

STRATEGY

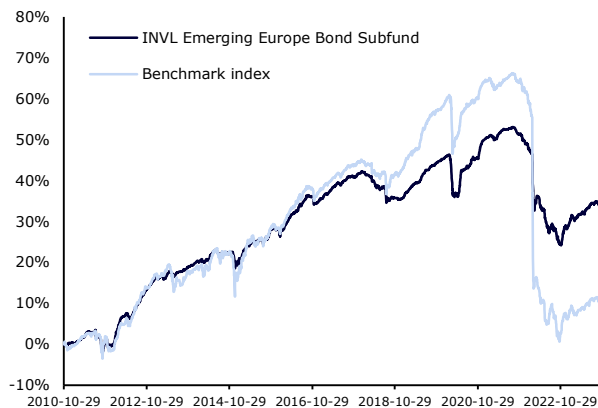
The objective of the subfund is to ensure balanced growth of the assets of the subfund by investing at least 85 percent of its net assets in the investment units of Class I of the fund INVL Emerging Europe Bond Fund (hereinafter – the Master Fund) of the umbrella investment fund INVL Fund intended for institutional investors established in the Grand Duchy of Luxembourg. This way, the subfund will operate as a feeder subfund. In its turn, the Master Fund invests up to 100 percent of its assets in government and corporate debt securities in Emerging Europe.

Recommended investment term – minimum 1 - 2 years.

FACTS

Management company	SB Asset Management
ISIN code	LTIF00000468
Inception date	2010-10-29
Minimum investment	EUR 0
AUM, EUR M	8.1
Strategy AUM, EUR M	231
Management fee	0.45%
Currency	EUR
Countries of distribution	Lithuania, Latvia, Denmark, Finland, Norway, Germany

For more information on the fund (prospectus, benchmark, results) please click on the link below:
<https://www.sb.lt/lt/privatiems/investavimas/investiciniai-fondai/invl-besivystancios-europos-obligaciju-subfondas>

RESULTS


	Fund	Benchmark ***
Return YTD	6.7%	7.1%
Return 1Y	7.2%	6.3%
Return 3Y	-7.9%	-30.3%
3 year annualized return	-2.7%	-11.3%
5 year annualized return	0.2%	-4.3%
Volatility (St. deviation)*	2.3%	5.5%
Duration	2.8	
YTM	6.7%	
Sharpe ratio**	1.0	0.2

FUND MANAGER COMMENT

In November, INVL Emerging Europe bond subfund unit's value jumped by 2.0%, slightly underperforming compared with the benchmark index which rose by 2.4% throughout the month. Year to date, the fund has generated a net return of 6.7% which is a very solid result for a portfolio which on average holds investment grade bonds and minimizes positions' sensitivity to interest rate fluctuations.

Last month was rather extraordinary during which US Treasuries recorded the strongest monthly performance since 1985 – it was a combination of encouraging macroeconomic indicators and guidance from policymakers. On one hand, falling inflation across developed countries (i.e. US printed 3.2% and 4.0% year-on-year headline and core inflation respectively) spurred hopes of reaching the sacred 2% level by the end of 2024 while signs of moderating economic growth became more evident. On the other hand, policymakers gave indications that at least for now peak interest rates have been reached both in Europe and the US. Moreover, the US Treasury revised its borrowing plans for the last quarter of 2023 which turned out to be 76 billion USD less than in its July forecasts – such news provided relief for market participants which were worried about debt security oversupply. Weakening US dollar also helped emerging market debt instruments, therefore, longer duration EM bonds benefited from a risk-on sentiment. Even though emerging central banks largely carry on with the cuts in interest rates (such as Brazil or Peru) and are ahead of major central banks in developed economies (ECB, FED, BOJ), there are some outliers like Turkey which hiked its rates from 35% to 40%.

Fund's main positive contributors over the last month were longer duration corporate bonds (such as Synthos, PKN Orlen, Pepco Group and LHV Group) which advanced faster as part of a broad risk-on mood in fixed income bond markets. Besides balancing trades, the fund tried to extend its portfolio duration by switching between bonds of same issuers (i.e. LHV Group, Bulgaria). Moreover, the fund has participated in two primary issues of bonds. One of them was EPH which is a leading central European energy group that owns assets in the CEE and Western Europe. Second one was Bank Pekao which is the second-largest Polish bank. The fund's duration was at around 2.8 years while YTM was maintained at an attractive level of 6.7% after hedge and portfolio continues to be exposed towards high-quality corporates.

