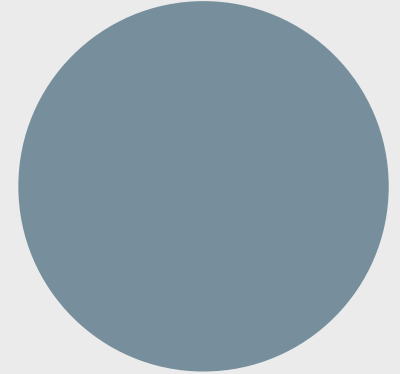
- M.Sc.(Accounting), Aalto University School of Business. Antti has worked in finance since 2007. Antti worked in Danske Capital before joining Evli.



Mattias Lagerspetz

PORTFOLIO MANAGER
AT EVLI SINCE 2015

- M.Soc.Sc. (Econ.), Helsinki University. Mattias has worked in finance since 2012. Before joining Evli, Mattias worked in SEB and Swedbank.



Matias Palmunen

QUANT ANALYST
AT EVLI SINCE 2024

- M.Sc.(Econ), Aalto University School of Business. M.Ph. (Mathematics & Statistics), Helsinki University. Matias has worked in finance since 2021. Before joining Evli, Matias worked at Robeco and Osuuspankki.

Investment philosophy

Study what has worked

- Value investing has existed for more than 100 years
- Academic consensus is a good starting point

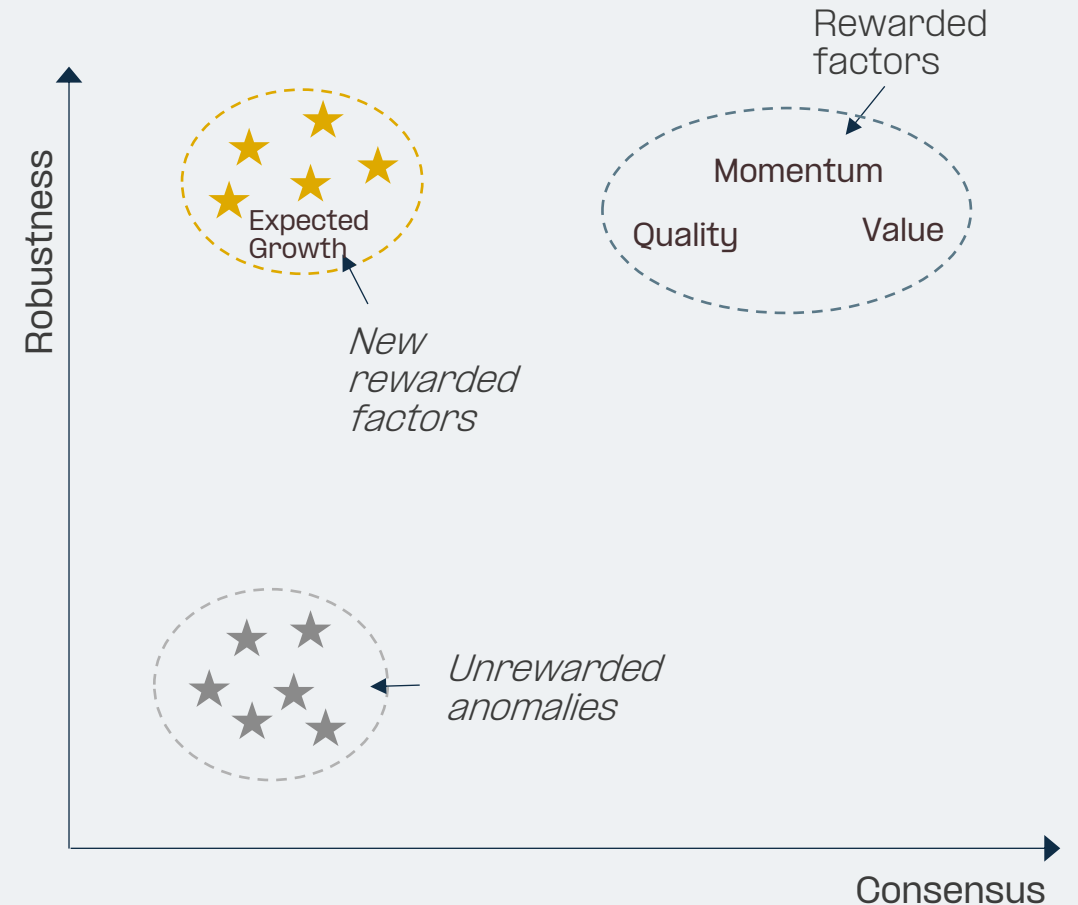
Don't get lost in the factor zoo

- Harness academic, practitioner and in-house research
- Robust empirical evidence as a guideline
- True factors are characteristics that predict returns

Be open-minded

- Financial theories are not always robust
- New data may bring new dimensions
- New ideas may be tomorrow's consensus

The Zoo of Factors



Growth Done Right

How to harvest the return premia in growth stocks

- Growth tends to be expensive
- But not all growing companies are too expensive
- A smart growth strategy is successful in identifying rewarded growth stocks



Quality
Growth

=

Growth firms
which grow
faster than
expected

What Type Of Growth Firms Have Outperformed?



