

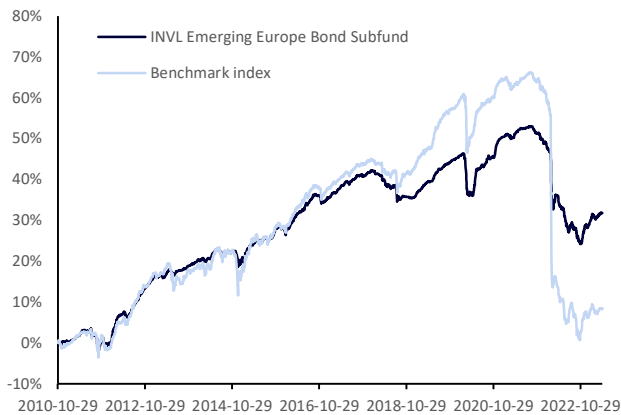
STRATEGY

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	7,5
Strategy AUM, EUR M	334
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	2,6%	2,3%
Return 1Y	-2,1%	-3,2%
Return 3Y	-3,6%	-28,0%
3 year annualized return	-1,2%	-10,4%
5 year annualized return	-1,2%	-5,3%
Volatility (St. deviation)*	2,4%	5,6%
Duration	2,7	
YTM	7,2%	
Sharpe ratio**	0,9	0,1

FUND MANAGER COMMENT

In April, INVL Emerging Europe bond subfund unit's value increased by 0.5% and slightly outperformed the benchmark index which printed a 0.4% gain. Year-to-date the fund generated 0.4% relative outperformance against the benchmark (2.6% compared to 2.2%) but managed to do that with lower volatility.

On both ends of the curve yields have moved minimally over the month. Central bankers both in Europe and the US continue to signal that their fight against inflation is not over yet, so higher interest rates may have to stay in restrictive territory for longer. Nevertheless, markets are expecting rather sharp interest cuts towards the second half of 2023 already (especially in the US), so with less confidence in crisis management capabilities of the central banks seen at the outset of covid, there is still a dislocation between what the central bankers are saying and what the market thinks. Although headline inflation numbers for March were favorable in the US, core inflation proved to be stickier once again with prices climbing 0.4% month-on-month and not dissipating as quickly as wanted.

Both sovereign and corporate bond spreads were rather stable over April as there were no decisions by the FED or ECB. CEE economies were one step ahead in the cycle and seem to have already reached peak interest rate levels – Romania, Poland, Hungary have all kept their policy rates untouched (at 7%, 6.75% and 12.5% respectively). Fund's main positive contributors over the last month were Kernel Holding, PKO Bank, Romania government and PKN Orlen. Nearly all the bond issues experienced a positive monthly return. Over the month, the fund fully sold its holdings in Arcelik and has opened 2 new investment positions - Teva Pharmaceuticals (one of globally leading generic medicine producers at higher than 7% YTM in EUR) and Banca Transilvania bonds (largest commercial bank in Romania issued the bond at close to 9% YTM in EUR). The fund continues to keep somewhat lower duration at around 2.8 years while maintaining YTM after hedge at 7.4% 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.*

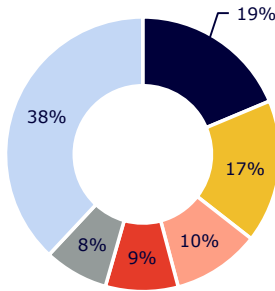
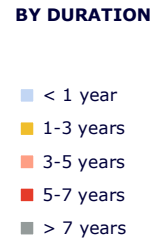
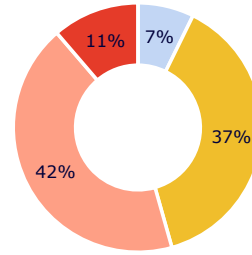
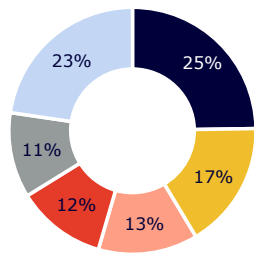
***Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.*

****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	5,9%
MAXGPE 6 1/4 07/12/27	Consumer Staples	4,4%
MSPSJ 4 1/4 05/19/26	Real Estate	4,4%
SNSPW 2 1/2 06/07/28	Materials	4,1%
NOVALJ 25	Financials	4,1%
GTCAPW 26s	Real Estate	3,7%
MACEDO 1 5/8 03/10/28	Government	3,6%
PKNPW 1 1/8 05/27/28	Energy	3,4%
PKOBP 5 5/8 02/01/26	Financials	3,4%
ULKER 6.95 10/30/25	Consumer Staples	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

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.

CONTACT

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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.