Prospectus of OP Mutual Funds

30 October 2020



This prospectus contains information about the mutual funds managed by OP Fund Management Company Ltd. The prospectus is further supplemented by general and fund-specific rules. A Key Investor Information Document has also been published for all of the funds managed by OP Fund Management Company Ltd. Investors are encouraged to read this fund prospectus and the relevant fund rules and Key Investor Information Documents prior to making any investment decisions.

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1 General description of mutual fund operations

Responsible for managing the mutual fund, a fund management company pools capital invested by private individuals, institutions and foundations and invests this capital in a number of various securities and real property that together constitute a fund. Mutual funds are divided into fund units of equal size which entitle their holders equal rights to the fund's assets. The mutual fund is owned by those who have invested in it and the fund management company's role is to manage the fund.

In Finland, the fund business is subject to a licence and is supervised by the Financial Supervisory Authority. OP Fund Management Company Ltd's Funds invest their assets by following the principles of regulation governing investment funds and alternative investment funds, official regulations and of risk diversification based on the fund rules. The values of fund units may vary considerably due to the composition of their investments and the methods used in their management. A risk of changes in the value of the assets is associated with mutual fund investments, and the degree of risk depends on each fund's underlying investments and investment policy. For each mutual fund, the underlying investments and investment policy are described in Sections 2 (Characteristics of the fund) and 5 (Investing fund assets) of the fund's rules, as approved by the Financial Supervisory Authority, and in the relevant Key Investor Information Document.

Bond funds invest their assets in fixed-income instruments whose return expectations are based on return potential in bond markets. Underlying investments may include debt instruments issued by governments, other public-sector entities and companies. Money market funds and long-term bond funds differ in terms of the interest-rate risk involved, in particular (see "Major risks associated with mutual funds").

The interest-rate risk exposure for money market funds is very low as a rule whereas that of long-term bond funds is high or even very high in most cases. While maturity may be several years in both fund categories, longer maturities are generally more common with long-term bond funds.

Equity funds invest their assets in equity markets and provide an alternative to direct equity investments.

Balanced funds invest their assets in both bond and equity markets, i.e. the portfolio manager may change the weight in the portfolio between equity and fixed-income instruments depending on the market situation and within the framework of the fund's rules.

Index funds invest their assets in equity baskets in accordance with their benchmark index. An index fund does not take a view on its equity selection, but rather buys equities with the same weight as they have in the index. The index weights and included equities are reviewed several times a year.

Special common funds are funds that may invests their assets extensively in various products. Their investment operations are partly regulated, but the Act on Alternative Investment Fund Managers defines how the operations must be organised and what information they must give to the relevant authorities and investors. In Finland, alternative investment funds can be offered to non-professional investors, if the fund manager has the relevant licence and a key information document has been drawn up for the fund in question. The Financial Supervisory Authority does not confirm the rules governing alternative investment funds. Alternative investment funds include, among others, hedge, property, equity, commodity or infrastructure funds.

2 OP Fund Management Company Ltd

OP Fund Management Company Ltd is responsible for managing the mutual funds referred to in this prospectus. OP Fund Management Company Ltd has a UCITS licence, granted by the Finnish Ministry of Finance on 28 October 2008, for mutual fund operations and related activities, as well as an AIFM licence, granted by the Financial Supervisory Authority on 5 December 2014, enabling the company to act as an alternative investment fund manager.

The fund management company acts in its own name on behalf of the mutual funds and exercises rights related to the assets of the funds. The fund management company covers liability risks with its own capital. Funds managed by OP Fund Management Company Ltd are registered in Finland, in compliance with EU regulation and alternative investment funds. The financial year of the Fund Management Company and the funds is one calendar year.

Basic information about OP Fund Management Company Ltd

Company name	OP Fund Management Company Ltd
Business ID	0743962-2
Registered	14 October 1987
Type of business organisation	Limited liability company (share capital: EUR 2,242,449.62)
Domicile	Helsinki, Finland
Address	Gebhardinaukio 1, FI-00510 Helsinki
CEO	Juha Takala,
Board of Directors	Harri Nummela, Director, Chair, OP Kalle Saariaho Head of Funds and Asset Management, OP Vesa Vanha-Honko (non-executive Board member) Member of Directors' Institute Finland

Auditors

KPMG Oy Ab, a firm of authorised public accounts, acts as OP Fund Management Company Ltd's and the funds' auditor.

Juha-Pekka Mylén, Authorised Public Accountant, acts as the chief auditor.

Tiia Kataja, Authorised Public Accountant, acts as the deputy auditor.

Agents used by the fund management company In order to manage its mutual fund activities, the fund management company is entitled to use external management and advisory services, such as portfolio management, accounting and IT services as well as order reception services.

The Fund Management Company has outsourced the portfolio management of the funds to portfolio management entities mentioned in Appendix 18.1 to this brochure. Responsibility for the distribution of funds rests with various OP Financial Group's units, such as OP Asset Management Ltd and OP cooperative banks. OP Life Assurance Company Ltd acts as the distributor through the investments under insurance contracts it manages.

Tasks related to the management of the OP-Rental Yield special common fund, the OP-Public Services Real Estate special common fund and the OP-Forest Owner special common fund have been outsourced to Newsec Valuation Oy. Tasks related to the appraisal of the OP-Public Services Real Estate special common fund's real property units have been outsourced to Newsec Valuation Oy and Realia Group Oy. Tasks related to the appraisal of the OP-Rental Yield special common fund's real property have been outsourced to Newsec Valuation Oy, Realia Group Oy and CBRE Finland Oy. Forest estates' timber trade and forest management have been outsourced to UPM Kymmene Corporation, Metsä Group (Metsäliitto Cooperative) and Silvat Metsätieto Oy. The valuation determination of forest estates has been outsourced to Otso Metsäpalvelut Oy.

Pay and remuneration policy of OP Fund Management Company Ltd

OP Fund Management Company complies with OP Financial Group's remuneration principles and pay policy. For more information, please go to www.op.fi > OP Financial Group > About us > Corporate governance > Remuneration.

The remuneration principles and pay policy apply to all OP Fund Management Company employees and persons with an executive contract, and they are approved annually by OP Cooperative's Supervisory Council and confirmed by OP Fund Management Company's Board of Directors. The Nomination and Remuneration Committee of OP Cooperative's Board of Directors assesses the implementation of the remuneration principles and the pay policy and related practices.

Remuneration complies with the regulation valid at each given time, and it meets regulatory requirements. This is reflected in the fact that remuneration does not encourage unnecessary risk-taking or actions that are against the client's best interests.

In addition to the terms and conditions of the remuneration schemes, regulatory compliance is ensured through the cooperation of businesses, Compliance, Risk Management and Internal Audit. Compliance and Risk Management are involved in the preparation of the remuneration principles, remuneration policy and remuneration schemes and in the determination of the supervisory practices related to remuneration processes. Internal Audit, for its part, annually assesses the remuneration schemes. Remuneration schemes are built in such a way that they encourage employees to act in accordance with OP Financial Group's Code of Business Ethics. The following aspects are taken into account in the regulatory compliance of remuneration:

- Determination of the remuneration schemes, monitoring of the actuals and acceptance and payment of bonuses must be performed independent of the person.
- Bonuses earned by a person in charge of control duties may not depend on the financial performance of the unit they control.
- A remuneration scheme may not encourage those covered by the scheme to act against the client's best interests.
- Targets set for the scheme must be in harmony with the risk management principles and promote sound risk management practices.

Furthermore, information on remuneration is available in OP Fund Management Company's financial statements and OP mutual funds' annual report.

Supervisory Authority

OP Fund Management Company Ltd and its mutual funds are overseen by the Financial Supervisory Authority, Snellmaninkatu 6, FI-00101 Helsinki, Finland. More detailed information is available at www.finanssivalvonta.fi.

3 Custodians

OP Säilytys Oy serves as custodian for the mutual funds managed by OP Fund Management Company Ltd. OP Säilytys Oy has concluded a sub-custodian contract with Citibank N.A. and Allfunds Bank International S.A. Additionally, in certain countries, sub-custodianship has been arranged through the co-operative partners of Citibank N.A. and Allfunds Bank International S.A.

OP Säilytys Oy
Business ID 2771050-4
Gebhardinaukio 1
FI-00510 Helsinki

Current information about the custodians and their sub-custodians is available, on request, from the fund management company.

3.1 Duties of the custodian and rights of the investor

The duty of the custodian is to ensure that the activities of the fund and the fund management company comply with the law, the rules of the funds and the provisions of the authorities, and to manage other tasks assigned to the custodian as specified in the Act on Common Funds and the Act on Alternative Investment Fund Managers. The custodian may, if necessary, utilise one or more sub-custodians.

The custodian ensures, to the best of its ability, that the assets of the fund are separate from the assets of the custodian or its sub-custodian in case of possible insolvency situations. Unless otherwise prescribed in regulation governing investment funds and alternative investment funds, official regulations or fund rules, the custodian must, irrespective of its negligence, compensate the Fund and its investor the loss of the mentioned financial instrument in custody based on the abovementioned laws. The custodian is liable to compensate for any loss which it has deliberately or through negligence caused to the fund by acting in a manner that violates the law and provisions or regulations issued by virtue thereof or by neglecting its responsibilities. Compensation for the loss shall not be provided, however, if the custodian can prove that the loss was caused by an unusual and unforeseeable external factor beyond the custodian's control, the consequences of which it could not have avoided by exercising due diligence.

The custodian is also not liable for any loss caused by some other reason, if its activities have been carried out with normal degree of diligence and unless otherwise provided by applicable and compelling legislation. The custodian is not liable, under any circumstances, for indirect losses caused to a fund manager, fund investor or any other party.

Custodians offer depositary services and custodian services to both their internal and external clients. This may result in situations involving a conflict of interest between the custodial business activities and fund business activities as well as between the clients of those functions. Apart from the funds managed by the fund management company, the subcustodians also have other clients. Conflicts of interest may also arise between the sub-custodian's clients.

Custodial activities are conducted separately from fund activities. Custodial and fund activities are always conducted in a manner that is in keeping with the interests of customers.

The custodian conducts its custodial and related supervisory duties in a manner that is in keeping with the interests of the fund clients and separate from the fund business activities of the fund management company. In order to avoid and manage conflict of interest situations, the execution of custodial and fund activities have been properly separated from each other. The independence of the custodial function and efficient supervision of custodial assets of the clients have also been taken into consideration. Additionally, both functions must operate in accordance with market terms.

4 Subscription for and redemption of fund units

The subscription for, and redemption of, units in mutual funds managed by OP Fund Management Company Ltd can be performed at OP Financial Group's business locations during their opening hours. Customers who have signed an eServices Agreement can issue subscription and redemption orders online at op.fi or through the OP Telephone Service, tel. 0100 0500.

A business day refers to a day on which banks are generally open in Finland (Business Day). The cut-off time refers to the time mentioned in fund-specific rules that determines which Business Day's value an issued order will be executed (Cut-off Time).

Subscriptions for, and redemptions of, fund units are executed at the fund's NAV (net asset value) of the Business Day,

determined in accordance with the fund rules, if the fund management company has received the subscription or redemption order before the fund's Cut-off Time. Executing subscription orders also requires that the subscription amount be paid upon subscription or, with OP Fund Management Company's permission, by the time of subscription confirmation. If the fund management company receives an order after the Cut-off Time, it will be executed to the value of the banking day or of the following subscription date determined in the fund rules.

4.1 Accumulation and income units of funds and related payment of dividends

OP mutual funds may have both accumulation (growth) units (A units) and yield (income) units (B units). In addition, funds may have X units that are available for subscription only by the fund management company. The Annual General Meeting (AGM) of the fund management company decides on the dividends distributed and paid to the holders of B units. The Fund Management Company seeks to distribute annual dividends specified in the Appendix 18.7 to this brochure on the value of each income unit of the unit class concerned as calculated on the last banking day of the previous year. Dividends will be paid no later than one (1) month after the fund management company's AGM into the bank accounts notified by the income unit holders, who have been entered 5 in the register maintained by the fund management company on the day AGM is arranged. Information on the date of the AGM is available to unit holders from the fund management company during its opening hours. If the holder of income units has failed to notify the fund management company of a bank account into which dividends can be paid, dividends which have not been collected within five years of its first collection day shall revert to the fund. Given that A units are accumulation (growth) units, the amount equalling the dividend distributed on B units will be capitalised into A units in such a way that the relative proportion of A units of the fund's assets increases and, thus, the value of A units will not change as a result of the distribution of dividends on B units.

The yield payable on income units are subtracted from the fund assets calculated for those units. The yield is paid to income unit holders, who have been entered in the fund management company's fund unit register on the day fund management company's AGM is arranged. The yield is paid to the bank account of the unit holder on the date determined by the AGM, which is no later than two (2) weeks from the record date.

4.2 Fund units

The Board of Directors of the fund management company may decide that the Fund shall have unit classes differing from each other in terms of their management fee. Unit classes may include both accumulation and income units. The Board of Directors of the fund management company decides on the minimum subscriptions of various unit classes, which are listed in the list of charges and fees.

4.3 Subscription and redemption fees

A subscription fee will be deducted from the subscription amount paid by the client to the fund and the remainder will be used to subscribe for fund units on behalf of the client. Any redemption fees are charged from the clients as they redeem fund units. The redemption fee is deducted from the value of the fund units to be redeemed and the remaining sum is credited to the account given by the client. Each fund has its own fund subscription and redemption fees. Subscription and redemption fees charged by each fund can be found, e.g., in the list of charges and fees at the end of this prospectus and online at www.op.fi.

4.4 Suspension of subscriptions and redemptions

With the Financial Supervisory Authority's permission, the fund management company may suspend subscriptions for fund units for a specific reason that is in the interest of unit holders.

The fund management company may suspend the redemption of fund units if a significant part of the fund's main markets are closed for a reason other than what is foreseeable, trading in these markets is limited, no reliable market or price information is available from them, or for some other reason that is in the best interest of fund unit holders.

4.5 Redemption on OP Fund Management Company Ltd's initiative

The Fund Management Company may, on its own initiative, redeem a unitholder's fund units if there is a weighty reason related to the unitholder for doing so. In addition, the reason must be connected with the fact that the unitholder's holdings in the Fund may give rise to obligations that the Fund Management Company cannot be reasonably required to fulfil. More detailed information on the grounds for redemption is available in OP fund's rules.

5 Fees charged to funds

The fund's management and custodial fees (fee %/365) are included in the fund's NAV (net asset value) calculated on each Business Day, and the client is not charged for them separately. These fees cover expenses incurred by the management company and the custodian as a result of managing the fund. Information on fund-specific management fees can be found, e.g., in the list of charges and fees at the end of this prospectus and online at www.op.fi.