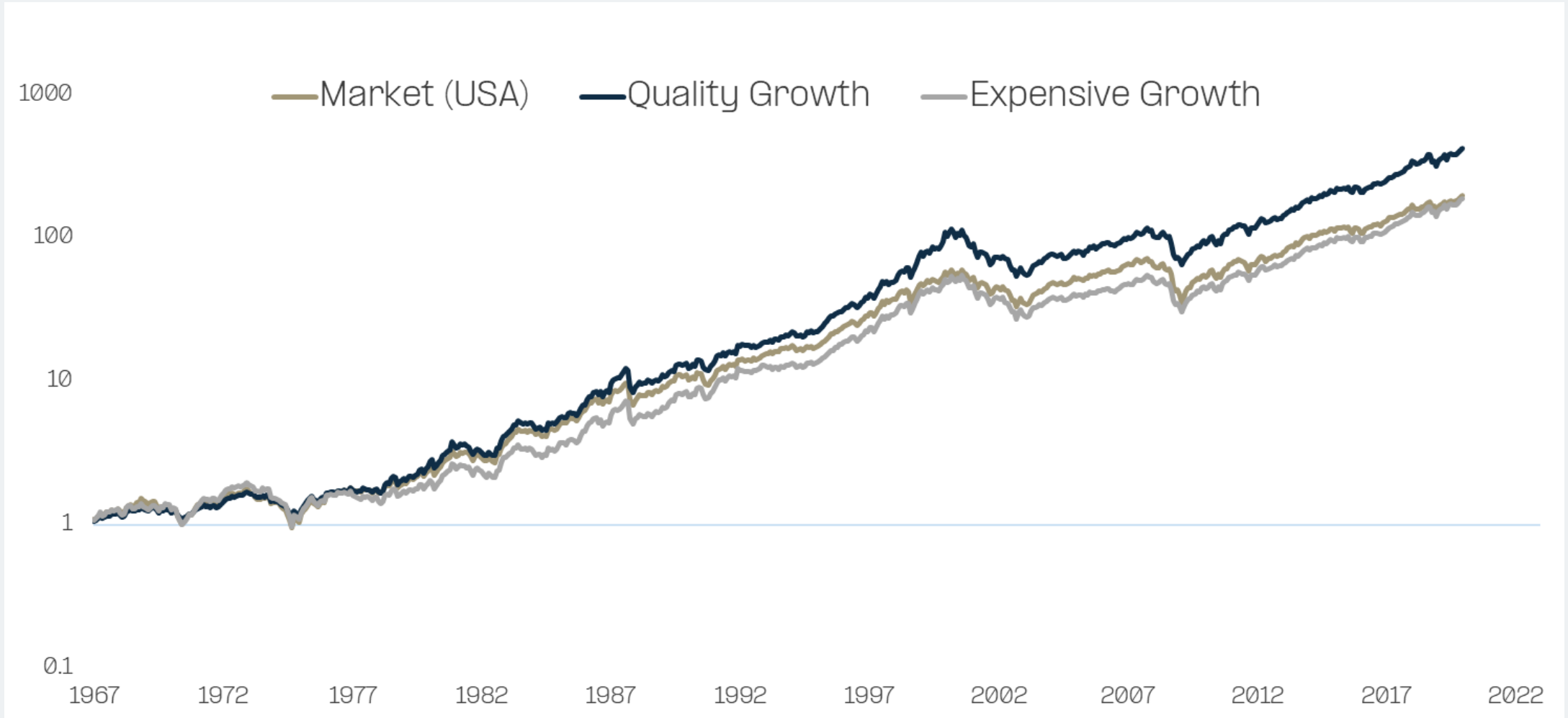
- + Expected growth
- + Profitable
- + R&D–biased
- + Recent outperformers



- Past growth
- Unprofitable

Quality Growth firms have outperformed

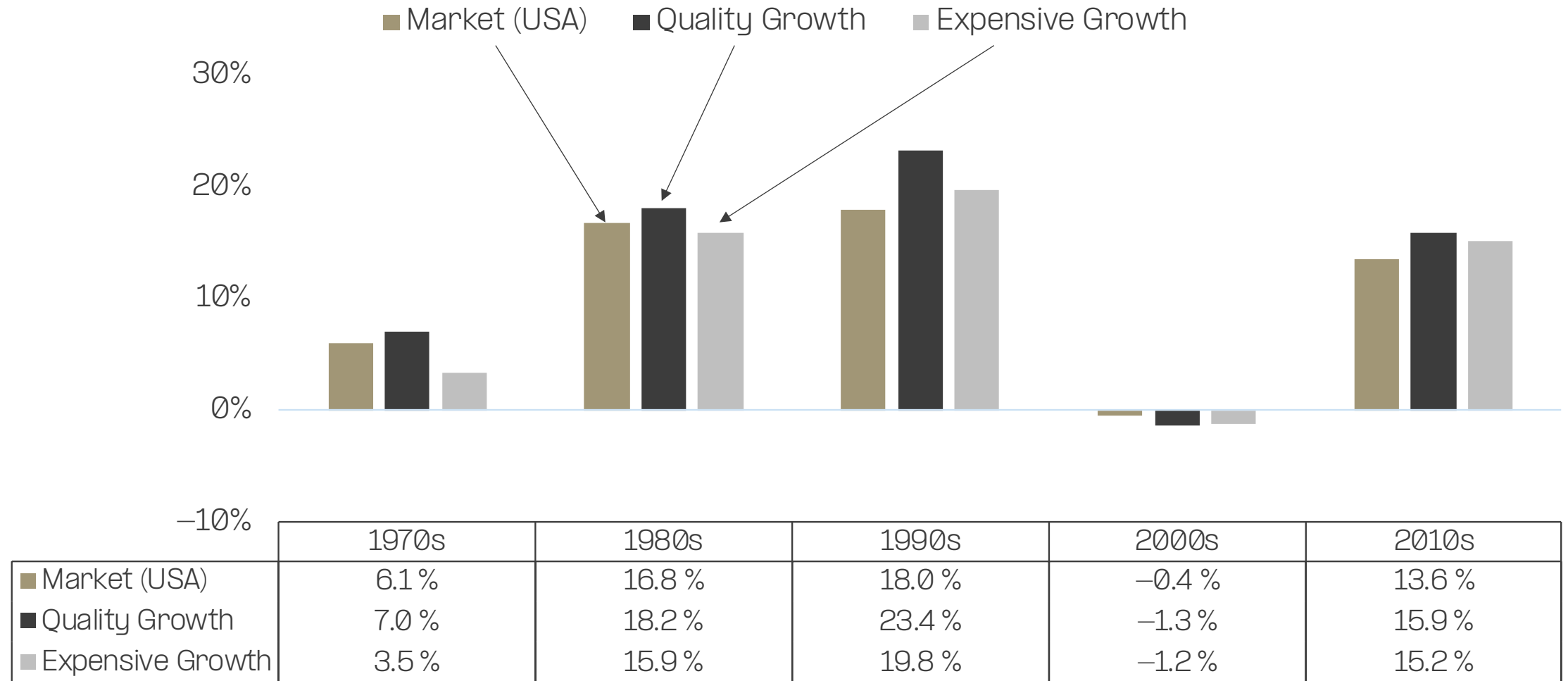
(Past performance is not an indicator of future returns)



Source: Evli. Returns are total returns among US large-caps between 1967-2021 and are based on historic simulations and do not necessarily illustrate real returns. Data source: <http://global-q.org/testingportfolios.html>

