OP-Inflation-Linked Bond Fund

30.4.2024

Basic information

Fund category
Long-term fixed income funds

Morningstar category ★★★★
Global Inflation-Linked Bond - EUR Hedged

Share class
OP-Inflation-Linked Bond B (Dist.)

ISIN
FI0008811138

Benchmark index
composite benchmark, see the fund prospectus for details

Start date	10.10.2006
SFDR Article	8
Share value	75.17 EUR
Fund size	132.6 MEUR
Ongoing costs	0.50 %
Minimum subscription	30,000 €

Fees

Subscription fee	0.00 %
Redemption fee	0.25 %
Management fee	0.50 %
Performance fee	no

Owner-customer benefits for a private customer:

- accumulates OP bonus
- subscriptions and redemptions without fees

Risk measures, 3y

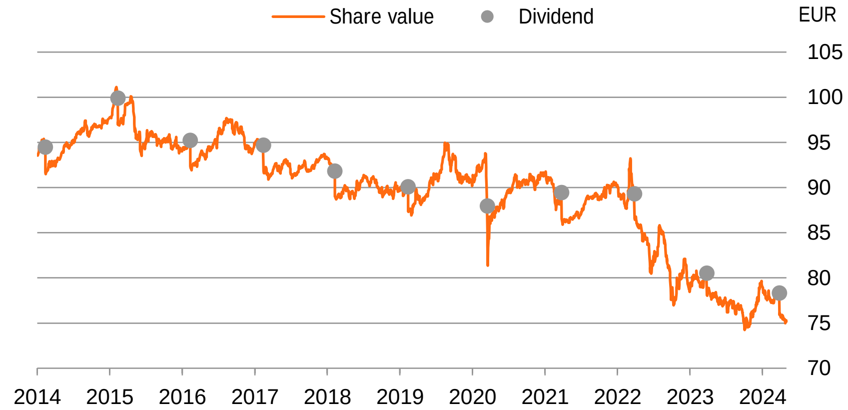
	Fund	Index
Alfa	-0.3	
Beta	1.0	
Information ratio	-0.2	
Sharpe ratio	-0.5	0.0
Active risk	1.0	
Volatility	6.3	6.5
Effective duration	6.8	6.9

Risk level

Higher risk	7
	6
	5
	4
	3
	2
Lower risk	1

Portfolio

Share value

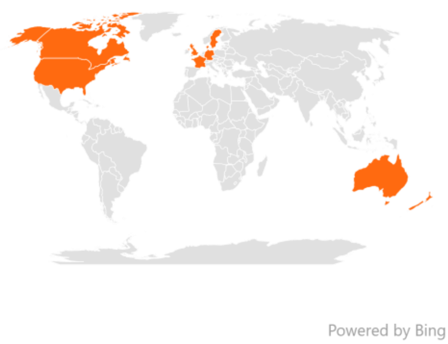


Historical returns after fees

	Fund	Index
1 month	-1.2 %	-1.2 %
3 months	-1.2 %	-1.3 %
6 months	3.6 %	2.7 %
Year-to-date	-2.0 %	-2.2 %
1 year	-1.0 %	-0.9 %
3 years p.a.	-1.5 %	-1.3 %
5 years p.a.	-0.3 %	0.4 %
10 years p.a.	0.9 %	1.5 %

The return calculation includes dividends.

