

# Evli Emerging Markets Credit B

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

## MANAGER'S COMMENT



The emerging market corporate bond market experienced an exceptionally weak month in February. There were two main factors driving the market. First, rising US interest rates pushed bond prices lower until mid-February. Second, rising tensions in Eastern Europe and finally the escalation of the conflict created major nervousness in the markets during the latter part of the month. Despite the challenging market environment, the fund outperformed its benchmark.

The fund's return was -4.58%, while the return of the benchmark index was -4.89%. Relative overperformance for the fund came mainly from investment grade bonds and from the Oil & Gas sector. Conversely, the fund experienced relative underperformance in high yield, the Financial sector and in Metals & Mining assets. Before the escalation of the conflict, the fund had roughly 4% of its assets invested in Russian corporates. There were no investments in Ukrainian corporates. Currently, markets quote the asset prices of both countries at clearly distressed levels.

Treasury yields will most likely remain a key factor in the short to medium-term performance of this USD-denominated asset class. However, the conflict in Eastern Europe has also clearly raised the level of nervousness in the markets and will also remain a driving factor at least in the short-term. The fund's yield was 4.83% and duration 4.03.

## BASIC INFORMATION

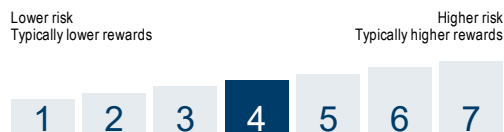
Fund Manager	Juha Mäntykorpi
Benchmark	JP Morgan Cembi Broad Diversified EUR hedged
ISIN	FI4000066899
Fund Starting Date	10.10.2013
Morningstar Fund Category™	Global Emerging Markets Corporate Bonds - euro bias
Morningstar Rating™	★★★★☆☆
SFDR classification	Article 8
Responsibility score	BBB
Carbon footprint (t CO2e/\$M Sales)	573
Subscription Fee, %	-
Redemption Fee, %	-
Management and Custody Fee p.a., %	1.00
Performance Fee, %	-
UCITS IV	Yes

## PERFORMANCE SINCE START



Past performance is no guarantee of future returns.

## RISK AND REWARD PROFILE



Read more about the fund risks and calculating the risk category from the KIID-document

## RECOMMENDED INVESTMENT HORIZON

4 years or more

## PERFORMANCE (%)

	Fund	Benchmark	Difference
Year-to-Date	-6.52	-6.56	0.05
1 Month	-4.65	-4.89	0.23
3 Months	-5.98	-6.32	0.34
6 Months	-7.97	-8.10	0.13
1 Year	-6.64	-6.28	-0.36
3 Years, annual return	1.13	1.58	-0.45
5 Years, annual return	0.41	1.39	-0.98
Since Launch	14.93	26.86	-11.92
Since Launch, annual return	1.67	2.88	-1.20
2021	-0.15	0.00	-0.15
2020	5.64	5.55	0.10
2019	7.45	9.81	-2.36
2018	-5.58	-4.40	-1.18

## KEY FIGURES (12 MONTHS)

	Fund	Benchmark
NAV per B unit, EUR	114.935	-
Fund Size, EUR million	200.34	-
Volatility, %	3.12	3.27
Sharpe Ratio	-1.95	-1.75
Tracking error, %	0.89	-
Information ratio	-0.41	-
R2	0.93	-
Beta	0.92	1.00
Alpha, %	-0.82	-
TER, %	1.00	-
Portfolio Turnover	0.32	-
Modified Duration	4.03	4.50
Yield (YTM), %	4.83	4.54
Avg. Rating	BB+	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	BBB
Environment	BBB
Social	BBB
Governance	BB
Coverage of the analysis (%)	62



**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.  
**Fund's Responsibility score:** based on MSCI's methodology and taking into account the market value-weighted average of the fund's individual companies' ESG ratings, the ratings' trend, and the weight of companies with B and CCC 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).

