

Evli Investment Solutions

Johannes Asuja

Managing Director



Evli is a well regarded wealth management bank

- **Evli is a Wealth Management Bank** that helps institutions, corporations and private individuals increase their wealth
- **Two client segments** supported by Group Operations

Wealth Management and
Investor Clients



Advisory and
Corporate Clients



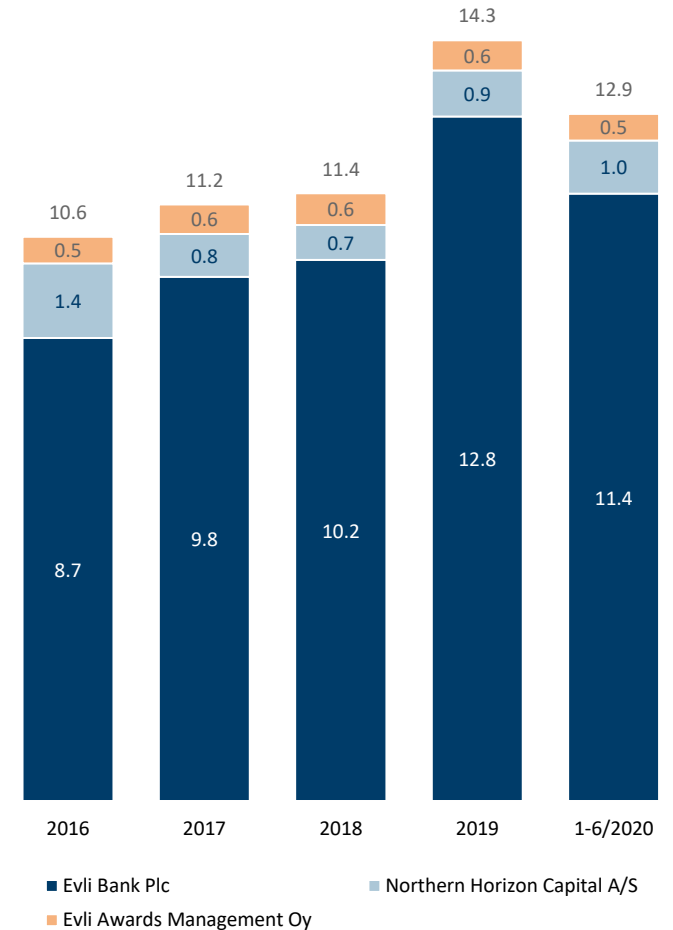
Investment
specialists
~250

- 📍 Helsinki
- 📍 Turku
- 📍 Stockholm



Evli Bank Plc has two share series, A and B. The B shares are listed on **Nasdaq Helsinki's main market** since 2015.

Net Assets Under Management
EUR 12.9 billion



Evli is a top institutional asset manager in Finland – Number one in quality and results in 2015-2019



Kokonaislaatu-arvio (All Criteria)

KANTAR S.Prospira 2019* (asteikko 1-5)

1. Evli	4,20
2. eQ	4,04
3. SEB	3,98
4. Danske Bank AM	3,88
5. Mandatum Life	3,86
6. Aktia	3,85
7. Nordea AM	3,77
8. OP AM	3,75
9. Taaleri	3,56
10. Handelsbanken	3,38
11. Fondita	3,12
12. Elite Alfred Berg	3,01



Varainhoidon tulokset (Track Record)

KANTAR S.Prospira 2019* (asteikko 1-5)

1. Evli	4,13
2. eQ	4,10
3. Aktia	3,90
4. Mandatum Life	3,88
5. SEB	3,65
6. Danske Bank AM	3,63
7. Nordea AM	3,59
8. Handelsbanken	3,58
9. Seligson & Co.	3,50
10. LähiTapiola	3,46
11. OP AM	3,40
12. Taaleri	3,24
13. Elite Alfred Berg	3,07
14. Fondita	3,00
15. FIM	2,69



Salkunhoidon osaaminen (PM Competence)

KANTAR S.Prospira 2019* (asteikko 1-5)