Quality Growth has generated good returns

Investors have been better off in avoiding expensive growth companies
(Past performance is not an indicator of future returns)



Source: Evli. Returns are annual averages among US large-caps during different decades and are based on historic simulations and do not necessarily illustrate real returns. Data source: <http://global-q.org/testingportfolios.html>

Growth Done Right

Harvesting Quality Growth

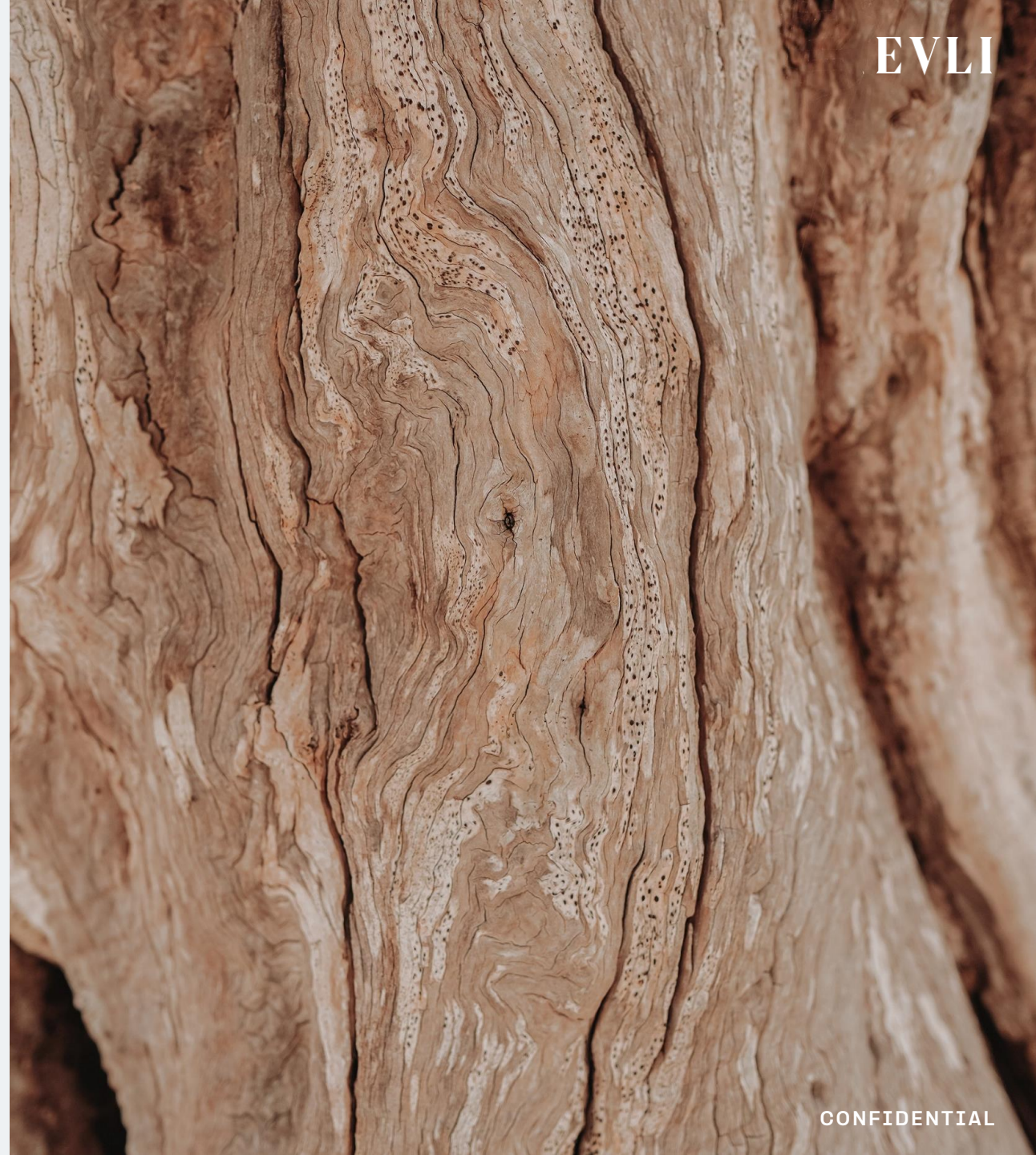
We invest into growth companies which show strong:

– Investment growth

- Profitability growth
- Operational cash flow
- High valuation of assets
- R&D spending