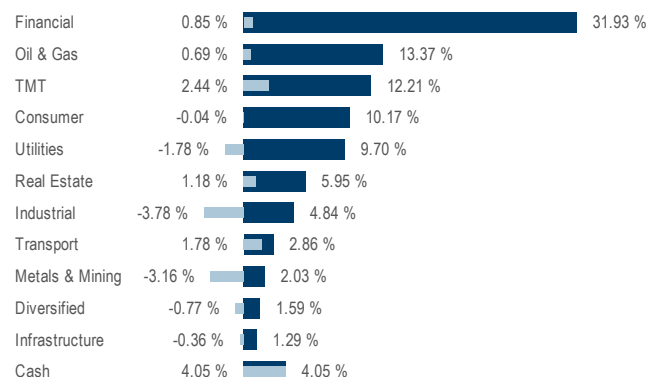
Carbon footprint	573 (t CO2e/\$M Sales)
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Please read more about Fund's responsibility from its ESG-report >

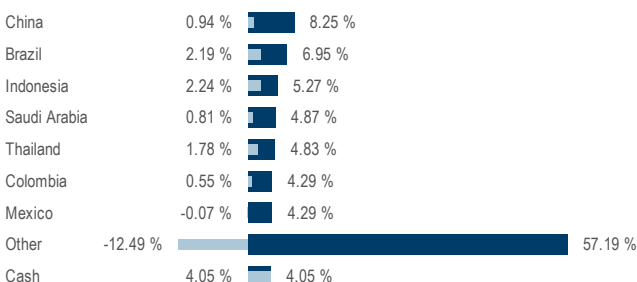
## PORTFOLIO STRUCTURE

■ Weight  
■ Active weight

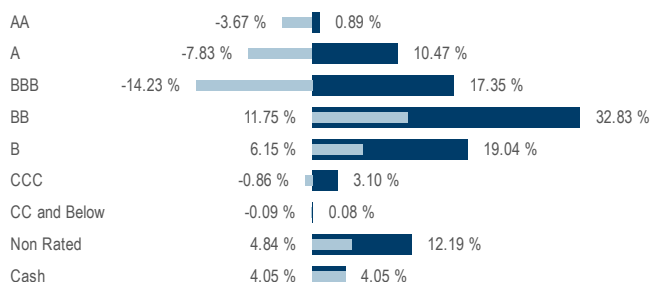
### Sectors



### Issuers by country



### Ratings



## 10 LARGEST INVESTMENTS

Investment	%
Unigel Lu Sa 1.10.2026 8.75% Callable Fixed	1.58
Ihs Holding Ltd 29.11.2026 5.625% Callable Fixed	1.55
Dno Asa 9.9.2026 7.875% Callable Fixed	1.45
Periama Holdings 19.4.2026 5.95% At Maturity Fixed	1.39
Inversiones 19.5.2026 7.5% Callable Fixed	1.37
Indorama Global 12.9.2024 4.375% At Maturity Fixed	1.34
Global Prime Cap 23.1.2025 5.95% Callable Fixed	1.33
TMBThanachart Bank PLC 4.9% Perp/Call Variable	1.32
Doha Finance Ltd 31.3.2026 2.375% At Maturity Fixed	1.31
Banco Merc Norte 7.625% Perp/Call Variable	1.31

## 10 LARGEST ISSUERS

Issuer	%
DNO ASA	2.08
Total Play Telecomunicaciones SA de CV	1.66
Prosus NV	1.59
Unigel Luxembourg SA	1.58
IHS Holding Ltd	1.55
Tencent Holdings Ltd	1.55
Fortune Star BVI Ltd	1.45
Energean Israel Finance Ltd	1.41
Periama Holdings LLC/DE	1.39
Inversiones Atlantida SA	1.37

## 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 28.2.2022	87.244	114.935	103.514	1 153.269
Management and Custody Fee per year, %	1.00	1.00	0.55	1.00
TER per year, %	1.00	1.00	0.55	1.00
Sales Registration	FI,SE	FI,SE,CL	FI,SE,IT,CL	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 holdings' 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 Rate** 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.

**R-Square** describes the extent to which the fund's performance is dependent on the performance of the benchmark index. R-square is the square of the correlation coefficient.

**SFDR-classification** 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 investments 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	PricewaterhouseCoopers Ltd
NAV Calculation, Fund Registry keeper and Fund Management Company	Evli Fund Management Company Ltd
GIPS Compliant	Yes
Orders In	Shares or currency

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

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