

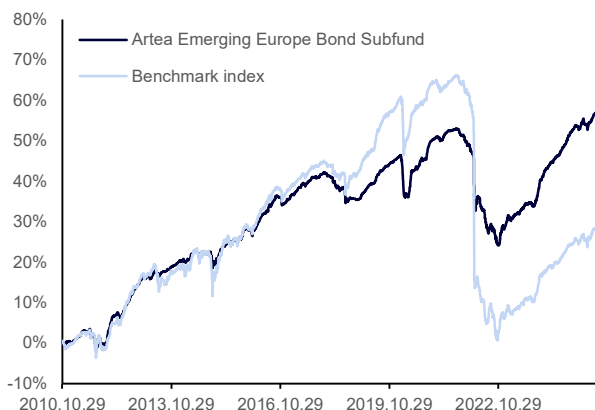
STRATEGY

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 Artea Europe and Baltic Bond Subfund (hereinafter – the Master Fund) of the umbrella investment fund Artea 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	Artea Asset Management
ISIN code	LTIF00000468
Inception date	2010.10.29
Minimum investment	EUR 0
AUM, EUR M	7.7
Strategy AUM, EUR M	299
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.artea.lt/en/private/saving-investment/investing/investment-funds/artea-europe-and-baltic-bond-subfund>

RESULTS


	Fund	Benchmark ***
Return YTD	2.2%	2.3%
Return 1Y	7.1%	6.9%
Return 3Y	21.3%	22.5%
3 year annualized return	6.7%	7.0%
5 year annualized return	1.9%	-4.0%
Volatility (St. deviation)*	2.3%	5.3%
Duration	3.0	
YTM	4.4%	
Sharpe ratio**	1.4	0.3

FUND MANAGER COMMENT

European bond market experienced a positive month, thus Artea Europe and Baltic Bond subfund returned 0.9%, outperforming the benchmark which returned 0.7%.

As Eurozone's inflation continued to hover around the target level of 2%, European Central Bank continued cutting interest rates which have now reached a neutral 2% level. The Federal Reserve still did not pull the trigger on rate cuts this cycle, as uncertainty increased around the inflationary impact of tariffs and the newly passed tax bill. Central Europe witnessed another tightly contested presidential election, this time in Poland, following last month's similarly close result in Romania- underscoring the increased political polarization. The election was won by independent nationalist candidate Karol Nawrocki, who secured 50.9% of the vote. The outcome drew little reaction from markets, as the Polish president has limited influence over day-to-day domestic policy, with decision-making power primarily residing in the parliament and government.

The primary market was particularly active during June as we added several new positions to the fund's portfolio. Taking advantage of higher yields, we exchanged some of our existing holdings for longer-dated bonds in the primary market—namely issues from EPH Financing and Bank Pekao. The portfolio was also expanded with new issuers, namely Central Eastern European retail property manager Supernova Group, and Czech defense sector firm Czechoslovak Group. These bonds were issued at yields of 6.0%, and 5.25%, respectively. Active participation in the primary market enables the fund to access bonds at attractive yields and capture additional return during the placement phase, particularly when demand significantly exceeds supply.

*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.

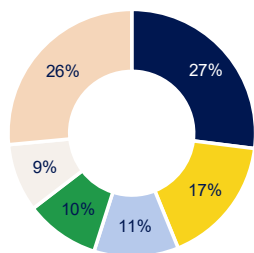
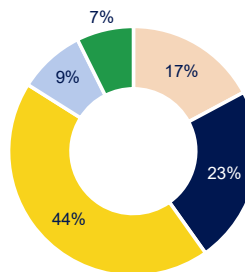
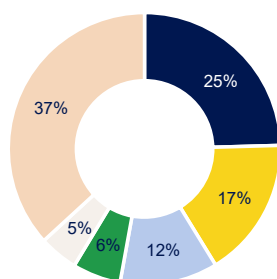
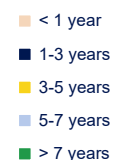
**Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.

***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

BY DURATION

BY COUNTRY

TOP 10 PORTFOLIO HOLDINGS

PEPGRP 2028s	Consumer Discretionary	4.9%
MLGPW 6 1/8 10/15/29	Real Estate	4.1%
TVLRO 30s	Financials	4.0%
MACEDO 1 5/8 03/10/28	Government	3.8%
ULKER 31s	Consumer Staples	3.5%
GWILN 6 1/4 03/31/30	Real Estate	3.4%
LHVGRP 8 3/4 10/03/27	Financials	3.2%
SNSPW 2 1/2 06/07/28	Materials	3.2%
BGOSK 32s	Financials	3.1%
POLAND 34s	Government	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

Artea Asset Management is the investment management company of Artea 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.artea.lt for most recent month-end performance.

Before investing, please consider the fund's investment objectives, risks, and fees applied. To obtain more information about the fund, please visit www.artea.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 Artea 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, Artea 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.