5.1 Performance-based management fees

The OP-Alternative Portfolio, OP-Latin America, OP-Europe Plus, OP-Finland Micro Cap and R2 Crystal funds utilise a performance-based management fee, which is fundspecific and determined as stipulated in each fund's rules. Information on performance-based management fees and their determination bases can be found in the list of charges and fees appended to this prospectus and in the fund's rules and Key Investor Information Document.

5.2 Inducements paid by OP Mutual Funds

As defined in regulation, an inducement is a brokerage fee, commission or a non-monetary benefit that one entity pays to another client of investment or ancillary services when the service is provided. Inducements used by OP Financial Group are sales commissions by nature. Other profit distribution items, non-monetary benefits, discounts or reception of investment research could also be regarded as inducements. Inducements exclude, for example, custody charges, service and switching fees or taxes and charges based on regulations or laws.

The management fee of OP Funds is paid to OP Fund Management Company Ltd. As a rule, 33% of the management fee received by OP Fund Management Company Ltd is returned to the fund's business locations, which include OP member cooperative banks, OP Private units and OP Asset Management Ltd. When business locations are selling OP Mutual Funds as part of an insurance product, 46% of the management fee for OP Mutual Funds will be refunded to OP Life Assurance Company Ltd. OP Life Assurance Company Ltd further refunds 33% of the management fees for OP Mutual Funds to the business locations.

6 Calculation and announcement of the fund units' net asset value (NAV)

The fund management company will calculate the NAV for fund units on every Business Day (Valuation Day). The fund's investments are valued at the closing price in the public

price monitoring system. By 12 noon on the Business Day following the Valuation Day, the NAVs for fund units will be reported to Investment Research Finland, which will release this information to the media. The valuation of the The NAVs of the OP-Rental Yield Fund, OP-Public Services Real Estate Fund, OP-Forest Owner Fund and OP-Finland Micro Cap Fund are announced quarterly each year. The fund unit NAVs are available at OP Financial Group's offices and online at www.op.fi. The fund unit NAVs are also published on the website of Investment Research Finland at www.rahastoraportti.fi. A fund-specific list of any material errors occurred in the announcement of net asset values of OP mutual funds must be shown to unit holders at their request. This list is available for inspection at all business locations and OP Fund Management Company Ltd.

6.1 Partial swing pricing

Due to subscriptions or redemptions of fund units, the fund manager may need to buy or sell securities or other investment instruments in order to invest funds received from subscriptions or to obtain cash to pay redemptions. The trading costs incurred by selling and buying are borne by all of the fund's shareholders.

Partial swing pricing is used to assign the fund's trading costs to shareholders who subscribe or redeem fund units. The aim of swing pricing is to ensure the equal treatment of shareholders.

In partial swing pricing, the fund's net asset value (NAV) is adjusted upwards or downwards, using a swing factor if a pre-determined swing threshold is exceeded. If the fund's net asset inflows exceed the swing threshold, NAV is adjusted upwards using the swing factor to increase the fund's net asset value. If the fund's net asset outflows exceed the swing threshold, NAV is adjusted downwards using the swing factor to decrease the fund's net asset value.

Adjusting NAV benefits the fund and its shareholders.

For detailed fund-specific information on partial swing pricing, see the funds' rules and Key Investor Information Documents. Fund-specific information on the use of swing factors is available in the annual and half-yearly reports for OP funds.

Example A: Swing threshold exceeds due to subscriptions

- The Fund's NAV equals the Fund's value less liabilities and divided by the number of fund units.
- In this example, the Fund's NAV, excluding the effect of swing pricing, is EUR 100.00 per fund unit.
- More subscriptions than redemptions have been made in euros at the fund's value of the day, and the euro amount of subscriptions exceeds the swing threshold.
- The swing factor applied in this example is 1.00%. In this case, NAV is adjusted upwards 1.00%.
- The price of one fund unit on the date in question is EUR 101.00.
- All orders placed on this date are executed at this same value, including redemptions.

Example B: Swing threshold exceeds due to redemptions

- The Fund's NAV equals the Fund's value less liabilities and divided by the number of fund units.
- In this example, the Fund's NAV, excluding the effect of swing pricing, is EUR 100.00 per fund unit.
- More redemptions than subscriptions have been made in euros at the fund's value of the day, and the euro amount of redemptions exceeds the swing threshold.
- The swing factor applied in this example is 1.00%. In this case, NAV is adjusted downwards 1.00%.
- The price of one fund unit on the date in question is EUR 99.00.
- All orders placed on this date are executed at this same value, including subscriptions.

7 Tax implications of mutual funds

In accordance with Finnish tax legislation, mutual funds are tax-exempt organisations which thus do not pay income or wealth tax. Income from the client's mutual fund investments are subject to capital gains tax in the client's income taxation. Income comprises capital gain arising from the redemption of fund units or dividends paid to the investor by the fund. The Fund Management Company does not collect tax on capital gains but reports the client's fund unit redemptions and dividends received by the client to the Finnish Tax Administration. The Fund Management Company withholds tax on dividends received by the client.

If the fund unitholder is a client with limited tax liability in Finland, the Act on the Taxation of Non-residents' Income applies to the tax treatment of the fund's income. The tax at source withheld is 30 per cent or what is prescribed in bilateral tax treaties with Finland. The Fund Management Company withholds tax at source on dividends received by the clients with limited tax liability. The capital gain received by the client with limited tax liability is taxed in the country of residence of the client. For non-profit organisations, holding fund units, dividends and capital gains are exempt from tax. With respect to other organisations, relevant tax regulations are applicable.

7.1 Tax treatment of mutual fund investments

The incomes of private individuals and decedent's estates are classified as earned income and unearned income. Earned income includes wages and salaries, pension income and part of entrepreneurial and agricultural income. Earned income is taxed progressively, which means that the tax percentage rises as income increases. Unearned (capital) income includes, e.g., capital gains on the sale of shares and fund units, dividends distributed by mutual funds, rental income and a portion of entrepreneurial and agricultural income. Unearned income is taxed at 30%. Unearned income in excess of €30,000 is taxed at 34%. This information is based on the tax legislation valid on 1 November 2017.

7.2 Fund investors and capital income tax

Dividends paid by the mutual fund to the investor and any capital gain on the redemption of fund units constitute capital income. Dividends are paid only on the income units of mutual funds. No annual dividend is distributed on accumulation units, rather the accrued income is added to the capital. The return which the investor receives on accumulation units becomes subject to tax only in the event of a realised capital gain.

7.3 Mutual fund dividends

The fund management company deducts a withholding tax of 30% from the dividends distributed by the mutual fund in the case of natural persons and Finnish decedent's estates.

7.4 Capital gains and losses on mutual funds

Any capital gain on the redemption of mutual fund units is calculated by deducting the subscription price originally paid for the fund units from the redemption price. The redemption of fund units at a price lower than the purchase price results in a capital loss. Capital losses that may result when redeeming fund units may be deducted from capital gains realised during the tax year and the following five tax years. Furthermore, the investor may make a tax deduction for expenses relating to the purchase and sale of the units, i.e. the subscription and redemption fees charged.

Alternatively, the investor may make an imputed deduction, known as the deemed acquisition cost, in capital gains taxation. A total of 20% may be deducted as the acquisition cost if the units have been held for less than ten years, and 40% if the units have been held for a minimum of ten years.

If the combined sale prices for the tax year amount to a maximum of 1,000 euro, capital gains are exempt from tax. If the combined purchase prices for the tax year amount to a maximum of 1,000 euro, capital losses are non-tax deductible. This applies to all of the client's capital gains for the year in question, not only those on the sale of fund units. If sale prices or purchase prices exceed 1,000 euro for the year in question, the entire amount is subject to tax as usual.

7.5 Reports to the tax office

By the end of each January, the fund management company notifies the tax authorities of dividends and fund unit redemptions paid during the previous calendar year, the purchase prices and dates of the redeemed units, any expenses resulting from redemptions and subscriptions, and the number of fund units owned by each unit holder.

Investors must check their tax return forms pre-completed by the tax authorities and notify the tax authorities of any errors or omissions detected. Investors must state their capital gains and losses in this tax return form. In addition, investors must retain all documents related to their investments although these are no longer appended to tax returns.

8 Objectives of the funds' corporate governance

The objective of corporate governance is to positively affect the long-term value performance of the fund investments by defining the methods and guidelines necessary to implement an (active) corporate governance, and to pursue the common interests of the unit holders of OP mutual funds. The latter also means that any other interests, such as, for example, those of companies closely related to the fund management company, should be ignored, if they deviate from the interests of the unit holders. The Board of Directors of the fund management company annually approves the corporate governance policy for the funds managed by the fund management company.

8.1 Corporate governance policy for the funds managed by

OP Fund Management Company The Board of Directors of OP Fund Management Company Ltd has authorised one member of the Board to decide on the exercise of voting rights at the AGMs and to issue, if necessary, more detailed instructions on the procedure to be applied at the AGMs. The Board member who will exercise the voting right is selected annually in a Board meeting following the meeting of the unit holders. The exercising of voting rights takes place independently from the parent company of the OP Fund Management Company Ltd. To ensure this, in particular, the decision of the Board member shall be issued as information in advance to the Board members appointed by the unit holders. The Board of Directors is provided, at least once a year, with a report on the implementation of the corporate governance policy.

The tools for enacting the corporate governance include engagement at annual general meetings through attendance, proxy voting through the delivery of voting instructions to the selected AGMs in case of non-attendance, influencing the executives and boards of companies either alone or together with other investors, and discourse during ordinary meetings with company representatives and portfolio managers who make the investment decisions. The presentation of expectations and viewpoints in the various channels for public debate is also one means of implementing and communicating the corporate governance policy. The salaried employees of OP Fund Management Company Ltd should not seek to be members on the boards of any companies that serve as underlying investments. Transparency and open communications are the primary means to ensure that OP Fund Management Company Ltd only pursues the common interests of the unit holders. Furthermore, auditing activities and the supervision of the fund management company. by the Financial Supervisory Authority assure that the mutual fund activities are only being executed in keeping with the common interests of the unit holders. OP Fund Management Company Ltd particularly ensures that it and its corporate governance comply with the valid rules and regulations governing insiders.

8.2 Participation and voting at Annual General Meetings (AGMs)

OP Fund Management Company Ltd exercises, when necessary, voting rights at the AGMs of the companies that serve as underlying investments in the funds it manages. The fund management company will consider participation in an AGM upon consideration, firstly, of the content of the AGM agenda and the possibilities for influence at the meeting in question. The fund management company exercises its voting rights, particularly when the outcome of the vote could justifiably be expected to have a positive long-term impact on the value performance of the investments in the funds managed by the company.

The fund management company especially participates in the AGMs of companies in which the funds it manages have significant and long-term investments. Participation primarily concerns the annual general meetings of Finnish limited liability companies. The fund management company exercises its voting rights at AGMs, particularly when justified in terms of the interests of unit holders.

8.3 Informing parties on the exercise of voting rights

In the annual reports of the mutual funds, OP Fund Management Company Ltd publishes information regarding how voting rights have been exercised during the period in review.

9 Unit holders

At least once a year, the fund management company will send unit holders a portfolio report covering their fund unit holdings, any capital gains or losses on fund units sold and any dividends that may have been paid to them. Before subscription for a fund unit, investors have the right to receive, free of charge, the Key Investor Information Document, the mutual fund prospectus, the latest annual report and a subsequent biannual report. These documents are available at OP Financial Group's offices and online at op.fi.

9.1 General meeting of unit holders

A general meeting of unitholders is not regularly held every year. A general meeting of unitholders must, however, be held if the Fund Management Company's Board of Directors deems it necessary, or if the auditor, an independent member of the Board of Directors or unitholders accounting for at least one twentieth (1/20) of all Fund units outstanding request in writing that said meeting be held to deal with a particular matter. In order to attend a meeting, the Fund's unitholders must register with the Fund Management Company in the manner mentioned in the notice of meeting no later than the deadline mentioned therein, which may be no earlier than five (5) days before the meeting.

10 Major risks associated with mutual funds

Each mutual fund's assets are kept separate from the assets of other mutual funds, the fund management company and the custodian. The fund management company's finances are completely separate from mutual fund assets, and such assets cannot be used to pay debts of the fund management company or the custodian. Funds cannot go bankrupt although their NAV may rise or fall depending on market conditions. Mutual fund investments involve, however, certain risks of which investors should be aware. For example, the investment policies of the funds can change over time or the funds may merge with other funds, whereby an investor's assets may no longer be managed in accordance with the same principles applied when

the investment was originally made. If a change in investment policy requires changes in fund rules, each unit holder will be separately notified of the change. Similarly, in the case of fund mergers, unit holders are offered the opportunity to redeem their investments in the fund. A fund's past performance is no guarantee of future results. Risks associated with each individual fund are determined on the basis of the fund's investments and investment policy.

10.1 Market risks

10.1.1 Active risk

Active risk is the result of active portfolio management in relation to the benchmark index and it is manifested in how much the fund's value varies in relation to the benchmark index. According to active management, or active investing, the portfolio manager makes specific investments with the goal of outperforming an investment benchmark index. This usually means that investment weightings differ from the benchmark index. Portfolio managers overweight investments which they consider will yield a better return and underweight investments with lower return expectations. Active portfolio management may result in the fund performance differing from the value performance of the benchmark index in both the short and the long term. Passive portfolio management, on the other hand, means investing according to the benchmark index, in which case the aim is to achieve a return equalling the benchmark index. Active risk can be measured with the help of, among other things, active share and tracking error indicators. The active share indicator measures how much the fund's investments differ from the benchmark index constituents. Tracking error in turn is calculated on the realised return differences of the fund and its benchmark index. It explains how much the fund's returns have differed from the return of the benchmark index.

10.1.2 Volatility risks

The fund's volatility refers to the rate at which the price of a fund unit moves up and down. If the investment's volatility increases, so does the probability of profit or loss.

10.1.3 Emerging market risks

Emerging markets are characterised by greater price fluctuations than in traditional, developed markets (e.g., the euro area securities market). Some of the countries in which the funds invest may be politically, economically and socially less developed than western countries, which may result in unexpected changes in these countries' markets. Some governments directly influence their national economies, which means that they may control their currencies, nationalise companies or restrict the outflow of assets from their country.

The national currencies of some of these countries are not freely exchangeable. In such markets, the funds may experience liquidity problems when exchanging the local currency for freely exchangeable currencies. The standards governing the financial statements, auditing and reporting of companies operating in some of the markets in which the funds invest may not necessarily be up to the level of equivalent standards in traditional, developed markets. These markets may undergo changes in their regulation and structures, which may weaken market liquidity and create uncertainty in the market. The systems used by the markets may also be less advanced than those used by traditional, developed markets.

