

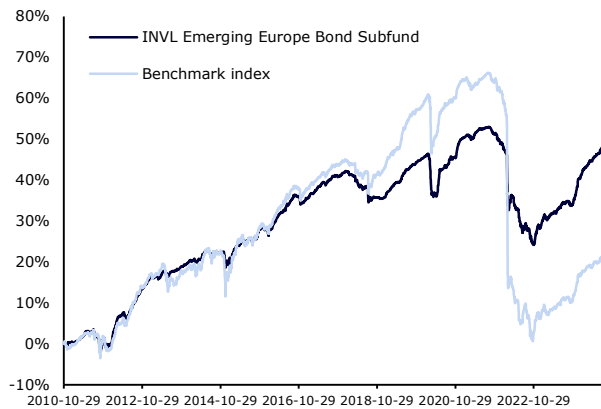
**STRATEGY**

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	269
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>
Return YTD	6.1%	4.8%
Return 1Y	10.7%	10.3%
Return 3Y	-2.5%	-26.1%
3 year annualized return	-0.8%	-9.6%
5 year annualized return	0.8%	-4.6%
Volatility (St. deviation)*	2.3%	5.4%
Duration	3.0	
YTM	5.4%	
Sharpe ratio**	1.3	0.3

**FUND MANAGER COMMENT**

August was a positive month for INVL Emerging Europe Bond subfund as it returned 0.6%, slightly underperforming the benchmark index which appreciated by 0.9%. However, looking at year to date results, the fund has outperformed its benchmark by more than 1.3% (post fees), as a result of having quality issuers in its portfolio.

Weak employment data and concerns of a slowing US economy have continued to weigh on yield expectations as market priced in even more rate cuts until the end of the year. 4 rate cuts are now priced in during the remaining three FED meetings of the year, meaning that one of the rate cuts is expected to even be 50 basis points, instead of the regular 0.25 bps. Expectations of rate cuts in Europe did not change much throughout the month, as inflation has been close to target levels for some time. While primary market was very muted during much of August, the last week of the month started seeing activity as Bulgaria raised a total of ~4.3 bln. EUR with three separate issues (3 bln. EUR denominated and 1.5 USD denominated), finalizing its financing needs for the year. From relevant corporate issuers, Czech utilities group CEZ Group successfully issued a 7Y 700 mln. EUR bond and Lithuanian Šiaulių Bankas issued a 300 mln. EUR bond. All of the new issues were heavily oversubscribed (up to 5x), showing the high market's demand after a relatively quiet holiday period.

Apart from portfolio balancing trades, the fund participated in the primary issue of Bulgaria's 8Y bond at an attractive 3.82% yield. High yield name AirBaltic was the top performer over the month as there are ongoing talks of an IPO, which would help the company's leverage situation. Overall, the fund maintains lower interest rate sensitivity than the benchmark (3.0 and 4.5 duration respectively) while having higher yield to maturity (5.4% vs 5.3% 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.*

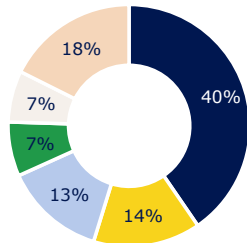
*\*\*Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.*

*\*\*\*Benchmark index (since 30 November 2023):*

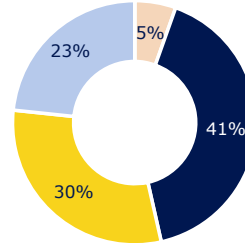
*50% Bloomberg Pan Euro EM: Europe Total Return Index Unhedged EUR (I04339EU Index)*

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

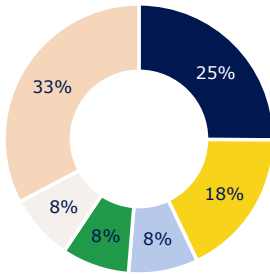
*10% European Central Bank ESTR OIS Index (OISESTR Index)*

**BREAKDOWN OF INVESTMENTS**

**BY SECTOR**

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


**BY DURATION**

- < 1 year
- 1-3 years
- 3-5 years
- 5-7 years
- > 7 years


**BY COUNTRY**

- Poland
- Romania
- Lithuania
- Bulgaria
- Estonia
- Other

**TOP 10 PORTFOLIO HOLDINGS**

AKRPLS 2 7/8 06/02/26	Real Estate	5.1%
SNSPW 2 1/2 06/07/28	Materials	4.8%
BULENR 2.45 07/22/28	Utilities	4.1%
PEOPW 5 1/2 11/23/27	Financials	4.0%
LHVGRP 5 3/8 05/24/28	Financials	3.9%
NEPSJ 2 01/20/30	Real Estate	3.8%
ARAGVI 8.45 04/29/26	Consumer Staples	3.7%
TVLRO 8 7/8 04/27/27	Financials	3.4%
MACEDO 1 5/8 03/10/28	Government	3.3%
MBKPW 27s	Financials	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 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 1.5 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.

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.