

STRATEGY

The objective of INVL Global Emerging Markets Bond 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.

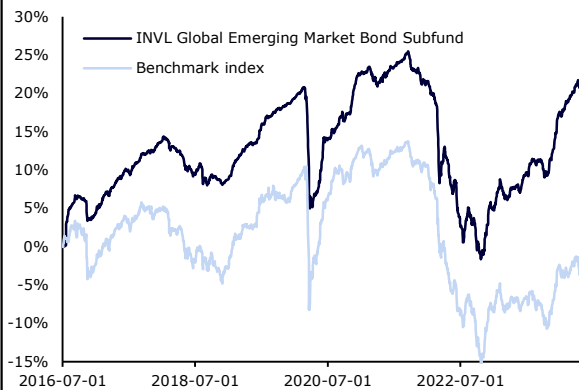
The fund is restricted to buying EUR and USD denominated securities only, while at the same time hedging the USD risk, providing its investors the return in EUR.

Recommended investment term – minimum 2 years.

FACTS

Management company	SB Asset Management
ISIN code	LTIF00000666
Inception date	2016-07-01
Minimum investment	EUR 0
AUM, EUR M	10.3
Strategy AUM, EUR M	341
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.sb.lt/en/private/investing/investment-funds/invl-global-emerging-markets-bond-subfund>

RESULTS


	Fund	Benchmark ***
Return YTD	3.1%	-0.4%
Return 1Y	12.5%	4.2%
Return 3Y	-0.5%	-12.0%
3 year annualised return	-0.2%	-4.2%
Return since inception	21.3%	-2.8%
Volatility (St. deviation)*	3.4%	5.5%
Duration	3.7	6.3
YTM	6.3%	5.5%
Sortino ratio**	-0.4	-1.0

FUND MANAGER COMMENT

INVL Global Emerging Markets Debt subfund ended the month pretty much unchanged (-0.1%), however, it strongly outperformed the benchmark index, which dropped by -1.8%, as a result of having quality issuers in its portfolio.

With the uptick of inflation (latest reading 3.5% in US) and strong labour markets, fixed income investors have adjusted their interest rate cut expectations downwards – effective FED rate is projected to end the year at above 5.0%, almost 2 quarter percent cuts higher than projected a month ago. In Europe, on the other hand, this readjustment has not been as significant, as inflation expectation have been normalizing and heading towards European Central Bank's 2% target. In Emerging Europe front, Poland has received the first payment from unused EU recovery funds and has drawn up new plans for the use of funds – subsidies for electric vehicles, additional funds to food security and agriculture. This was a major achievement, as nearly 60 billion euros in recovery funds were frozen due to EU's concern regarding the independence of Poland's judicial system under the previous right-wing government. From Emerging Markets, Argentina was one of the best performers during the month as market participants continue to sympathize with the proposed policies of recently elected president Javier Milei. Another defaulter country, Sri Lanka, has in principle agreed with its creditors on a haircut to its current debt by issuance of a new type of GDP-linked bond, which could lead it to be included in fixed income indices. Overall, global emerging markets were negatively affected by higher interest rate projections in US, as can be seen from the negative benchmark index's return.

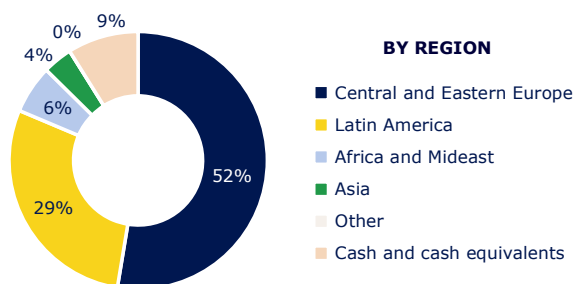
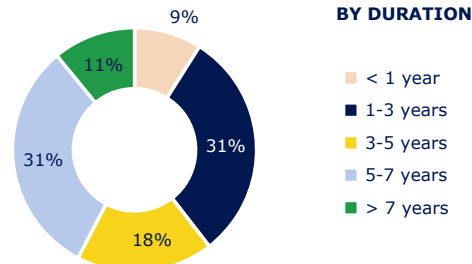
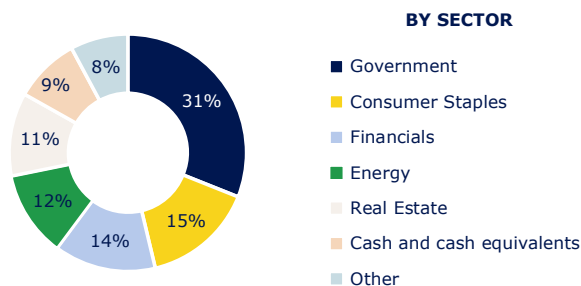
Apart from regular balancing trades, the fund participated in Globalworth's exchange offer, where the current 2026 maturing bonds were exchanged into 2030 maturing bonds with 6.25% coupon. Globalworth 2030 bonds are among our top picks, as the issue is yielding around 8.5%, issuer has solid operating metrics, does not face refinancing risk. Furthermore, the bond has above average duration, which we see as attractive. Also, the fund participated in primary issue of Latvian bank Citadele's subordinated bond at 8% yield. Moldovan Trans-Oil, which has been rallying for the past several months, was the biggest contributor to fund performance. The fund maintains lower interest rate sensitivity than the benchmark (3.7 and 6.3 duration respectively) while having a higher yield to maturity (6.3% vs 5.5%).

*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

AKRPLS 2 7/8 06/02/26	Real Estate	5.3%
EPEN 6.651 11/13/28	Energy	4.3%
MBKPW 8 3/8 09/11/27	Financials	4.3%
SNSPW 2 1/2 06/07/28	Materials	4.3%
ARAGVI 8.45 04/29/26	Consumer Staples	4.1%
ROMANI 3.624 05/26/30	Government	4.0%
GWILN 6 1/4 03/31/30	Real Estate	4.0%
PEPGRP 7 1/4 07/01/28	Consumer Discretionary	3.6%
PEMEX 6.7 02/16/32	Energy	3.4%
IVYCST 5 7/8 10/17/31	Government	3.2%

The Fund does not invest and 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

SB Asset Management is the investment management company of Šiaulių 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 1.2 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.

CONTACT
SB Asset Management

Gyneju 14, 01109 Vilnius, Lithuania

+370 687 29689

regimantas.valentonis@sb.lt

<http://www.sb.lt>

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.sb.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.sb.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 SB 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, SB 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.