1. Evli	4,29
2. eQ	4,15
3. Aktia	4,03
4. Mandatum Life	3,91
5. SEB	3,88
6. Danske Bank AM	3,84
7. Nordea AM	3,71
8. OP AM	3,60
9. Handelsbanken	3,59
10. Seligson & Co.	3,56
11. LähiTapiola	3,50
12. Taaleri	3,42
13. Fondita	3,41
14. FIM	3,16
15. Elite Alfred Berg	2,93

Source: KANTAR Sifo Prospira survey results with largest institutional investors in Finland

Examples of tailor made investment solutions done by Evli Investment Solutions in September 2020

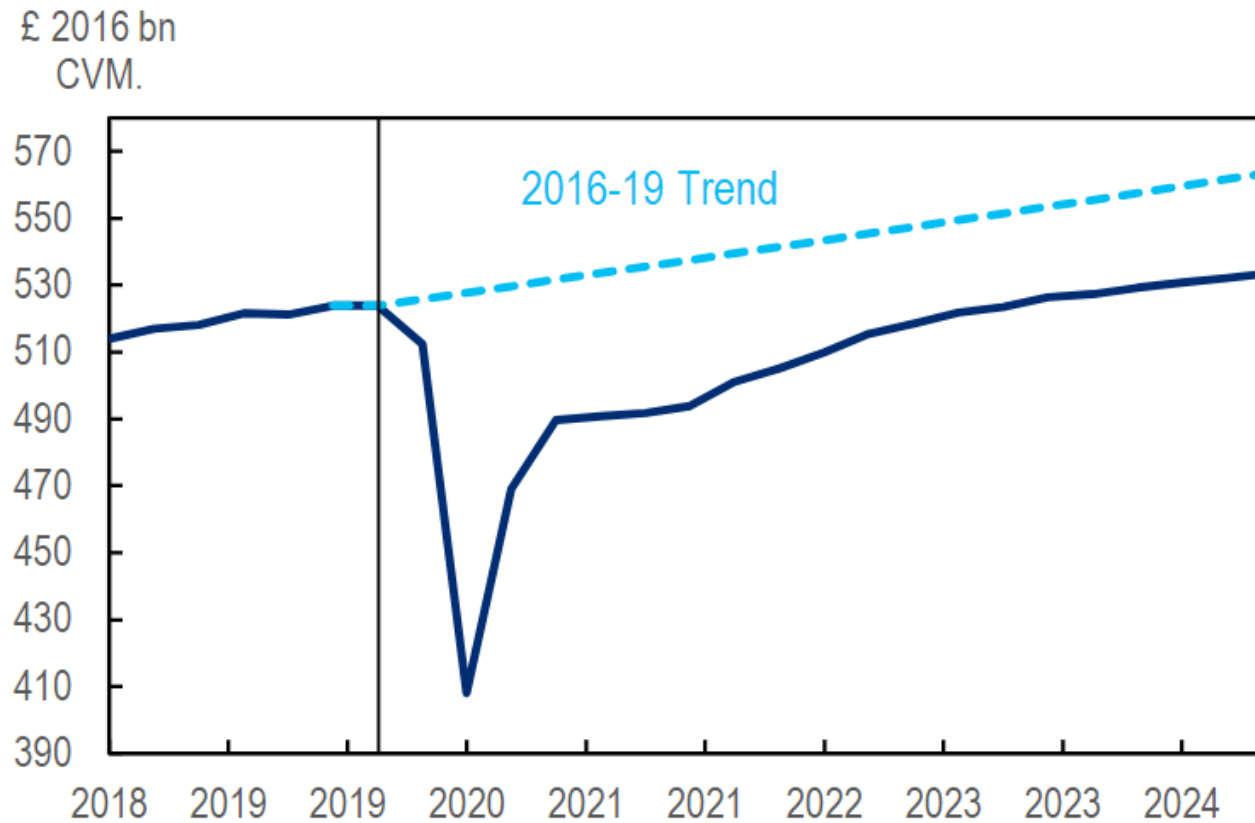
- 5y **Nokia equity** linked investment that pays fixed annual rate **14,52% when shares are up** from the start in future years
- 5y **Gold mining companies** equity linked investment that pays fixed annual rate **4,5% even when shares are down up to 40%** from the start in future years
- 7y investment into **125 Investment Grade** rated european large **corporations** paying **5,25% fixed rate** when conditions met
- 5y investment into **100 High Yield** rated USA large **corporations** paying **7,00% fixed rate** when conditions met
- 5y investment into **Nasdaq-index** that pays **40% fixed return** at maturity even if the index does not rise or falls up to 20%