– Growth momentum

- Recent earnings and revenue growth
- Strong performers
- Earnings surprises

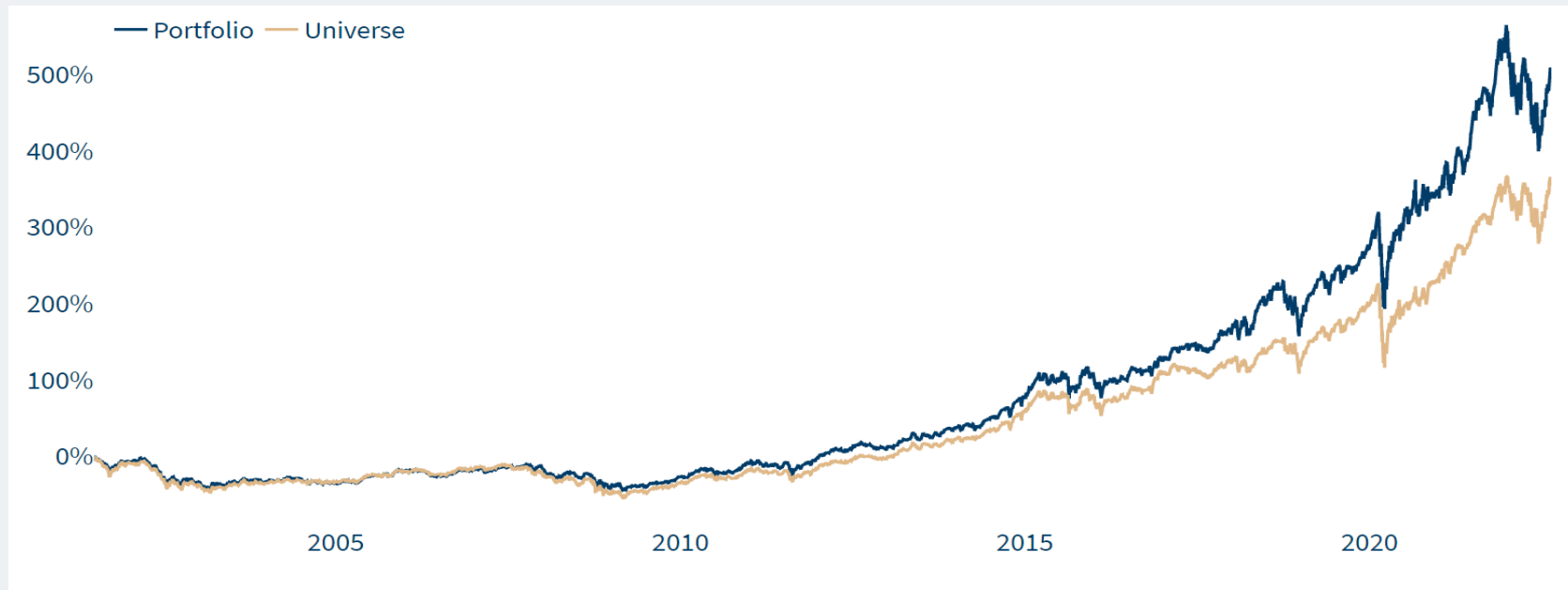


Quality Growth strategy, simulation¹

(Past performance is not an indicator of future returns)

Growth strategy simulation 2001–2022

The picture illustrates the income simulation of the growth strategy, which shows gross returns without expenses. The growth strategy is based on a high-quality growth strategy with an emphasis on growth companies that show investment growth and growth momentum. The investment universe is large-caps (MSCI USA index). The Portfolio is market weighted. The portfolio has been rebalanced quarterly, the strategy has utilized Evli's ESG principles and also taken into account the UCITS 10/40 rule.



Performance data

	CAGR	Volatility	Return/Vol	Skewness	Maximum Drawdown	Start Date	Last Date
Portfolio	8.78%	21.13%	0.51	-0.020417	-45.42%	03-07-2001	23-08-2022
Universe	7.39%	21.20%	0.44	-0.103333	-56.02%	03-07-2001	23-08-2022

*For illustrative purposes only. The returns are based on a historical simulation and is not based on real returns. Past performance is not an indicator of future returns.

Evli USA Growth

- Quality growth companies have performed strongly over the long-term
 - expensive growth firms may be risky for the investor.
- Growth factors based on academic research have produced strong returns in the past.
- The fund's growth strategy strives to invest in large companies which grow faster than expected.

Successful growth investing comes down to selecting companies that grow – and do so faster than expected

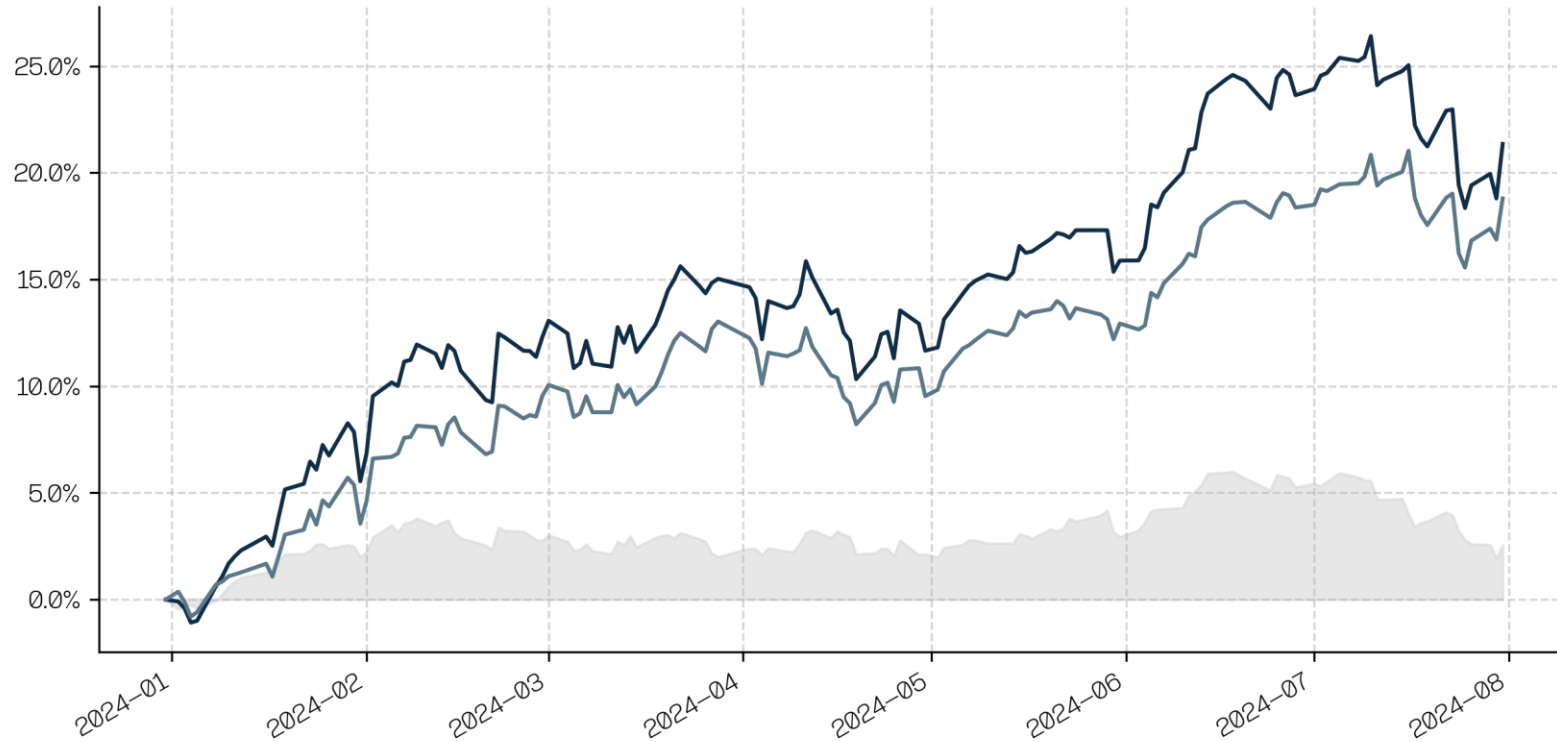
Net of fee returns – YTD

Evli USA Growth B 31.12.2023–31.07.2024

Past returns are no guarantee of future returns.

