

Alternative investment funds in client reporting

We are developing our reporting on alternative investment funds.

The selection of alternative investment funds offered by Evli increased with the merger of EAB Group Plc (Elite Alfred Berg) with Evli on October 1, 2022. We have harmonized the reporting practices for the alternative investment funds.

This letter provides guidance on how the alternative investment funds are presented in the Wealth Report and in the My Evli online service.

Portfolio contents in the Wealth Report

1. **Commitment** means the original investment commitment. Called capital does not reduce the amount of the commitment.
2. **Drawn capital** is the sum of the capital calls paid by the investor to the fund. Drawn capital cannot exceed the amount of the commitment.

If the Fund recalls capital that has already been returned, the amount and acquisition value of the drawn capital will not be affected.

Actual capital returns do not affect Drawn capital. On the other hand, in the case of closings of EAB-based alternative funds, returned capital recorded as negative capital calls to old investors to balance the capital is deducted from the amount of Drawn capital. In contrast, the acquisition value of an open non-UCITS alternative investment fund is reduced by the amount of capital returned because the capital returns are carried out through redemption.

3. Remaining capital is the difference between Drawn capital and actual capital returns.

If the fund has recalled and repaid capital that it has already returned, the cumulative cash flow from capital returns may exceed the acquisition value, which means that the acquisition value adjusted for capital returns may be negative.

- In Evli's understanding, a closed alternative investment fund is typically accounted for at acquisition cost adjusted for capital returns. Alternatively, market value can also be used.*

4. **Remaining commitment** means the difference between the commitment and the Drawn capital.
5. **Recallable capital** means the portion of the returns that can be recalled in accordance with the fund's rules.
6. **Returned capital** means the sum of the actual returns paid by the fund to the investor. If the fund has recalled returned capital, the amount of the returns may exceed the amount of the commitment.
7. **Return** is the sum of the returns paid by the fund to the investor. Return on the partnership share is a distribution of profits. Feeder funds that invest in the partnership share can be either profit participating loans, non-UCITS funds or feeder funds in the form of limited partnerships. The return on a profit participating loan is interest income. The return paid by a non-UCITS fund and the feeder fund in the form of a limited partnership is a distribution of profits.

- A limited partnership fund is not taxable on the income it receives. For taxation purposes, the confirmed business income of the fund is allocated to the partners as their share of the income in proportion to their holdings. The investor is taxed on its share of the fund's income for each tax year in the tax year in which the fund's tax year ends. The general partners of the funds submit a tax return to the Tax Administration, which includes a statement of the partners' share of the fund's profit. Evli also reports the income shares to the tax authorities. The investor's taxable share of the income is available on My Evli when the fund makes a profit.
 - Investors in the profit participating loan are entitled to a fixed annual interest rate in accordance with the profit participating loan agreement. If the principal fund does not make a profit, the profit participating loan will not have the means to pay interest to its investors, and the interest will remain in the feeder fund as a debt to the investors. In Evli's view, an investor with a legal obligation to keep books should take the interest receivable into account in its accounts.*
8. **Compensation interest** means the amount paid by the fund to the investor or by the investor to the fund when the fund takes on new investors after the first closing date.
- In Evli's view, compensation interest or equalization interest is the interest expense paid or the interest income received by the investor in accounting.*
9. **Other cash flows** are other possible uncommitted cash flows, such as expenses charged by the fund to the investor or a rebate received by the fund that is passed on to the investor.
10. **Price** means the remaining fair value of the entire fund divided by the fund's Called capital.
11. **Value** means the result of the called capital and price, i.e. the remaining fair value of the fund.
12. **Change in value** means the difference between the value and the acquisition value.
13. **Net IRR %** (Net Internal Rate of Return) means the internal rate of return at which the net present value of an investment's cash flows is zero. **Total Value to Paid-In (%)** is the return calculated on the called capital, including fair value and returns.

** The investor should verify the accounting and tax treatment of their investment with their own advisor. The advice given by Evli in this chapter is general and does not take into account the investor's individual circumstances.*

Portfolio report 30.06.2023

	Class Type	Currency Country	Amount	Purchase value	10 Price Price date	11 Value Accrued interest	Share%	12 Change in value	Exchange rate diff. in value%	Change diff. in value%	Cumulative cashflow	TWR profit%	13 Net IRR% Tot.ret%
Evli Private Debt Fund I limited partnership Business ID 3205949-6	PRDEBT Alternative fund	EUR FI											
Drawn capital 2			57 500,00	57 500,00	1,0472 30.06.2023	60 214,00	13,6	2 714,00		4,72		10,59	9,67 8,55
Remaining capital (drawn capital less returned capital)	3			55 991,82									
Remaining commitment	4		42 500,00										
Recallable capital	5		816,85										
Returned capital	6										1 508,18		
Profit distribution	7										914,46		
Compensation interest	8										-1 318,36		
Other cashflow	9												
Evli Private Debt Fund I limited partnership commitment Business ID 3205949-6	PRDEBT Alternative fund	EUR FI											
Commitment 1			100 000,00										

Portfolio content in My Evli

My Evli online service is the fastest and easiest way to get up-to-date information, transaction records and reports on your investments. It is possible to download both holdings and transactions to Excel from My Evli.

Assets / Holdings

The following information can be found in the section "Evli's illiquid alternative investment funds".

1. **Amount of the commitment** means the original investment commitment. Called capital does not reduce the amount of the commitment.
2. **Amount of the partnership share or profit participating loan** means the sum of the capital calls paid by the investor to the fund. Capital returns do not affect called capital. The called capital of a closed alternative investment fund is equal to the acquisition value. In contrast, the acquisition value of an open non-UCITS fund is reduced by the amount of capital returned because capital returns are carried out through redemption.
3. **Price** means the present value of the whole fund divided by the fund's Called capital.
4. **Market value** means the result of called capital and price. In other words, the value is the fair value of the called capital paid by the investor to the fund.
5. **Total Return % (Total Value to Paid-In)** means the return calculated on the called capital, including fair value and returns.

Positions		Summary	Transactions				
Money			Export to Excel				
Currency	Sum *						
EUR	15,000.00						
* Money amount includes all open, unsettled transactions							
Evli's illiquid alternative funds							
Fund ^	Amount	Acquisition price	Purchase value	Price	Market value	Total return %	Currency
Evli Growth Partners I limited partnership	92,000	1.0000	92,000.00	1.2104 30.06.2023	111,356.80	+21.04 %	EUR
Evli Growth Partners I limited partnership commitment	100,000	0.00	0.00	0.00	0.00	-	EUR

How to log in to My Evli online service

The My Evli online service can be found at www.evli.com. You can log in to the My Evli by using your Finnish bank ID, mobile authentication or My Evli codes. The My Evli codes can be asked from Evli Investor Service. If you are acting as a representative of another person, company or entity, you must have a valid authorization to log in.

Contact persons at Evli and our Investor Service will be happy to help in any questions. Our Investor Service is available at tel. +358 (0)9 4766 9701 (from 9.30 am to 4.30 pm on weekdays) or by email at info@evli.com.

Kind regards,

EVLI PLC