UK macroeconomic outlook as Brexit becomes reality



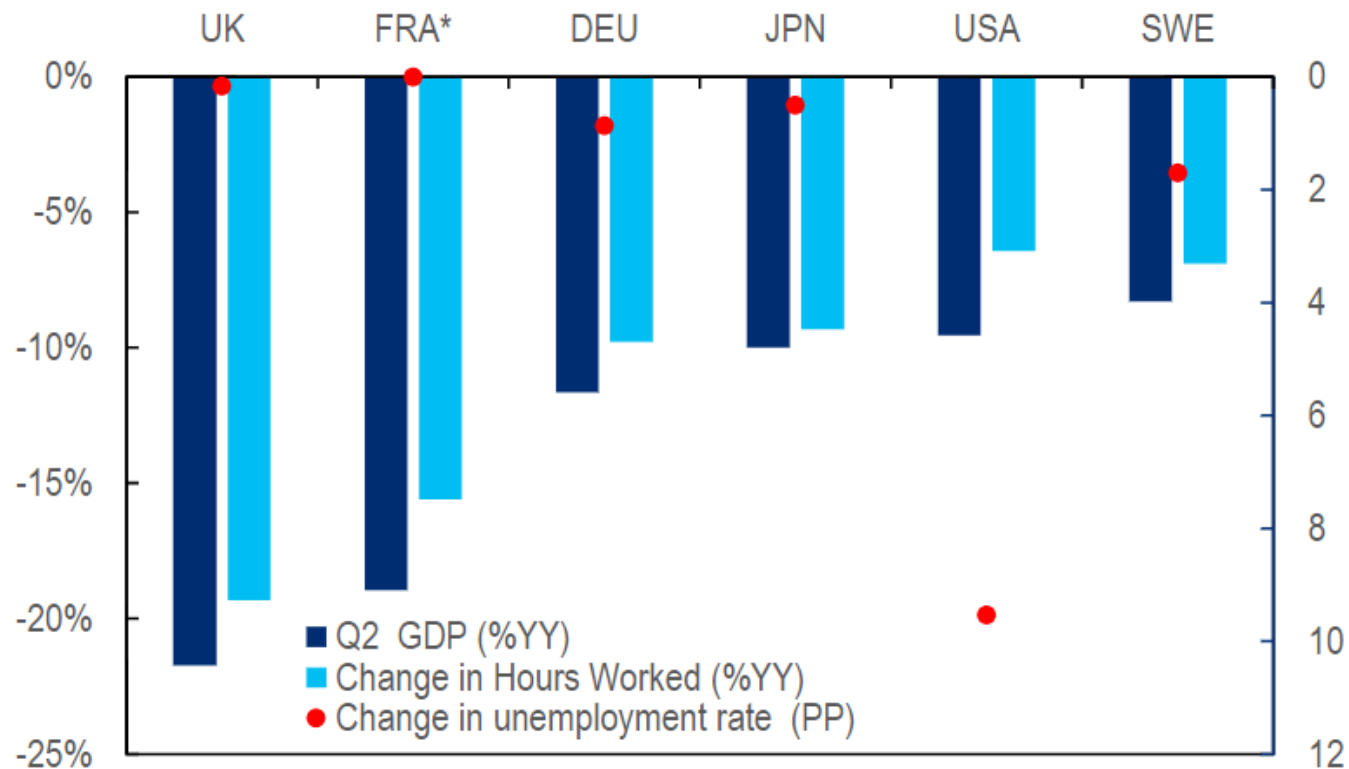
The COVID-19 hit has been hard on the UK economy