Registered domiciles



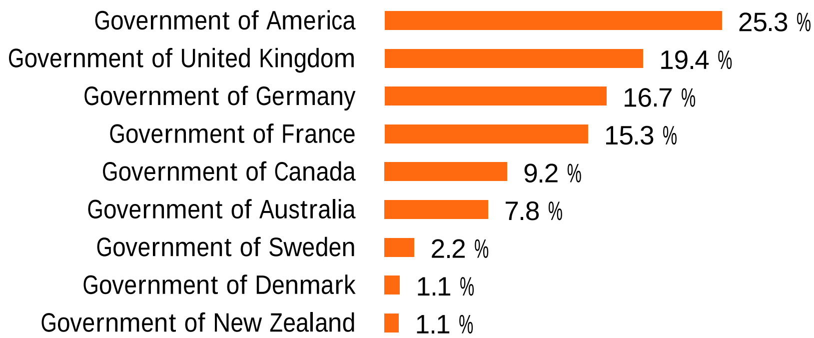
Fixed income investments

Government bonds	9.3 %
Corporate bonds	
Investment grade	
High yield	
Emerging market debt	
Inflation linked bonds	88.8 %
Convertible bonds	
Fixed income derivatives	
Money market	
Cash and others	2.5 %

Largest regions

United States	24.7 %
United Kingdom	19.4 %
Germany	16.7 %
France	15.3 %
Canada	9.1 %
Australia	7.7 %
Sweden	2.3 %
Denmark	1.1 %
New Zealand	1.1 %

Largest holdings



Investment policy

OP-Inflation-Linked Bond Fund is a long-term fixed-income fund investing its funds primarily in bonds issued by EEA and OECD member states and other public sector entities. This means that the fund seeks to achieve returns in real terms in spite of inflation. The Fund invests primarily in countries such as Australia, Sweden, Germany, Canada, France, New Zealand, Great Britain and United States. The fund's investments are primarily made through direct bond investments, but the fund may also use derivatives to hedge against market fluctuations and to replace direct investments. Typically the fund invests its assets in issues of about 20-50 companies, but this number may vary reflecting the views taken by the portfolio manager. The Fund seeks to hedge any foreign exchange risk related to non-euro investments. The modified duration of the fund, a measure of its interest rate sensitivity, is typically 8–13. This indicates the negative NAV impact on the fund in terms of percentages, if the interest rate level rises by one percentage point. As the level of interest rates decreases, the NAV of the fund increases accordingly. The issuers must have long-term ratings of at least AA- or comparable. The Fund's portfolio management makes investment decisions based on the market view prevailing at the time. Portfolio management's analysis of the market view relative to the prevailing interest rate level and inflation expectations is emphasised in particular in the Fund's investment decisions.

The Fund promotes environmental and social characteristics by considering investments' ESG factors as part of the investment process and through the exclusion of certain investment options. For more information about the ESG methods used, see the fund prospectus. The principle of 'do no significant harm' is only applied to those investments included in the fund which integrate the EU's criteria for environmentally sustainable economic activities. The EU's criteria for environmentally sustainable economic activities are not integrated in terms of other investments included in this fund.

Portfolio manager

Lauri Laaksonen

Responsibility

Responsible investing

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

Exclusion

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

Active ownership

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

Violation of international standards

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

Thematic impact

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

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

ESG analysis

ESG risk level	-
Total ESG score	-
Environment (E)	-
Social (S)	-
Governance (G)	-

The ESG risk level indicates how well the companies included in the portfolio take account of the risks and opportunities related to environmental concerns, social concerns and corporate governance concerns relative to their sector. The companies are scored from 0 to 10 and then divided into seven ESG risk-level categories (AAA–CCC). The higher the score, the better the company included in the portfolio has prepared for ESG risks and opportunities.

Carbon intensity greenhouse gas emissions in tonnes / turnover ($M)	-
Coverage	-

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

Green revenues	-
Renewable energy	-
Energy efficiency	-
Environmentally friendly construction	-
Sustainable use of water resources	-
Prevention of pollution	-

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

Distribution of companies' ESG risk levels

AAA
AA
A
BBB
BB
B
CCC

The portfolio's ESG analysis in relation to reference portfolios

	ESG	Carbon intensity	Green revenues
Portfolio	-	-	-
World	6.8	122.2	6.2
Europe	7.8	87.9	4.6
Finland	8.8	154.2	8.6

Source: MSCI ESG Research