Net of fee returns

— Portfolio 21.4% — Benchmark 18.8% — Difference 2.6%



	Portfolio	Benchmark	Difference
YTD	21.35%	18.79%	2.56%

	Portfolio	Benchmark	Difference
Volatility	14.64%	11.60%	3.04%
Sharpe	1.30	1.42	-0.12
Tracking Error	4.74%	—	—
Information Ratio	0.54	—	—
Beta	1.21	—	—

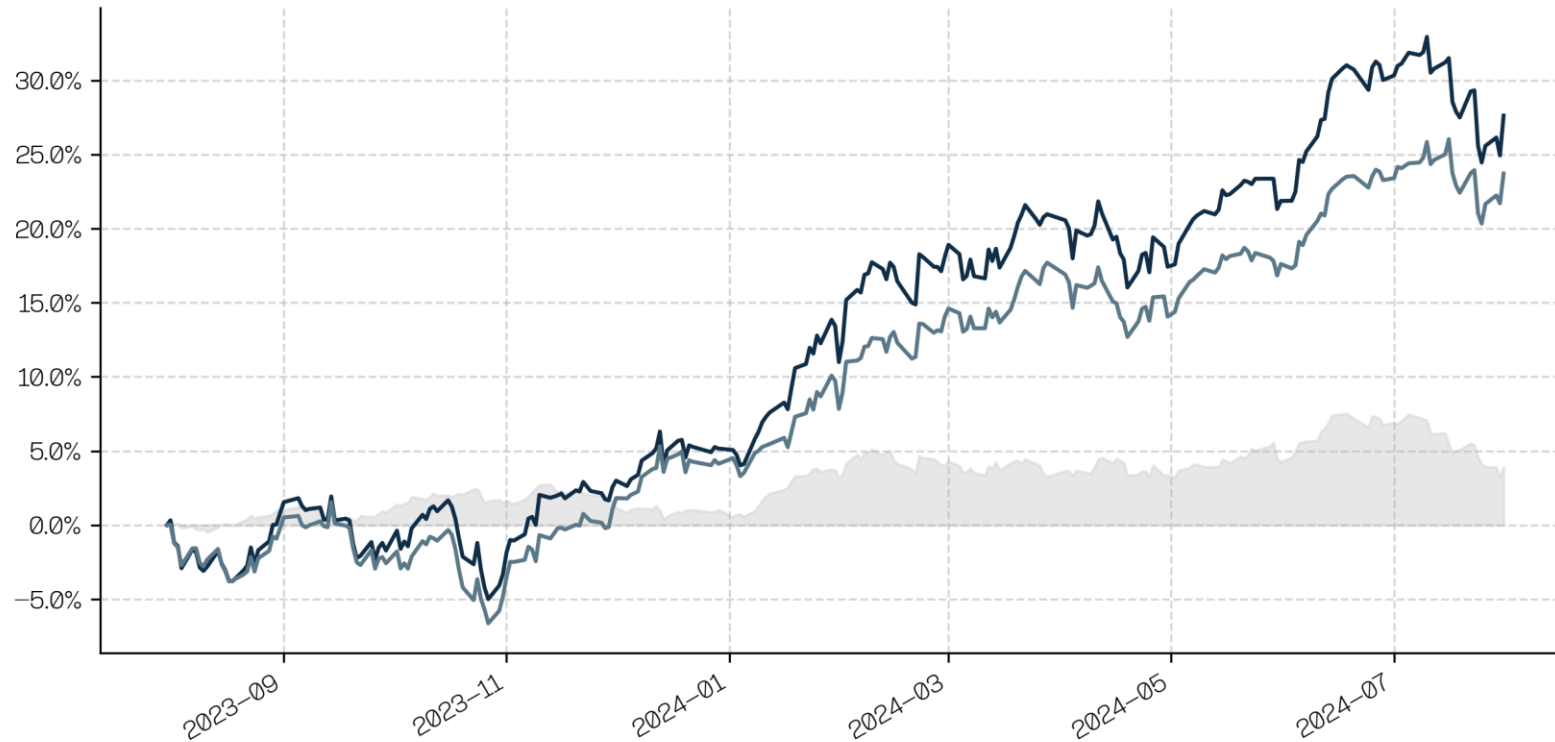
Net of fee returns – 1 Year

Evli USA Growth B 31.07.2023–31.07.2024

Past returns are no guarantee of future returns.

Net of fee returns

— Portfolio 27.6% — Benchmark 23.7% — Difference 3.9%



	Portfolio	Benchmark	Difference
1 Month	-1.85%	0.36%	-2.20%
3 Months	8.68%	8.46%	0.22%
6 Months	14.98%	14.72%	0.26%
1 Year	27.62%	23.71%	3.91%

	Portfolio	Benchmark	Difference
Volatility	13.97%	11.57%	2.41%
Sharpe	1.69	1.71	-0.01
Tracking Error	4.57%	—	—
Information Ratio	0.86	—	—
Beta	1.15	—	—

