

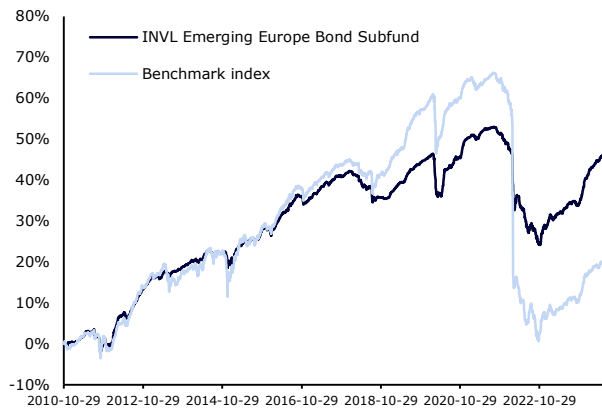
STRATEGY

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	8.3
Strategy AUM, EUR M	260
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/en/private/investing/investment-funds/invl-emerging-europe-bond-subfund>

RESULTS


	Fund	Benchmark ***
Return YTD	4.3%	2.6%
Return 1Y	9.9%	9.1%
Return 3Y	-3.9%	-27.1%
3 year annualized return	-1.3%	-10.0%
5 year annualized return	0.7%	-4.6%
Volatility (St. deviation)*	2.3%	5.4%
Duration	3.0	
YTM	5.9%	
Sharpe ratio**	1.2	0.2

FUND MANAGER COMMENT

June was another positive month for INVL Emerging Europe Bond subfund as it returned 0.4%, while benchmark appreciated by 0.2%. Looking at the return for the first half of the year, the return for the fund stands at 4.3%, outperforming the benchmark by 1.7% as a result of having quality issuers in its portfolio.

The European Central Bank delivered its first rate cut in five years, reducing the reference rate by the expected 25 basis points. Despite this, government bonds in several Western European countries faced downward pressure following the European Parliament elections, which saw a rise in the popularity of radical parties. However, this negative sentiment was contained and did not lead to wider market weakness, affecting only a few countries, most notably France. US on the other hand is staying on course with rate cuts planned only towards the end of the year. In Central and Eastern Europe S&P lowered the ratings of 3 Baltic counties (Lithuania and Latvia from A+ to A, Estonia from AA- to A+), citing increased geopolitical risks and higher defense spending, noting that they do not expect the war in Ukraine to spread to NATO countries. Nevertheless, Lithuania successfully issued a 1 billion EUR size 7-year bond, which was oversubscribed 3 times.

Primary market was again very active during the month, as many issuers returned to the market to refinance shortly maturing bonds. The fund participated in three new issues – Czech energy conglomerate CEZ Group 2032 issue, Polish bank PKO Bank 2029 issue and leading Czech bank Ceska Sportelna 2031 issue. All these bonds were issued at above 4.25% yield, which is attractive given that issuers hold strong investment grade rating. From high yield universe, the fund bought Latvian airline operator AirBaltic 2029 secured bonds at 12.3%. Even though the issuer is B+/B rated, Latvian state is the majority shareholder (97.97%) with track record of support for the company due to its large scale and direct/indirect importance for the economy. Overall, the fund maintains lower interest rate sensitivity than the benchmark (3.0 and 4.5 duration respectively) while having a comparable yield to maturity (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.

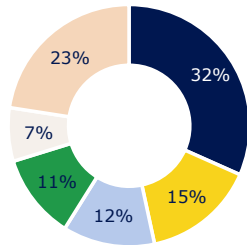
**Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.

***Benchmark index:

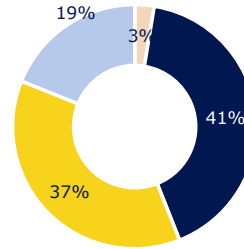
50% Bloomberg Pan Euro EM: Europe Total Return Index Unhedged EUR (I04339EU Index)

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

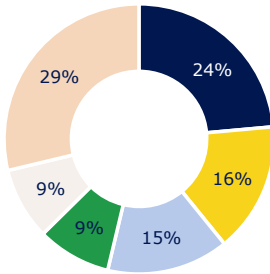
10% European Central Bank ESTR OIS Index (OISESTR Index)

BREAKDOWN OF INVESTMENTS

BY SECTOR

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

AKRPLS 2 7/8 06/02/26	Real Estate	5.2%
PEPGRP 2028s	Consumer Discretionary	5.2%
MACEDO 1 5/8 03/10/28	Government	4.1%
EPEN 6.651 11/13/28	Utilities	4.1%
SNSPW 2 1/2 06/07/28	Materials	4.0%
GWILN 6 1/4 03/31/30	Real Estate	3.9%
ARAGVI 8.45 04/29/26	Consumer Staples	3.7%
LITHUN 28	Government	3.5%
TVLRO 8 7/8 04/27/27	Financials	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 1.2 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 1.3 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.

CONTACT
SB Asset Management

Gyneju 14, 01109 Vilnius, Lithuania

+370 37 301 337

info@sb.lt

http://www.sb.lt

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.

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.

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