

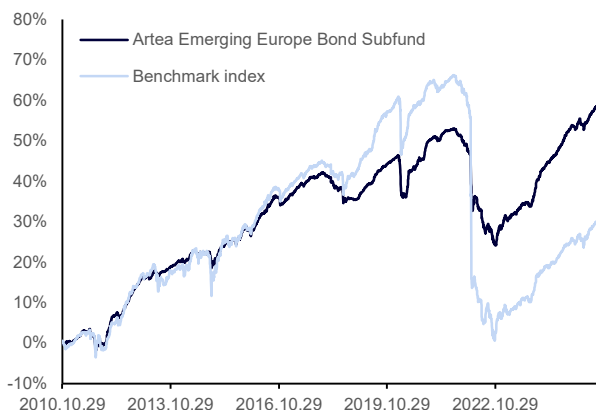
STRATEGY

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	253
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	3.4%	3.5%
Return 1Y	6.4%	6.0%
Return 3Y	23.7%	20.3%
3 year annualized return	7.3%	6.3%
5 year annualized return	1.9%	-3.9%
Volatility (St. deviation)*	2.2%	5.2%
Duration	3.2	
YTM	4.6%	
Sharpe ratio**	1.4	0.3

FUND MANAGER COMMENT

August was another successful month for Artea Pan-European and Baltic Bond Subfund as it returned 0.4%, modestly outperforming its benchmark.

A slowdown in the US labour market, combined with rising recession fears, drove both short- and long-term Treasury yields sharply lower at the start of August. Markets are now fully pricing in a 25-basis-point rate cut at the Federal Open Market Committee's September meeting, which would mark the first reduction this year. Euro interest rates remained very stable, with further rate cuts unlikely in 2025. In Central and Eastern Europe, Romania received an affirmed BBB- rating with negative outlook from S&P, which reflected progress on fiscal consolidation but emphasised continued political uncertainty. Poland's economy continued showing encouraging figures, with Q2 growth of 3.4%, slightly above consensus, while inflation slowed to 2.8%, strengthening the possibility of a rate cut in September.

During the month, the fund added one new position – Czech J&T Bank. The bank has good diversification in income streams, low loans to deposits ratio, high capitalization and efficient operations, while the purchase yield stood at an attractive 4.3% for an investment grade issuer. We also took profit in Romgaz bonds, which enjoyed a good rally over the last few months, as spread to Europe's investment grade benchmark fell to an all-time low. Also, EPH financing 2028 bond was switched to 2032 issue, for an additional 1% pick-up in yield. Overall, the fund maintains lower interest rate sensitivity than the benchmark (3.2 and 4.4 duration, respectively) while providing a similar yield to maturity (4.6% vs 4.6%, 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.*

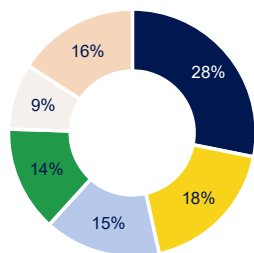
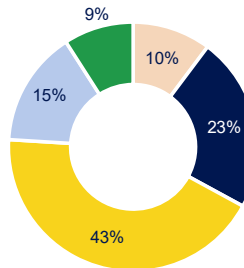
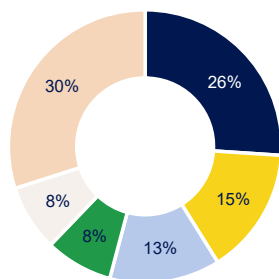
***Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.*

****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

Pepco Group 7.25% 07/01/28	Consumer Discretionary	5.1%
MLP Group 6.125% 10/15/29	Real Estate	4.4%
Banca Transilvania 5.125% 09/30/30	Financials	4.2%
North Macedonia 1.625% 03/10/28	Government	4.0%
Globalworth Real Estate 6.25% 03/31/30	Real Estate	3.6%
LHV Group 8.75% 10/03/27	Financials	3.4%
BGK 4% 13/03/32	Financials	3.3%
EEEC 6.5% 05/15/30	Utilities	3.3%
Poland 3.625% 11/01/34	Government	3.2%
Globe Trade Centre 2.25% 06/23/26	Real Estate	3.2%

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 funds' 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.