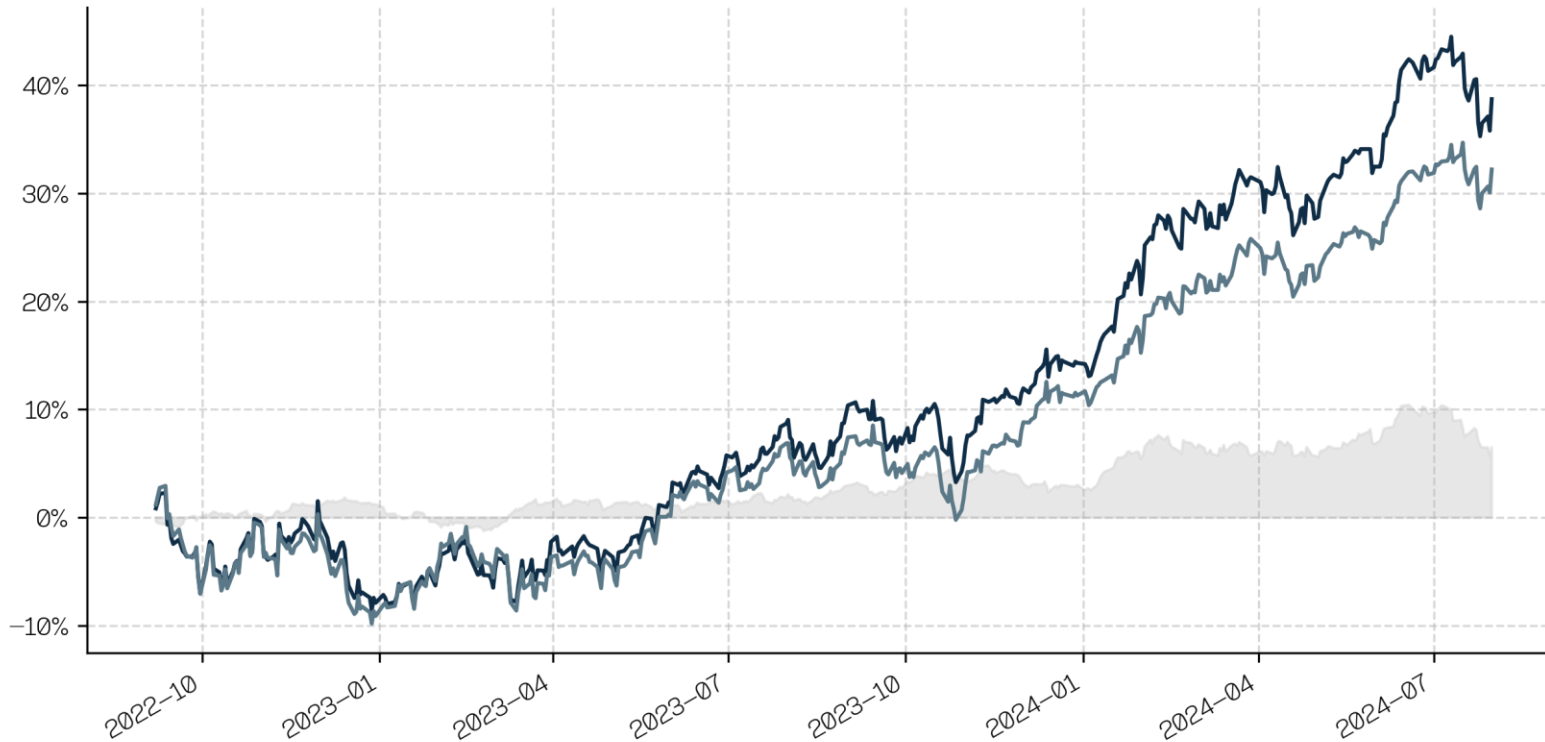
Net of fee returns – Since launch

Evli USA Growth B 06.09.2022–31.07.2024

Past returns are no guarantee of future returns.

Net of fee returns

— Portfolio 38.7% — Benchmark 32.2% — Difference 6.5%

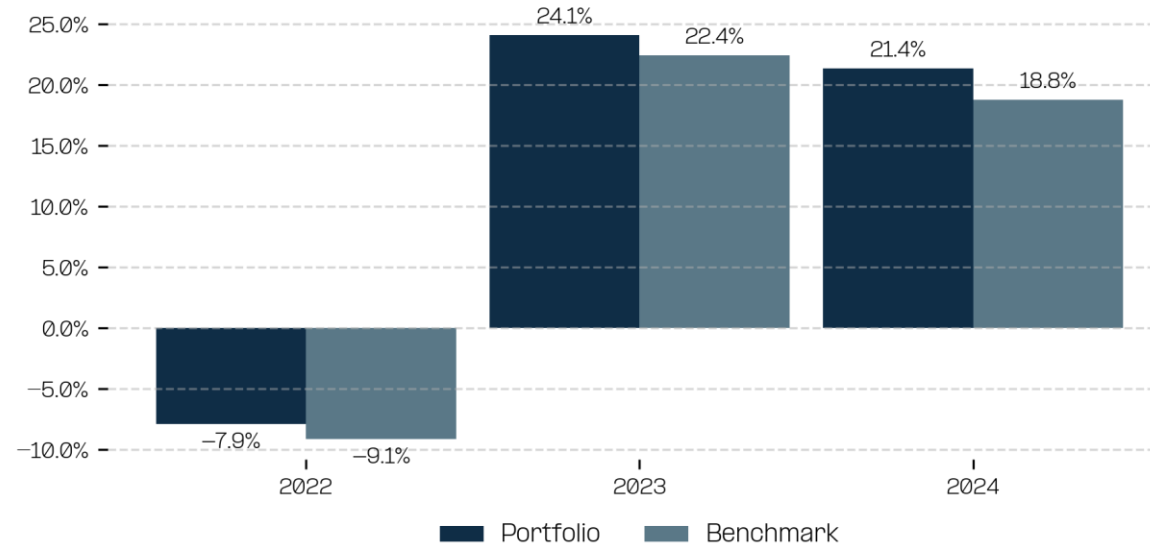


	Portfolio	Benchmark	Difference
1 Year	27.62%	23.71%	3.91%
Since launch	38.72%	32.21%	6.51%
Since launch, annualized return	18.81%	15.83%	2.98%

	Portfolio	Benchmark	Difference
Volatility	14.08%	13.05%	1.03%
Sharpe	1.13	0.99	0.14
Tracking Error	4.09%	—	—
Information Ratio	0.73	—	—
Beta	1.03	—	—

