

# Evli Emerging Frontier B

Equity fund investing in rapidly growing developing economies.

## FUND MANAGER'S COMMENT

In February, we made research trips to UAE and Egypt. In Abu Dhabi, we met with the CFO of a \$20b prime real estate developer which dominates the market in its wealthy emirate – boasting a tremendous project backlog – while also expanding into Dubai's booming property market. This stalwart of top-quality development has recently issued an impressive multi-year earnings growth guidance of 35% p.a., indicating a 2027 P/E of 4x – a bargain.

In Egypt – where we sensed an upbeat market outlook – we met with the CEOs of two growing undervalued companies trading under 9x LTM P/E. One is an investment holding which operates hospitality assets; it also owns and is developing Egypt's most valuable land in El Gouna by the Red Sea: this land alone is worth over \$1b, implying a steep sum-of-the-parts discount for the company whose market cap is only \$450m. The second firm is best known for manufacturing cars for a Korean brand at an impressive factory which we toured meticulously; however, it also owns a fast-growing fintech business serving customers in Egypt and Turkey whose value alone exceeds the entire parent company's market cap of \$350m.

We also visited the Egyptian stock exchange where we learned about improving market liquidity from a senior manager, and we gladly toured the EGX museum in old town Cairo, appreciating the charm of this storied institution established back in 1883.

## PERFORMANCE SINCE START



Past performance is no guarantee of future returns.

## PERFORMANCE, %

	Fund
Year-to-Date	-2.96
1 Month	-2.23
3 Months	4.97
6 Months	7.67
1 Year	6.46
3 Years, annualized return	10.45
5 Years, annualized return	18.39
Since Launch (8.10.2013)	225.53
Since Launch, annualized return	10.91
2024	26.56
2023	9.36
2022	-5.18
2021	33.04

## BASIC INFORMATION

Fund Manager	Evli Fund Management Company Ltd
Benchmark	Fund has no benchmark
ISIN	FI4000066915
CNMV Registry Number	1577
Fund Starting Date	8.10.2013
Morningstar Fund Category™	Global Emerging Markets Small/Mid-Cap Equity
Morningstar Rating™	★★★★★
SFDR	Article 8
Responsibility Score	BB
Carbon Footprint (t CO2e/\$M sales)	901
Subscription Fee, %	2.00
Redemption Fee, %	-
Management and Custody Fee p.a., %	1.90
Performance Fee, % <sup>1)</sup>	20.00
UCITS	Yes

<sup>1)</sup> In order for the performance fee to be charged, the value of the fund unit series has to exceed its highest historical value and the return of the fund unit series has to exceed the annualized hurdle rate of 8% over the last 24 months.

## 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 9 years

## KEY FIGURES, 12 MONTHS

	Fund
NAV per B Unit, EUR	325.535
Fund Size, EUR million	309.72
Volatility, %	11.15
Sharpe Ratio	0.24
TER, %	1.90
Portfolio Turnover	0.67

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](mailto: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](http://www.evli.com/en/contact-us). Information on how Evli handles client feedback is available at: [www.evli.com/en/client-information](http://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	BB
Environment	BBB
Social	BBB
Governance	BBB
Coverage of the Analysis (%)	33

Excellent (AAA)

Very Good (AA)

Good (A)

Average (BBB)

Satisfactory (BB)

Weak (B)

Very Weak (CCC)

**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.

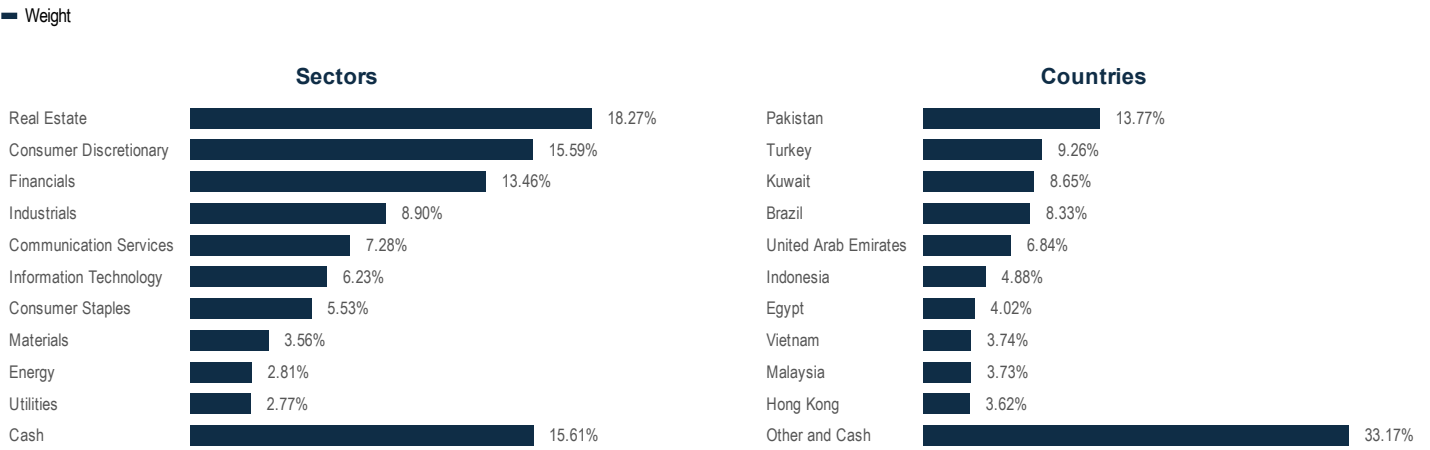
CARBON FOOTPRINT

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	901 (t CO2e/\$M sales)
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Read more about Fund's responsibility from its ESG-report

PORTFOLIO STRUCTURE



10 LARGEST INVESTMENTS

	%
Air Link Communication Ltd	6.23
D-MARKET Elektronik Hizmetler	4.12
Pak Elektronik Ltd	3.96
Emaar Development PJSC	3.82
SP Setia Bhd Group	3.73
Newborn Town Inc	3.62
Sazgar Engineering Works Ltd	3.58
International Financial Adviso	3.51
Pan Group JSC/The	3.43
Pagseguro Digital Ltd	3.43

SHARE CLASS INFORMATION

Share Class	A		B		IB2	BUSD
Launch Date	8.10.2013		8.10.2013		18.1.2023	24.4.2023
Currency	EUR		EUR		EUR	USD
NAV 28.2.2025	214.427		325.535		135.995	125.476
Management and Custody Fee per Year, %	1.90		1.90		0.95	1.90
Performance Fee, %	20.00		20.00		20.00	20.00
TER per Year, %	1.90		1.90		0.95	1.90
Sales Registration	FI,SE		FI,SE,NO,FR,ES,IT,DE		FI,SE,ES,IT,DE	FI
ISIN	FI4000066907		FI4000066915		FI4000546486	FI4000550322
Bloomberg	EVEMFRA FH		EVEMFRB FH		EVEMIB2 FH	EVEMFBU FH
WKN	-		A3D50V		A3D50W	-
Clean Share	No		No		Yes	No
Minimum Investment	5,000		1,000		5,000,000	1,000
Profit Distribution	Annually		Accumulated		Accumulated	Accumulated
Target Investor	Retail		Retail		Institutional	Retail

DICTIONARY

**Active Share, %** measures how much fund portfolio (based on position weights) differs from the benchmark index. If active fund has same shares with same position weights as in benchmark, then its' active share is 0%. If active share % is high, fund portfolio differs largely from the benchmark.

**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.

**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.

**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 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 ± 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.

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
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