In the event that a problem should arise, the court systems of some of the markets in which the funds invest will not necessarily function in a predictable manner. Taxation may involve uncertainty about the implementation of tax agreements and taxation may be subject to changes. Some of the markets have introduced regulation fairly recently and have not necessarily had to implement it at the practical level, nor, for example, have the rights of minority shareholders been safeguarded in the same manner as in developed markets. In addition, the economic development of certain markets may be highly dependent on the price development of various raw materials, oil or energy. Changes in the prices of raw materials and commodities may affect the general price performance in the securities market of these market areas.

10.1.4 Concentration risk

The fund can focus its investments largely in the securities market of a particular country, area, index or sector, whereby the fund investments can be subject to a significant concentration risk. A concentration risk makes a fund susceptible to stronger investment volatility.

10.1.5 Interest rate risk

The value of fund investments may be affected by an interest rate risk. Interest rate risk means that the value of fund investments may change as the general interest rate rises or falls. Changes in interest rates usually have a reverse effect on the fund's value, i.e., a rise in the interest rate has a negative effect on the present value of investments and vice versa. When interest rates are low, the risk of a rise in interest rates is higher than usual.

In general, the further into the future the cash flows related to an instrument are, the higher the interest rate risk will be. In terms of floating-rate instruments, the interest rate risk is usually determined up until the next interest rate adjustment day, whereby the interest risk rate for floating-rate investments is generally lower than for fixed-rate investments over the same period. Interest rate risk is measured by means of an effective duration. For example, an effective duration 2 means that if the interest rates rise by one percentage point, the present value of the fund investments will fall by 2 per cent.

10.1.6 Credit risk

The value of fund investments may be affected by a credit risk. Credit risk means that the value of the fund's investments changes as credit risk premiums increase or decrease in the securities market. Credit risk premiums refer to the risk premium of a bond issuer's debt instruments in relation to government bonds and notes. Changes in this premium usually have a reverse effect on the fund's value, i.e., its increase has a negative effect on the present value of investments and vice versa. A credit risk may also materialise as a result of the bankruptcy, insolvency or credit restructuring of an individual issuer. International credit rating agencies, such as S&P and Moody's, affirm credit ratings for the relevant instruments that endeavour to indicate the likelihood of a credit risk event, such as insolvency or bankruptcy. The values of investments that have received a weaker credit rating generally react more easily to general economic developments, and such instruments typically have, in crisis situations, a weaker liquidity and a higher volatility risk.

10.1.7 Equity market risk

Equity prices may increase or decrease due to changes in the general economic situation or changes affecting individual companies. The fund's value may vary substantially in the short or long term. A long-term investment horizon increases the probability of positive returns while reducing that of negative returns.

10.1.8 Real asset risk

Real assets refer to, e.g., investments in real estate, forests and infrastructure. Real assets are vulnerable to slightly different types of risks than those of traditional investment assets. Properties may remain empty, their value may drop, the legislation related to the properties may change or payment defaults may reduce the rental income received for the properties. Similarly, forests are vulnerable to natural phenomena, such as storms, forest fires and other

natural phenomena. Additionally, factors related to forestry management, changes in forestry regulations or changes in the global demand for wood all affect the anticipated return from the forests. Real assets typically have poor liquidity as compared to other investment assets.

10.1.9 Style risk

Investment style refers to the idea that a fund invests in companies of a certain style or size and thereby the investment distribution may deviate from a wider-spectrum equity market. Such style funds may include those that invest in high-value, growth, high-dividend or small companies. This means that the fund's investment style affects the fund's value performance that may deviate significantly from the general value performance of the securities markets.

10.1.10 Currency risk

A fund's currency risk means that the value of non-euro investments fluctuates as a result of currency swings. If the fund's currency of denomination is the euro but the fund also has non-euro investments, changes in foreign exchange rates have an effect on the investment's value. Changes in foreign currencies in relation to the euro affect the fund's value in such a way that, for example, if the USD becomes stronger against the euro, any USD-denominated investments in the fund will rise in value and vice versa.

10.1.11 Leverage risk

Traditionally, leverage refers to activities in which efforts are made to improve the investment yield by investing assets taken as debt. Any funds that are able to utilise leverage in their investment activities are vulnerable to leverage risk. In addition to borrowing, leverage can also be derived from the use of derivatives within investment activities. Leverage increases the volatility of a fund; in other words, under good market conditions, the value performance of the fund will be more favourable, but if operating under poor conditions, the value performance may become even weaker.

10.2 Liquidity risk

A fund's liquidity risk refers to a situation in which the securities that the fund's assets have been invested in cannot be converted into cash within a desired period and/or at a reasonable price. If the liquidity risk is high, trading in these securities is infrequent and the trading volume is low. If the purchase or sale of a security is realised within this type of liquidity situation, the value of the fund unit may drop, particularly as it concerns large-volume transactions. Liquidity risk may also refer to a situation in which securities cannot be traded owing, for example, to a stock exchange being temporarily shut down. If liquidity risk is realised, it may affect the price development of the fund as well as the fund's ability to act on other investment opportunities, or it may also delay the implementation timetable for fund unit redemptions.

Liquidity risk particularly affects bond investments with a weaker credit rating, shares of companies with a small market value, instruments issued within emerging markets, hedge funds and real assets, such as real estate and forests. Liquidity risk is high especially in respect of real property funds, because trading in real property instruments is quite infrequent. If real asset funds are met with large redemption orders simultaneously, it is possible that the assets will not be sold at normal purchase value. In order to ensure equitable treatment of the unit holders, it is possible, in extreme cases, for the real asset fund to suspend the execution of redemption orders.

10.3 Operational risks

Operational risks refer to risks caused by external factors, technology, or inadequate operation of staff, organisation or internal processes, etc. These risks may be realised, for example, in operating disturbances of IT systems concerning custody and clearing, which may have negative effects on, for example, the trading of securities in which fund assets have been invested.

10.3.1 Force Majeure risks

Force Majeure risks refer to factors which are independent of any contracts and are unpredictable and cause insuperable consequences, posing a risk of incontinuity of operations, for which the contracting parties cannot typically be held responsible. Force Majeure risks may include natural catastrophes, riots, strikes and wars. In case of the realisation of a Force Majeure risk, the prices of securities within the fund's portfolio may be significantly affected or it may become difficult for the fund to trade in securities

10.3.2 Political risks

The markets in which the fund invests may involve political risks, which may result in a market risk that affects the fund's value. Such political risks may include wars and sudden changes in the economic policy or political environment in the relevant market area, possibly resulting in unexpected changes in the price of securities in which the fund invests. The markets in which the fund has invested may involve political risks, which may be realised as an operational risk for the fund in the form of sanctions, such as tax consequences, foreign exchange control and difficulties in repatriating funds. These factors may affect the price of securities in the portfolio or delay the redemption of fund units.

10.3.3 Clearing and settlement risk

Clearing and settlement risks arise if the counterparty to the securities trade does not follow the conditions agreed, while the other party does. These risks are particularly great in intercontinental securities and currency transactions, as clearing may take place in different time zones. Clearing and settlement risks associated with emerging securities markets are greater than those of developed securities markets owing to, among other things, differences and lack of sophistication in trading practices.

10.4 Counterparty risk

Counterparty risk refers to a situation in which the counterparty to a contract is unable to fulfil the contractual obligations due to, for example, payment defaults or bankruptcy. The fund exposes to counterparty risk when it trades in non-standardised derivative contracts or if it is engaged in securities lending or if it has repurchase agreements. If a payment default should occur, it may take the fund several days to terminate an agreement, during which time the value of the investments may drop considerably and, in addition, the compensation paid to the fund may be significantly limited, or in the worst case scenario, may not be paid by the counterparty at all.

Collateral is useful as a means of limiting counterparty risk. In connection with a payment default of the counterparty, it is possible, however, that the value of the secured collateral will be insufficient to cover the entire counterparty risk. This situation is possible if, for example, the collateral has been incorrectly priced, its value has decreased or its liquidity has weakened.

11 Methods used to calculate the total risk of the funds

OP Fund Management Company Ltd uses the Value-at-Risk (VaR) method for calculating the total risk of the funds in accordance with the guidelines issued by CESR and ESMA. The VaR indicates the greatest loss that investments may experience, at a certain confidence level and time horizon, given normal market conditions. The VaR does not, however, tell anything about the amount of the expected loss, if the loss exceeds the confidence level used in the calculation. The

VaR does not either necessarily react if the fund's investments are strongly leveraged. For this reason, it would be wise to supplement the VaR with indicators that tell something about leverage.

OP Fund Management Company Ltd calculates the VaR daily on the basis of one year's history data with a 99 per cent confidence level and holding period of 20 business days. Depending on the fund in question, the Value-at-Risk framework complies with either a relative or absolute approach. The approach is determined in advance and is permanent for the fund. Both approaches calculate the VaR in the same way for all fund positions.

Absolute Value-at-Risk approach

The absolute Value-at-Risk approach is used for funds whose investment policy is determined by its absolute return target and absolute risk level. The figure is calculated by comparing the VaR of the fund's investments with the value of the fund. The fund's VaR may not exceed 20 percent of the fund's value.

Relative Value at Risk approach

The relative Value at Risk approach is used for funds whose investment policy and risk level is determined by a generally known reference index. The figure is calculated by comparing the VaR of the fund's investments with the VaR of the benchmark portfolio. The fund's VaR may not be more than double the benchmark portfolio's VaR. Appendix 18.5 contains the calculation method for total risk, possible benchmark portfolio and target leverage level for all the funds managed by OP Fund Management Company Ltd. The leverage level has been calculated in accordance with the CESR guidelines. The annual reports of the funds also present the essential calculations, including the minimum, maximum and average utilisation rate for the VaR limit. Furthermore, the annual reports state the actual leverage level.

12 Calculation principles of key performance indicators

OP Fund Management Company Ltd publishes fund-specific key performance indicators in the fund prospectuses and in the annual reports, in accordance with the recommendation of the Finnish Association of Mutual Funds and the decree 231/2014 of the Ministry of Finance. The publications are available at op.fi. The uniform reporting procedures of the key performance indicators increase the comparability of funds. Fund-specific key performance indicators are reported in the annual report and in the half-yearly report. The following key performance indicators of OP Funds are reported: Volatility, Active Share, Tracking Error, Sharpe ratio, Turnover rate, Ongoing costs and Fund trading costs.

12.1 Volatility of returns

Investing in securities entails the volatility of the investment's market value, so the investment's value may rise and fall. When the value fluctuates, some uncertainty is involved in the return on the investment, called risk. Volatility, that is, the fluctuation of annual return, describes how great the risk is. The high volatility ratio means that there is likely a high risk for uncertainty for the variability of the fund unit's returns, and vice versa. The volatility of a fund unit is calculated in annual reports and other reviews.

12.2 Active Share

The Active Share indicator measures how much the portfolio's holdings differ from the benchmark index constituents. The greater the indicator, the more the shares selected by the fund and their weights differ from the shares and weights of the benchmark index. The Active Share indicator is mainly calculated for equity funds that have a benchmark index. The Active Share indicator is shown as percentages. It describes the portion of the fund's portfolio that differs from the benchmark index allocation. Active Share is the indicator of active portfolio management. The larger the indicator, the more the portfolio's equities and/or their weights differ from the index allocation, and the more actively the fund's investment has been managed. Certain funds, such as Nordic country-specific equity funds, are actively managed and their investment universe is concentrated. The degree of concentration usually restricts the attainable Active Share indicator.

12.3 Active risk/Tracking Error, %

Tracking Error, on the other hand, explains how much the fund unit's return differs relative to the benchmark index. If the investments in the portfolio differ greatly from the the benchmark index allocation, there is a greater likelihood that also the return on the investment is above or below the benchmark index return. If, on the other hand, the fund's Tracking Error is small, it is likely that also the unit's return tracks the benchmark index relatively accurately.

The Tracking Error is calculated on the realised return differences of the fund and its benchmark index. It explains how much the fund's realised returns have deviated from the returns of the benchmark index.

12.4 Sharpe ratio

The Sharpe ratio is a ratio used for measuring the fund unit's income and risk. The larger the ratio, the more returns the investment has generated in relation to its risk. The value of the Sharpe ratio is the difference between the fund unit's return and risk-free income, divided by volatility.

12.5 Portfolio turnover rate, %

The portfolio turnover rate indicates the average turnover of securities in a fund during one year. The higher the turnover rate, the more the fund has traded in addition to the turnover due to the subscriptions and redemptions of fund units. A small turnover rate indicates that the cash flow has mainly directed the fund's trading. If the cash flow of the fund is greater than the combined value of securities bought and sold, the turnover rate is negative.

The portfolio turnover rate formula is as follows = (Amount 1 – Amount 2) / M*100. Amount 1 = total purchases and sales of securities, amount 2 = total subscriptions and redemptions of fund units. M= the average total value of daily calculated net assets. The turnover rate is calculated on the maximum history of one year.

12.6 Ongoing costs, %

The ongoing costs ratio includes the actual management fee charged from the fund's assets during the 12 months preceding the end of the review period, and other costs that are charged from the value of the fund over the year. However, the ratio does not take into account the performance-based fee or trading costs. They are indicated separately. Ongoing costs describe the share of the fund management company's fees in the value of the fund. Ongoing costs refer to the figure converted into annual terms, where all the fees charged from the fund's assets are added together. Ongoing costs do not include the fund's performance-based management fee or trading costs. Their impact on the fund's value has been indicated in OP Mutual Funds' Annual Report.

12.7 Fund trading costs, %

The fund trading costs are reported for the period of 12 months before the end of the review period. The indicator describes how the fees for trading with the fund and to brokers, charged from the fund's assets, impact the value of the fund on an annual level. The trading costs are indicated as percentages of the fund's average market value during the review period (the last 12 months).

The trading costs of the fund are calculated in such a way that the combined trading costs of the fund (EUR), are divided with the fund's average market value during a corresponding period. With respect to fixed-income investments of bond funds or balanced funds, trading costs cannot be reported separately, because the trading costs/brokerage fees of fixed-income investments are included in the trading prices

13 Special features of certain funds

Investments made in the People's Republic of China through Chinese stock exchanges are vulnerable to general emerging market risks (section 10.1.3.), but they are also vulnerable to specific risks that affect China. The Chinese economy is in transition from a planned economy towards one that is more market-driven, and investments in China are sensitive to changes in local legislation. Trading with Chinese A shares is possible either directly within the Chinese stock exchanges, such as the Shanghai (SSE) or Shenzhen (SZSE) Stock Exchanges, or via the Hong Kong Stock Exchange (SEHK). Foreign investors can only trade on the Shanghai or Shenzhen Stock Exchanges if they possess a Qualified Foreign Institutional Investor (QFII) license issued by the People's Republic of China. Chinese equities can also be traded with the help of the Stock Connect program, which is a mutual market access program. The Stock Connect program enables a foreign investor to trade in select securities on the Shanghai or Shenzhen Stock Exchanges via the Hong Kong Stock Exchange.

