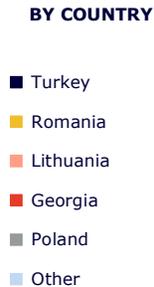
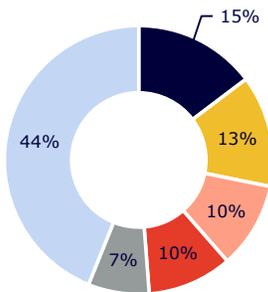
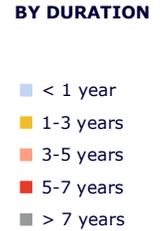
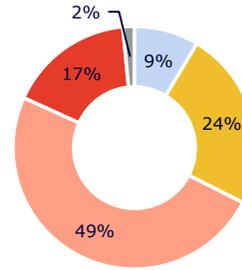
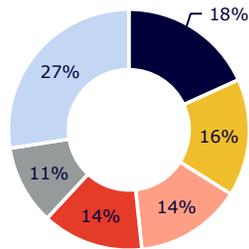


STRATEGY	FACTS	
<p>The objective of INVL Emerging Europe Bond Subfund is maximising the total return, consistent with capital preservation and drawdown minimization. Focused on hard-currency short-term sovereign and corporate debt securities in Emerging Europe, the fund at any time targets average investment grade rating and average duration of up to 3 years.</p> <p>The fund is restricted to buying EUR and USD denominated securities only, while hedging the USD risk, providing its investors the return in EUR. Recommended investment term – minimum 1 - 2 years.</p>	Management company	INVL Asset Management
	ISIN code	LTIF00000468
	Inception date	2010-10-29
	Minimum investment	EUR 0
	AUM, EUR M	17,7
	Strategy AUM, EUR M	172
	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.invl.com/en/investment/mutual-funds/invl-emerging-europe-bond-subfund/fund-information/>

RESULTS		
	<b>Fund</b>	<b>Benchmark ***</b>
	Return YTD	1,7%
Return 1Y	6,5%	4,5%
Return 3Y	10,2%	16,4%
3 year annualized return	3,3%	5,2%
5 year annualized return	2,6%	4,0%
Volatility (St. deviation)*	1,9%	3,3%
Duration	3,3	
YTM	2,3%	
Sharpe ratio**	2,1	1,4

FUND MANAGER COMMENT
<p>In July INVL Emerging Europe bond subfund's value increased by 0.2% slightly underperforming against the benchmark which printed a 0.4% gain. Nevertheless, Fund's YTD return still exceeds the benchmark by nearly 1.1%.</p> <p>Even though major economies continued to reopen, rising numbers of Covid-19 delta variant cases kept investors on their toes and fueled a shift towards less risky assets. In addition, ECB announced its new "policy shift format" where it pledged to maintain the accommodative monetary policy and keep interest rates at record low levels for an extended period. ECB has also informed that it wants to see inflation reach its 2% target over the medium term but may let it overshoot the target for a while to bolster the European economies after several years of stagnation. As a result of promises of continued bond purchases, investment-grade government bonds had a strongly positive month - German 10-year government bond YTM declined sharply (from -0.21% to -0.46%). Even though the fund has positioned itself by being exposed towards better quality issuers than the benchmark positions, strong rally in risk-free government bonds and fund's underweight in duration as well as overweight of corporate bonds resulted in monthly underperformance.</p> <p>INVL Emerging Europe bond subfund completed its relocation to Luxembourg custodian (UAB "INVL Asset Management" remains as fund's investment manager). Nevertheless, as several clients are still transferring from feeder fund to master fund, the consequent cash flows resulted in temporary deviations from the fund's target duration. It now stands at 3.3 years but is expected to return within limit shortly. YTM after hedge was at 2.3%. Top performing bonds during last month were investment-grade real estate managers: NE Property and Atrium European Real Estate. In addition, North Macedonia and Georgia Capital bonds were supported as they saw significant buying interest.</p> <p><small>*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:                      50% JP Morgan Euro Emerging Markets Bond Index (EMBI) Global Diversified Europe (JPEFEUR Index)                      40% JP Morgan Corporate Emerging Markets Bond Index (CEMBI) Broad Europe Index (JCBBEURO Index), hedged with Bloomberg USDEUR 6 Month Hedging Cost Index (FXHCUE6M Index)                      10% European Central Bank ESTR OIS Index (OISESTR Index)</small></p>

**BREAKDOWN OF INVESTMENTS**

**TOP 10 PORTFOLIO HOLDINGS**

AKRPLS 2 7/8 06/02/26	Real Estate	7,1%
MSPSJ 4 1/4 05/19/26	Real Estate	5,0%
SNSPW 2 1/2 06/07/28	Materials	4,5%
ULKER 6.95 10/30/25	Consumer Staples	3,9%
ACKAF 3 05/27/26	Consumer Discretionary	3,9%
ARAGVI 8.45 04/29/26	Consumer Staples	3,7%
PPFARA 3 1/8 03/27/26	Telecommunication Services	3,7%
GEOCAP 6,125 03/09/24	Financials	3,7%
TURKTI 6 7/8 02/28/25	Telecommunication Services	3,6%
BGEOLN 6 07/26/23	Financials	3,4%

**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 68%, Eurozone 97% (as of the end of Q3 2020).
- Active share of over 80% (creating value through off-benchmark picks, participation in primary issues, inefficiencies in the market).
- Historical Sharpe ratio exceeding 1.5 places the fund among the best Emerging Markets bond funds in the world by risk-adjusted returns.

**COMPANY**

INVL Asset Management is a boutique asset management company that offers a range of CEE-focused investment products since 2004. Team of ten portfolio managers, based in Vilnius, Lithuania (headquarters) and Riga, Latvia, use primarily fundamental value, bottom up approach and manage over 1 billion EUR in assets. Being nimble and highly competitive, INVL funds consistently rank high in international rankings. We adhere to the UN Principles for Responsible Investment (PRI) and are supervised by the Central bank of Lithuania.

**CONTACT**

**INVL Asset Management**  
 Gyneju 14, 01109 Vilnius, Lithuania  
 +370 686 15273  
 tomas.dacys@invl.com  
<http://www.invl.com>

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.invl.com](http://www.invl.com) 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.invl.com](http://www.invl.com), 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 INVL 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, INVL 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.