

Merger of Evli Target Maturity Nordic Bond 2023 mutual fund

Evli Fund Management Company Ltd. has decided to merge the Evli Target Maturity Nordic Bond 2023 (merging fund) with the Evli Nordic Corporate Bond fund (acquiring fund).

The Financial Supervisory Authority granted permission to conduct the merger on November 1, 2023.

The merger will take place on December 28, 2023, at which time the merging fund will be dissolved without liquidation and its assets and liabilities will be transferred to the acquiring fund. No separate actions are required from unit holders to accept the merger and receive the fund units of the Evli Nordic Corporate Bond offered as merger consideration. Trading in the units of Evli Target Maturity Nordic Bond 2023 will end at 2 pm (Finnish time) on December 22, 2023.

Reasons for the merger

In accordance with its rules, the merging fund is a Nordic corporate bond with a fixed-term investment strategy that expires on December 31, 2023, at the latest. The merging funds are both Nordic corporate bond funds, with similar main investments. As the merging fund's fixed-term investment strategy will expire, the remaining assets of the fund will be transferred by merger to a fund that has a corresponding strategy that does not have a fixed term. Unit holders who do not redeem their units in the merging fund will be able to invest in the acquiring fund with the corresponding strategy.

Both funds are actively managed. Evli Nordic Corporate Bond has the same risk category as the merging fund, and the risks to the acquiring fund are similar to those to the merging fund. Both the merging and the acquiring fund promote, in addition to their other characteristics, environmental and social characteristics in accordance with Article 8 of the Sustainable Finance Disclosure Regulation.

The fixed annual management fee of the merging fund is higher than that of the acquiring fund, and consequently the management fee for unit holders accepting the merger consideration will decrease in almost all unit series.

Information on the funds involved in the merger on August 31, 2023*

Fund	Return 1 yr (%)	Return 3 yrs, annual return (%)	Management fee	Capital (EUR million)	Risk category
Evli Target Maturity Nordic Bond 2023	4.07%	2.77%	0.85%	50.29%	2
Evli Nordic Corporate Bond	4.17%	-0.44%	0.75%	908.01	2

*Data refers to B unit series (growth unit)

Merging unit series	Management fee	Acquiring unit series	Management fee
A (ISIN: FI4000363981)	0.85%	A (ISIN: FI0008811989)	0.75%
B (ISIN: FI4000363999)	0.85%	B (ISIN: FI0008811997)	0.75%
CA (ISIN: FI4000364021)	0.60%	A (ISIN: FI0008811989)	0.75%
CB (ISIN: FI4000364039)	0.60%	CB (ISIN: FI4000541677)	0.55%
IA (ISIN: FI4000364005)	0.45%	IA (ISIN: FI0008812003)	0.40%
IB (ISIN: FI4000364013)	0.45%	IB (ISIN: FI0008812011)	0.40%
ASEK (ISIN: FI4000369764)	0.85%	BSEK (ISIN: FI4000058862)	0.75%
BSEK (ISIN: FI4000369772)	0.85%	BSEK (ISIN: FI4000058862)	0.75%

Consequences of the merger

Unit holders of Evli Target Maturity Nordic Bond 2023

Under the Finnish Act on Common Funds, a unit holder of the merging fund will become a unit holder of the acquiring fund on the merger date if, before the merger is executed, the unit holder does not redeem their fund units or switch them to units of another mutual fund managed by Evli Fund Management Company Ltd.

The holdings of unit holders who accept the merger will be converted by the management company to holdings in the acquiring fund of corresponding cash value on the basis of the values of the fund units calculated on the merger date.

The unit holders' rights in the acquiring fund will enter into force when the units received as merger consideration have been entered in the unit register maintained by the management company. Technical registration of the fund units received as merger consideration will be carried out by January 5, 2024, using the fund unit values confirmed for the merger date.

The management company may convert the assets of the merging fund into cash immediately before the merger date to ensure an uninterrupted merger. Changes to investment weightings and investment instruments can also be made to the fund before the merger. Any accrued income of the fund, such as sale price receivables for sold securities or accrued interest, will be taken into consideration as assets of the merging fund and will be transferred to the acquiring fund in the merger.

The management company will not charge redemption or switch fees from those unit holders who wish to redeem or switch their fund units before the execution of the merger. The deadline for placing redemption or switch orders is December 22, 2023, at 2.00 pm (Finnish time). Any orders received after this time will be executed after the completion of the merger. For redemption requests submitted by the deadline, redemption proceeds will be paid in cash to the unit holder's cash assets held at Evli Plc by January 5, 2024.

Unit holders of Evli Nordic Corporate Bond

The merger is not expected to have a significant impact on the unit holders of the fund, and it does not affect their rights. There will be no changes to the rules of the acquiring fund, and the composition of the investment portfolio will not change significantly but its assets will grow by the amount of the capital transferred in the merger. The assets of the merging fund will be transferred either as cash or as securities or a combination thereof and the acquiring fund will continue to manage them in accordance with its investment strategy.

If the unit holder approves the merger, the unit holder is not required to take any action by this letter.

Taxation

Unit holders are encouraged to seek advice from professional advisers, if necessary, on the statutory implications of the merger on law, finances and taxation in the unit holder's country of domicile, residence or location of the unit holder. If a unit holder resident in Finland for purposes of taxation accepts the merger consideration offered in the form of fund units, there will be no tax consequences since this constitutes universal succession as referred to in Finnish tax legislation. However, redemption of fund units or switches to another mutual fund executed before the merger are subject to taxation in the same way as any other sale (or exchange) of property, i.e. normal tax treatment will be accorded to any such transfer of fund units. Correspondingly, any sale of the new units received as merger consideration will be taxed normally after the merger. However, the acquisition cost of the new units will be considered to be equal to the acquisition cost of the old units held in the merging fund.

Additional information

The key investor information document, fund prospectus and fund rules of the acquiring fund and the semi-annual reviews and annual reviews are available at www.evli.com/funds. Unit holders of the merging fund are recommended to consult the documentation of the acquiring fund. Unit holders of the merging and acquiring funds are entitled to receive a copy of the report concerning the merger issued by the auditor appointed by the management company. The report is available from Evli Fund Management Company Ltd.

Our Investor Service will gladly provide additional information on the merger or other matters relating to fund investment by telephone, +358 (0)9 4766 9701 and by email info@evli.com Monday to Friday from 9.30 am to 4.30 pm (Finnish time, CET+1).

Yours faithfully,

EVLI FUND MANAGEMENT COMPANY LTD.



Kim Pessala
Managing Director