

31.12.2020

Basic information

Fund category
Long-term fixed income funds

Morningstar category **★★★**
Global Emerging Markets Corporate
Bond - EUR Biased

Share class
OP-EMD Hard Currency Corporate IG A
(Acc.)

ISIN
FI4000036181

Benchmark index
JP Morgan CEMBI Broad Diversified IG,
EUR Hedged

Start date 20.4.2012
Fund type UCITS
Share value 125,54 EUR
Fund size 173,2 MEUR
Ongoing costs 1,20 %

Fees

Subscription fee 1,00 %
Redemption fee 1,00 %
Management fee 1,20 %
Performance fee no
Owner-customer benefits for a private
customer:
- accumulates OP bonus
- subscriptions and redemptions
without fees

Risk measures, 3y	Fund	Index
Alfa	0,0	
Beta	0,9	
Information ratio	-1,4	
Sharpe ratio	0,6	-0,2
Aktive risk	0,8	
Volatility	4,9	5,1
Effective duration	5,0	5,1

Risk level

Higher risk

7
6
5
4
3
2
1

Lower risk

Portfolio

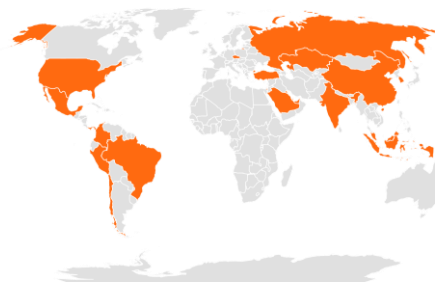
Share value



Historical returns after fees

	Fund	Index
1 month	0,6 %	0,7 %
3 months	2,3 %	2,4 %
6 months	4,2 %	4,8 %
Year-to-date	4,2 %	5,9 %
1 year	4,2 %	5,9 %
3 years p.a.	2,8 %	3,9 %
5 years p.a.	3,0 %	4,0 %
10 years p.a.	-	-

Registered domiciles



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Fixed income investments

Government bonds	2,3 %
Corporate bonds	
Investment grade	30,2 %
High yield	5,0 %
Emerging market debt	56,0 %
Inflation linked bonds	
Convertible bonds	
Fixed income derivatives	
Money market	
Cash and others	6,6 %

Largest regions

Mexico	10,7 %
China	7,9 %
South Korea	7,4 %
Russia	6,7 %
Chile	6,2 %
Saudi Arabia	5,4 %
India	5,3 %
United Arab Emirates	5,1 %
Indonesia	5,0 %
Singapore	5,0 %

Largest holdings

Ecopetrol SA	2,2 %
Saudi Arabian Oil Co	2,2 %
Banco Santander S.A.	1,9 %
DBS Group Holdings Ltd	1,7 %
Shinhan Bank	1,6 %
Enel Spa	1,5 %
United Overseas Bank Ltd	1,5 %
Saudi Electricity Global	1,4 %
DP WORLD LTD	1,4 %
Perusahaan Gas Negara Pt	1,4 %



Investment policy

OP-EMD Hard Currency Corporate IG is a long-term fixed income fund investing its assets primarily in USD bonds issued by companies that are domiciled in emerging markets and have sufficiently high credit ratings. The fund invests globally in different markets, and its key target markets are Latin America, Asia, Eastern Europe and Russia as well as Africa and the Middle East. The fund's investments are typically tilted towards long-term fixed income instruments and therefore, in terms of interest rate risk, the fund corresponds to long-term fixed income funds. In its investments, the fund seeks to emphasise fixed income instruments denominated in the currencies of developed economies, particularly the United States (so-called hard currency). The fund hedges its investments' currency risks relative to the euro. Therefore, fluctuations in the value of the US dollar or the currencies of emerging economies normally have no impact on the performance of the fund. The fund may use derivatives instruments in its investment activities. The underlying asset of the derivative contracts may be an interest rate, foreign exchange rate or credit risk. The modified duration of the fund, a measure of its interest rate sensitivity, is typically 3–6. This indicates the negative impact on the value of the fund in terms of percentages, if the interest rate level rises by one percentage point. As the level of interest rates decreases, the value of the fund increases accordingly. At least 90% the fund's assets are invested in securities whose issuers have a long-term credit rating of at least Moody's Baa3 or S&P BBB-.



Portfolio manager

Rego Ostonen

Responsibility

Responsible investing

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

Exclusion

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

Active ownership

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

Violation of international standards

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

Thematic impact

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

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

ESG analysis

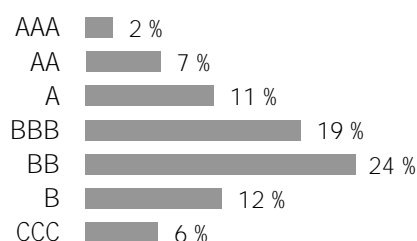
ESG-rating

BBB

Total ESG score	4,4
Environment (E)	5,2
Social (S)	4,4
Governance (G)	3,3

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

Companies' ESG classification



Carbon intensity

524,2

greenhouse gas emissions in tonnes / turnover (\$M)

Coverage

83,3 %

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

1,6 %

Renewable energy

0,6 %

Energy efficiency

0,4 %

Environmentally friendly construction

0,0 %

Sustainable use of water resources

0,2 %

Prevention of pollution

0,0 %

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.

The portfolio's ESG analysis in relation to reference portfolios

	ESG	Carbon intensity	Green revenues
Portfolio	4,4	524,2	1,6
World	6,0	154,5	4,8
Europe	7,4	146,0	4,1
Finland	7,5	266,5	8,7

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

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.