Trading in Chinese securities is limited by strict legislation and, for example, both trade volume and share holding time are tightly regulated. This may have an effect on the fund's ability to efficiently implement its investment strategy and on the price of the securities, particularly if the investments should need to be realised quickly. The QFII license may also be revoked or certain shares may be removed from the scope of the Stock Connect program. Securities acquired through the Stock Connect program are marked in the local registries as being owned by Hong Kong Securities and Clearing Corporation Limited (HKSCC), even though the beneficiary is actually a foreign investor. According to local legislation, HKSCC must separate Stock Connect shares from the general assets that are divided among debtors, but the legislation remains quite underdeveloped in certain aspects, and the system hasn't been tested in practice, so there is a risk that the fund would not receive full compensation for its investments if a payment default situation should occur.

The Stock Connect program allows trading only on those days when the Chinese and Hong Kong markets are open and when the banks in these markets are open for clearing and settlement. Days on which the Stock Connect program cannot be utilised for trading pose a volatility risk for the fund's investments.

Securities within the Stock Connect program are quoted in offshore renminbi (CNH), whereas shares within the Chinese stock exchanges are quoted in onshore renminbi (CNY). Therefore, any trade done through the Stock Connect program exposes the investor to currency risk between these two currencies.

14 Socially responsible investment

Investment activities by sustainability themed funds are implemented in accordance with the UN Principles of Responsible Investment as well as with more elaborate responsibility-related weightings and restrictions as described in greater detail below.

14.1 OP-Climate

The fund invests its assets mainly in companies on which climate change and preparing for it are expected to have the greatest positive effects. The companies in the fund's portfolio are typically those which are commercially well-positioned to fight global warming because they develop or supply energysaving technology, alternative sources of energy, waste or water management or recycling, or possess specialist knowhow in the field.

14.2 OP-Clean Water

The fund invests its assets in companies that derive at least 50% of their earnings from water-related activities. Some 60–75% of the fund's investments typically come from these kinds of companies that are strongly engaged in the water industry. In addition, the fund may invest in companies where the water industry plays a smaller role, but which lead the market in a narrower sector related to water. The fund may invest in these types of market leaders if at least 10% of the company's earnings come from the water-related sector.

14.3 OP-Low-carbon World

The fund invests its assets in companies with a lower carbon footprint than other players in the same sector. The fund selects its investments globally in developed and emerging stock markets in such a way that the fund only invests in ecological companies that have the lowest carbon footprint in their respective sector. The estimated carbon footprint of the fund's investments is approximately 50% lower than that for a regular equity fund that invests globally. The MSCI carbon data is used to assess carbon emissions and fossil fuel reserves.

14.4 OP-Sustainable World

The OP-Sustainable World fund applies both negative and positive screening. Negative screening means that certain sectors and functions are excluded from the fund's investment options as described below. We update our criteria for exclusion whenever required as a result of developments in the operating environment. Positive screening means analysing companies' operating policies from the perspective of responsibility, and only the top companies can be admitted to the fund.

14.5 Negative screening

14.5.1 Products and services hazardous to health or causing addiction

The fund does not invest in products or services that are hazardous to health or cause addiction. This category includes alcohol and tobacco producers and gambling companies. Neither do we invest in companies with a significant proportion of turnover from the sales of tobacco and alcohol products. If the abovementioned products generate only a minor proportion of the sales, such as typically is the case for a department store, the fund may invest in such a company, if the company otherwise meets the criteria set by the fund. The assessments are based on information available to the portfolio manager.

14.5.2 Social and societal topics

From the social and societal perspective, harmful and doubtful practices, products and services count among those in which the fund does not invest. This category includes the manufacture of weapons other than sporting and hunting weapons, activities contrary to the UN Global Compact initiative, such as child labour and corruption, production of adult entertainment, animal tests for non-medical purposes and aggressive tax planning. The definition of aggressive tax planning will be further developed thanks to international principles and improving reporting. We are currently paying attention, for example, to aggressive arrangements by specific countries that have come to our notice.

14.5.3 Environment

For environmental reasons, the fund does not invest in companies in the oil or gas sector or in companies that otherwise have a significant impact on climate change. In

terms of the impact on climate change, the criteria used by the fund include fossil fuel reserves, carbon footprint and carbon intensity. The fund does not invest in nuclear power producers either.

14.6 Positive screening

Of the companies in industries remaining after positive screening, only those can be admitted to the fund that rank among the best ones in their sectors in terms of the responsibility assessment. The responsibility analysis comprises three components which relate to the environment, society and corporate governance. One of the sources utilised to select responsible companies is the data collected by MSCI that indicates corporate responsibility as assessed through hundreds of various metrics. The metrics pertain, for example, to employee treatment, safety at work, supply chain responsibility, greenhouse gas emissions and pollutants, use of water, carbon footprint of products, biodiversity, composition of the board of directors and corruption.

15 Indices utilised by OP Index Funds

The emulated benchmark index of the **OP-Asia Index Fund** is MSCI Pacific ESG Universal Net. You can view the composition and investment policy of the index on the index provider's website at www. msci.com.

The fund emulates its benchmark index using the partial physical emulation model. For reasons of cost-efficiency, the fund seeks to emulate its index through an optimised sample, i.e., it will not necessarily invest in all equities included in the index. In addition, a portion of the index corresponding to a small cash component is emulated synthetically. Share index futures and exchange-traded funds (ETF) can be used to enhance portfolio management. The anticipated active risk of the fund, as measured by tracking error, is 0–0.5%.

The magnitude of the active risk is influenced by the following factors, among others: the management fee, transaction costs, trading costs, large assignments, taxes, index balancing, non-liquid shares and the reinvestment of dividends.
The benchmark index of the **OP-America Index Fund** is MSCI North America ESG Universal Net. You can view the composition and investment policy of the index on the index provider's web site at www. msci.com.

The fund emulates its benchmark index using the partial physical emulation model. For reasons of cost-efficiency, the fund seeks to emulate its index through an optimised sample, i.e., it will not necessarily invest in all shares included in the index. In addition, a portion of the index corresponding to a small cash component is emulated synthetically. Share index futures and exchange-traded funds (ETF) can be used to enhance portfolio management.

The anticipated active risk of the fund, as measured by tracking error, is 0–0.5%.

The magnitude of the active risk is influenced by the following factors, among others: the management fee, transaction costs, trading costs, large assignments, taxes, index balancing, non-liquid shares and the reinvestment of dividends.

The benchmark index of the **OP-Europe Index** Fund is MSCI Europe ESG Universal Net. You can view the composition and investment policy of the index on the index provider's website at www.msci.com. The fund emulates its benchmark index using the partial physical emulation model. For reasons of cost-efficiency, the fund seeks to emulate its index through an optimised sample, i.e., it will not necessarily invest in all equities included in the index. In addition, a portion of the index corresponding to a small cash component is emulated synthetically. Share index futures and exchange-traded funds (ETF) can be used to enhance portfolio management.

The anticipated active risk of the fund, as measured by tracking error, is 0–0.5%.

The magnitude of the active risk is influenced by the following factors, among others: the management fee, transaction costs, trading costs, large assignments, taxes, index balancing, non-liquid shares and the reinvestment of dividends. The benchmark index of the **OP-World Index Fund** is MSCI World ESG Universal Net. You can view the composition and investment policy of the index on the index provider's website at www.msci.com.

The fund emulates its benchmark index using the partial physical emulation model. For reasons of cost-efficiency, the fund seeks to emulate its index through an optimised sample, i.e., it will not necessarily invest in all equities included in the index. In addition, a portion of the index corresponding to a small cash component is emulated synthetically. Share index futures and exchange-traded funds (ETF) can be used to enhance portfolio management.

The anticipated active risk of the fund, as measured by tracking error, is 0–0.5%.

The magnitude of the active risk is influenced by the following factors, among others: the management fee, transaction costs, trading costs, large assignments, taxes, index balancing, non-liquid shares and the reinvestment of dividends. The benchmark index of the **OP-Nordic Countries Index** Fund is MSCI Nordic Countries ESG Universal Net. You can view the composition and investment policy of the index on the index provider's website at www.msci.com.

The fund emulates its benchmark index using the physical emulation model. In addition, a portion of the index corresponding to a small cash component is emulated synthetically. Share index futures and exchange-traded funds (ETF) can be used to enhance portfolio management. The anticipated active risk of the fund, as measured by tracking error, is 0–0.5%.

The magnitude of the active risk is influenced by the following factors, among others: the management fee, transaction costs, trading costs, large assignments, taxes, index balancing, non-liquid shares and the reinvestment of dividends.

The benchmark index of the **OP-Finland Index** Fund is Nasdaq OMX Helsinki Benchmark Cap. You can view the composition and investment policy of the index on the index provider's website at http://www.nasdaqomxnordic.com.

The fund emulates its benchmark index using the physical emulation model. In addition, a portion of the index corresponding to a small cash component is emulated synthetically. Share index futures and exchange-traded funds (ETF) can be used to enhance portfolio management.

The anticipated active risk of the fund, as measured by tracking error, is 0–0.5%.

The magnitude of the active risk is influenced by the following factors, among others: the management fee, transaction costs, trading costs, large assignments, taxes, index balancing, non-liquid shares and the reinvestment of dividends.

16 Liability limitation clauses of the index providers

MSCI will not take part in the management or marketing of mutual funds mentioned in this fund prospectus nor will it be liable for any securities or indices upon which these mutual funds are based. MSCI indices are owned by MSCI and cannot be emulated or used for any purpose other than those authorised by MSCI. MSCI does not provide any guarantees for its indices.

17 Investment processes applied by the funds

The objective of the investment processes is to create added value in relation to the benchmark index of the fund or to the range of investment products within the theme for the fund.

The following are typical investment processes involved in company selection as part of active portfolio management. The investment portfolios of individual funds may comprise one or more functionalities.

- Quantitative and qualitative analysis of individual companies to survey the possibilities of sectors and businesses to create added value. The selected portfolio investments are all characterised by an excellent growth potential (Fundamental Equities process).
- In-depth analysis of the basic factors related to individual companies whose basic factors are strong and whose valuation is attractive considering their potential.

Focused selections within the investment portfolio result in concentrated positions in the portfolio structure (Focused Equities process).

- Analysis of individual companies to identify businesses that are characterised by positive earnings growth, a strong cash flow and attractive dividend policy. The selected portfolio investments are characterised by a high and very predictable dividend yield that reflects the stability of the underlying business activities (Stable Equities process).
- Analysis of individual companies to locate businesses characterised by a clear undervaluation in relation to both book value and profitability. The selected portfolio investments are characterised by a strong financial standing and good prospects. (Value process).

Investment processes based on active analytics are applied alongside the investment processes that are applied to company selection in traditional active portfolio management.

Active analytics refer to investment processes that are based on the processing of big data. The processing of big data calls for data automation, systematic processing methods, and quantitative and model-based processing methods. Investment processes involving active analytics are characterised by the management of large volumes of data in order to establish or achieve the desired objectives for the investment portfolio. Big-data analyses can be used in combination with traditional company-specific analyses. The analysis process allows us to identify unifying factors and generate model-based.

18 Tables

18.1 Funds managed by OP Fund Management Company Ltd

Balanced funds	Start date	Confirmation of fund rules	Portfolio management company
OP-Brave Fund	15 Feb 1989	16 Sept 2019	OP Asset Management Ltd
OP-Conservative Fund	11 June 2009	16 Sept 2019	OP Asset Management Ltd
OP-Sustainable World Fund	20 Sept 2016	16 Sept 2019	OP Asset Management Ltd
OP-Moderate Fund	8 Mar 2012	16 Sept 2019	OP Asset Management Ltd
OP-Private Strategy 25 Fund	12 May 2015	18 Jun 2019	OP Asset Management Ltd
OP-Private Strategy 50 Fund	12 May 2015	18 Jun 2019	OP Asset Management Ltd
OP-Private Strategy 75 Fund	12 May 2015	18 Jun 2019	OP Asset Management Ltd
OP-Tactical Portfolio Fund	23 Apr 2001	16 Sept 2019	OP Asset Management Ltd
OP-Target 2 Fund	25 May 2020	21 Oct 2020	OP Asset Management Ltd
OP-Target 3 Fund	25 May 2020	21 Oct 2020	OP Asset Management Ltd
OP-Target 4 Fund	25 May 2020	21 Oct 2020	OP Asset Management Ltd

Equity fund			
OP-America Fund	22 Mar 2017	16 Sept 2019	OP Asset Management Ltd
OP-America Growth Fund	30 May 2014	16 Sept 2019	Wells Fargo Asset Management
OP-America Low Volatility Fund	29 June 2020	29 May 2020	OP Asset Management Ltd
OP-America Quality Fund	29 June 2020	29 May 2020	OP Asset Management Ltd
OP-America Small Cap Fund	8 July 2013	16 Sept 2019	OP Asset Management Ltd
OP-America Value Fund	23 Apr 2014	16 Sept 2019	OP Asset Management Ltd
OP-China Fund	10 Jun 2002	16 Sept 2019	JPMorgan Asset Management
OP-Clean Water Fund	14 Nov 2012	16 Sept 2019	OP Asset Management Ltd
OP-Climate Fund	7 Apr 1997	16 Sept 2019	OP Asset Management Ltd
OP-Emerging Asia Fund	10 Oct 2007	16 Sept 2019	Fidelity Worldwide Investment
OP-Emerging Markets Equity Fund	17 Nov 2009	16 Sept 2019	OP Asset Management Ltd
OP-Emerging Middle Class Fund	5 Feb 2014	16 Sept 2019	Fidelity Worldwide Investment
OP-Europe Dividend Companies Fund	13 Dec 2012	16 Sept 2019	OP Asset Management Ltd
OP-Europe Low Volatility Fund	17 Aug 2020	29 May 2020	OP Asset Management Ltd
OP-Europe Plus Fund	26 Jan 2015	20 Dec 2019	OP Asset Management Ltd
OP-Europe Rising Stars Fund	5 Nov 2015	16 Sept 2019	OP Asset Management Ltd
OP-Europe Value Fund	19 Aug 2020	29 May 2020	OP Asset Management Ltd
OP-Europe Quality Fund	18 Aug 2020	29 May 2020	OP Asset Management Ltd
OP-Finland Fund	6 Jun 1994	16 Sept 2019	OP Asset Management Ltd
OP-Finland Micro Cap Fund	8 Mar 2018	18 Jun 2019	OP Asset Management Ltd
OP-Finland Small Cap Fund	28 Jan 2002	16 Sept 2019	OP Asset Management Ltd
OP-India Fund	3 May 2004	16 Sept 2019	JPMorgan Asset Management
OP-Japan Fund	29 June 2004	16 Sept 2019	JPMorgan Asset Management
OP-Japan Stars Fund	15 Dec 2016	16 Sept 2019	Invesco Asset Management
OP-Latin America Fund	2 Sept 2008	16 Sept 2019	BTG Pactual Asset Management
OP-Low-carbon World Fund	22 Apr 2015	16 Sept 2019	OP Asset Management Ltd
OP-World Fund	29 Sep 2017	16 Sept 2019	OP Asset Management Ltd
OP-Private Equity Strategy Fund	12 May 2015	18 Jun 2019	OP Asset Management Ltd
OP-Property Fund	1 Nov 2004	16 Sept 2019	OP Asset Management Ltd
OP-Russia Fund	16 Feb 2004	16 Sept 2019	OP Asset Management Ltd

