OP-Emerging Middle Class Fund

31.3.2024

Basic information

Fund category
Equity funds

Morningstar category ★
Sector Equity Consumer Goods & Services

Share class
OP-Emerging Middle Class B (Dist.)

ISIN
FI4000076302

Benchmark index
MSCI Emerging Markets TR Net

Start date	5.2.2014
SFDR Article	6
Share value	74.39 EUR
Fund size	45.6 MEUR
Ongoing costs	2.52 %
Minimum subscription	30 000 €

Fees

Subscription fee	1.00 %
Redemption fee	1.00 %
Management fee	2.50 %
Performance fee	no

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

Risk measures, 3y

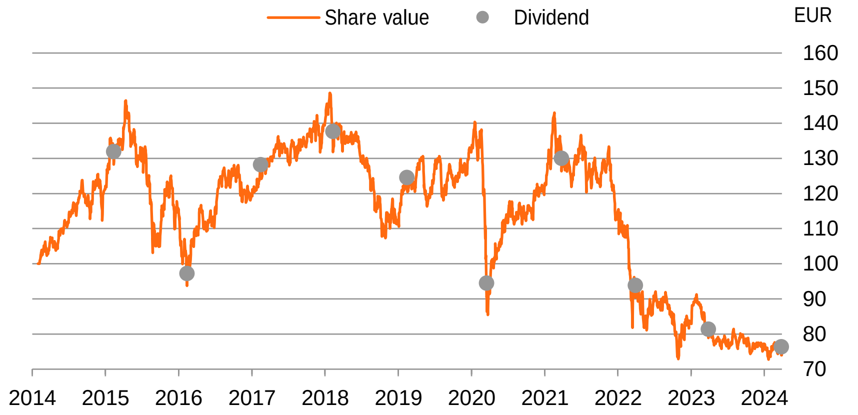
	Fund	Index
Alfa	-10.7	
Beta	1.2	
Information ratio	-1.2	
Sharpe ratio	-0.8	-0.6
Active risk	9.7	
Volatility	18.8	13.8
Active Share	87	

Risk level

Higher risk	7
	6
	5
	4
	3
	2
Lower risk	1

Portfolio

Share value

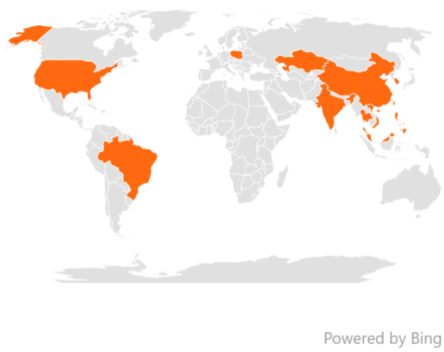


Historical returns after fees

	Fund	Index
1 month	0.9 %	2.4 %
3 months	-0.7 %	4.4 %
6 months	-1.9 %	8.0 %
Year-to-date	-0.7 %	4.4 %
1 year	-5.1 %	8.5 %
3 years p.a.	-13.8 %	-2.4 %
5 years p.a.	-6.6 %	2.9 %
10 years p.a.	-0.5 %	2.7 %

The return calculation includes dividends.

Registered domiciles



Sectors

Communication Services	10.7 %
Consumer Discretionary	21.5 %
Consumer Staples	13.9 %
Energy	6.9 %
Financials	28.7 %
Health Care	10.6 %
Industrials	6.1 %
Information Technology	
Materials	
Real Estate	
Utilities	

Largest regions

China	22.5 %
India	21.9 %
Hong Kong	17.8 %
Vietnam	6.9 %
Mexico	5.7 %
Kazakhstan	4.4 %
Brazil	3.8 %
Thailand	3.4 %
United States	3.0 %
Taiwan	2.7 %
Malaysia	1.7 %

Largest holdings

HDFC Bank Limited	8.0 %
HSBC Bank Plc, GB	6.9 %
Tencent Holdings Ltd	6.8 %
Kaspi.KZ JSC	4.4 %
Icici Bank Ltd	3.7 %
Alibaba Group Holding Ltd.	3.6 %
Axis Bank Limited	3.4 %
Pinduoduo Inc.	3.1 %
MercadoLibre Inc	3.0 %
Kweichow Moutai Co. Ltd.	3.0 %

Investment policy

OP-Emerging Middle Class is an equity fund which invests its assets in emerging equity markets on a global scale in companies that are expected to benefit from growth in consumer demand in emerging economies. The Fund's investments are allocated to sectors where consumer goods and services they produce are likely to see structural growth in demand in the long term. The Fund's investments are mainly based on direct equity investments. In its investment operations, the Fund may use derivative instruments in order to hedge against the risk of adverse market movements and exchange rate changes, to replace direct investments and to promote otherwise effective portfolio management. The Fund's market exposure may vary in such a way that the Fund invests a minimum of 75% and a maximum of 150% of its value in equity markets. The equity exposure typically varies between 90 and 100%. The Fund invests its assets broadly among various companies. The Fund typically invests its assets in equities of around 40–60 companies but this number may vary depending on the investment manager's view. The portfolio manager makes investment decisions based his prevailing view on the market. Key issues in the context of the fund's investment decisions include the portfolio management's views on individual companies.

The investments underlying this fund do not take into account the EU criteria for environmentally sustainable economic activities. However, this fund integrates sustainability risks using the methods specified in the fund prospectus.

Portfolio manager

Fidelity International

OP-Emerging Middle Class Fund

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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	5.8
Environment (E)	6.1
Social (S)	4.8
Governance (G)	4.9

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.

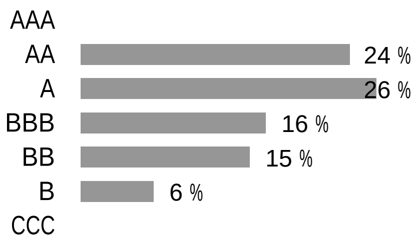
Carbon intensity	42.8
	greenhouse gas emissions in tonnes / turnover ($M)
Coverage	100.0 %

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

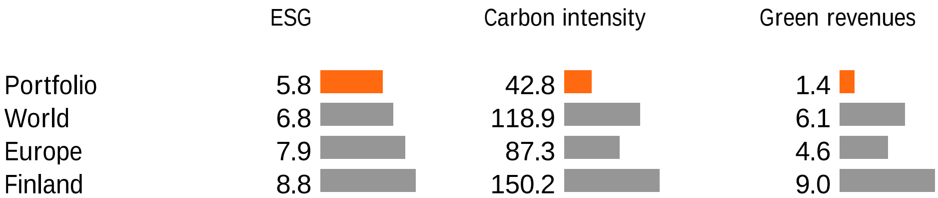
Green revenues	1.4 %
Renewable energy	0.1 %
Energy efficiency	1.3 %
Environmentally friendly construction	0.0 %
Sustainable use of water resources	-
Prevention of pollution	-

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



The portfolio's ESG analysis in relation to reference portfolios



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.