

# Evli Green Corporate Bond B

Long-term fixed income fund that invests in European green corporate bonds.

## MANAGER'S COMMENT



February turned out to be an exceptionally sad month for the markets and especially for humanity and society. The world has been following Russia's brutal war of aggression on Ukraine and from every imaginable angle, it is of utmost importance to end the war as soon as possible. Even before the threat of war emerged, the month offered a lot of shock elements for fixed income investors when the ECB surprised the market with their hawkish communication, resulting in an aggressive repricing of especially the short end of the yield curve.

Spreads were under heavy pressure throughout the month and the broad IG widened by 41 basis points and HY by 73 bps.

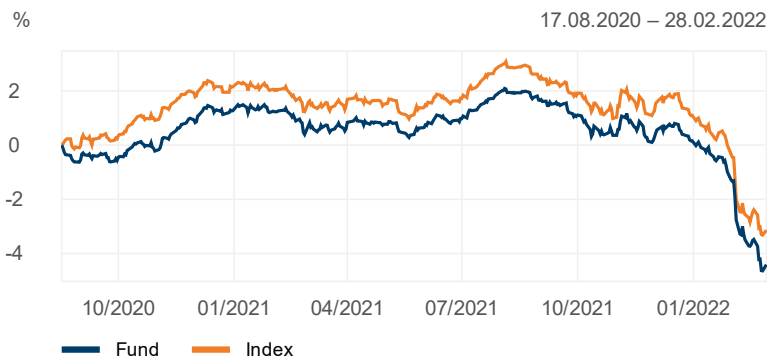
The fund suffered from rate volatility and widening spreads, netting -3.16% and underperforming the benchmark (-2.80%). The main reason for underperformance was higher credit risk that resulted in a negative selection factor in the return attribution for the month. The direct Russian/Ukrainian exposure is negligible for the fund, but a war on European soil brings a lot of uncertainty, insecurity and hit investor sentiment, affecting all companies indirectly.

With the crisis being unpredictable, volatility has picked up significantly. For the corporate bond investor, historically strong credit fundamentals and long maturity profiles offer strong support.

## BASIC INFORMATION

Fund Manager	Juhamatti Pukka
Benchmark	Bloomberg Barclays MSCI Euro Corporate Green Bond 5% Capped Index
ISIN	FI4000441456
Fund Starting Date	17.8.2020
Morningstar Fund Category™	EUR Corporate Bond
Morningstar Rating™	-
SFDR classification	Article 9
Responsibility score	AAA
Carbon footprint (t CO2e/\$M Sales):	157
Subscription Fee, %	-
Redemption Fee, %	-
Management and Custody Fee p.a., %	0.75
Performance Fee, %	-
UCITS IV	Yes

## PERFORMANCE SINCE START



Past performance is no guarantee of future returns.

## 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 KIID-document

## RECOMMENDED INVESTMENT HORIZON

3 years or more

## PERFORMANCE (%)

	Fund	Benchmark	Difference
Year-to-Date	-4.56	-4.19	-0.37
1 Month	-3.16	-2.80	-0.36
3 Months	-4.56	-4.28	-0.29
6 Months	-5.97	-5.49	-0.48
1 Year	-4.78	-4.32	-0.47
Since Launch	-4.41	-3.14	-1.27
Since Launch, annual return	-2.90	-2.06	-0.84
2021	-1.10	-1.03	-0.08

## KEY FIGURES (12 MONTHS)

	Fund	Benchmark
NAV per B unit, EUR	95.591	-
Fund Size, EUR million	62.12	-
Volatility, %	2.80	2.98
Sharpe Ratio	-1.51	-1.26
Tracking error, %	0.67	-
Information ratio	-0.69	-
R2	0.95	-
Beta	0.92	1.00
Alpha, %	-0.79	-
TER, %	0.75	-
Portfolio Turnover	0.14	-
Modified Duration	4.37	5.10
Yield (YTM), %	2.21	1.39
YTW, %	2.22	1.38
OAS	227	152
Avg. Rating	BBB	A-
Green Bonds, %	98.82	99.36

This document is a monthly factsheet and for illustrative purposes only. The information provided is not intended as investment advice or recommendation. Past performance is no guarantee of future returns. The value of the investment may rise or fall and the investors may not get back the full amount invested. Investors should read the Key Investor Information Document (KIID), Fund Rules and Fund Prospectus before any subscription. Each of these documents is available on the website [www.evli.com](http://www.evli.com) free of charge.