UK realised real GDP 2018-H1/2020 and Citigroup forecast H2/2020-2024



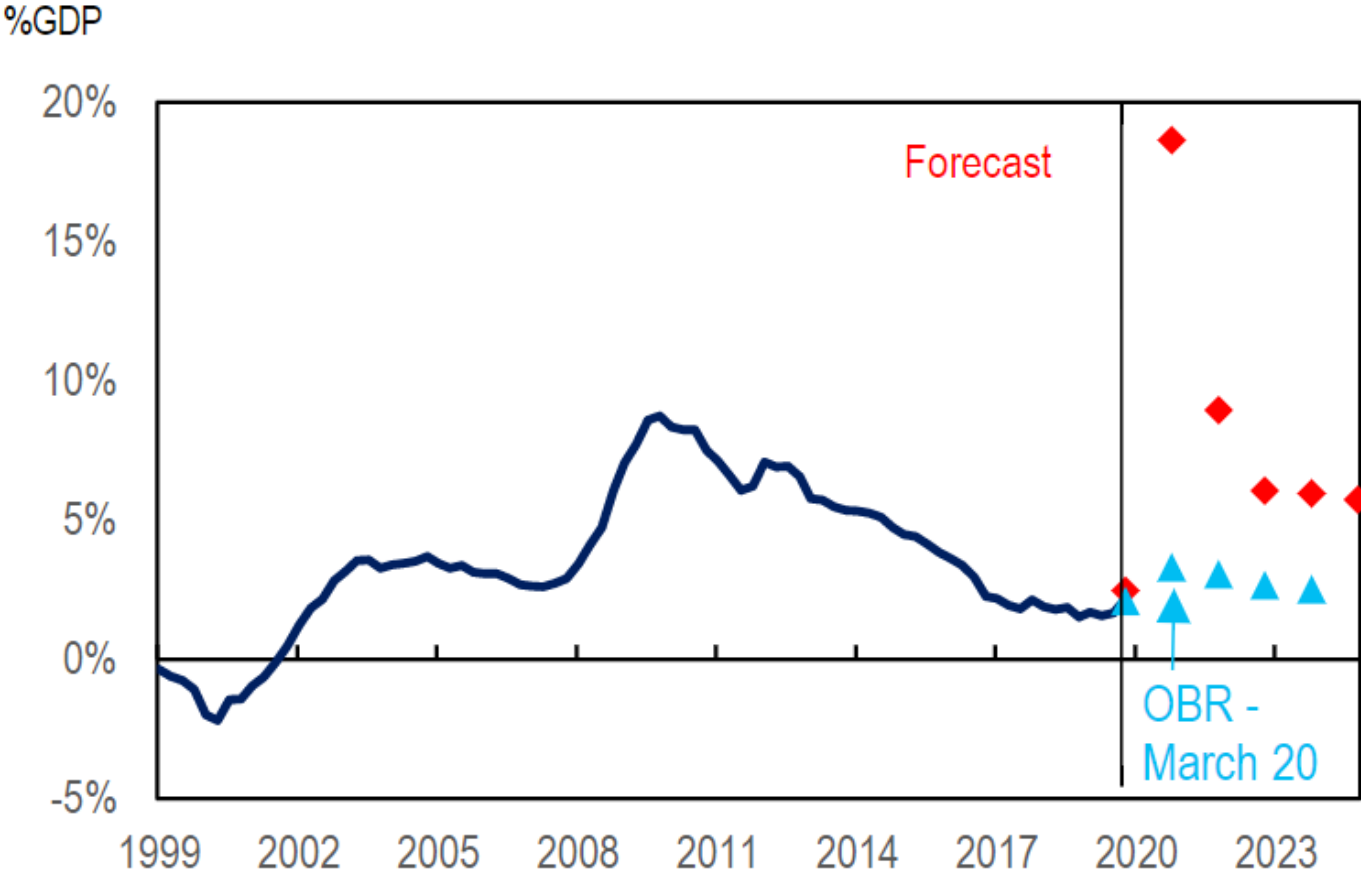
UK state labour market support has been unprecedented – unemployment set to rise from now until Q2/2021

