

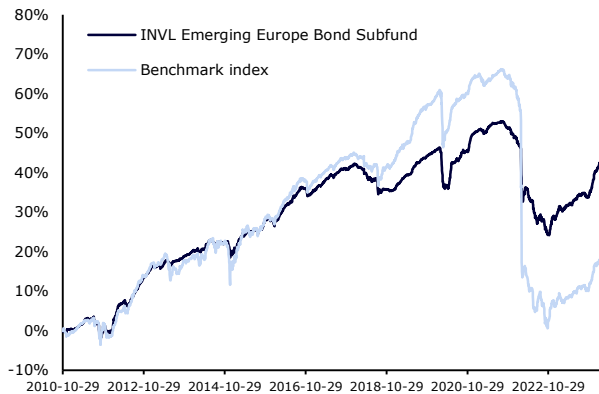
**STRATEGY**

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	8.2
Strategy AUM, EUR M	251
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**


	<b>Fund</b>	<b>Benchmark</b>
		<b>***</b>
Return YTD	1.9%	0.9%
Return 1Y	9.7%	10.0%
Return 3Y	-5.2%	-28.0%
3 year annualized return	-1.8%	-10.4%
5 year annualized return	0.8%	-4.2%
Volatility (St. deviation)*	2.3%	5.5%
Duration	2.7	
YTM	5.9%	
Sharpe ratio**	1.2	0.2

**FUND MANAGER COMMENT**

February was the 5th positive month in a row for INVL Emerging Europe Bond subfund which returned 0.6% and outperformed the benchmark by 0.5% as a result of having quality issuers in its portfolio.

Committees of both main central banks (FED and ECB) maintained the rhetoric of not wanting to start cutting interest rates too quickly, as inflation is still above medium term targets in both the US and Eurozone area. As a result, risk free rates ended the month higher – US 10 year yield stands at 4.2% (up from 3.9%) and German 10-year currently offers 2.4% (2.2% last month). Despite this, higher risk corporate bonds performed well as credit spreads contracted, influenced by strong macroeconomic data and the ongoing soft-landing narrative. Sovereigns in Central and Eastern Europe were especially active in raising funds during the month – Romania (4 bn. EUR issued), Slovakia (3 bn. EUR issued) and Lithuania (1.5 bn. issued) all tapped the primary market.

There were two new positions that the fund added in February. First of all, the fund invested in Lithuanian utilities company Ignitis Group 2030 bonds. The company is largely owned by the A rated Lithuanian government, has a large share of revenues from stable and regulated activities, has a dominant market share and offers an attractive 4.3% yield for an investment grade issue. Secondly, the fund invested in NEPI Rockcastle 2030 bonds (bought at 5% yield), as the company operates a large, diversified ~7 bn. EUR real estate portfolio, is conservatively leveraged and has a strong cash flow generation profile. In terms of position performance, Moldavian Trans-Oil contributed the most to the positive fund performance. The bond currently yields 20+% (in USD) as the group is near a conflict zone, however, it displayed solid operational results, continues to diversify operations geographically and recently got an improved rating from Fitch (from B to B+). Overall, the fund maintains lower interest rate sensitivity than the benchmark while having a similar yield to maturity (currently 5.9%).

\*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.

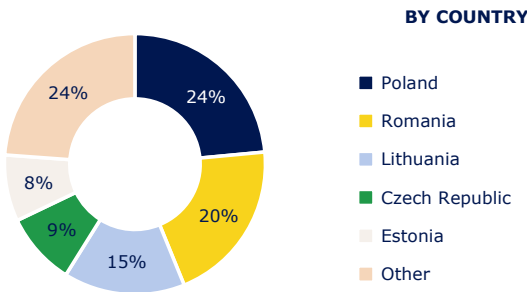
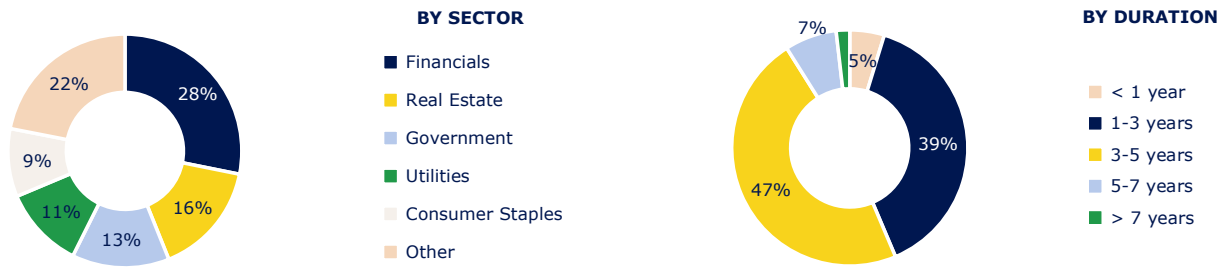
\*\*Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.

\*\*\*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**

**TOP 10 PORTFOLIO HOLDINGS**

AKRPLS 2 7/8 06/02/26	Real Estate	5.4%
PEPGRP 2028s	Consumer Discretionary	5.2%
GWILN 26s	Real Estate	4.3%
EPEN 6.651 11/13/28	Utilities	4.1%
SNSPW 2 1/2 06/07/28	Materials	4.1%
TVLRO 8 7/8 04/27/27	Financials	3.8%
MACEDO 1 5/8 03/10/28	Government	3.7%
LITHUN 28	Government	3.7%
ARAGVI 8.45 04/29/26	Consumer Staples	3.5%
LHVGRP 8 3/4 10/03/27	Financials	3.4%

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 53%, Eurozone 90% (as of the end of Q3 2023).
- 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 Europe 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](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.

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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.