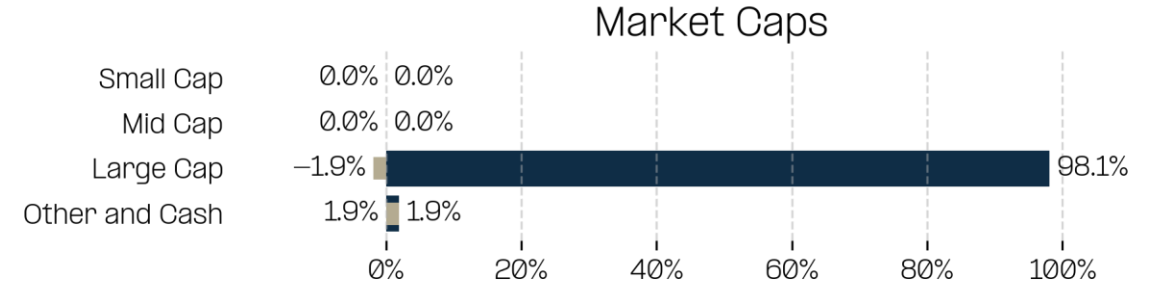
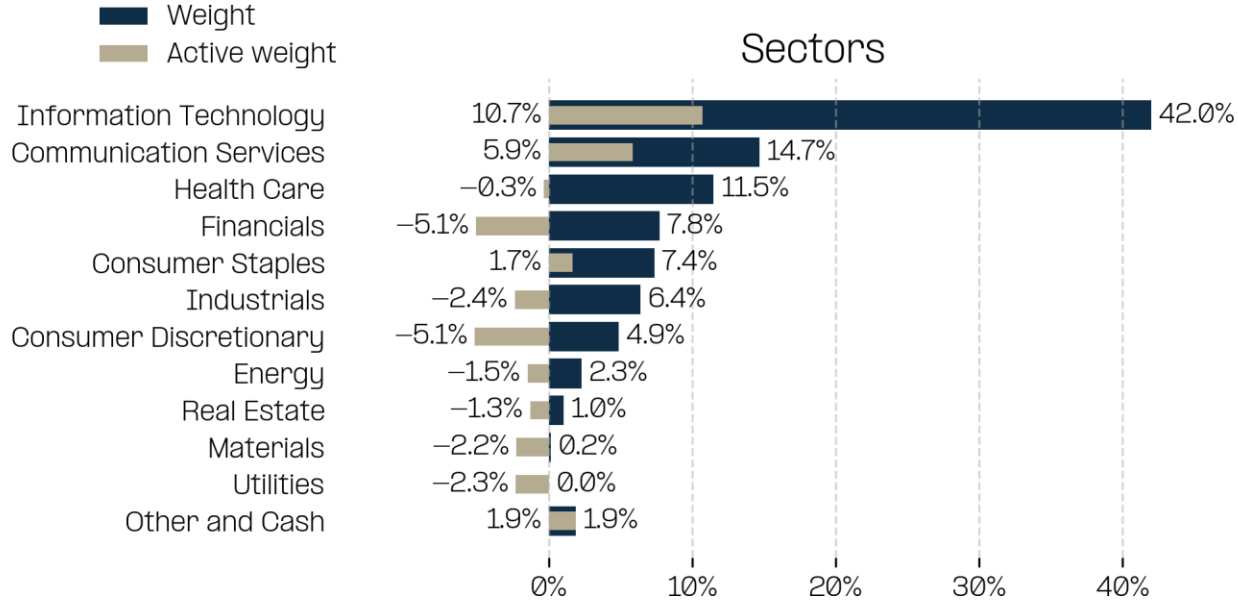
Annual returns, after fees, 31.07.2024

Past returns are no guarantee of future returns.



	2022	2023	2024
Portfolio	-7.89%	24.10%	21.35%
Benchmark	-9.11%	22.44%	18.79%
Difference	1.22%	1.66%	2.56%
Volatility	21.54%	12.22%	13.93%
Tracking Error	3.30%	3.84%	5.03%

Portfolio structure 31.07.2024



Top holdings 31.07.2024

10 LARGEST INVESTMENTS

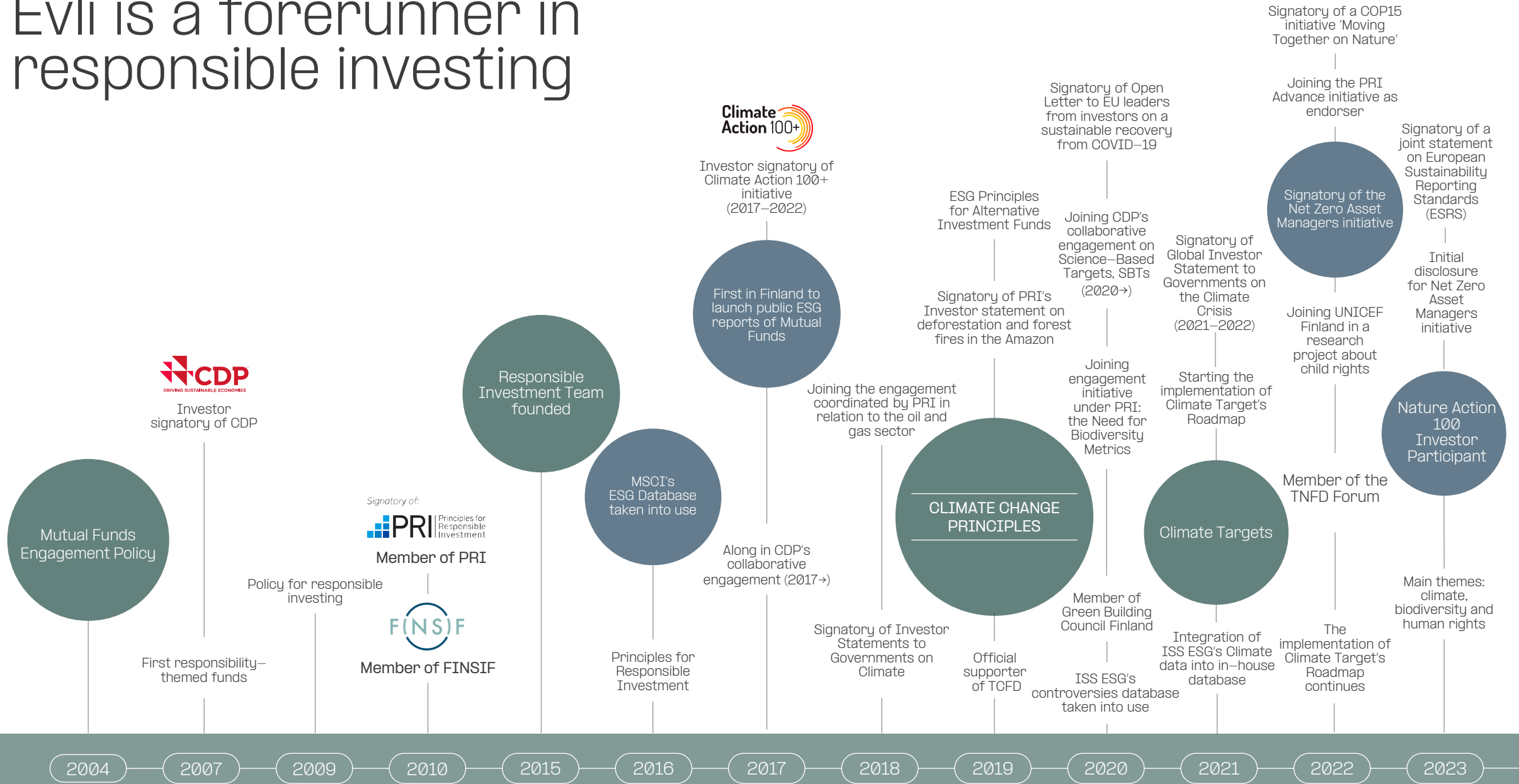
	%
Alphabet Inc	9.04%
NVIDIA Corp	8.78%
Microsoft Corp	8.03%
Apple Inc	7.82%
Meta Platforms	4.27%
Broadcom Inc	2.90%
Visa Inc	2.88%
Mastercard Incorporated	2.65%
Procter & Gamble Co/The	2.31%
Eli Lilly & Co	2.04%