Change in GDP, hours worked & unemployment rate in selected countries Q2/2020



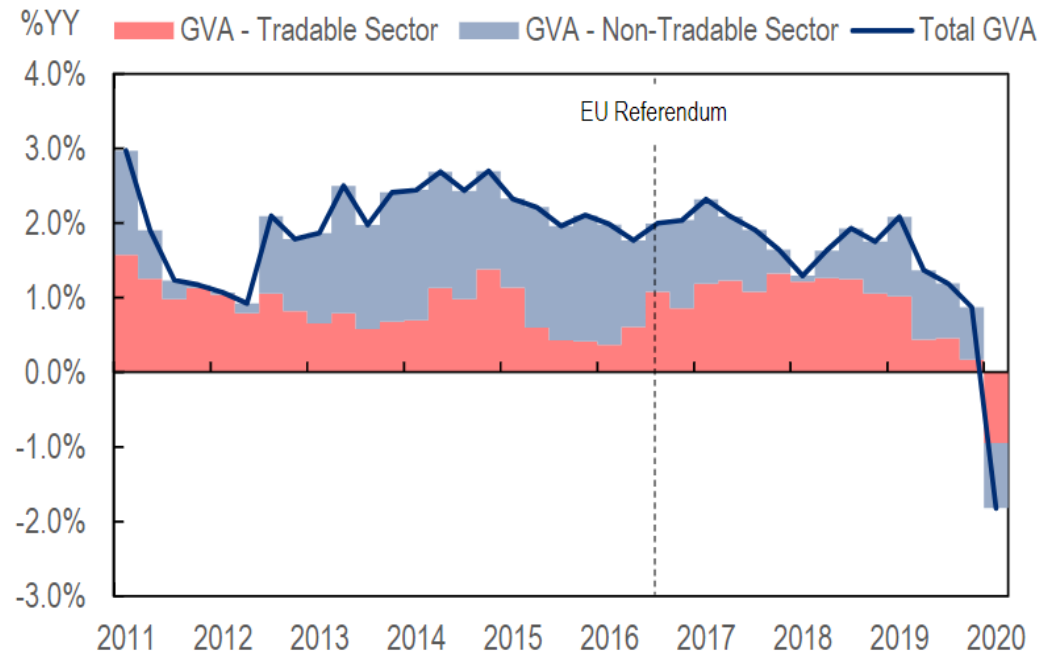
Public sector borrowing exploded – what ammunition is left to support the economy from Brexit effects in 2021 & beyond?

UK public sector net borrowing as % of GDP



International trade very important to the UK also going forward – EU insisting on level playing field (state aid, labour and environmental reg.) in Brexit withdrawal

Gross Value Added growth of international trading vs. domestic sectors of the economy



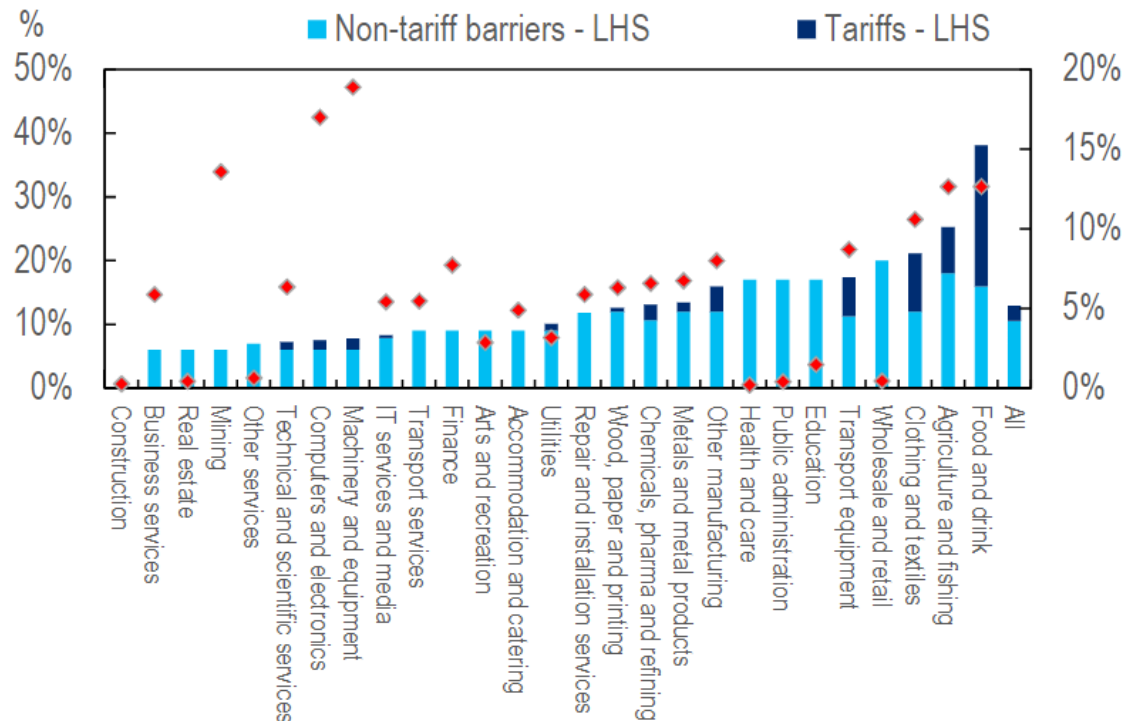
Notes: Tradable and non-tradable sectors derived using ONS supply and use tables across 2-digit SIC industrial classifications. The total imports plus exports are divided by the sector's GVA to obtain a traded share for each sector for 2015. A 10% threshold is then used to delineate between tradable and non-tradable sectors (Betts and Kehoe, 2006). Sources: Broadbent et al (2019), ONS and Citi Research

