

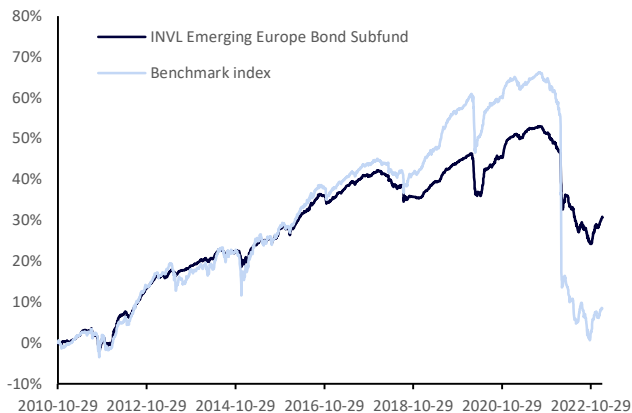
STRATEGY

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 subfund INVL Emerging Europe Bond Fund (hereinafter – the Master Subfund) 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 Subfund 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	INVL Asset Management
ISIN code	LTIF00000468
Inception date	2010-10-29
Minimum investment	EUR 0
AUM, EUR M	7,4
Strategy AUM, EUR M	325
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.invl.com/en/investment/mutual-funds/invl-emerging-europe-bond-subfund/fund-information/>

RESULTS


	Fund	Benchmark ***
Return YTD	1,7%	2,2%
Return 1Y	-11,3%	-31,6%
Return 3Y	-10,5%	-32,3%
3 year annualized return	-3,6%	-12,2%
5 year annualized return	-1,7%	-5,6%
Volatility (St. deviation)*	2,4%	5,6%
Duration	2,7	
YTM	6,5%	
Sharpe ratio**	0,9	0,1

FUND MANAGER COMMENT

In January, INVL Emerging Europe bond subfund extended the rally and printed a monthly increase in value of 1.7% but slightly underperformed against the benchmark which led the advance rising by 2.2%.

What kept markets confident is that the inflation rate continued its decline both in Europe and the US. Moreover, although both FED and ECB hiked their rates by 0.25% and 0.5% respectively, and indicated that further hikes are in sight, there were encouraging messages sent by the FED governor that disinflationary process has begun. Therefore, prospect of less restrictive monetary policy and cooling economy boosted demand for bonds and caused yields to fall, particularly for longer duration bonds. Although longer duration sovereign bond component provided support for the benchmark, main outperformance came from the corporate high-yield index which benefitted from contracting spreads. The fund, on the other hand, maintained its focus on high-quality shorter duration corporate bonds.

As bond investors were hungry for risk after the last year's turmoil and there was a scarcity of bond supply, both sovereigns and corporates used the situation to their favor – bond were issued at favorable terms and spreads kept contracting while it was hard to receive allocations. On the CEE sovereign space – countries like Romania, Bulgaria and Serbia came to the primary market. For example, Romania covered a third of its annual financing needs in January alone, giving more freedom for the government to choose more attractive timing for further bond issues. Fund's top contributing positions last month were EUR-denominated corporate bonds – among them were MAS Real Estate, GTC Aurora (both heavily sold-off in prior quarters as real estate sector struggled to attract attention) and Cetin. Besides several balancing trades, over January fund also participated in a few primary bond placements of national blue chip financial institutions - Luminor Group (one of the largest universal banks in the Baltics) and PKO Bank Polski (largest Polish bank which holds A3 rating). The fund continues to keep somewhat lower duration at around 2.8 years while maintaining YTM after hedge at 6.7% and positioning itself by being 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.*

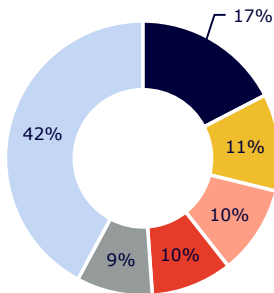
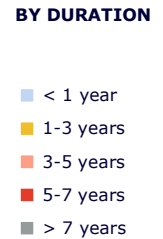
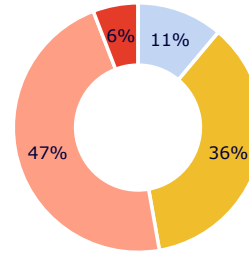
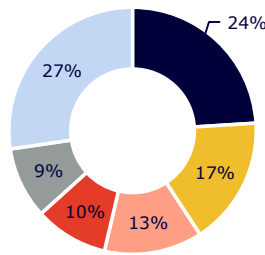
***Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.*

****Benchmark index:*

50% JP Morgan Euro Emerging Markets Bond Index (EMBI) Global Diversified Europe (JPEFEUR 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	6,1%
MAXGPE 6 1/4 07/12/27	Consumer Staples	4,4%
MSPSJ 4 1/4 05/19/26	Real Estate	4,3%
NOVALJ 25	Financials	4,1%
SNSPW 2 1/2 06/07/28	Materials	3,7%
GTCAPW 26s	Real Estate	3,6%
PKNPW 1 1/8 05/27/28	Energy	3,4%
TURKTI 6 7/8 02/28/25	Telecommunication Services	3,4%
ULKER 6.95 10/30/25	Consumer Staples	3,3%
ROMANI 2 3/4 02/26/26	Government	3,3%

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 96% (as of the end of Q1 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

INVL investment management and life insurance group is a boutique asset management and life insurance company that offers a range of CEE-focused investment products since 2004. Team of ten portfolio managers, based in Vilnius, Lithuania (headquarters) and Riga, Latvia, use primarily fundamental value, bottom up approach and manage over 1.7 billion EUR in assets. Being nimble and highly competitive, INVL funds consistently rank high in international rankings. We adhere to the UN Principles for Responsible Investment (PRI) and are supervised by the Central bank of Lithuania.

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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.invl.com 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.invl.com, 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.