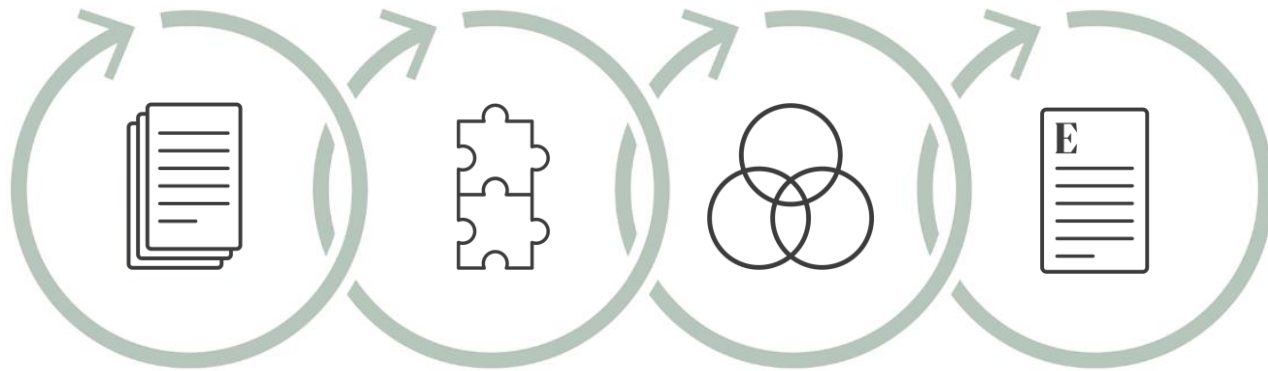
AMBITION

"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

¹ ESG = Environmental, Social ja Governance

² KANTAR 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

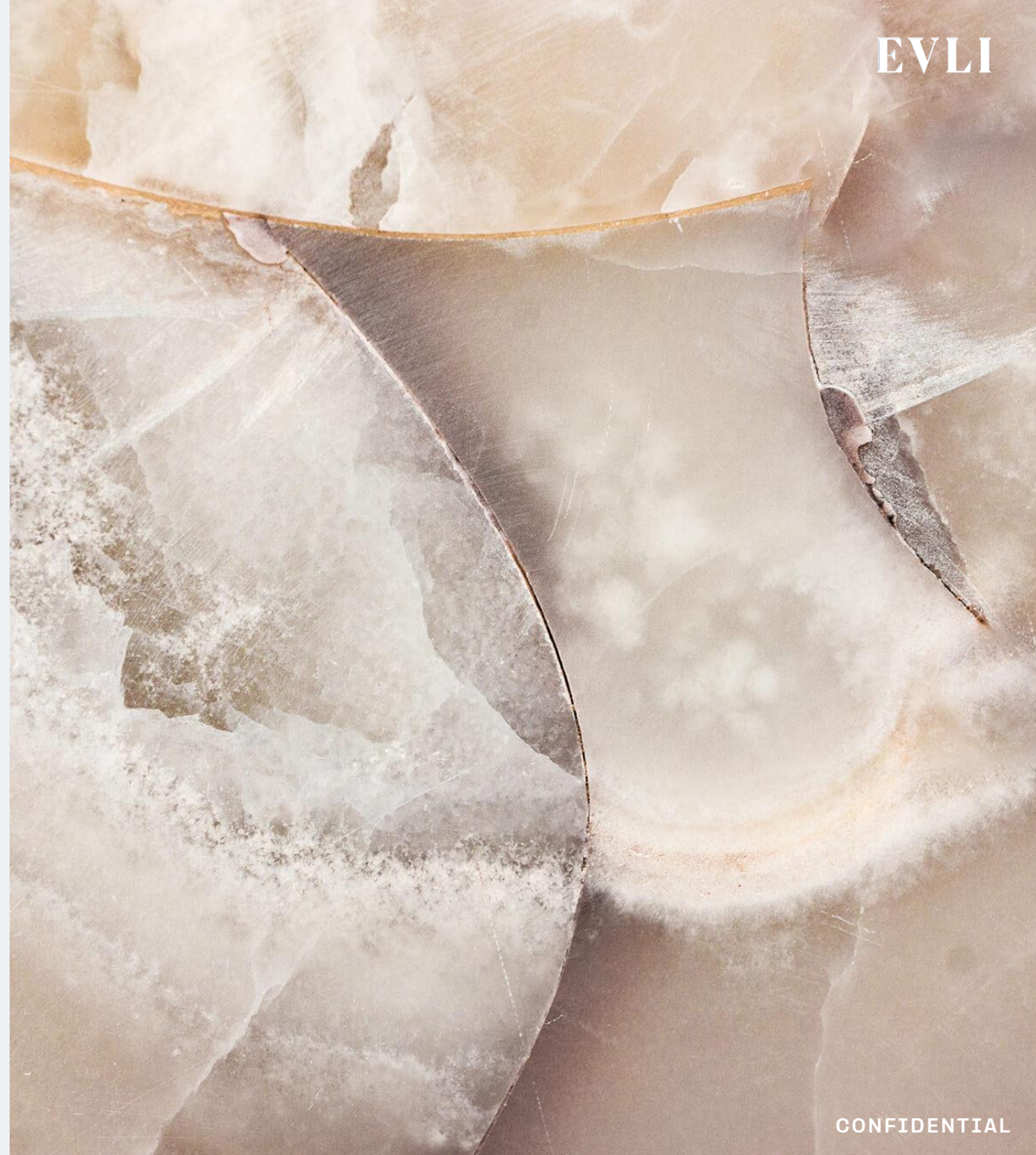
37

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.

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Evli

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Citywire

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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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Morningstar

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Lipper

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S&P Global – Market Intelligence

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