

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.

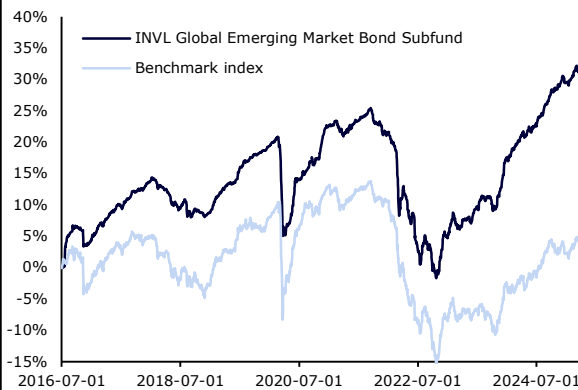
The fund is restricted to buying EUR and USD denominated securities only, while at the same time hedging the USD risk, providing its investors the return in EUR.

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	12.3
Strategy AUM, EUR M	345
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	1.4%	2.0%
Return 1Y	8.3%	5.6%
Return 3Y	16.5%	4.5%
3 year annualised return	5.2%	1.5%
Return since inception	31.3%	4.3%
Volatility (St. deviation)*	3.3%	5.4%
Duration	3.9	6.2
YTM	5.7%	4.3%
Sortino ratio**	0.4	-0.3

FUND MANAGER COMMENT

Bond market experienced a slightly negative month, thus INVL Global Emerging Markets Bond subfund returned -0.6% during March, outperforming the benchmark's -0.5% 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 detention of Istanbul mayor Ekrem İmamoğlu, who was seen as the main challenger to Erdogan in the 2028 election. INVL Global Emerging Markets 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.

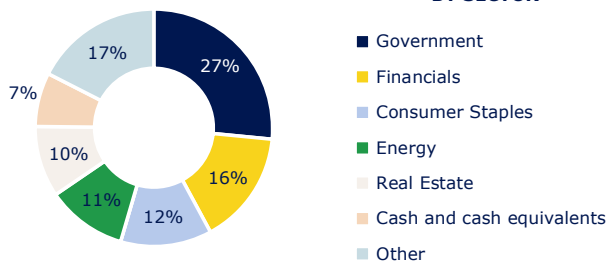
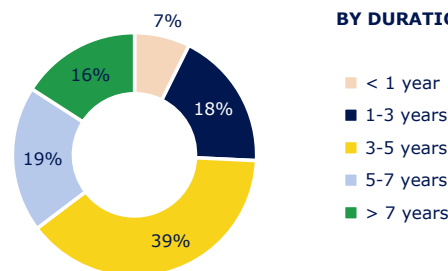
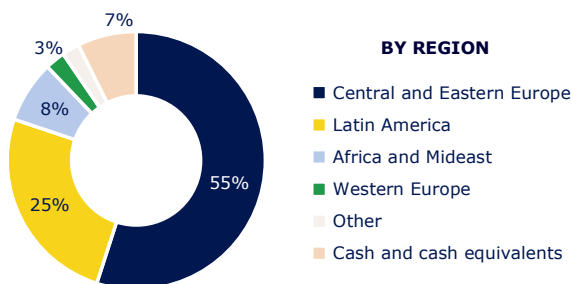
The Fund built one new position during the month – Siauliu Bankas 2030 senior preferred issue. The bank has strong capitalization, solid growth prospects and issued the bond at 4.6% yield, which is one of the highest in CEE investment grade universe. Other trades were oriented at adding to current top picks in the portfolio. Shorter tenor and less liquid names (LHV Group 2027, Aenza 2029 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 (3.9 and 6.2 duration respectively), while providing better yield to maturity (5.7% vs 4.3% 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.

**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

SNSPW 2 1/2 06/07/28	Materials	3.8%
ROMANI 5 5/8 02/22/36	Government	3.8%
ARAGVI 11 1/8 11/20/29	Consumer Staples	3.8%
GWILN 6 1/4 03/31/30	Real Estate	3.6%
ECOPET 8 7/8 01/13/33	Energy	3.6%
PEPGRP 7 1/4 07/01/28	Consumer Discretionary	3.4%
ULKER 7 7/8 07/08/31	Consumer Staples	3.3%
COLOM 7 1/2 02/02/34	Government	3.2%
MLGPW 6 1/8 10/15/29	Real Estate	3.2%
PEMEX 6.7 02/16/32	Energy	3.0%

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.

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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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