*Standard deviation is used to measure risk. Standard deviation is an indicator that measures how strongly fund's daily return deviates from its mean. The lower the standard deviation the lower the fund's risk. The standard deviation value corresponds to the period shown in the historical returns graph.

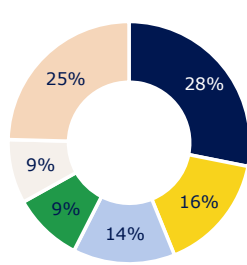
**Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.

***Benchmark index:

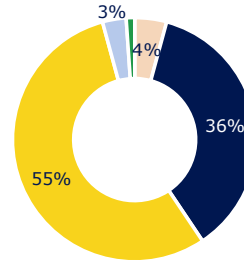
50% Bloomberg Pan Euro EM: Europe Total Return Index Unhedged EUR (I04339EU Index)

40% Bloomberg Pan-European High Yield (Euro) TR Index (I02501EU Index)

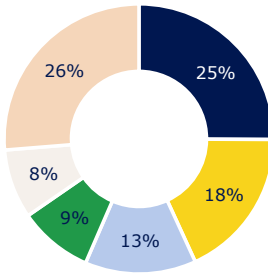
10% European Central Bank ESTR OIS Index (OISESTR Index)

BREAKDOWN OF INVESTMENTS

BY SECTOR

- Financials
- Real Estate
- Government
- Consumer Staples
- Utilities
- Other


BY DURATION

- < 1 year
- 1-3 years
- 3-5 years
- 5-7 years
- > 7 years


BY COUNTRY

- Poland
- Romania
- Lithuania
- Czech Republic
- Estonia
- Other

TOP 10 PORTFOLIO HOLDINGS

PEPGRP 2028s	Consumer Discretionary	5.7%
AKRPLS 2 7/8 06/02/26	Real Estate	5.7%
MSPSJ 4 1/4 05/19/26	Real Estate	4.0%
LITHUN 28	Government	4.0%
MACEDO 1 5/8 03/10/28	Government	4.0%
SNSPW 2 1/2 06/07/28	Materials	3.9%
MAXGPE 6 1/4 07/12/27	Consumer Staples	3.6%
LHVGRP 8 3/4 10/03/27	Financials	3.6%
EPEN 6.651 11/13/28	Utilities	3.6%
PKOBP 5 5/8 02/01/26	Financials	3.2%

The Fund does not invest and does not have exposure to Russian and Belarusian bonds

REASONS TO INVEST

- Combination of only hard currency (EUR or USD) sovereign and corporate debt ensures attractive yield, while limited credit and duration risk provides for low volatility.
- Fund maintains average investment grade credit rating. Lower government debt levels – Central and Eastern Europe 51%, Eurozone 93% (as of the end of Q3 2022).
- Active share of over 80% (creating value through off-benchmark picks, participation in primary issues, inefficiencies in the market).
- Historical Sharpe ratio exceeding 0.9 places the fund among the best Emerging Markets bond funds in the world by risk-adjusted returns.

COMPANY

SB Asset Management is the investment management company of Šiaulių bankas group. The team of experienced investment managers is one of the largest and most capable in the Baltic States and has been managing clients' assets since 2003. Investment managers make investment decisions on behalf of more than EUR 1.2 billion of clients assets.

Investment managers are guided by the principles of long-term investing and fundamental investment analysis while specializing in Central and Eastern European equity and bond markets. The team flexibly take advantage of investment opportunities that arise in the markets. The managers' expertise is proven by consistently high ratings in international fund rankings.

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Performance presented in the factsheet represents only fund's past performance results, which is no guarantee for future results. Investment return and principal value will fluctuate, so your investments may have a gain or loss. Current today's performance may be higher or lower than that quoted in the factsheet. The Management Company does not guarantee fund's performance results or ensure profit against loss. Please visit www.sb.lt for most recent month-end performance.

Before investing, please consider the funds' investment objectives, risks, and fees applied. To obtain more information about the fund, please visit www.sb.lt, where you can find fund's key facts, NAV's, Rules, Prospectus and KIID which contain this and other important information.

All funds presented in the factsheet has benchmark. Benchmark indexes and their composition is selected to more accurately reflect the fund's investment strategy, defined in fund Rules and Prospectus.

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Breakdown of top holdings and investment characteristics is based on a look-through approach using feeder fund's investment into master fund.