

STRATEGY

The objective of INVL Global Emerging Markets Bond Subfund is a maximum total return, consistent with preservation of invested capital. Focused on hard-currency sovereign and corporate debt securities in Emerging Markets, the fund aims to capture higher yields and growth potential in rapidly developing economies.

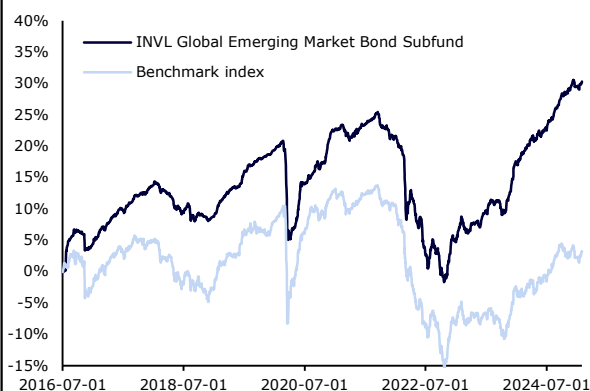
The fund is restricted to buying EUR and USD denominated securities only, while at the same time hedging the USD risk, providing its investors the return in EUR.

Recommended investment term – minimum 2 years.

FACTS

Management company	SB Asset Management
ISIN code	LTIF00000666
Inception date	2016-07-01
Minimum investment	EUR 0
AUM, EUR M	11.9
Strategy AUM, EUR M	337
Management fee	1.25%
Currency	EUR
Countries of distribution	Lithuania, Sweden, Finland, Norway

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-global-emerging-markets-bond-subfund>

RESULTS


	Fund	Benchmark ***
Return YTD	0.6%	0.9%
Return 1Y	9.6%	6.5%
Return 3Y	8.9%	-4.3%
3 year annualised return	2.9%	-1.5%
Return since inception	30.3%	3.2%
Volatility (St. deviation)*	3.3%	5.4%
Duration	4.1	6.2
YTM	6.1%	4.6%
Sortino ratio**	0.1	-1.0

FUND MANAGER COMMENT

After two consecutive years of double-digit returns and consistent outperformance of the benchmark, January was a slightly positive month with 0.6% return. The benchmark index was on a much more volatile trajectory but in the end appreciated by 0.9%.

News headlines were dominated by the newly inaugurated US president Donald Trump. These topics spanned from hotly debated tariffs to immigration. Despite this, government yields remained relatively stable during the month and FED held key rates unchanged as inflation seems to have picked back up in the past few months. In Europe, on the other hand, the Central Bank cut interest rates once again, as the Eurozone economy stagnated in 2024 Q4. In Central Eastern Europe, S&P followed suit to Fitch and changed Romania's outlook to negative. However, a rating downgrade below investment grade is unlikely as the economy continues to expand and there is commitment to budget consolidation (2025 budget foresees 7% deficit; 8.6% in 2024). Spreads of Emerging Markets relative to US treasuries reached multi-year lows despite the strong dollar and threat of tariffs. Many of the Latin American countries were forced to respond to threats of possible tariffs and other measures from US.

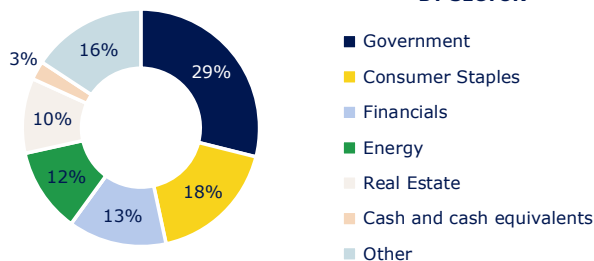
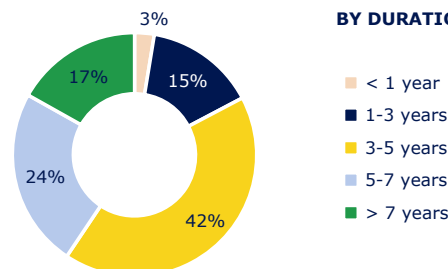
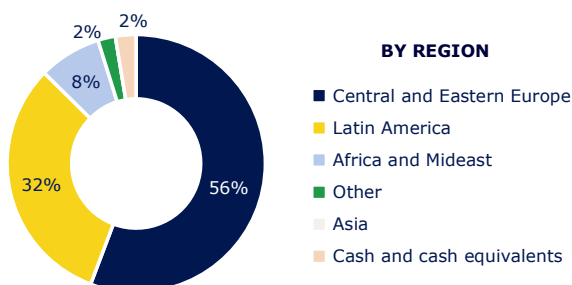
During the month we participated in the tender offer for Coruripe 2027 bonds. Since initial acquisition in 2023, the position has earned a remarkable 79% total return in USD vs benchmark's +11.1%. Longer duration emerging market issues benefited from contracting spreads as Panama 35s, Ecopetrol 33s and Ivory Coast 31s were among the largest contributors. Moreover, our active participation in the local market provided positive results, as BluOr 2035 issue repriced sharply higher during the month. Overall, the fund maintains lower interest rate sensitivity than the benchmark (4.1 and 6.2 duration respectively), while providing more attractive yield metrics (6.1% for the fund vs 4.6% for the benchmark).

*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.

**Sortino ratio is used to measure the risk-adjusted return of the portfolio. It is a modification of the Sharpe ratio but penalizes only those returns falling below required rate of return. Sortino ratio is obtained from Bloomberg which measures the ratio over a 3-year period at a daily granularity.

***Benchmark index:

100% Bloomberg EM USD Aggregate Total Return Index Value Hedged EUR (H00014EU Index)

BREAKDOWN OF INVESTMENTS
BY SECTOR

BY DURATION

BY REGION

TOP 10 PORTFOLIO HOLDINGS

ROMANI 5 5/8 02/22/36	Government	4.2%
SNSPW 2 1/2 06/07/28	Materials	4.0%
ARAGVI 11 1/8 11/20/29	Consumer Staples	3.9%
GWILN 6 1/4 03/31/30	Real Estate	3.8%
ECOPET 8 7/8 01/13/33	Energy	3.8%
COLOM 7 1/2 02/02/34	Government	3.5%
ULKER 7 7/8 07/08/31	Consumer Staples	3.5%
PEPGRP 7 1/4 07/01/28	Consumer Discretionary	3.5%
MLGPW 6 1/8 10/15/29	Real Estate	3.3%
PEMEX 6.7 02/16/32	Energy	3.3%

The Fund does not have exposure to Russian and Belarusian bonds

REASONS TO INVEST

- Historically, Emerging market economies have been growing almost twice as fast as Developed markets.
- Government debt levels in emerging markets are twice as low as in developed countries.
- High active share investing into up to 25 most attractive investments by identified market mispricings, EUR and USD issues arbitrage and off-benchmark opportunities while avoiding certain issuers.
- Relatively low volatility due to investments in shorter-duration corporate bonds and less indebted as well as better rated government and off-benchmark picks.
- Combination of only hard currency (USD risk hedged to EUR) sovereign and corporate debt ensures attractive yield, while limited credit and duration risk provides for low volatility.

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.

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.