

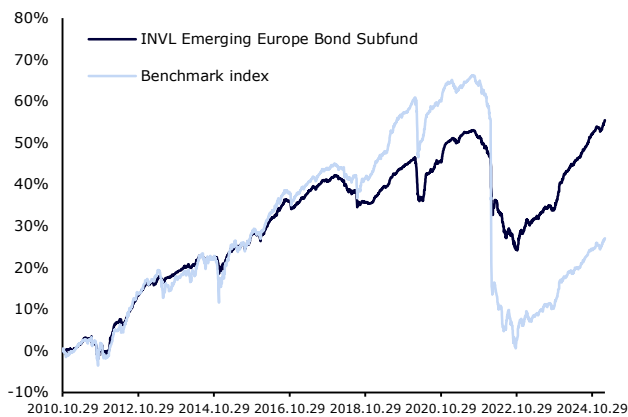
STRATEGY

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	6.9
Strategy AUM, EUR M	296
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	1.2%	1.3%
Return 1Y	8.5%	7.6%
Return 3Y	12.1%	5.0%
3 year annualized return	3.9%	1.6%
5 year annualized return	1.4%	-4.4%
Volatility (St. deviation)*	2.3%	5.3%
Duration	3.3	
YTM	4.3%	
Sharpe ratio**	1.4	0.3

FUND MANAGER COMMENT

After a flattish January, February was very positive for the fund as it appreciated by 1.3% and outperformed the benchmark index, which returned 1.0%.

Despite continued fiery rhetoric from U.S. President Donald Trump, government yields did not rise. Instead, growing recession fears pushed yields lower, which declined from 4.5% to 4.2% over the month. Yields in Europe remained relatively stable, with no major moves. Corporate spreads in Europe are still contracting and are near the lowest point since 2019 signaling that corporates are still performing well and leverage is at sustainable levels. Hopes of a conflict resolution in Ukraine were boosted by initial US-led negotiations, although it is still largely unclear whether such settlement, and to what capacity, will be achieved in the near future. In Central Eastern Europe, many countries (including Poland, Czech Republic, Turkey and the Baltics) reported relatively strong GDP growth figures.

Trans-Oil 2029 bonds were the best performers (1 month total return of 7% in USD) during the month, as they enjoyed a rally with hopes of a conflict resolution in Ukraine. High yield name Globe Trade Centre was also among top contributors as it finalized property disposals. The bonds still trade significantly below par, even though the maturity is in just over a year. In terms of trading activity, we switched Romania 2030 bonds to 2033 bonds (sold at 5.0% yield, bought at 5.8%), capturing the steepness of the curve. Overall, the fund maintains lower interest rate sensitivity than the benchmark (3.3 and 4.3 duration respectively), while providing comparable yield to maturity and weighted average investment grade rating.

**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.*

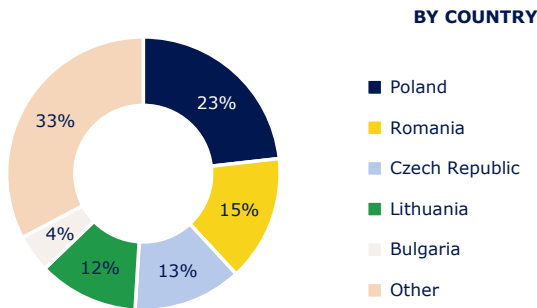
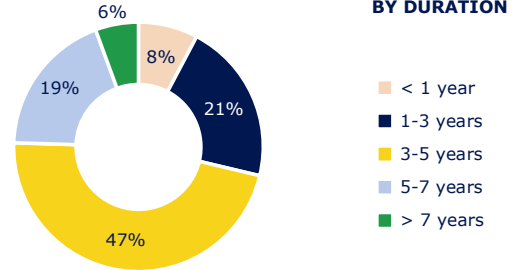
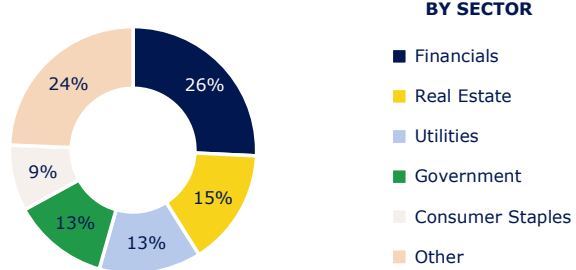
***Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.*

****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

TOP 10 PORTFOLIO HOLDINGS

PEPGRP 2028s	Consumer Discretionary	4.2%
CEZCP 32s	Utilities	4.1%
AKRPLS 2 7/8 06/02/26	Real Estate	3.8%
TVLRO 30s	Financials	3.8%
MACEDO 1 5/8 03/10/28	Government	3.7%
EPEN 6.651 11/13/28	Utilities	3.6%
LHVGRP 8 3/4 10/03/27	Financials	3.5%
GWILN 6 1/4 03/31/30	Real Estate	3.4%
ULKER 31s	Consumer Staples	3.1%
BGOSK 32s	Financials	3.1%

The Fund 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 52%, Eurozone 88% (as of the end of Q2 2024).
- 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 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.

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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.