Index fund	Start date	Confirmed fund rules	Portfolio manager
OP-America Index Fund	30 Apr 2002	2 Jul 2020	OP Asset Management Ltd
OP-Asia Index Fund	29 Sept 2011	2 Jul 2020	OP Asset Management Ltd
OP-Europe Index Fund	23 Apr 1999	2 Jul2020	OP Asset Management Ltd
OP-Finland Index Fund	15 Jun 2018	16 Sept 2019	OP Asset Management Ltd
OP-Nordic Countries Index Fund	29 Sept 2011	2 Jul 2020	OP Asset Management Ltd
OP-World Index Fund	29 Sept 2017	2 Jul 2020	OP Asset Management Ltd
Short-term fixed income fund			
OP-Euro Fund	26 Apr 1996	20 May 2020	OP Asset Management Ltd
OP-Yield Fund	16 Sept 2002	20 May 2020	OP Asset Management Ltd
Long-term bond fund			
OP-Bond Prima Fund	1 Nov 1999	20 May 2020	OP Asset Management Ltd
OP-Bond Yield Fund	1 Dec 2010	20 May 2020	OP Asset Management Ltd
OP-Corporate Bond Fund	11 Dec 2000	20 May 2020	OP Asset Management Ltd
OP-EMD Hard Currency Corporate IG Fund	20 Apr 2012	20 May 2020	OP Asset Management Ltd
OP-EMD Hard Currency Sovereign Fund	15 Feb 2005	20 May 2020	OP Asset Management Ltd
OP-EMD Local Currency Fund	7 Jan 2010	18 Jun 2019	Ninety One Asset Management
OP-Fixed Income Portfolio Fund	8 Nov 1995	18 Jun 2019	OP Asset Management Ltd
OP-High Yield America Fund	24 Jan 2018	20 May 2020	Post Advisory Group
OP-High Yield Fund	1 Nov 2004	20 May 2020	OP Asset Management Ltd
OP-Inflation-Linked Bond Fund	10 Oct 2006	20 May 2020	OP Asset Management Ltd
OP-Private Fixed Income Strategy Fund	12 May 2015	20 May 2020	OP Asset Management Ltd
OP-US Corporate Bond Fund	16 Jun 2015	20 May 2020	OP Asset Management Ltd
Alternative			
OP-Alternative Portfolio Fund	27 Aug 2020	29 Apr 2020	OP Asset Management Ltd
OP-Forest Owner Fund	8 Dec 2014	16 Sept 2019	OP Real Estate Asset Management Ltd
OP Public Services Real Estate Fund	1 Nov 2017	27 May 2020	OP Real Estate Asset Management Ltd
OP-Rental Yield Fund	25 Apr 2013	27 May 2020	OP Real Estate Asset Management Ltd
R2 Crystal Fund	29 Mar 2018	18 Jun 2019	OP Asset Management Ltd

18.2 List of charges and fees

This appendix describes the charges and fees, as related to OP mutual funds, that affect the return on investments. This information provides investors with extensive and transparent information on the cost structure inherent to the agreement and enables them to make informed investment decisions.

Mutual fund costs are comprised of the cost of subscription and redemption and a management fee that may be fixed or based on performance. The Key Investor Information Document (KIID) of each fund describes the ongoing costs, which include not only a fixed management fee but also all charges related to the fund's investments, excluding the fund's trading costs. The fund-specific costs are stated in the KIID and the annual report.

Subscription and redemption fees will be charged directly from the client. All other abovementioned costs will be charged from the fund's assets. OP Fund Management Company Ltd will pay 33% of the annual management fee to the relevant OP Financial Group branch as long as the related capital remains invested in the fund.

Fund	Subscription fee	Redemption fee	Management fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-Alternative Portfolio Fund	1.00%	tiered	0.90%	20.00%	2.66%		Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund. Minimum investment €1,000.
OP-Alternative Portfolio II Fund	1.00%	tiered	0.90%	no	2.66%		Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund. Minimum investment €1,000,000. This fund does not generate OP bonuses.
OP-America Fund	1.00%	1.00%	1.40%	no	1.46%	0.10%	Systematic investment plan possible.
OP-America Index Fund	0.06%	0.06%	0.39%	no	0.39%	0.02%	Systematic investment plan possible. Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund.
OP-America Index II Fund	0.06%	0.06%	0.20%	no	0.20%	0.02%	Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund. Minimum investment €100,000 This fund does not generate OP bonuses.
OP-America Growth Fund	1.00%	1.00%	1.80%	no	1.80%	0.04%	Systematic investment plan possible.
OP-America Low Volatility Fund	0.75%	0.75%	0.95%		1.01%		Systematic investment plan possible.
OP-America Low Volatility II Fund	0%	0%	0.65%		0.71%		Minimum investment €100,000. This fund does not generate OP bonuses.
OP-America Low Volatility III Fund	0%	0%	0.35%		0.41%		Minimum investment €1.000,000. This fund does not generate OP bonuses.
OP-America Quality Fund	0.75%	0.75%	0.95%		1.01%		Systematic investment plan possible.
OP-America Quality II Fund	0%	0%	0.65%		0.71%		Minimum investment €100,000. This fund does not generate OP bonuses.
OP-America Quality III Fund	0%	0%	0.35%		0.41%		Minimum investment €1.000,000. This fund does not generate OP bonuses.
OP-America Small Cap Fund	1.00%	1.00%	1.90%	no	1.96%	0.13%	Systematic investment plan possible.

Fund	Subscription fee	Redemption fee	Management fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-America Value Fund	1.00%	1.00%	1.80%	no	1.86%	0.17%	Systematic investment plan possible.
OP-Asia Index Fund	0.06%	0.06%	0.39%	no	0.41%	0.03%	Systematic investment plan possible. Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund.
OP-Asia Index II Fund	0.06%	0.06%	0.20%	no	0.22%	0.03%	Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund. Minimum investment €100,000 This fund does not generate OP bonuses.
OP-Bond Prima Fund	0.00%	0.20%	0.40%	no	0.43%	0.00%	Systematic investment plan possible.
OP-Bond Yield Fund	0.00%	0.25%	0.55%	no	0.58%	0.00%	Systematic investment plan possible.
OP-Brave Fund	0.00%	0.50%	1.45%	no	1.56%	0.06%	Systematic investment plan possible.
OP-China Fund	1.00%	1.00%	2.50%	no	2.51%	0.13%	Systematic investment plan possible.
OP-Clean Water Fund	1.00%	1.00%	1.80%	no	1.86%	0.09%	Systematic investment plan possible.
OP-Climate Fund	1.00%	1.00%	1.80%	no	1.86%	0.17%	Systematic investment plan possible.
OP-Conservative Fund	0.00%	0.50%	0.95%	no	1.03%	0.05%	Systematic investment plan possible.
OP-Corporate Bond Fund	0.25%	0.25%	0.63%	no	0.66%	0.00%	Systematic investment plan possible.
OP-EMD Hard Currency Corporate IG Fund	1.00%	1.00%	1.20%	no	1.23%	0.00%	Systematic investment plan possible.
OP-EMD Hard Currency Sovereign Fund	0.75%	0.75%	1.05%	no	1.08%	0.01%	Systematic investment plan possible
OP-EMD Local Currency Fund	0.50%	0.50%	0.65%	no	1.22%	0.00%	Systematic investment plan possible. Additionally, the fund also pays the management and custody fees of the underlying fund unit investments.
OP-Emerging Asia Fund	1.00%	1.00%	2.50%	no	2.51%	0.11%	Systematic investment plan possible.
OP-Emerging Markets Equity Fund	1.00%	1.00%	1.60%	no	1.61%	0.16%	Systematic investment plan possible. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments.
OP-Emerging Middle Class Fund	1.00%	1.00%	2.50%	no	2.52%	0.12%	Systematic investment plan possible.
OP-Euro Fund	0.00%	0.00%	0.08%	no	0.086%	0.00%	Systematic investment plan possible.
OP-Euro II Fund	0.00%	0.00%	0,05%	no	0.061%	0.00%	This fund does not generate OP bonuses.
OP-Europe Dividend Firm Fund	1.00%	1.00%	1.80%	no	1.86%	0.18%	Systematic investment plan possible.

Fund	Subscription fee	Redemption fee	Management fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-Europe Index Fund	0.15%	0.15%	0.39%	no	0.39%	0.10%	Systematic investment plan possible. Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund.
OP-Europe Index II Fund	0.15%	0.15%	0.20%	no	0.20%	0.10%	Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund. Minimum investment €100,000 This fund does not generate OP bonuses.
OP-Europe Low Volatility Fund	0.75%	0.75%	0.95%	no	1.01%		Systematic investment plan possible.
OP-Europe Low Volatility Fund II	0	0	0.65%	no	0.71%		Minimum investment €100,000 This fund does not generate OP bonuses.
OP-Europe Low Volatility Fund III	0	0	0.35%	no	0.41%		Minimum investment €1.000,000 This fund does not generate OP bonuses.
OP-Europe Plus Fund	1.00%	1.00%	1.20%	25%	1.28%	0.22%	Systematic investment plan possible.
OP-Europe Rising Stars Fund	1.00%	1.00%	1.80%	no	1.86%	0.11%	Systematic investment plan possible.
OP-Europe Value Fund	0.75%	0.75%	0.95%	no	1.01%		Systematic investment plan possible.
OP-Europe Value Fund II	0	0	0.65%	no	0.71%		Minimum investment €100,000 This fund does not generate OP bonuses.
OP-Europe Value Fund III	0	0	0.35%	no	0.41%		Minimum investment €1.000,000 This fund does not generate OP bonuses.
OP-Europe Quality Fund	0.75%	0.75%	0.95%	no	1.01%		Systematic investment plan possible.
OP-Europe Quality Fund II	0	0	0.65%	no	0.71%		Minimum investment €100,000 This fund does not generate OP bonuses.
OP-Europe Quality Fund III	0	0	0.35%	no	0.41%		Minimum investment €1.000,000 This fund does not generate OP bonuses.
OP-Finland Fund	0.00%	1.00%	1.60%	no	1.66%	0.15%	Systematic investment plan possible.
OP-Finland Index Fund	0.10%	0.10%	0.39%	no	0.39%	0.06	Systematic investment plan possible. Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund.
OP-Finland Index II Fund	0.10%	0.10%	0.20%	no	0.20%	0.07	Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund. Minimum investment €100,000 This fund does not generate OP bonuses.

Fund	Subscription fee	Redemption fee	Management fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-Finland Micro Cap Fund	0.75%	0.75%	1.20%	20%	1.26%	0.05	
OP-Finland Small Cap Fund	0.00%	1.00%	2.00%	no	2.06%	0.11%	Systematic investment plan possible.
OP-Fixed Income Portfolio Fund	0.00%	0.50%	0.60%	no	0.61%	0.00%	Systematic investment plan possible.
OP-Forest Owner Fund	4.00%	tiered	1.50%	no	2.16%	0.73%	The subscription fee is a fee that is credited to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 3 years. The redemption fee is 3% for investments of more than 3 years but fewer than 6 years. The redemption fee is 1% for investments of more than 6 years. The fee is paid to the fund.
OP-Forest Owner Fund II	4.00%	tiered	1.20%	no	1.86%	0.73%	The subscription fee is a fee that is credited to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 3 years. The redemption fee is 3% for investments of more than 3 years but fewer than 6 years. The redemption fee is 1% for investments of more than 6 years. The fee is paid to the fund. Minimum investment €1.000,000. This fund does not generate OP bonuses.
OP-High Yield Fund	0.50%	0.50%	0.80%	no	0.85%	0.00%	Systematic investment plan possible.
OP-High Yield America Fund	0,50%	0,50%	0,80%	no	0.80%	0.00%	Systematic investment plan possible.
OP-India Fund	1.00%	1.00%	2.20%	no	2.20%	0.10%	Systematic investment plan possible.
OP-Inflation-Linked Bond Fund	0.00%	0.25%	0.50%	no	0.53%	0.01%	Systematic investment plan possible.
OP-Japan Fund	1.00%	1.00%	1.95%	no	1.95%	0.02%	Systematic investment plan possible.
OP-Japan Stars Fund	1.00%	1.00%	1.60%	no	1.60%	0.02%	Systematic investment plan possible.
OP-Latin America Fund	1.00%	1.00%	2.20%	15%	2.20%	0.16%	Systematic investment plan possible.
OP-Low-carbon World Fund	1.00%	1.00%	1.80%	no	1.86%	0.20%	Systematic investment plan possible.
OP-Moderate Fund	0.00%	0.50%	1.25%	no	1.35%	0.06%	Systematic investment plan possible.
OP-Nordic Countries Index Fund	0.10%	0.10%	0.39%	no	0.39%	0.04%	Systematic investment plan possible. Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund.
OP-Nordic Countries Index II Fund	0.10%	0.10%	0.20%	no	0.20%	0.04%	This fund does not generate OP bonuses. Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund.

Fund	Subscription fee	Redemption fee	Management fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP Public Services Real Estate Fund	2.00%	tiered	1.90%	no	2.16%	0.12%	The subscription fee is a fee that is paid to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 2 years. The redemption fee is 3% for investments of more than 2 years but fewer than 4 years. The redemption fee is 1% for investments of more than 4 years. The fee is paid to the fund.
OP Public Services Real Estate II Fund	2.00%	tiered	1.20%	no	1.46%	0.12%	The subscription fee is a fee that is paid to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 2 years. The redemption fee is 3% for investments of more than 2 years but fewer than 4 years. The redemption fee is 1% for investments of more than 4 years. The fee is paid to the fund. Minimum investment €1,000,000. This fund does not generate OP bonuses.
OP-Private Fixed Income Strategy A Fund	0.00%	0.50%	0.75%	no	0.92%	0.03%	Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €1,000,000.
OP-Private Fixed Income Strategy II Fund	0.00%	0.50%	0,35%	no	0.52%	0.03%	This fund does not generate OP bonuses. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €5,000,000.
OP-Private Equity Strategy A Fund	0.00%	0.50%	0.15%	no	1.37%	0.08%	Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €1,000,000.
OP-Private Equity Strategy II Fund	0.00%	0.50%	0.75%	no	0.97%	0.08%	This fund does not generate OP bonuses. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €5,000,000.
OP-Private Strategy 25 A Fund	0.00%	0.50%	0.85%	no	1.16%	0.05%	Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €1,000,000.

