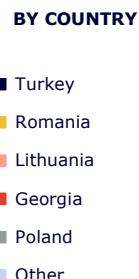
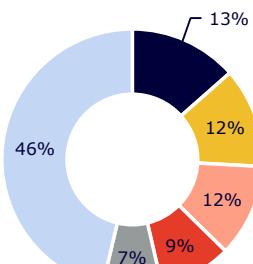
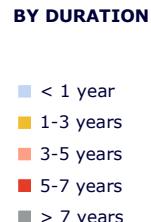
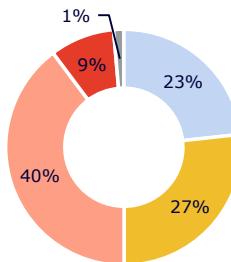
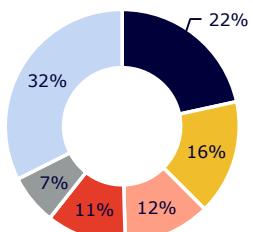


STRATEGY		FACTS																															
<p>The objective of the subfund is to ensure balanced growth of the assets of the subfund by investing at least 85 percent of its net assets in the investment units of Class I of the subfund INVL Emerging Europe Bond Fund (hereinafter – the Master Subfund) of the umbrella investment fund INVL 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 Subfund invests up to 100 percent of its assets in government and corporate debt securities in Emerging Europe. Recommended investment term – minimum 1 - 2 years.</p>		<p>Management company INVL Asset Management ISIN code LTIF00000468 Inception date 2010-10-29 Minimum investment EUR 0 AUM, EUR M 8,5 Strategy AUM, EUR M 219 Management fee 0,45% Currency EUR Countries of distribution Lithuania, Latvia, Denmark, Finland, Norway, Germany</p>																															
<p>For more information on the fund (prospectus, benchmark, results) please click on the link below: <a href="https://www.invl.com/en/investment/mutual-funds/invl-emerging-europe-bond-subfund/fund-information/">https://www.invl.com/en/investment/mutual-funds/invl-emerging-europe-bond-subfund/fund-information/</a></p>																																	
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FUND MANAGER COMMENT																																	
<p>Both bond and equity markets experienced a tough month - in February INVL Emerging Europe bond subfund's value decreased by 5.9%. Nevertheless, it managed to significantly outperform the benchmark which printed a whopping loss of 23.7%. Up until 24th of February markets continued to be worried about spiraling inflation and repeated hawkish tone coming from the FED and ECB which could put fragile economic growth at jeopardy. All of that paled when Russian military invaded the territories of Ukraine with devastating attacks accompanied by a series of Kremlin's propagandistic and unfounded claims, accusations, and statements. While Putin probably expected to invade Ukraine and see a divided West unable to make any decisions, EU and the US acted quickly and imposed harsh economic sanctions which included the halting of Nord Stream 2 project, freezing of CBR assets denominated in hard currencies, disconnection of multiple Russian and Belarusian banks from the SWIFT system, sanctioning of many Russian oligarchs and companies. In addition, a bunch of large multinational companies fled from Russia (such as BP, Samsung, Apple etc.) not wanting anything to do with the country. Not surprisingly, Russian bond and equity markets collapsed to a bare minimum while Ukrainian bonds were also negatively impacted by the military invasion and fell to highly distressed levels. Bonds of other CEE countries (even EU and NATO members') were also sharply negatively affected by capital outflows from the region most susceptible to a potential spread of geopolitical tensions although there are currently no direct dangers for them. Capital outflows were seen from Moldova, Romania, Poland, and the Baltics - we see it as somewhat of a buying opportunity. At the same time risk-free instruments such as German Bund or US Treasury have rallied.</p> <p>Up until the collapse, Russian sovereign and corporate bonds made up around one third of the benchmark index. The fund was heavily underweight in Russian exposure and that is the main reason for stark outperformance. Not surprisingly, among fund's positions, the worst monthly performers were Ukrainian and Russian corporates - Kernel Holding, Gazprom and Veon. Besides minor rebalancing trades, the fund managed to fully get rid of Russian exposure rather early in the war since that country's bonds became essentially non-investable. On the bright side, after the steep sell-off in Q4 and paused tightening, Turkish sovereign and corporate bonds were among the top performers in the universe YTD and declined at a much slower pace. The fund continues to keep lower duration at around 2.5 years while maintaining YTM after hedge at 4.4% and positioning itself by being exposed towards high quality corporates.</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.</small>																																	
<small>**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.</small>																																	
<small>***Benchmark index:</small>																																	
<small>50% JP Morgan Euro Emerging Markets Bond Index (EMBI) Global Diversified Europe (JPEFEUR Index)</small>																																	
<small>40% JP Morgan Corporate Emerging Markets Bond Index (CEMBI) Broad Europe Index (JCBBEURO Index), hedged with Bloomberg USDEUR 6 Month Hedging Cost Index (FXHCU6M Index)</small>																																	
<small>10% European Central Bank ESTR OIS Index (OISESTR Index)</small>																																	

## BREAKDOWN OF INVESTMENTS

**TOP 10 PORTFOLIO HOLDINGS**

AKRPLS 2 7/8 06/02/26	Real Estate	8,2%
MSPSJ 4 1/4 05/19/26	Real Estate	6,0%
SNSPW 2 1/2 06/07/28	Materials	4,4%
ACKAF 3 05/27/26	Consumer Discretionary	3,9%
ULKER 6.95 10/30/25	Consumer Staples	3,8%
Citadele banka EO-FLR <u>Preferred Nts 21(25/26)</u>	Financials	3,6%
TURKTI 6 7/8 02/28/25	Telecommunication Services	3,6%
TBCBGE 5 3/4 06/19/24	Financials	3,4%
MAXGPE 3.25 09/13/23	Consumer Staples	3,4%
ROMANI 2 3/4 02/26/26	Government	3,3%

## 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

## CONTACT

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.

**INVL Asset Management**

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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.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.