OP-High Yield Fund

31.3.2024

OP

Basic information

Fund category
Long-term fixed income funds

Morningstar category ★★★
EUR High Yield Bond

Share class
OP-High Yield B (Dist.)

ISIN
FI0008807623

Benchmark index
Barclays Pan-Europ. HY 3% Iss. Cons. EUR Hed.

Start date	1.11.2004
SFDR Article	8
Share value	119.45 EUR
Fund size	459.7 MEUR
Ongoing costs	0.81 %
Minimum subscription	30 000 €

Fees

Subscription fee	0.50 %
Redemption fee	0.50 %
Management fee	0.80 %
Performance fee	no

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

Risk measures, 3y

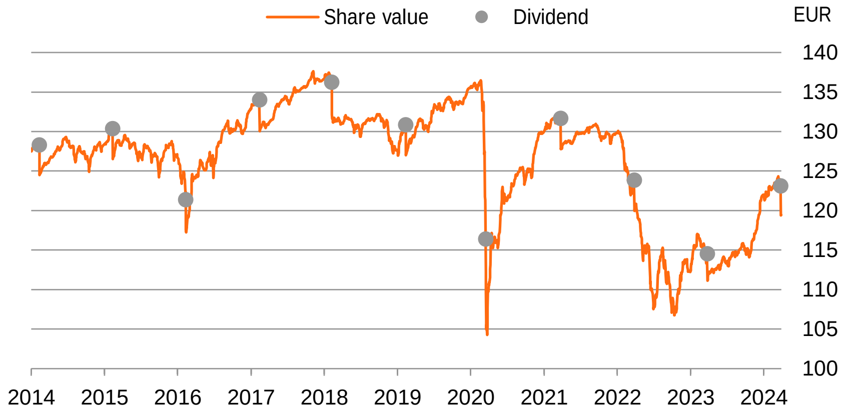
	Fund	Index
Alfa	-0.4	
Beta	1.0	
Information ratio	-0.4	
Sharpe ratio	-0.1	-0.1
Active risk	1.2	
Volatility	5.4	5.2
Effective duration	2.5	2.6

Risk level

Higher risk	7
	6
	5
	4
	3
	2
Lower risk	1

Portfolio

Share value

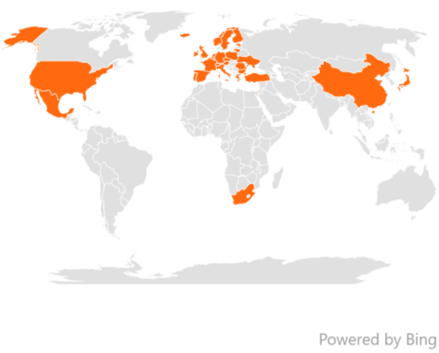


Historical returns after fees

	Fund	Index
1 month	-0.2 %	0.4 %
3 months	0.9 %	1.6 %
6 months	6.8 %	7.3 %
Year-to-date	0.9 %	1.6 %
1 year	9.8 %	11.1 %
3 years p.a.	0.8 %	1.2 %
5 years p.a.	1.5 %	2.7 %
10 years p.a.	2.6 %	3.4 %

The return calculation includes dividends.

Registered domiciles



Fixed income investments

Government bonds	
Corporate bonds	
Investment grade	5.4 %
High yield	85.1 %
Emerging market debt	0.3 %
Inflation linked bonds	
Convertible bonds	
Fixed income derivatives	
Money market	0.2 %
Cash and others	9.0 %

Largest regions

France	12.9 %
United Kingdom	12.4 %
Germany	11.5 %
Italy	11.4 %
Spain	9.8 %
United States	8.3 %
Luxembourg	5.0 %
Netherlands	4.4 %
Sweden	4.3 %
Greece	2.1 %

Largest holdings

Telecom Italia SpA	2.9 %
Marks & Spencer Plc	2.3 %
Telefonica Europe BV	1.9 %
Cirsa Finance Luxembourg	1.8 %
Deutsche Lufthansa AG	1.7 %
Cellnex Finance Co SA	1.6 %
Atlantia Spa	1.4 %
EDP - Energias de Portugal S.A.	1.4 %
Vodafone Group PLC	1.3 %
Forvia SE	1.3 %

Investment policy

OP-High Yield (Fund) is a long-term bond fund which mainly invests its assets in bonds issued by companies whose credit rating for long-term debt is BB+ at the most, or similar. Investments are primarily made in bonds issued in the European Economic Area. The share of these investments typically varies between 75 and 100%. The Fund hedges its non-euro investments against currency risks as fully as possible. The modified duration of the Fund, a measure of the price sensitivity of a fixed-income investment to interest rate movements, is typically 2.5–5.0, which means that the Fund value will decrease by 2.5–5.0 percent if interest rates increase by one percentage point. If interest rates fall, the Fund's value increases correspondingly. The Fund's investments are mainly direct fixed-income investments. The Fund may use derivative instruments in order to hedge against adverse market movements, to replace direct investments and to otherwise promote effective portfolio management. The Fund may also invest in derivative contracts intended for credit risk transfer. Derivatives are chiefly used to manage interest rate and credit risks. The Fund diversifies its investments broadly across various issuers' bonds. The Fund normally invests in some 70–100 issuers' fixed-income instruments but this number may vary depending on the portfolio manager's view.

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

V. Vuonokari, J. Hämäläinen

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	A
Total ESG score	6.6
Environment (E)	7.2
Social (S)	5.0
Governance (G)	5.8

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	120.0 greenhouse gas emissions in tonnes / turnover ($M)
Coverage	77.8 %

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	5.8 %
Renewable energy	1.6 %
Energy efficiency	1.5 %
Environmentally friendly construction	0.8 %
Sustainable use of water resources	0.4 %
Prevention of pollution	1.3 %

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	5 %
AA	28 %
A	20 %
BBB	10 %
BB	5 %
B	3 %
CCC	1 %

The portfolio's ESG analysis in relation to reference portfolios

	ESG	Carbon intensity	Green revenues
Portfolio	6.6	120.0	5.8
World	6.8	117.4	6.2
Europe	7.9	86.5	4.6
Finland	8.8	138.5	8.1

Source: MSCI ESG Research

The purpose of the monthly report is to provide its readers with information on the funds and their performance. Information provided in the report is no investment advice and no investment decisions should be made based on such information. The Key Investor Information Document for investors and the fund prospectus as well as the fund's annual report and half-yearly report are the documents that investors should read before making any subscription for fund units. Information in this document is not complete and it is updated on a monthly basis. The information in the report is the latest information on the funds at the time of preparing the report. Copying and distributing the information in the report is prohibited. Changes in the report will not be informed separately. OP Fund Management Company Ltd has compiled and provided the information presented in the report. OP Fund Management Company Ltd does not guarantee that the information presented in the report is correct, perfect or up to date or is not liable for any direct or indirect costs, damage or losses that use of the information presented in this material may cause. The star rating in this report is produced by Morningstar and it is updated every month. The historical performance of the funds is no guarantee of future performance. The values of fund units may vary considerably due to the composition of their investments and the methods used in their management. The fund prospectus describes in greater detail the risks associated with the fund. Fund publications regarding the funds are available at op.fi and OP's branches.