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## 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	AAA
Environment	A
Social	BBB
Governance	A
Coverage of the analysis (%)	85



**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

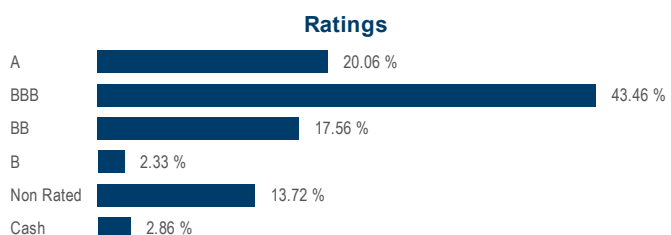
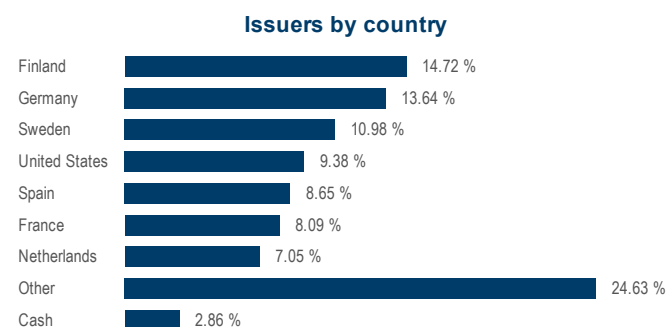
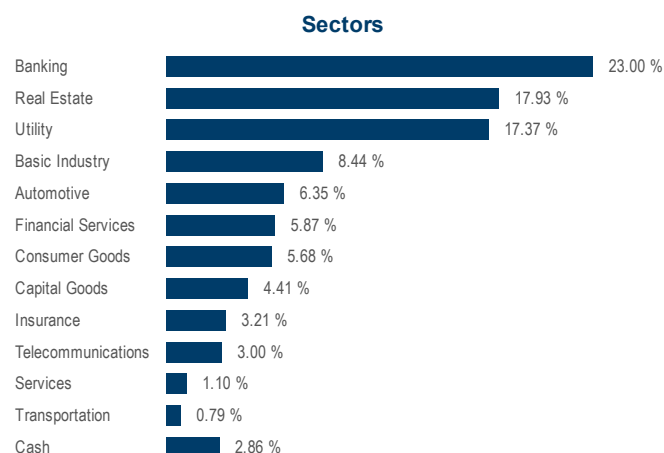
Evli uses weighted average carbon intensity to measure the carbon footprint according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). According to MSCI's analysis, the weighted average carbon intensity is categorized as following Very Low (0 to <15), Low (15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

Carbon footprint	157 (t CO2e/\$M Sales)
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[Please read more about Fund's responsibility from its ESG-report >](#)

## PORTFOLIO STRUCTURE

Weight



## 10 LARGEST INVESTMENTS

Investment	Weight (%)
Oi European Grp 15.2.2025 2.875% Callable Fixed	2.33
Bank Of Ireland 11.8.2031 1.375% Callable Variable	2.30
Sato-Oyj 24.2.2028 1.375% Callable Fixed	2.16
Volvo Car Ab 7.10.2027 2.5% Callable Fixed	2.12
Aib Group Plc 30.5.2031 2.875% Callable Variable	1.97
Aker Horizons As 15.8.2025 3.7% Callable Floating	1.80
Orsted A/S 26.11.2029 1.5% Callable Fixed	1.66
Mowi Asa 31.1.2025 1.214% Callable Floating	1.64
TORNATOR OYJ 1,250 PCT SENIOR SEC DUE 2026	1.62
Ing Groep Nv 15.11.2030 2.5% At Maturity Fixed	1.56

## 10 LARGEST ISSUERS

Issuer	Weight (%)
CITYCON OYJ	3.06
Stora Enso Oyj	2.79
Orsted AS	2.75
LeasePlan Corp NV	2.65
Mondelez International Holdings Netherlands BV	2.48
Mercedes-Benz Group AG	2.44
UPM-KYMMENE OYJ	2.36
Oi European Group BV	2.33
Bank of Ireland	2.30
SATO OYJ	2.16

## SHARE CLASS INFORMATION

Share Class	A	B	IB	BSEK
Launch Date	17.8.2020	17.8.2020	17.8.2020	17.8.2020
Currency	EUR	EUR	EUR	SEK
NAV 28.2.2022	92.712	95.591	96.106	959.021
Management and Custody Fee per year, %	0.75	0.75	0.40	0.75
TER per year, %	0.75	0.75	0.40	0.75
Sales Registration	FI,SE	FI,SE,FR,ES,IT,PT,DE	FI,SE,FR,ES,IT,PT,DE,NL	FI,SE
ISIN	FI4000441449	FI4000441456	FI4000441464	FI4000441472
Bloomberg	EVGGBAE FH	EVGGBBE FH	EVGCBIB FH	EVGCBBS FH
WKN	-	A2QAWZ	A2QAWV	-
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).

**Green bonds** are bond instruments where the proceeds are earmarked to projects or activities with environmental benefits.

**Sustainability bonds** are instruments where the proceeds are earmarked to a combination of projects or activities with environmental or social benefits.

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

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## 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