Fund	Subscription fee	Redemption fee	Management fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-Private Strategy 25 II Fund	0.00%	0.50%	0.45%	no	0.76%	0.05%	This fund does not generate OP bonuses. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €5,000,000.
OP-Private Strategy 50 A Fund	0.00%	0.50%	0.95%	no	1.24%	0.06%	Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment of €1,000,000.
OP-Private Strategy 50 II Fund	0.00%	0.50%	0.55%	no	0.84%	0.06%	This fund does not generate OP bonuses. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €5,000,000.
OP-Private Strategy 75 A Fund	0.00%	0.50%	1.05%	no	1.35%	0.07%	Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €1,000,000.
OP-Private Strategy 75 II Fund	0.00%	0.50%	0.65%	no	0.95%	0.07%	This fund does not generate OP bonuses. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments. Minimum investment €5,000,000.
OP-Property Fund	1.00%	1.00%	1.80%	no	1.86%	0.16%	Systematic investment plan possible.
OP-Rental Yield Fund	2.00%	tiered	1.90%	no	2.23%	0.40%	The subscription fee is a fee that is credited to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 2 years. The redemption fee is 3% for investments of more than 2 years but fewer than 4 years. The redemption fee is 1% for investments of more than 4 years. The fee is paid to the fund.
OP-Rental Yield II Fund	2.00%	tiered	1.20%	no	1.53%	0.40%	The subscription fee is a fee that is credited to the fund. The fee is charged in connection with an order and credited in full to the fund. The redemption fee is 5% for investments of less than 2 years. The redemption fee is 3% for investments of more than 2 years but fewer than 4 years. The redemption fee is 1% for investments of more than 4 years. The fee is paid to the fund. Minimum investment €1,000,000. This fund does not generate OP bonuses.
OP-Russia Fund	1.00%	1.00%	2.50%	no	2.60%	0.16%	Systematic investment plan possible.

Fund	Subscription fee	Redemption fee	Management fee	Performance-based management fee	Ongoing costs (incl. management fee)	Trading expenses	Additional information
OP-Sustainable World Fund	0.00%	0.50%	1.25%	no	1.28%	0.10%	Systematic investment plan possible.
OP-Tactical Portfolio Fund	1.00%	1.00%	0.33%	no	0.63%	0.09%	Systematic investment plan possible. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments.
OP-Target 2	0.00%	0.00%	0.69%	no	0.99%		The fund can be subscribed and redeemed only on the OP Investment Partner service.
OP-Target 3	0.00%	0.00%	0.79%	no	0.99%		The fund can be subscribed and redeemed only on the OP Investment Partner service.
OP-Target 4	0.00%	0.00%	0.89%	no	0.99%		The fund can be subscribed and redeemed only on the OP Investment Partner service.
OP-US Corporate Bond Fund	0.25%	0.25%	0.50%	no	0.53%	0.01%	Systematic investment plan possible.
OP-World Fund	1.00%	1.00%	1.60%	no	1.84%	0.09%	Systematic investment plan possible. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments.
OP-World II Fund	1.00%	1.00%	1.00%	no	1.24%	0.09%	This fund does not generate OP bonuses. Additionally, the fund pays the management and custodial fees for the underlying fund unit investments.
OP-World Index Fund	0.06%	0.06%	0.39%	no	0.45%	0.05%	Systematic investment plan possible. Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund.
OP-World Index II Fund	0.06%	0.06%	0.20%	no	0.26%	0.05%	This fund does not generate OP bonuses. Subscription and redemption fees are fees that are credited to the fund. The fee is charged in connection with an order and credited in full to the fund.
OP-Yield Fund	0.00%	0.00%	0.40%	no	0.41%	0.00%	Systematic investment plan possible.
OP-Yield II Fund	0.00%	0.00%	0.15%	no	0.16%	0.00%	This fund does not generate OP bonuses.
R2 Crystal Fund	0.00%	0.00%	0.90%	20%	4.00%	0.10%	Minimum investment €10,000. This fund does not generate OP bonuses.

Fund switching involves selling units in a fund and buying units in another fund. These transactions are usually subject to redemption and subscription fees. When a transaction is carried out in the form of fund switching, no fee is charged for the fund that has the lower fee. If the lower fee is a mandatory fee for the fund in question, no discount can be given on the basis of the fund rules. We take account of discounts granted to owner-customers when they switch funds.

Owner-customers can buy and sell fund units without subscription or redemption fees. Subscriptions under a systematic investment plan are free for all clients. These benefits do not apply to OP-Index funds, the OP-Public Services Real Estate Fund, OP-Forest Owner Fund and OP-Rental Yield Fund.

In all OP funds' income unit types (class B), the minimum investment is 30,000 euros. The minimum investment does not apply to class B of the special common funds OP-Rental Yield, OP-Forest Owner Fund and OP Public Services Real Estate Fund. The minimum investment in all class II B units is 1,000,000 euros.

18.3 Merger, division and dissolution history of the funds managed by OP Fund Management Company Ltd

Merging fund	Acquiring fund	Measure	Date	Name of the fund that continues the activities
OP-Private Target Return Fund and OP-Private Target Return Plus Fund	OP-Alternative Portfolio Fund	Merger	27 Aug 2020	OP-Alternative Portfolio Fund
OP-Dollar Fund	OP-US Corporate Bond Fund	Merger	27 Nov 2019	OP-US Corporate Bond Fund
OP-Africa Fund	OP.Emerging Markets Equity Fund	Merger	27 Nov 2019	OP.Emerging Markets Equity Fund
	All OP funds	Update of the common rules for all mutual funds managed by OP Fund Management Company Ltd	1 Nov 2019	
OP-Emerging Frontier Fund	OP-Emerging Markets Equity Fund	Merger	15 Aug2019	OP-Emerging Markets Equity Fund
OP-Commodity Fund		Dissolution	15 May 2019	
OP-Nordic Countries Plus Fund	OP-Europe Plus Fund	Merger	11 Oct 2018	OP-Europe Plus Fund
OP-Liquidity Fund	OP-Euro Fund	Merger	7 Jun 2018	OP-Euro Fund
OP-Delta Fund and OP-Focus Fund	OP-Finland Value Fund	OP-Delta Fund and OP-Focus Fund merged to become OP-Finland Value Fund. OP-Finland Value Fund was renamed OP-Finland Fund.	21 Sept 2017	OP Finland Fund
OP-Capital Guaranteed 2017 Fund	OP-Fixed Income Portfolio Fund	Merger	11 May 2017	OP-Fixed Income Portfolio Fund
OP-Europe Equity Fund	OP-Europe Rising Stars Fund	Merger	19 Apr 2017	OP-Europe Rising Stars Fund
OP-EMD Local Currency Short Term Fund	OP-EMD Local Currency Fund	Merger	9 Mar 2017	OP-EMD Local Currency Fund
OP-Europe Small Cap Fund	OP-Europe Rising Stars Fund	Merger	8 Dec 2015	OP-Europe Rising Stars Fund
OP-Emerging Europe Fund	OP-Emerging Markets Equity Fund	Merger	25 Sept 2015	OP-Emerging Markets Equity Fund
OP-Capital Guaranteed 2015 Fund (95)	OP-Fixed Income Portfolio Fund	Merger	24 Apr 2015	OP-Fixed Income Portfolio Fund
OP-Europe Theme Fund	OP-Europe Equity Fund	Merger	16 Feb 2015	OP-Europe Equity Fund
OP-Absolute Portfolio Fund		Dissolution	26 Jan 2015	
OP-Corporate Bond Prima Fund	OP-Corporate Bond Fund	Merger	13 Nov 2014	OP-Corporate Bond Fund
OP-Bond Fund	OP-Bond Yield Fund	Merger	13 Nov 2014	OP-Bond Yield Fund
OP-Horizon 2045 Fund	OP-Brave Fund	Merger	25 Sept 2014	OP-Brave Fund
OP-Horizon 2035 Fund	OP-Brave Fund	Merger	25 Sept 2014	OP-Brave Fund
OP-Horizon 2015 Fund	OP-Conservative Fund	Merger	25 Sept 2014	OP-Conservative Fund
OP-Return Seeking Fund	OP-Moderate Fund	Merger	17 Sept 2014	OP-Moderate Fund
OP-Horizon 2025 Fund	OP-Moderate Fund	Merger	17 Sept 2014	OP-Moderate Fund
OP-Asia Tigers Fund	OP-Emerging Middle Class Fund	Merger	10 June 2014	OP-Emerging Middle Class Fund
OP-America Fund	OP-America Index Fund	Merger	28 Apr 2014	OP-America Index Fund
OP-China Fund	OP-China Fund	The fund's master-feeder structure was replaced by direct investments, and the legal form was changed to a UCITS fund.	25 Feb 2014	OP-China Fund
OP-Japan Fund	OP-Japan Fund	The fund's master-feeder structure was replaced by direct investments, and the legal form was changed to a UCITS fund.	20 Jan 2014	OP-Japan Fund
OP-Eastern Europe Fund	OP-Emerging Europe Fund	Merger	12 Dec 2013	OP-Emerging Europe Fund
OP-Equity Hedge Fund		Dissolution	13 Sept 2013	

Merging fund	Acquiring fund	Measure	Date	Name of the fund that continues the activities
OP-Convertible Fund	OP-High Yield Fund	Merger	24 Jan 2013	OP-High Yield Fund
OP-EMD Portfolio Fund	OP-EMD Local Currency Short Term Fund	Merger	24 Jan 2013	OP-EMD Local Currency Short Term Fund
OP-Europe Value Fund	OP-Europe Dividend Firm Fund	Merger	13 Dec 2012	OP-Europe Dividend Firm Fund
OP-Europe Dividend Fund	OP-Europe Dividend Firm Fund	Merger	13 Dec 2012	OP-Europe Dividend Firm Fund
OP-Fixed Income Portfolio Fund	OP-Fixed Income Portfolio Fund	The fund's investment universe was expanded beyond the EEA area to include the OECD countries.	24 Oct 2012	OP-Fixed Income Portfolio Fund
OP-Russia Fund	OP-Russia Fund	The fund's previous benchmark index, RTS$, was changed on 1 Oct. 2012 to MSCI Russia 10/40 TR Net. The industry structure of the new index is more comparable with the fund's investment policy than that of the RTS index. The biggest change was the drop in the weight of the energy sector from 52 per cent to approximately 35 per cent. Additionally, in the new index, the weight of an individual company is limited to 10 per cent, whereas, in the RTS index, three companies carried more than 10% of the weight. The change does not affect the fund's investment policy.	1 Oct 2012	OP-Russia Fund
OP-EMD Hard Currency Sovereign Fund	OP-EMD Hard Currency Sovereign Fund	The fund's master-feeder structure was replaced by direct investments, and the legal form was changed to a UCITS fund.	2 July 2012	OP-EMD Hard Currency Sovereign Fund
OP-Bond Prima Fund	OP-Bond Prima Fund	The fund's investment universe was expanded beyond the EEA area to include the OECD countries.	12 Mar 2012	OP-Bond Prima Fund
OP-Inflation-Linked Bond Fund	OP-Inflation-Linked Bond Fund	The fund's investment universe was expanded beyond the EEA area to include the OECD countries.	12 Mar 2012	OP-Inflation-Linked Bond Fund
OP-Pirkka Fund	OP-Brave Fund	The fund's investment universe expanded beyond the euro area to a global arena and the fund name was changed as a result. The previous name was OP-Pirkka.	8 Mar 2012	OP-Brave Fund
OP-Fixed Income Portfolio 10 Fund	OP-Conservative Fund	The fund's investment universe expanded beyond the euro area to a global arena and the fund name was changed as a result. The previous name was OP-Fixed Income Portfolio 10.	8 Mar 2012	OP-Conservative Fund
OP-Spektri Fund	OP-Return Seeking Fund	Merger	8 Mar 2012	OP-Return Seeking Fund
OP-Tuotto Fund	OP-Return Seeking Fund	Merger	8 Mar 2012	OP-Return Seeking Fund
OP-Solid Fund	OP-Moderate Fund	Merger	8 Mar 2012	OP-Moderate Fund
OP-Fixed Income Plus Fund	OP-Moderate Fund	Merger	8 Mar 2012	OP-Moderate Fund
OP-Asia Fund	OP-Asia Index Fund	Merger	29 Sept 2011	OP-Asia Index Fund
OP-Japan Index Fund	OP-Asia Index Fund	Merger	29 Sept 2011	OP-Asia Index – Mutual funds

Merging fund	Acquiring fund	Measure	Date	Name of the fund that continues the activities
OP-Europe Index – Mutual funds	OP-Europe Index Fund	The funds investment strategy changed from a futures-based approach to direct investments. The investment universe was expanded beyond the euro area to include all of Europe and the benchmark index was changed from Euro Stoxx 50 to Stoxx Europe 50.	29 Sept 2011	OP-Europe Index Fund
OP-America Index Fund	OP-America Index Fund	The fund's investment strategy changed from a futures-based approach to direct investments and the benchmark index was changed from S&P 500 to MSCI North America.	29 Sept 2011	OP-America Index Fund
OP-Capital Guaranteed Fund	OP-Capital Guaranteed 2017 Fund	The existing security matured and was continued under a new capital security agreement with a new investment policy.	11 May 2011	OP-Capital Guaranteed 2017 Fund
OP-Euro Fund	OP-Euro Fund	The fund was upgraded to meet with CESR's new definition of a money market fund.	12 Nov 2010	OP-Euro Fund
OP-Europe Growth Fund	OP-Europe Theme Fund	Change of name	20 Sept 2010	OP-Europe Theme Fund
OP-Cash Manager Fund	OP-Yield Fund	Change of name	27 Apr 2010	OP-Yield Fund
OP-Pohjola Small Cap Fund	OP-Finland Small Cap Fund	Merger	24 Mar 2010	OP-Finland Small Cap Fund
OKO Alpha Fund	OP Absolute Portfolio Fund	Merger	11 Jan 2010	OP-Absolute Portfolio Fund
OP-Forest Fund	OP-World Fund	Merger	16 Mar 2009	OP-World Fund
OP-Medical Fund	OP-World Fund	Merger	16 Mar 2009	OP-World Fund
OP-Technology Fund	OP-World Fund	Merger	16 Mar 2009	OP-World Fund

18.4 Limits for material errors in the NAV calculation of funds managed by OP Fund Management Company Ltd

The classification is performed for the interim and half-year report on the basis of published volatility.

