

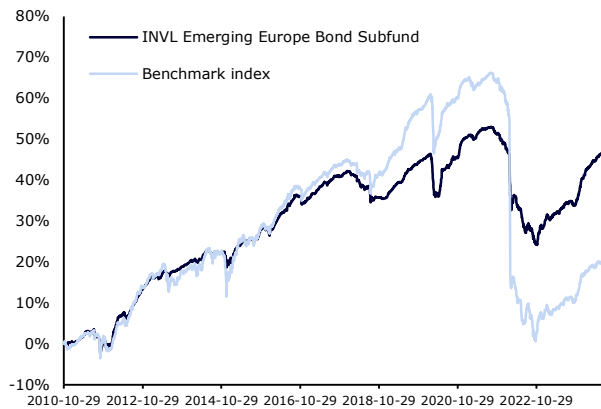
STRATEGY

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 | 264 |
| 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


| | Fund | Benchmark *** |
|-----------------------------|-------------|--------------------------|
| Return YTD | 5.5% | 3.9% |
| Return 1Y | 10.3% | 9.3% |
| Return 3Y | -2.9% | -26.5% |
| 3 year annualized return | -1.0% | -9.7% |
| 5 year annualized return | 0.8% | -4.6% |
| Volatility (St. deviation)* | 2.3% | 5.4% |
| Duration | 3.0 | |
| YTM | 5.6% | |
| Sharpe ratio** | 1.3 | 0.3 |

FUND MANAGER COMMENT

July was a positive month for INVL Emerging Europe Bond subfund as it returned 1.2%, slightly underperforming the benchmark index which appreciated by 1.3%. However, looking at year to date results, the fund has outperformed its benchmark by more than 1.5%, as a result of having quality issuers in its portfolio.

Normalising inflation rate (3.0% reading in July vs 3.1% consensus) and weaker employment data has led FED officials to comment on a real possibility to cut interest rates as early as September. Consequently, US 10-year government yield contracted more than 40 bps, as the market is now (as of July 31st) pricing in 3 rate cuts until the end of the year. European markets experienced a similar trend in interest rate expectations, though to a lesser extent. In Central and Eastern Europe, Ukraine has agreed on a restructuring scheme with a committee of international bondholders, which will see a 37% nominal value write off from the current bond debt, while also restructuring the interest payment structure. In Turkey, Moody's raised the sovereign's credit rating to B1 (now rated B+ by all rating agencies) citing return to orthodox monetary policy.

Moldavian high-yield name Trans-Oil continued to be the largest contributor to the fund's positive performance. While there were no company-specific news, investors are increasingly confident in the likelihood of successful refinancing of the issue, as the company maintains a strong financial position and has experienced minimal negative impact from the conflict in Ukraine. In terms of trading, the fund continued to add longer-duration issues to capture the upside from the declining interest rate environment. Additionally, we increased the fund's position in AirBaltic 2029 bonds at a 13% yield to maturity. Overall, the fund maintains lower interest rate sensitivity than the benchmark (3.0 and 4.5 duration respectively) while having higher yield to maturity (5.6% vs 5.5% respectively).

**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.*

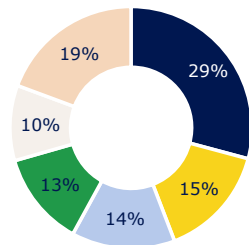
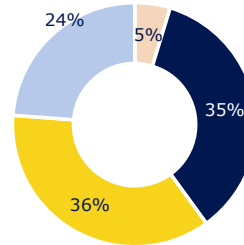
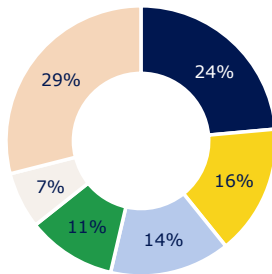
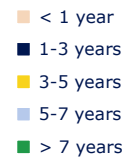
***Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.*

****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

BY DURATION

BY COUNTRY

TOP 10 PORTFOLIO HOLDINGS

| | | |
|-----------------------|------------------------|------|
| AKRPLS 2 7/8 06/02/26 | Real Estate | 5.2% |
| PEPGRP 2028s | Consumer Discretionary | 5.0% |
| EPEN 6.651 11/13/28 | Utilities | 4.2% |
| MACEDO 1 5/8 03/10/28 | Government | 4.1% |
| SNSPW 2 1/2 06/07/28 | Materials | 4.0% |
| ARAGVI 8.45 04/29/26 | Consumer Staples | 3.9% |
| GWILN 6 1/4 03/31/30 | Real Estate | 3.9% |
| TVLRO 8 7/8 04/27/27 | Financials | 3.5% |
| LITHUN 28 | Government | 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 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.

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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 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.