

STRATEGY	FACTS																		
<p>The objective of INVL Global Emerging Markets Bond Subfund is a maximum total return, consistent with preservation of invested capital. Focused on hard-currency sovereign and corporate debt securities in Emerging Markets, the fund aims to capture higher yields and growth potential in rapidly developing economies.</p> <p>The fund is restricted to buying EUR and USD denominated securities only, while at the same time hedging the USD risk, providing its investors the return in EUR.</p> <p>Recommended investment term – minimum 2 years.</p>	<table> <tr> <td>Management company</td> <td>INVL Asset Management</td> </tr> <tr> <td>ISIN code</td> <td>LTIF00000666</td> </tr> <tr> <td>Inception date</td> <td>2016-07-01</td> </tr> <tr> <td>Minimum investment</td> <td>EUR 0</td> </tr> <tr> <td>AUM, EUR M</td> <td>9.8</td> </tr> <tr> <td>Strategy AUM, EUR M</td> <td>290</td> </tr> <tr> <td>Management fee</td> <td>1.25%</td> </tr> <tr> <td>Currency</td> <td>EUR</td> </tr> <tr> <td>Countries of distribution</td> <td>Lithuania, Sweden, Finland, Norway</td> </tr> </table>	Management company	INVL Asset Management	ISIN code	LTIF00000666	Inception date	2016-07-01	Minimum investment	EUR 0	AUM, EUR M	9.8	Strategy AUM, EUR M	290	Management fee	1.25%	Currency	EUR	Countries of distribution	Lithuania, Sweden, Finland, Norway
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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-besivystanciu-pasaulio-rinku-obligaciju-subfondas>

RESULTS																														
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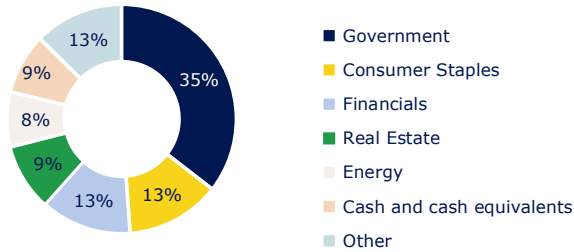
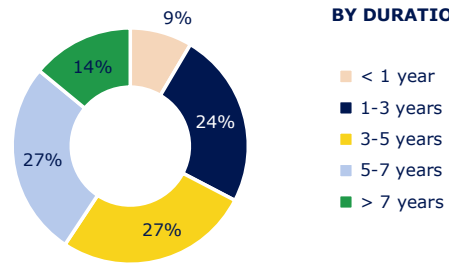
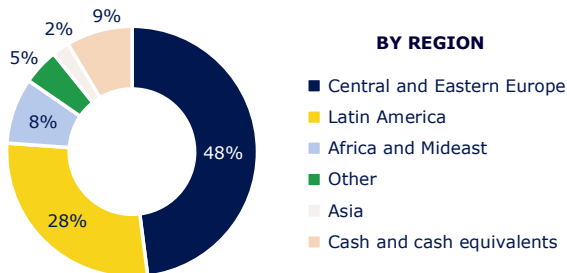
**FUND MANAGER COMMENT**

In January INVL Global Emerging Markets Bond subfund extended its rally of 2023, as it appreciated by 1.1% and outperformed the benchmark which returned -0.7%. We managed to do so with lower volatility as the portfolio is composed of fundamentally strong investments.

During the January's Federal Open Market Committee (FOMC) meeting it was decided to keep the federal funds rate unchanged at 5.25%-5.5%. Chairman Powell continued with the emphasis that rate cuts are expected this year, however, not in the immediate future (i.e., at March 2024 meeting). The key 10 year yield remained largely unchanged at 3.9% at the end of January. Similar situation was evident in Euro area. In Emerging Markets, The Central Bank of Turkey continued increasing its interest rate by the expected 250 basis points to 45% and signaled the end of its tightening cycle. As a result of its more conventional economic policy and a clearer plan to tame inflation, Moody's improved Turkey's outlook from stable to positive, while keeping the rating unchanged at B3. In Latin America several countries are continuing to experience heightened political instability. Ecuador, once a peaceful country, is facing a surge in gang crime and violence, as the newly elected President Daniel Noboa recently declared a state of "internal armed conflict" and designated tens of gangs as terrorist groups. The subfund does not have any direct exposure in Ecuador.

January was a quieter month in terms of trading, as the fund did not participate in any primary market issue. The Fund instead added to a current position Ecopetrol 2033 to lengthen the overall duration of the portfolio. We also took profit in two positions - Teva Pharmaceuticals 2029 and Food Service Project (Alsea) 2027. Yield of both bonds contracted significantly, especially at the end of 2023, from the time of acquisition, as both bonds outperformed the benchmark index. Furthermore, the main contributors to the Fund's performance were Aragvi 2026 (positive market repricing, as the bond was previously sold-off on geographical risk), Coruripe 2027 (good operating results) and Globalworth 2026 (bond was previously sold off together with the wider real estate sector, now investors see the sector as somewhat less risky than before). The Fund maintains a lower sensitivity to changes in interest rates than the benchmark, as its duration is 3.5, in comparison to 6.3, while keeping a more attractive expected return portfolio – subfund's weighted YTW stands at 6.1%, while the index's is 5.7%.

\*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.  
 \*\*Sortino ratio is used to measure the risk-adjusted return of the portfolio. It is a modification of the Sharpe ratio but penalizes only those returns falling below required rate of return. Sortino ratio is obtained from Bloomberg which measures the ratio over a 3-year period at a daily granularity.  
 \*\*\*Benchmark index:  
 100% Bloomberg EM USD Aggregate Total Return Index Value Hedged EUR (H00014EU Index)

**BREAKDOWN OF INVESTMENTS**
**BY SECTOR**

**BY DURATION**

**BY REGION**

**TOP 10 PORTFOLIO HOLDINGS**

AKRPLS 2 7/8 06/02/26	Real Estate	5.4%
SNPSPW 2 1/2 06/07/28	Materials	4.6%
MBKPW 8 3/8 09/11/27	Financials	4.4%
ROMANI 3.624 05/26/30	Government	4.2%
GWILN 2.95 07/29/26	Real Estate	4.1%
ARAGVI 8.45 04/29/26	Consumer Staples	3.8%
PEPGRP 7 1/4 07/01/28	Consumer Discretionary	3.8%
PEMEX 6.7 02/16/32	Energy	3.5%
IVYCST 5 7/8 10/17/31	Government	3.3%
iShares J.P. Morgan USD EM Bond UCITS ETF	Government	3.3%

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

**REASONS TO INVEST**

- Historically, Emerging market economies have been growing almost twice as fast as Developed markets.
- Government debt levels in emerging markets are twice as low as in developed countries.
- High active share investing into up to 25 most attractive investments by identified market mispricings, EUR and USD issues arbitrage and off-benchmark opportunities while avoiding certain issuers.
- Relatively low volatility due to investments in shorter-duration corporate bonds and less indebted as well as better rated government and off-benchmark picks.
- Combination of only hard currency (USD risk hedged to EUR) sovereign and corporate debt ensures attractive yield, while limited credit and duration risk provides for low volatility.

**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](http://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](http://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.

All information and review of funds' past performance results cannot be considered as personal recommendation to invest in investment funds, managed by SB Asset Management. Any information presented herein cannot be part or included in any transaction or agreement whatsoever. While this review was prepared and concluded based on the content of reliable sources, SB Asset Management is not responsible for any inaccuracies or changes in such information, including losses that may occur when investments are made based on information presented herein.