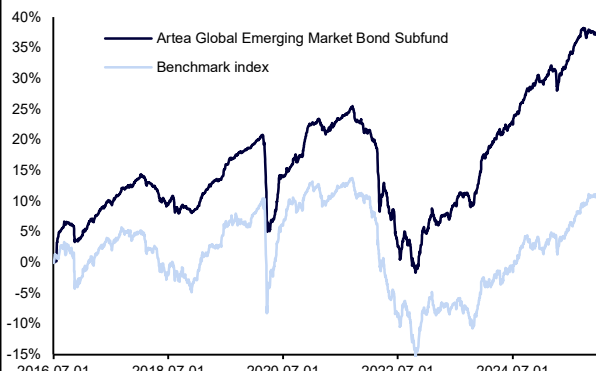


STRATEGY	FACTS	
<p>The objective of Artea Emerging Markets Ex-Dictatorship subfund is a maximum total return, consistent with preservation of invested capital. Focused on hard-currency sovereign and corporate debt securities in Emerging Markets, the fund aims to capture higher yields and growth potential in rapidly developing economies.</p> <p>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.</p> <p>Recommended investment term – minimum 2 years.</p>	Management company	Artea Asset Management
	ISIN code	LTIF00000666
	Inception date	2016.07.01
	Minimum investment	EUR 0
	AUM, EUR M	13.2
	Strategy AUM, EUR M	399
	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.artea.lt/en/private/saving-investment/investing/investment-funds/artea-emerging-markets-ex-dictatorship-subfund>

RESULTS			
	<b>Fund</b>	<b>Benchmark ***</b>	
	Return YTD	6.4%	8.9%
	Return 1Y	6.4%	8.9%
	Return 3Y	31.5%	21.6%
	3 year annualised return	9.5%	6.7%
	Return since inception	37.8%	11.3%
	Volatility (St. deviation)*	3.2%	5.2%
	Duration	4.5	6.1
	YTM	5.8%	3.9%
	Sortino ratio**	2.0	1.8

**FUND MANAGER COMMENT**

Artea Emerging Markets Ex-Dictatorship Bond Subfund ended the year on a positive note with 0.3% gain, while the benchmark performed similarly with 0.4% uplift, albeit with higher volatility.

US Federal Reserve delivered a third 25 basis point cut of the cycle, as labour market remained weak. Looking forward, while the market is expecting 2-3 further cuts in 2026, it is not at all convinced on their timing. ECB left policy rate unchanged as officials are seeing cutting cycle most likely complete. In Central Eastern Europe Fitch downgraded Hungary's outlook to negative (while keeping rating BBB) citing large deficits, rising debt (close to 75% debt/GDP) and weak growth. Tensions started escalating between the U.S. and several South American countries, most notably Venezuela, as Washington increased military pressure in the Caribbean, enforced a naval blockade on Venezuelan oil exports and launched strikes against alleged drug-trafficking targets, prompting fierce denunciations from Caracas and concern across the region. Colombia, another recipient of D. Trump's verbal attacks, received a credit downgrade from Fitch (from BB+ to BB). All in all, EM governments had an extremely strong year, with euro-hedged sovereign index returning 10.9%, while corporates lagged significantly, with 5.9% return, with Latin America being the best performing region.

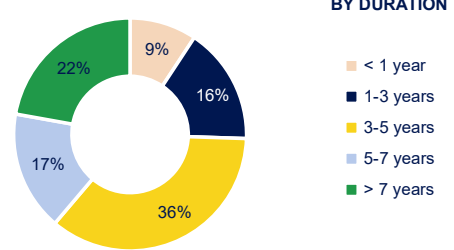
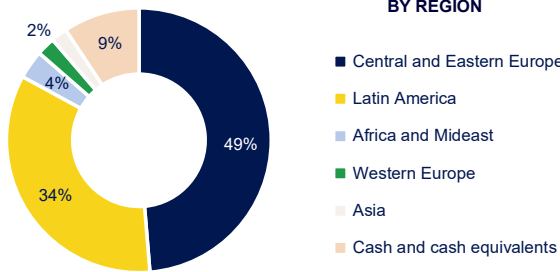
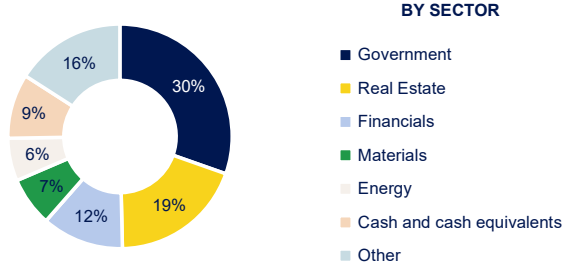
The Fund added one new corporate bond during the month – Lithuanian credit union LCKU. It acts as a managing body for over 40 separate credit unions in Lithuania which represents a 70% market share. The bond was issued locally with 8.25% coupon which we deem very attractive. We also increased our position in Frigorifico Concepcion 2028 bonds. The bond is trading at distressed level of ~48, as market is pricing in risk of short-term maturity refinancing. However, FRICON has historically been successful with rolling over its short-term debt and recent operating results have also been very positive. With EM spreads being at all-time lows, we invested in long term US Treasury ETF, with an aim to overweight quality. Lastly, we exited AirBaltic 2029 bonds at a profit as company results have not improved and prospects of an IPO have been delayed significantly. Overall, the fund maintains lower interest rate sensitivity than the benchmark (4.5 and 6.1 duration, respectively) while providing better yield to maturity (5.8% vs 3.9%, 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**

**TOP 10 PORTFOLIO HOLDINGS**

Supernova 5% 06/24/30	Real Estate	4.5%
EEEC 6.5% 05/15/30	Utilities	4.4%
Mexico 5.125% 05/04/37	Government	4.2%
Ecopetrol 8.375% 01/19/36	Energy	4.1%
Romania 5.625% 02/22/36	Government	3.9%
MLP Group 6.125% 10/15/29	Real Estate	3.8%
Akropolis Group 6% 05/15/30	Real Estate	3.8%
Globalworth Real Estate 6.25% 03/31/30	Real Estate	3.5%
Trans-Oil Group 11.125% 11/20/29	Consumer Staples	3.1%
Brazil 5.625% 02/21/47	Government	3.1%

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**

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 1.6 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](http://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](http://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.