Limited free trade deal with EU will not save much vs. no deal

This is since the last minute Limited deal is:

- Unlikely to have an agreement on how UK could sell services to EU ie. Financials & consulting
- Leads to a loss of professional qualifications between UK and EU that hamper movement
- Customs facilitation likely to be ruled out – amount of paperwork up significantly

Tariff and non-tariff barriers on UK & EU trade and sectoral dependence on EU trade



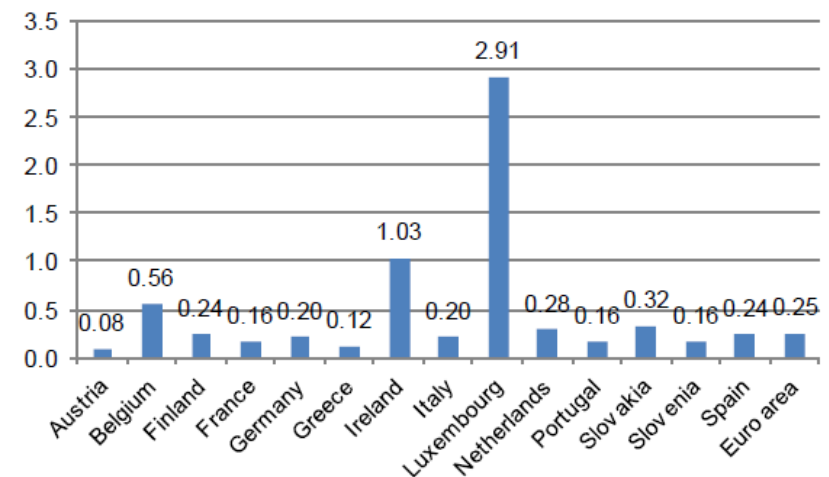
Likely outcome is then a difficult transition to WTO or close to such trade terms between EU and UK in the new year 2021

Economic implications in 2021 of this outcome:

- GDP hit of up to 5% in the UK / Less than 1% in the EU in 2021
- Additional monetary easing from Bank of England
- More fiscal stimulus from the Chancellor to businesses and labour market
- WTO tariffs are 5% on average but range from 0% (cotton) to 42% (dairy) with consumer goods many at around 10%
- Many other non-tariff barriers will disrupt trade and can cause shortages of goods

Ironically the trade agreement with Japan includes more restrictions on state aid than what is imposed by the EU...

Impact of a 1pp GDP shock in the UK on euro area member states (% of GDP)



Source: SG Cross Asset Research/Economics, Computations derived from the Nigem model, and the two working papers: Felbermayr, G., and Gröschl, J. "Natural Disasters and the Effect of Trade on Income: A New Panel IV Approach". European Economic Review (58) 2013. 18-30 and Dynamic effects of Brexit for all EU countries, GED Focus Paper, 2015.

Information set above is not intended as investment recommendation.

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