# Evli Corporate Bond IB



Long-term fixed income fund that invests in European corporate bonds with both low and high credit ratings.

## **FUND MANAGER'S COMMENT**

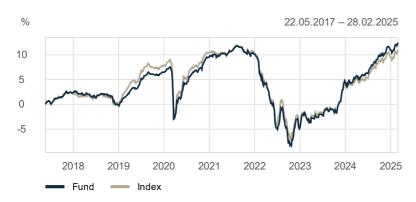


Markets remained eventful in February. US tariff threats continued to dominate headlines, but most assets posted steady gains. With some weaker data coming out of the US and growing inflation fears, European markets continued to outperform. The 10-year Bund yield came down by 5 basis points to 2.41%. During the month, investment grade spreads tightened by 1 basis point and high yield spreads by 17 basis points.

In February, the fund's return was 0.69% (B series), slightly ahead of the index return of 0.61%. Our selection in investment grade performed well, and high yield and non-rated bonds also contributed to the outperformance. During the month, we continued to slowly increase our high yield weight. The new issue market has been active, and we have participated in some new issues. We continue to favor investment grade bonds for their attractiveness but look to gradually increase our high yield weighting.

The fund's yield to maturity (YTM) was 3.84% and its modified duration was 4.02.

## PERFORMANCE SINCE SERIES START



Past performance is no guarantee of future returns.

# PERFORMANCE, %

Year-to-Date     1.13     1.09       1 Month     0.72     0.61       3 Months     0.98     0.67       6 Months     3.66     3.16       1 Year     7.52     6.66	
3 Months     0.98     0.67       6 Months     3.66     3.16	0.04
6 Months 3.66 3.16	0.11
	0.31
1 Voor 7.52 6.66	0.50
1 Teal 7.32 0.00	0.86
3 Years, annualized return 2.22 1.60	0.63
5 Years, annualized return 1.09 0.57	0.52
Since Series Start (22.5.2017) 12.45 10.94	1.52
Since Series Start, annualized return 1.52 1.34	0.18
2024 6.38 5.15	1.23
2023 9.73 9.07	0.66
2022 -13.47 -13.27	-0.20
2021 0.51 -0.07	0.59

## **BASIC INFORMATION**

Mikael Lundström Fund Manager ICE BofA Euro Corporate Benchmark Index ISIN FI4000243217 CNMV Registry Number 1462 Fund Starting Date 14.9.1999 Morningstar Fund Category<sup>TM</sup> EUR Corporate Bond  ${\it Morningstar}\ {\it Rating}^{\rm TM}$ \*\*\*\* **SFDR** Article 8 Responsibility Score AA Carbon Footprint (t CO2e/\$M sales) 69 Subscription Fee, % Redemption Fee % Management and Custody Fee p.a., % 0.45 Performance Fee. % Yes

## **RISK AND REWARD PROFILE**

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards

1 2 3 4 5 6 7

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

## RECOMMENDED INVESTMENT HORIZON

at least 3 years

# **KEY FIGURES, 12 MONTHS**

	Fund	Benchmark
NAV per IB Unit, EUR	112.453	-
Fund Size, EUR million	286.49	-
Volatility, %	2.16	2.61
Sharpe Ratio	1.72	1.09
Tracking Error, %	0.70	-
Information Ratio	1.23	-
R2	0.95	-
Beta	0.81	1.00
Alpha, %	1.42	-
TER, %	0.46	-
Portfolio Turnover	0.34	-
Modified Duration	4.02	4.47
Yield (YTM), %	3.84	3.15
YTW, %	3.69	3.06
OAS	157	90
Avg. Rating	BBB	A-

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.

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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	AA
Environment	AA
Social	BBB
Governance	Α
Coverage of the Analysis (%)	79
Coverage of the Analysis (%)	79



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 MSCl'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).