Mutual fund	Volatility % 30 June 2020	Error class	Limit for material error (of NAV)
OP-Latin America Fund	26.76	I	≥ 0.5%
OP-Russia Fund	25.46	I	≥ 0.5%
OP-Finland Fund	24.33	I	≥ 0.5%
OP-America Small Cap Fund	23.42	I	≥ 0.5%
OP-China Fund	22.53	I	≥ 0.5%
*OP-America Quality Fund	20.91	I	≥ 0.5%
OP-Finland Micro Cap Fund	20.66	I	≥ 0.5%
OP-Europe Rising Stars Fund	20.25	I	≥ 0.5%
OP-India Fund	20.22	I	≥ 0.5%
OP-Japan Fund	20.17	I	≥ 0.5%
OP-America Value Fund	20.09	I	≥ 0.5%
OP-Property Fund	19.80	I	≥ 0.5%
OP-America Growth Fund	19.75	I	≥ 0.5%
OP-Emerging Middle Class Fund	19.56	I	≥ 0.5%
OP-Finland Fund	19.24	I	≥ 0.5%
OP-America Fund	19.10	I	≥ 0.5%
OP-Climate Fund	18.98	I	≥ 0.5%
OP-World Index Fund	18.86	I	≥ 0.5%
OP-Europe Plus Fund	18.69	I	≥ 0.5%
OP-Nordic Countries Index Fund	18.64	I	≥ 0.5%
OP-Europe Index Fund	18.61	I	≥ 0.5%
OP-America Index Fund	18.56	I	≥ 0.5%
*OP-America Low Volatity Fund	18.51	I	≥ 0.5%
OP-Finland Small Cap Fund	18.13	I	≥ 0.5%
OP-Europe Dividend Firm Fund	18.10	I	≥ 0.5%
OP-Clean Water Fund	18.05	I	≥ 0.5%
*OP-Target 4 Fund	17.77	I	≥ 0.5%
OP-Japan Stars Fund	17.57	I	≥ 0.5%
OP-Low-carbon World Fund	17.42	I	≥ 0.5%
OP-World Fund	17.13	I	≥ 0.5%
OP-Private Equity Strategy Fund	17.13	I	≥ 0.5%
OP-Asia Index Fund	16.98	I	≥ 0.5%
OP-Emerging Markets Equity Fund	16.84	I	≥ 0.5%
OP-Emerging Asia Fund	16.09	I	≥ 0.5%
OP-Brave Fund	13.93	I	≥ 0.5%
OP-Private Strategy 75 Fund	13.52	I	≥ 0.5%
OP-Tactical Portfolio Fund	13.46	I	≥ 0.5%
*OP-Target 3 Fund	11.79	I	≥ 0.5%
OP-EMD Local Currency Fund	10.08	I	≥ 0.5%
OP-Private Strategy 50 Fund	10.02	I	≥ 0.5%
OP-High Yield America Fund	9.88	II	≥ 0.3%
OP-Moderate Fund	9.81	II	≥ 0.3%
OP-Sustainable World Fund	9.02	II	≥ 0.3%
OP-EMD Hard Currency Sovereign Fund	8.79	II	≥ 0.3%
OP-US Corporate Bond Fund	8.22	II	≥ 0.3%
OP-High Yield Fund	7.56	II	≥ 0.3%
OP-Private Strategy 25 Fund	6.62	II	≥ 0.3%

Mutual fund	Volatility % 30 June 2020	Error class	Limit for material error (of NAV)
R2 Crystal Fund	6.07	II	≥ 0.3%
OP-Conservative Fund	6.05	II	≥ 0.3%
OP-Inflation-Linked Bond Fund	5.18	II	≥ 0.3%
OP-Private Target Return Plus Fund	5.02	II	≥ 0.3%
OP-EMD Hard Currency Corporate IG Fund	4.06	III	≥ 0.2%
OP-Private Fixed Income Strategy Fund	4.00	III	≥ 0.2%
*OP-Target 2 Fund	3.98	III	≥ 0.2%
OP-Bond Yield Fund	3.98	III	≥ 0.2%
OP-Private Target Return Fund	3.61	III	≥ 0.2%
OP-Bond Prima Fund	3.41	III	≥ 0.2%
OP Public Services Real Estate Fund	3.34	III	≥ 0.2%
OP-US Corporate Bond Fun	3.08	III	≥ 0.2%
OP-Forest Owner Fund	3.05	III	≥ 0.2%
OP-Fixed Income Portfolio Fund	2.28	III	≥ 0.2%
OP-Rental Yield Fund	1.41	IV	≥ 0.1%
OP-Yield Fund	1.27	IV	≥ 0.1%
OP-Euro Fund	0.23	IV	≥ 0.1%

In determining the material NAV error, mutual funds are divided into different classes according to the annual volatility of each mutual fund.
Class I: mutual funds with an annual volatility of ≥ 10%
Class II: mutual funds with an annual volatility of ≥ 5% and < 10%
Class III: mutual funds with an annual volatility of > 2% and < 5%
mutual funds with an annual volatility of ≤ 2%

A material NAV calculation error can be considered at least an error that accounts for
≥ 0.5% of NAV in mutual funds within Class I
≥ 0.3% of NAV in mutual funds within Class II
≥ 0.2% of NAV in mutual funds within Class III
≥ 0.1% of NAV in mutual funds within Class IV

*Koska rahastolla ei ole tuottohistoriaa vuoden ajalta, volatiliteetti on laskettu käyttäen vertailuindeksiä.

A list of all errors occurring in the publication of OP mutual funds' NAVs is available at business locations and OP Fund Management Company Ltd.

18.5 Turnover rate, active share and tracking error of the funds managed by OP Fund Management Company Ltd

Portfolio turnover rate is a measure of how frequently assets within the fund are bought and sold. The higher the rate, the more frequently assets are bought and sold in proportion to the fund's average capital. The turnover rate is calculated using the following formula = (Sum 1 – Sum 2)/M*100.

Sum 1 = Total purchases and sales of securities, sum 2 = total subscriptions and redemptions of fund units. M = average total value of net assets, calculated daily The turnover rate is calculated from a maximum of one year's history.

A negative turnover rate means that the total volume of securities traded by the portfolio manager has been less than the amount of subscriptions and redemptions.

The Active share indicator measures how much the portfolio's holdings differ from the benchmark index constituents. The higher the indicator is, the more the shares selected by the fund and their weights differ from the shares and weights of the benchmark index.

Tracking error calculates the actual yield differential between the fund and its benchmark index, and it shows how much the actual returns of the fund deviate from the returns of the benchmark index. These tracking error figures have been calculated on the basis of the monthly returns over a three-year period.

Name of fund	Turnover rate	Active Share									Aktive risk/ Tracking error
		2018		2019				2020			
		30 Sept	31 Dec	31 Mar	30 Jun	30 Sept	31 Dec	31 Mar	30 Jun	30 Sept	
Balanced funds											
OP-Brave Fund	121.96%	x	x	x	x	x	x	x	x	x	1.6
OP-Conservative Fund	83.12%	x	x	x	x	x	x	x	x	x	1.7
OP-Moderate Fund	98.80%	x	x	x	x	x	x	x	x	x	1.5
OP-Private Strategy 25 Fund	74.00%	x	x	x	x	x	x	x	x	x	x
OP-Private Strategy 50 Fund	84.83%	x	x	x	x	x	x	x	x	x	x
OP-Private Strategy 75 Fund	102.50%	x	x	x	x	x	x	x	x	x	x
OP-Sustainable World Fund	58.70%	x	x	x	x	x	x	x	x	x	2.4
OP-Tactical Portfolio Fund	145.85%	x	x	x	x	x	x	x	x	x	1.8
Equity funds											
OP-America Fund	-66.96%	86	86	86	87	87	61	54	53	54	2.6
OP-America Growth Fund	30.32%	66	66	68	72	73	65	74	74	63	4.7
OP-America Small Cap Fund	-35.54%	63	66	66	65	66	87	83	80	80	3.5
OP-America Value Fund	147.86%	84	69	62	61	60	67	68	53	73	4.1
OP-China Fund	32.94%	69	69	69	71	71	71	70	65	65	7.2
OP-Climate Fund	71.48%	x	x	x	x	x	x	55	55	x	5.1
OP-Clean Water Fund	24.25%	34	x	28	32	29	33	31	29	36	3,9
OP-Emerging Asia Fund	19.94%	76	74	75	74	76	75	72	71	72	4.5
OP-Emerging Markets Equity Fund	133.61%	37	34	37	38	37	36	53	60	56	3.5
OP-Emerging Middle Class Fund	43.35%	x	x	x	x	x	x	91	90	89	6.6
OP-Europe Dividend Firm Fund	-29.03%	x	x	x	x	x	x	61	61	61	3.4
OP-Europe Plus Fund	-1.47%	86	80	69	69	68	73	64	63	59	3.0
OP-Europe Rising Stars Fund	23.75%	87	89	85	80	78	76	75	76	74	3.1
OP-Finland Fund	145.89%	48	43	40	39	43	31	35	25	27	3.7
OP-Finland Micro Cap Fund	53.30%	42	29	26	27	27	71	76	80	80	8,4
OP-Finland Small Cap Fund	162.36%	x	x	73	71	71	46	44	43	38	3.7
OP-India Fund	28.20%	64	64	64	63	67	65	56	52	48	6.2
OP Japan Fund	-54.70%	82	87	84	84	84	85	83	82	83	10.5
OP-Japan Stars Fund	-84.18%	88	90	89	89	89	89	90	89	89	4.2
OP-Latin America Fund	166.81%	49	51	48	50	47	51	51	49	52	5.1
OP-Low-carbon World Fund	-0.93%	x	x	x	x	x	x	81	79	77	2.7
OP-Private Equity Strategy Fund	103.05%	x	x	x	x	x	x	24	x	x	x
OP-Property Fund	-40.81%	45	46	48	48	41	38	39	33	31	2.3

Name of fund	Turnover rate	Active Share									Aktive risk/ Tracking error
		2018		2019				2020			
		30 Sept	31 Dec	31 Mar	30 Jun	30 Sept	31 Dec	31 Mar	30 Jun	30 Sept	
OP-Russia Fund	16.53%	43	46	42	43	44	41	34	31	38	5.5.
OP-World Fund	194.12%	51	39	38	32	33	35	35	29	32	3.5
Index funds											
OP-America Index Fund	-85.52%	1.5	1.3	1	1	2	1.2	2	2	1	0.1
OP-Asia Index Fund	-89.65%	0.6	0.5	1	0	1	0.8	1	1	1	0.2
OP-Europe Index Fund	-88.57%	1.5	1.3	1	1	2	1.2	2	2	2	0.1
OP-Finland Index Fund	26.69%	0.7	x	0	1	0	0.3	0.7	1	0.1	0.7
OP-Nordic Countries Index Fund	-99.50%	4.0	0.6	1	1	0	1	3	1	0.8	0.3
OP-World Index Fund	-50.12%	4.0	3.0	4	3	3	3.5	3	4	4	0.2
Short-term fixed income funds											
OP-Euro Fund	-57.78%	x	x	x	x	x	x	x	x	x	0.2
OP-Yield Fund	-11.36%	x	x	x	x	x	x	x	x	x	1.3
Long-term bond funds											
OP-Bond Prima Fund	-29.66%	x	x	x	x	x	x	x	x	x	0.4
OP-Bond Yield Fund	17.75%	x	x	x	x	x	x	x	x		0.5
OP-Corporate Bond Fund	-90.13%	x	x	x	x	x	x	x	x	x	0.6
OP-EMD Hard Currency Corporate IG Fund	-21.70%	x	x	x	x	x	x	x	x	x	0.7
OP-EMD Hard Currency Sovereign Fund	-74.26%	x	x	x	x	x	x	x	x	x	1.5
OP-EMD Local Currency Fund	-12.41%	x	x	x	x	x	x	x	x	x	3.7
OP-Fixed Income Portfolio Fund	-9.10%	x	x	x	x	x	x	x	x	x	1.2
OP-High Yield Fund	-4.67%	x	x	x	x	x	x	x	x	x	0.9
OP-High Yield America Fund	28.59%	x	x	x	x	x	x	x	x	x	1.8
OP-Inflation-Linked Bond Fund	-122.28%	x	x	x	x	x	x	x	x		0.7
OP-Private Fixed Income Strategy Fund	18.13%	x	x	x	x	x	x	x	x	x	x
OP-US Corporate Bond Fund	-80.65%	x	x	x	x	x	x	x	x	x	1.4
Alternative											
OP-Forest Owner Fund	3.97%	x	x	x	x	x	x	x	x	x	x
OP Public Services Real Estate Fund	5.28%	x	x	x	x	x	x	x	x	x	x
OP-Rental Yield Fund	-0.69%	x	x	x	x	x	x	x	x	x	x
R2 Crystal Fund	91.70%	x	x	x	x	x	x	x	x	x	x

18.6 Risk categories (SRRI) and target investors of the fund managed by OP Fund Management Company Ltd

Risk category 1–7 (SRRI)	OP fund	Target investors
1	OP-Euro Fund	The fund is suitable for investors who seek small growth in returns and prefer knowing that their capital is safe. Although this fund aims for as low value fluctuations as possible, investors must accept that such fluctuations are inherent when investing in mutual funds. Investments in the fund differ from bank deposits in that they are not covered by deposit guarantee and the fund's capital may also shrink.
2	OP-Fixed Income Portfolio Fund OP-Yield Fund	The fund is suitable for investors who seek stable growth in returns and are willing to accept modest risk. Investors must accept that value fluctuations are inherent when investing in mutual funds, which is why the fund portfolio may also depreciate over the investment horizon.
3	OP-Bond Prima Fund OP-Bond Yield Fund OP-Corporate Bond Fund OP-EMD Hard Currency Corporate IG Fund OP-Inflation-Linked Bond Fund OP-Private Fixed Income Strategy Fund OP-Target 2	The Fund is suitable for investors who seek reasonable growth in returns and are willing to accept modest risk. Investors must accept that value fluctuations are inherent in investment in mutual funds, which is why the fund portfolio may also depreciate over the investment horizon.
4	OP-Alternative Portfolio Fund OP-Conservative Fund OP-EMD Hard Currency Sovereign Fund OP-EMD Local Currency Fund OP-Forest Owner Fund OP-High Yield Fund OP-High Yield America Fund OP-Moderate Fund OP-Private Strategy 25 Fund OP-Private Strategy 50 Fund OP-Public Services Real Estate Fund OP-Rental Yield Fund OP-Sustainable World Fund OP-US Corporate Bond Fund OP-Target 3 R2 Crystal Fund	The Fund is suitable for investors who seek good growth in returns and are willing to take some risk. Investors must accept that value fluctuations are inherent in the fund, and must be prepared for such fluctuations. As a result of fluctuations, the invested capital may depreciate.
5	OP-Brave Fund OP-Finland Micro Cap Fund OP-Private Strategy 75 Fund OP-Tactical Portfolio Fund	The Fund is suitable for investors who seek good returns in the long term and are willing to accept fairly high risk. Investors must accept that value fluctuations are inherent in the fund, and must be prepared for relatively large fluctuations. As a result of fluctuations, the fund portfolio may depreciate considerably and therefore, we do not recommend any short-term investments in this fund.

