OP-Private Fixed Income Strategy Fund

31.1.2021

OP

Basic information

Fund category
Long-term fixed income funds

Morningstar category ★★★★★
EUR Diversified Bond - Short Term

Share class
OP-Private Fixed Income Strategy A (Acc.)

ISIN
FI4000120639

Benchmark index
no benchmark

Start date	12.5.2015
Fund type	AIFM
Share value	112,74 EUR
Fund size	72,7 MEUR
Ongoing costs	0,91 %
Minimum subscription	1 000 000 €

Fees

Subscription fee	0,00 %
Redemption fee	0,50 %
Management fee	0,75 %
Performance fee	yes

Owner-customer benefits for a private customer:
- accumulates OP bonus
- subscriptions and redemptions without fees

Risk measures, 3y

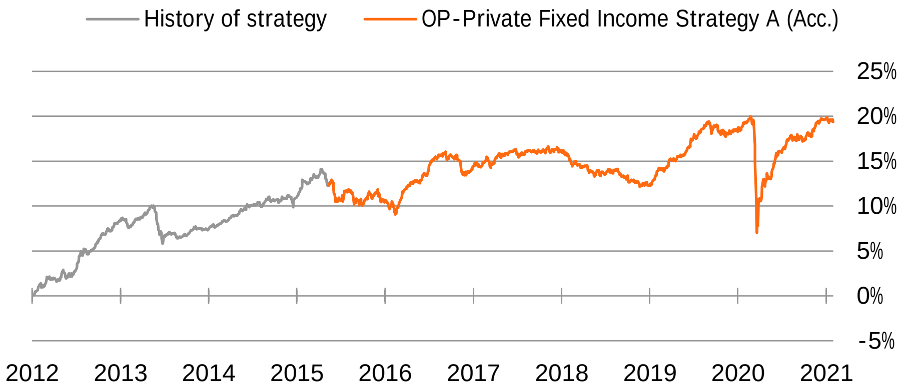
Sharpe ratio	0,3
Volatility	4,9
Effective duration	6,6

Risk level

Higher risk	7
	6
	5
	4
	3
	2
Lower risk	1

Portfolio

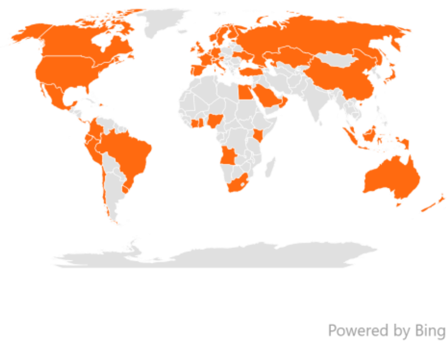
Return



Historical returns after fees

	Fund
1 month	-0,4 %
3 months	1,4 %
6 months	1,6 %
Year-to-date	-0,4 %
1 year	0,0 %
3 years p.a.	1,1 %
5 years p.a.	1,6 %
10 years p.a.	-
Since start p.a.	1,0 %

Registered domiciles



Fixed income investments

Government bonds	29,4 %
Corporate bonds	
Investment grade	41,5 %
High yield	12,0 %
Emerging market debt	7,2 %
Inflation linked bonds	2,1 %
Convertible bonds	0,8 %
Fixed income derivatives	0,4 %
Money market	0,3 %
Cash and others	6,4 %

Largest regions

United States	25,3 %
Germany	12,2 %
France	9,2 %
Italy	5,7 %
United Kingdom	5,0 %
Spain	4,9 %
Netherlands	3,9 %
Finland	2,7 %
Australia	2,6 %
Canada	1,9 %

Largest holdings

OP-Corporate Bond X	14,9 %
OP-Bond Yield X	13,3 %
OP-US Corporate Bond X	10,4 %
OP-Bond Prima X	10,1 %
OP-High Yield X	8,2 %
iShares Core Euro Corporate Bond...	6,3 %
JPM Global Corporate Bond Fund...	4,5 %
OP-EMD Hard Currency Sovereign X	4,1 %
iShares Core GBP Corporate Bond...	2,5 %
Robeco Euro Credit Bonds IH EUR	2,4 %
OP-Inflation-Linked Bond X	2,2 %
UBAM Global High Yield Solution IHC...	2,2 %
iShares EUR Inflation Linked Govt...	2,2 %
Xtrackers II EUR Corporate Bond...	1,6 %