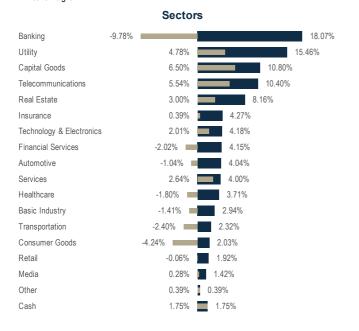


Read more about Fund's responsibility from its ESG-report

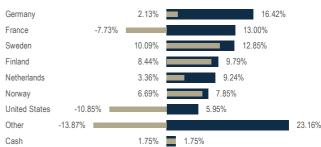
## **PORTFOLIO STRUCTURE**

Weight

— Active weight







#### Ratings -4.43% 3.33% 17.52% BBB -3.14% 46.06% BB 15.82% 15.82% В 0.28% 0.29% 0.29% CC and Below Non Rated 8.25% 8.25% 1.75% 1.75%

## 10 LARGEST INVESTMENTS

	%
Statnett Sf 26.2.2036 3.375% Callable Fixed	1.77
Ing Groep Nv 26.5.2031 2.125% Callable Variable	1.77
Societe Generale 30.6.2031 1.125% Callable Variable	1.72
Johnson Controls 15.9.2028 3% Callable Fixed	1.43
Eurogrid Gmbh 15.5.2032 1.113% Callable Fixed	1.38
Statkraft As 22.3.2032 3.375% Callable Fixed	1.29
Molnlycke Hld 8.9.2028 4.25% Callable Fixed	1.26
Kesko Oyj 2.2.2030 3.5% Callable Fixed	1.24
Stedin Holding 20.6.2031 3.625% Callable Fixed	1.19
Red Electrica 9.7.2032 3.375% Callable Fixed	1.16

## **10 LARGEST ISSUERS**

	%
ING Groep NV	2.64
BNP Paribas SA	2.14
Societe Generale SA	2.07
Statnett SF	1.77
UBS Group AG	1.76
iliad SA	1.63
British Telecommunications PLC	1.62
Amprion GmbH	1.59
Allianz SE	1.56
Deutsche Boerse AG	1.50

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## SHARE CLASS INFORMATION

Share Class	Α	В	IA	IB	BSEK	BNOK	DSEK
Launch Date	14.9.1999	14.9.1999	29.11.2019	22.5.2017	1.6.2012	23.1.2015	28.11.2017
Currency	EUR	EUR	EUR	EUR	SEK	NOK	SEK
NAV 28.2.2025	102.410	266.667	90.011	112.453	1,434.205	1,284.198	1,101.339
Management and Custody Fee per Year, %	0.85	0.85	0.45	0.45	0.85	0.85	0.35
TER per Year, %	0.86	0.86	0.46	0.46	0.86	0.86	0.36
Sales Registration	FI,SE,ES,DE	FI,SE,FR,ES,IT,DE, LT,LV,EE	FI,SE,ES,DE	FI,SE,ES,IT,DE	FI,SE	FI,SE,NO	FI,SE
ISIN	FI0008801089	FI0008801097	FI4000411152	FI4000243217	FI4000043682	FI4000122908	FI4000283163
Bloomberg	EVLCOBA FH	EVLCOBB FH	EVLCBIA FH	EVLCOIB FH	EVLCBBH FH	EVLBNKH FH	EVLCDSH FH
WKN	A3DJSM	A2N503	A3DJSN	A2N5ZY	-	-	-
Clean Share	No	No	Yes	Yes	No	No	Yes
Minimum Investment	5,000	1,000	10,000,000	10,000,000	10,000	10,000	200,000,000
Profit Distribution	Annually	Accumulated	Annually	Accumulated	Accumulated	Accumulated	Accumulated
Target Investor	Retail	Retail	Institutional	Institutional	Retail	Retail	Institutional

## **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 (TFCD). 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 vield 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 x 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 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 ±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

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 ± 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).

## **DISCLAIMER**

## Evli

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Sources of data: Evli, MSCI, Morningstar, Bloomberg

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# **BASIC INFORMATION**

Finland Trade Frequency Daily Clearing Time Trade Date + 2 Cut Off Time 14:00 EET (Trade date)

Currency

Custodian Skandinaviska Enskilda

Banken AB (publ) Helsinki

Auditor Frnst & Young NAV Calculation, Fund Registry Evli Fund Management Keeper and Fund Management Company Ltd

Company

Global Investment Performance

Standards (GIPS®) Compliant

Orders In Shares or currency

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