

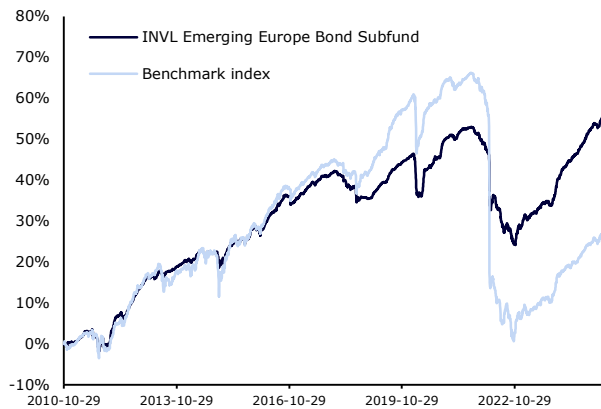
**STRATEGY**

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	291
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**


	<b>Fund</b>	<b>Benchmark ***</b>
Return YTD	0.4%	0.2%
Return 1Y	6.8%	5.4%
Return 3Y	13.6%	8.5%
3 year annualized return	4.3%	2.8%
5 year annualized return	2.4%	-3.3%
Volatility (St. deviation)*	2.3%	5.3%
Duration	3.3	
YTM	4.6%	
Sharpe ratio**	1.3	0.3

**FUND MANAGER COMMENT**

European bond market experienced a slightly negative month, thus INVL Emerging Europe Bond subfund returned -0.8% during March, outperforming the benchmark's -1.1% return.

The European Central Bank continued its interest rate cutting cycle and reduced rates during March once again (to 2.5%). However, this had little impact on government bond yields, as the cuts were already priced in. Germany approved a record €500 billion increase in its defense budget, and the parliament amended the constitution to ease debt restrictions, allowing for increased military spending. Other European countries also announced plans for larger defense budgets, and rising government expenditures pushed bond yields higher due to the expected increase in national debt. The credit spread on corporate bonds continued to narrow and is now at nearly the lowest level in the past four years, indicating that investors view European companies as relatively safe. Meanwhile, falling inflation and slower economic growth in the U.S. led to a rise in the value of dollar-denominated bonds, which had previously declined at the end of 2024. Protests broke out in Hungary over recently enacted laws by the ruling party banning certain rights for LGBT community. Simultaneously, opposition party has gained some ground in the opinion polls for the 2026 parliamentary elections and are now polling evenly with the ruling party Fidesz. There was also political unrest in Turkey, sparked by the detainment of Istanbul mayor Ekrem İmamoğlu, who was seen as the main challenger to Erdogan in the 2028 election. INVL Emerging Europe Bond Fund does not have any exposure to Hungary and only one corporate position in Turkey – Ulker – which is not related to the government in any way.

The Fund built one new position during the month – Siauliu Bankas 2030 senior preferred issue. The bank has strong capitalization, solid growth prospects and issued the bond at 4.6% yield, which is one of the highest in CEE investment grade universe. Other trades were oriented at adding to current top picks in the portfolio. Shorter tenor and less liquid names (LHV Group 2027, Citadele 2026 and Maxima Group 2027) were among the best performers as long-term yields spiked during the month. Overall, the fund maintains lower interest rate sensitivity than the benchmark (3.3 and 4.4 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.*

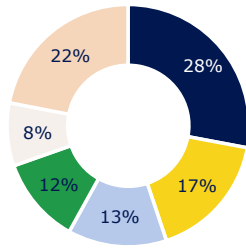
*\*\*Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.*

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

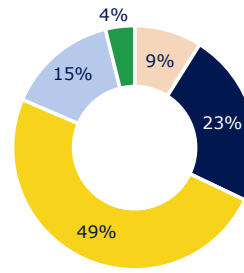
*50% Bloomberg Pan Euro EM: Europe Total Return Index Unhedged EUR (I04339EU Index)*

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

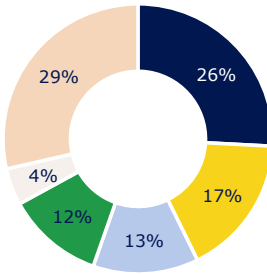
*10% European Central Bank ESTR OIS Index (OISESTR Index)*

**BREAKDOWN OF INVESTMENTS**

**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
- Czech Republic
- Lithuania
- Estonia
- Other

**TOP 10 PORTFOLIO HOLDINGS**

PEPGRP 2028s	Consumer Discretionary	4.1%
CEZCP 32s	Utilities	4.0%
AKRPLS 2 7/8 06/02/26	Real Estate	3.8%
TVLRO 30s	Financials	3.7%
EPEN 6.651 11/13/28	Utilities	3.6%
MACEDO 1 5/8 03/10/28	Government	3.6%
LHVGRP 8 3/4 10/03/27	Financials	3.5%
GWILN 6 1/4 03/31/30	Real Estate	3.4%
NEPSJ 2 01/20/30	Real Estate	3.3%
MLGPW 6 1/8 10/15/29	Real Estate	3.3%

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](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.