Investment policy

OP-Private Fixed Income Strategy is a bond fund, with the funds mainly invested in bond markets in Europe and the OECD countries. The fund is a AIF fund based on the Alternative Investment Fund Managers Directive. The Fund's investments are mostly implemented through other funds, which ensures a high degree of diversification across fixed-income asset classes and issuers. In its investment operations, the Fund may also use derivative instruments in order to hedge against the risk of adverse market movements, to replace direct investments and to promote otherwise effective
portfolio management. The portfolio manager will decide whether or not to hedge the Fund's non-euro investments against currency risks. The modified duration of the Fund, a measure of the price sensitivity of a bond to interest rate movements, typically fits in the range of 4.5-6.5, which means a negative value change in the fund as a percentage, if interest rates increase by one percentage point. If interest rates fall, the Fund's value increases correspondingly. The fund is an active fixed-income asset management fund that seeks good yields with moderate risk in all market conditions. The Fund's investments will be changed depending on market conditions. The investment decisions particularly emphasise weightings between fixed income asset classes (e.g. moneymarket instruments, government bonds, corporate bonds with higher and lower credit ratings, convertible bonds), and adjustment of the Fund's interest rate risk. The Fund is a special common fund as referred to in the Act on Common Funds, since it may make investments that are not allowed for mutual funds under the UCITS directive.

Portfolio managers

Harri Kojonen, Patrik Moring

Responsibility

Responsible investing

The fund follows OP Asset Management's principles for responsible investment. The consideration of responsibility in the investment analysis and decision making provides additional information in addition to the traditional financial and market information. The significant aspects of responsibility can in the long run affect the financial success of the investment objects and thus the return.

Exclusion

The fund excludes from its active, direct investments manufacturers of controversial weapons, mining companies that produce coal, electricity companies that use charcoal and companies that have violated international standards, and which have not been susceptible to impact. The list of excluded investment items is public.

Active ownership

OP's funds participate in domestic and foreign general meetings in accordance with OP Fund Management Co's Ownership Policy, which takes responsibility into account. All in all, OP's funds participate annually in more than one thousand general meetings. OP Funds utilize the Annual General Meetings Institutional Shareholder Services Annual General Meeting analysis.

Violation of international standards

International standards, such as the UN Global Compact, set the minimum level of responsible business operations. OP Asset Management affects through OP funds that make active, direct investments such companies that are considered to have violated international standards. The goal is to get companies that have violated the standards to change their business and start to comply with the international standards in their business. We use the company Sustainalytics as a service provider to identify violations of international standards.

Thematic impact

OP Asset Management also affects companies through various themes of responsibility, such as issues related to climate change.

Read more about the OP Funds' practical ownership influence in the overview of responsible investment that is published twice a year.

ESG analysis

ESG-rating	A
Total ESG score	6,1
Environment (E)	6,7
Social (S)	4,8
Governance (G)	4,9

The ESG score indicates how well the portfolio's target companies take into account risks and opportunities related to the environment, social aspects and good governance in relation to their industry. The score scale is 0-10. After that, the score is divided into 7 classes. The higher the score, the better the portfolio companies have prepared for the risks and opportunities associated with ESG.

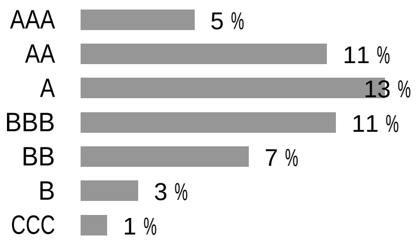
Carbon intensity (greenhouse gas emissions in tonnes / turnover ($M))	168,9
Coverage	52,0 %

The portfolio's carbon intensity is the weighted average of the portfolio companies' carbon dioxide intensity. The carbon footprint takes into account companies' greenhouse gas emissions in tonnes at level 1 and level 2 in relation to the company's turnover (million dollars).

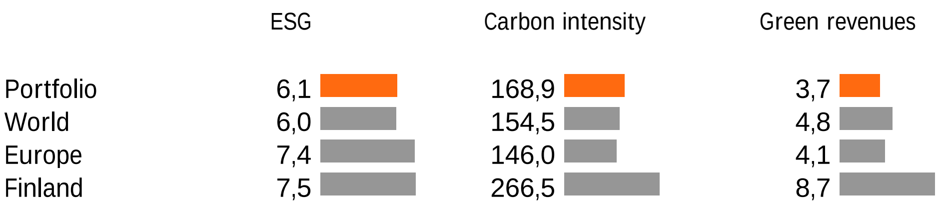
Green revenues	3,7 %
Renewable energy	0,7 %
Energy efficiency	1,5 %
Environmentally friendly construction	0,9 %
Sustainable use of water resources	0,2 %
Prevention of pollution	0,2 %

The portfolio's green revenues examines how the portfolio companies' products and services have an impact on the environment. The number describes the proportion of products and services with a positive environmental impact on portfolio companies' turnover.

Companies' ESG classification



The portfolio's ESG analysis in relation to reference portfolios



AAA = excellent, AA = very good, A = good, BBB = average, BB = satisfied, B = weak, CCC = very weak