Risk category 1–7 (SRRI)	OP fund	Target investors
6	OP-America Fund OP-America Growth Fund OP-America Index Fund OP-America Low Volatility Fund OP-America Small Cap Fund OP-America Value Fund OP-America Quality Fund OP-Asia Index Fund OP-China Fund OP-Clean Water Fund OP-Climate Fund OP-Emerging Asia Fund OP-Emerging Markets Equity Fund OP-Emerging Middle Class Fund OP-Europe Dividend Firm Fund OP-Europe Index Fund OP-Europe Low Volatility Fund OP-Europe Plus Fund OP-Europe Rising Stars Fund OP-Europe Value Fund OP-Europe Quality Fund OP-Finland Fund OP-Finland Index Fund OP-Finland Small Cap Fund OP-India Fund OP-Japan Fund OP-Japan Stars Fund OP-Low-carbon World Fund OP-Nordic Countries Index Fund OP-Private Equity Strategy Fund OP-Property Fund OP-Russia Fund OP-Target 4 OP-World Fund OP-World Index Fund	The Fund is suitable for investors who seek good returns in the long term and are willing to a considerably high risk. Investors must accept that value fluctuations are inherent in the fund, and must be prepared for relatively large fluctuations. As a result of fluctuations, the fund portfolio may depreciate considerably and therefore, we do not recommend any short-term investments in this fund.
7	OP-Latin America Fund	The fund is suitable for investors who seek high returns in the long term and are willing to accept high risk. Investors must accept that value fluctuations are inherent in the fund, and must be prepared for large fluctuations. As a result of fluctuations, the fund portfolio may depreciate considerably and therefore, we do not recommend any short-term investments in this fund.

18.7 Paid dividends

Year 2019

Name of fund	Target (value of fund unit. %)	Dividend paid per unit (€)
OP-America Fund	3	3.49
OP-America Index Fund	3	3.90 / 4.00*
OP-America Growth Fund	3	5.67
OP-America Small Cap Fund	3	4.51
OP-America Value Fund	3	4.52
OP-Asia Index Fund	3	4.94 / 5.07*
OP-Bond Prima Fund	3	3.44
OP-Bond Yield Fund	3	3.13
OP-Brave Fund	3	1.78
OP-China Fund	3	7.27
OP-Clean Water Fund	3	4.90
OP-Climate Fund	3	0.68
OP-Conservative Fund	3	2.99
OP-Corporate Bond Fund	3	3.70
OP-EMD Hard Currency Corporate IG Fund	3	2.93
OP-EMD Hard Currency Sovereign Fund	3	4.02
OP-EMD Local Currency Fund	3	3.40
OP-Emerging Asia Fund	No B-share class available	x
OP-Emerging Middle Class Fund	3	3.96
OP-Euro Fund	2	0.30
OP-Europe Index Fund	3	2.46 / 2.52*
OP-Europe Dividend Firm Fund	3	3.57
OP-Europe Plus Fund	3	2.98
OP-Europe Rising Stars Fund	3	3.05
OP-Finland Fund	3	4.34
OP-Finland Index Fund	3	3.03 / 3.12*
OP-Finland Micro Cap Fund	3	3.56
OP-Finland Small Cap Fund	3	8.28
OP-Fixed Income Portfolio Fund	3	0.66
OP-Forest Owner Fund	100% of profit	2.29 / 2.29*
OP-High Yield America Fund	3	3.06
OP-High Yield Fund	3	4.07
OP-India Fund	3	6.98
OP-Inflation-Linked Bond Fund	3	2.71
OP-Japan Fund	3	3.35
OP-Japan Stars Fund	3	3.60
OP-Latin America Fund	3	3.17
OP-Low-carbon World Fund	3	3.50
OP-Moderate Fund	3	3.33
OP-Nordic Countries Index Fund	3	5.51 / 5.65*
OP-Private Equity Strategy Fund	No B-share class available	x
OP-Private Fixed Income Strategy	No B-share class available	x
OP-Private Strategy 25 Fund	No B-share class available	x
OP-Private Strategy 50 Fund	No B-share class available	x
OP-Private Strategy 75 Fund	No B-share class available	x
OP-Private Target Return Plus	No B-share class available	x
OP-Private Target Return Plus Fund	No B-share class available	x

Name of fund	Target (value of fund unit. %)	Dividend paid per unit (€)
OP-Property Fund	3	4.80
OP-Public Services Real Estate Fund	100% of profit	1.66 / 1.66*
OP-Rental Yield Fund	100% of profit	3.03 / 3.03*
OP-Russia Fund	3	5.74
OP-Sustainable World Fund	3	3.33
OP-Tactical Portfolio Fund	3	3.92
OP-US Corporate Bond Fund	3	3.39
OP-World Fund	3	0.78 / 0.85*
OP-World Index Fund	3	3.59 / 3.61*
OP-Yield Fund	2	1.86 / 1.87*
R2 Crystal Fund	No B-share class available	x
*) II B unit		

18.8 Monitoring the total risk of OP mutual funds

Name of fund	Total risk methods	Name of reference index	Target degree of leverage
OP-Alternative Portfolio Fund	Absolute	-	-
OP-America Fund	Relative	MSCI USA Net Return	-25/0/5
OP-America Growth Fund	Relative	MSCI USA Value Net Total Return Index	-25/0/5
OP-America Index Fund	Relative	MSCI North America ESG Universal Net	-25/0/5
OP-America Low Volatility Fund	Relative	MSCI USA Minimum Volatility Index	-25/0/5
OP-America Quality Fund	Relative	MSCI USA Sector Neutral Quality Index	-25/0/5
OP-America Small Cap Fund	Relative	MSCI USA Small Cap Index	-25/0/5
OP-America Value Fund	Relative	MSCI USA Value Net Total Return Index	-25/0/5
OP-Asia Index Fund	Relative	MSCI Pacific ESG Universal Net	-25/0/5
OP-Bond Prima Fund	Relative	BarCap Germany Govt All Mat. TR 20,0% BarCap United States Govt All Mat. TR, EUR Hedged 20,0% BarCap Canada Govt All Mat. TR, EUR Hedged 15,73% BarCap Australia Govt All Mat. TR, EUR Hedged 12,77% BarCap Netherlands Govt All Mat. TR 7,85% BarCap Switzerland Govt All Mat. TR, EUR Hedged 6,76% BarCap Sweden Govt All Mat. TR, EUR Hedged 5,19% BarCap Norway Govt All Mat. TR, EUR Hedged 3,74% BarCap Denmark Govt All Mat. TR, EUR Hedged 3,10% BarCap Singapore Govt All Mat. TR, EUR Hedged 3,0% BarCap New Zealand Govt All Mat. TR, EUR Hedged 1,86%	-
OP-Bond Yield Fund	Relative	Barclays EuroAgg Treasury Total Return Index Value Unhedged EUR	-
OP-Brave Fund	Relative	MSCI North America TR Net 36,0% MSCI Daily Net TR Europe 13,6% MSCI Nordic Countries Net Total Return Index 12,0% MSCI Pacific TR Net 12,0% Barclays Euro Aggregate: Corporate -Index 8,4% JP Morgan Global Govt Bond EMU LC Index 6,8% MSCI Emerging Markets TR Net 6,4% Barclays Pan-Eur. HY ex.Fin (3%IssConst, Eur Hedg) 2,4% JP Morgan EMBI Global Div. EUR Hedged 1,6% Barclays Infl. linked Euro Govt. all matur. 0,8%	0
OP-China Fund	Relative	MSCI China 10/40	-25/0/5
OP-Clean Water Fund	Relative	S&P Gb Water USD NTR	-25/0/5
OP-Climate Fund	Relative	MSCI Global Environment Net Return Index USD	-25/0/5
OP-Corporate Bond Fund	Relative	Barclays Euro Aggregate Corporate	-
OP-Conservative Fund	Relative	Barclays Euro Aggregate: Corporate -Index 33,6% JP Morgan Global Govt Bond EMU LC Index 27,2% Barclays Pan-Eur. HY ex.Fin (3%IssConst, Eur Hedg) 9,6% MSCI North America TR Net 9,0% JP Morgan EMBI Global Div. EUR Hedged 6,4% MSCI Daily Net TR Europe 3,4% Barclays Infl. linked Euro Govt. all matur. 3,2% MSCI Nordic Countries Net Total Return Index 3,0% MSCI Pacific TR Net 3,0% MSCI Emerging Markets TR Net 1,6%	0
OP-EMD Hard Currency Corporate IG Fund	Relative	JPMorgan CEMBI Broad Diversified - IG	-
OP-EMD Hard Currency Sovereign Fund	Relative	JPMorgan EMBI Global Diversified EUR Hedged Index	-
OP-EMD Local Currency Fund	Relative	JPM GBI-EM Global Diversified	-
OP-Emerging Asia Fund	Relative	MSCI Emerging Markets Asia (ex Korea, ex Taiwan, limiting India and China 25% in total) Net in EUR	0/0/10
OP-Emerging Markets Equity Fund	Relative	MSCI Emerging Markets Total Return Net	-25/0/5
OP-Emerging Middle Class Fund	Relative	MSCI Emerging Markets TR Net	-25/0/5
OP-Euro Fund	Absolute	3-month Euribor	-
OP-Europe Dividend Firm Fund	Relative	MSCI Daily Net TR Europe	-25/0/5
OP-Europe Index Fund	Relative	MSCI Europe ESG Universal Net	-25/0/5

Name of fund	Total risk methods	Name of reference index	Target degree of leverage
OP-Europe Low Volatility Fund	Relative	MSCI Europe Minimum Volatility Index	-25/0/5
OP-Europe Plus Fund	Relative	MSCI Europe Total Return Net	-30/0/30
OP-Europe Rising Stars Fund	Relative	MSCI Europe SMID Cap	-25/0/5
OP-Europe Value Fund	Relative	MSCI Europe Value Index	-25/0/5
OP-Europe Quality Fund	Relative	MSCI Europe Sector Neutral Quality Index	-25/0/5
OP Finland Fund	Relative	OMX Helsinki Benchmark CAP	-25/0/5
OP-Finland Index Fund	Relative	Nasdaq OMX Helsinki Benchmark Cap	-25/0/5
OP-Finland Micro Cap Fund	Relative	OMX Helsinki Small Cap Total Return Index (EUR)	-25/0/5
OP-Finland Small Cap Fund	Relative	Carnegie Small CXS Return Finland (EUR)	-25/0/5
OP-Fixed Income Portfolio Fund	Absolute	iBoxx Corporates 1-3 85,0% Markit iBoxx EUR High Yield Non-Financials BB 1-3 15,0%	-
OP-Forest Owner Fund	Absolute	-	0/0/50
OP-High Yield America Fund	Relative	Barclays US High Yield- U.S. Corporate High Yield Index (EUR-Hedged)	-
OP-High Yield Fund	Relative	Barclays Pan European High Yield Index (3% constrained, Euro hedged)	-
OP-Inflation-Linked Bond Fund	Relative	Barcap Germany Infl. Linked All Maturities TR 20,0% Barcap US Infl. Linked All Mat. TR, EUR Hedged 20,0% Barcap UK Infl. Linked All Mat. TR, EUR Hedged 17,82% Barcap France Infl. Linked All Maturities TR 16,52% Barcap Canada Infl. Linked All Mat. TR, EUR Hedged 10,44% Barcap Australia Infl. Linked All Mat TR, EUR Hedg 8,48% Barcap Sweden Infl. Linked All Mat. TR, EUR Hedged 3,44% Barcap Denmark Infl. Linked All Mat. TR,EUR Hedged 2,06% Barcap NZ Infl. Linked All Mat. TR, EUR Hedged 1,24%	-
OP-India Fund	Relative	MSCI India 10/40 Total Return Net	-25/0/5
OP-Japan Fund	Relative	Topix TR	-25/0/5
OP-Japan Stars Fund	Relative	Topix TR	-25/0/5
OP-Latin America Fund	Relative	MSCI EM Latin America 10/40 Net TR index USD	-25/0/5
OP-Low-carbon World Fund	Relative	MSCI ACWI Low Carbon Leaders Net USD	-25/0/5
OP-Moderate Fund	Relative	MSCI North America TR Net 22,5% Barclays Euro Aggregate: Corporate -Index 21,0% JP Morgan Global Govt Bond EMU LC Index 17,0% MSCI Daily Net TR Europe 8,5% MSCI Pacific TR Net 7,5% MSCI Nordic Countries Net Total Return Index 7,5% Barclays Pan-Eur. HY ex.Fin (3%IssConst, Eur Hedg) 6,0% MSCI Emerging Markets TR Net 4,0% JP Morgan EMBI Global Div. EUR Hedged 4,0% Barclays Infl. linked Euro Govt. all matur. 2,0%	0
OP-Nordic Countries Index Fund	Relative	MSCI Nordic Countries ESG Universal Net	-25/0/5
OP-Private Equity Strategy Fund	Relative	-	-10/0/5
OP-Private Fixed Income Strategy Fund	Relative	-	-
OP-Private Strategy 25 Fund	Relative	-	0
OP-Private Strategy 50 Fund	Relative	-	0
OP-Private Strategy 75 Fund	Relative	-	0
OP-Property Fund	Relative	GPR General QuotedEurope TOP 75 (8% constituent-capped) Index	-25/0/5
OP-Russia Fund	Relative	MSCI Russia 10–40 TR Net	-25/0/5
OP-Rental Yield Fund	Relative	-	0/15/50
OP-Sustainable World Fund	Relative	Barclays Euro Aggregate: Corporate -Index 50,0% MSCI AC World Daily TR Net 50,0%	0
OP-Tactical Portfolio Fund	Relative	MSCI Daily Net TR Europe 40,0% MSCI Daily Net TR World ex Europe 35,0% JPM Cash Index Euro Currency 3 Months 25,0%	0

Name of fund	Total risk methods	Name of reference index	Target degree of leverage
OP-Target 2	Relative	Bloomberg Barcays Euro Aggregate Corporate Total Return Index 85% MSCI World Net Total Return Index 15%	0
OP-Target 3	Relative	Bloomberg Barcays Euro Aggregate Corporate Total Return Index 45% MSCI World Net Total Return Index 55%	0
OP-Target 4	Relative	MSCI World Net Total Return Index	0
OP-US Corporate Bond Fund	Relative	Barclays U.S. Corporate Investment Grade Index	-
OP-World Fund	Relative	MSCI World EUR	-25/0/5
OP-World Index Fund	Relative	MSCI World ESG Universal Net	-25/0/5
OP-Yield Fund	Absolute	3-month Euribor	-
R2 Crystal Fund	Absolute	-	-