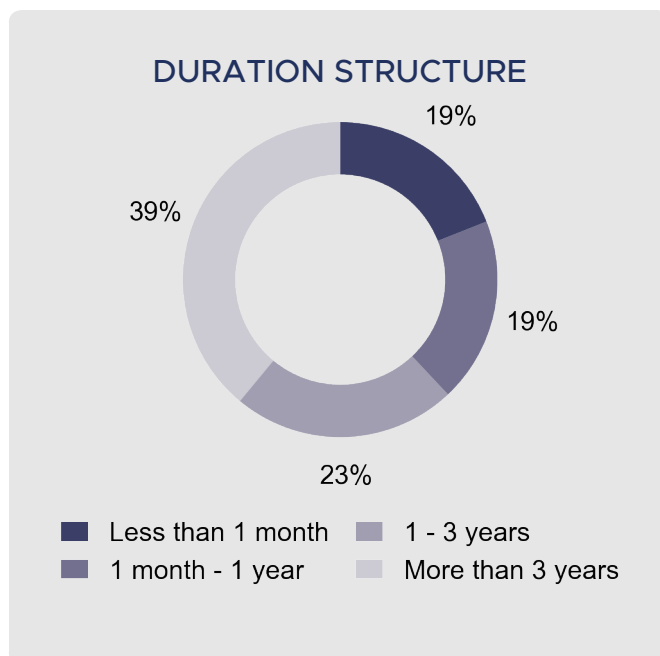
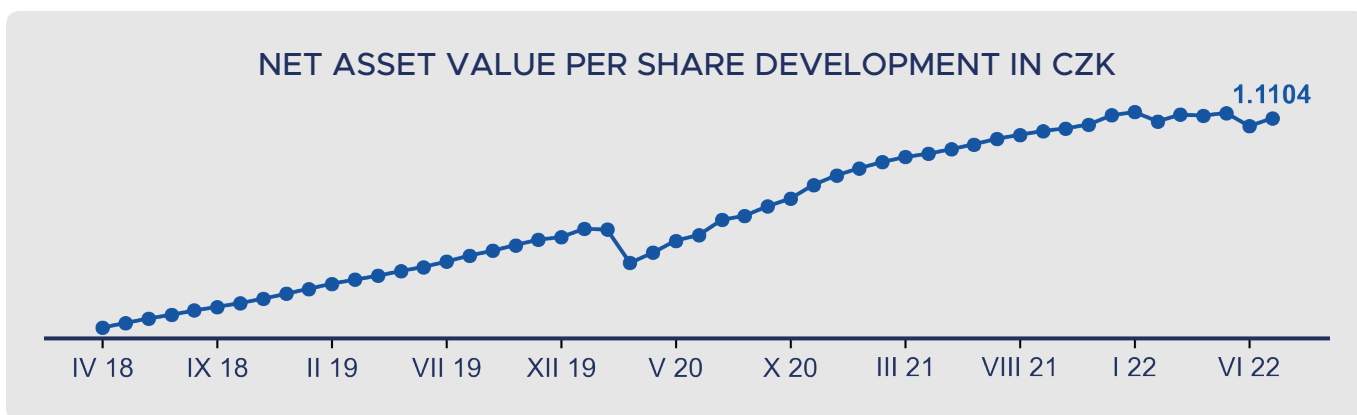


FOR DATE: **31.07.2022**

FUND PERFORMANCE

Assets under management: 709 mil. Kč	Investment share value: 1.1104 Kč
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Time period	1M	3M	6M	12M	Since inc. p.a.
Performance	0.37 %	-0.13 %	-0.30 %	0.98 %	2.49 %



You may find the fund annual report for year 2021 here.

MARKET UPDATE



Global credit markets rallied in July and into August, amid some signs that inflation rates in some key economies may be “peaking”. Markets have reached a level where the risks related to higher interest rates, the Russia-Ukraine war and the possibility of oncoming recessions are “priced-in” somewhat. The higher bond yields now available are encouraging investors to increase positions in fixed income assets.

Czech bond markets have also recovered and stabilized. The CNB, under new governor Ales Michl, did not hike policy interest rates (sitting at 7.0%) on 4 August for the first time in a year. Czech consumer and producer price inflation also stopped accelerating, registering 17.5% and 26.8% year-on-year respectively, mainly due to lower fuel prices. The Central Bank’s consumer price inflation expectations sit in the 6%-8% range for the year 2023.

Mark Robinson, Member of the Investment Committee

PORTFOLIO UPDATE



The portfolio generated a +0.37% return in July, with the gross annual running yield reaching 8.0% by the month end. This level compares favourably to the CNB’s current inflation expectations for next year. We remain fully-hedged against further rises in CZK and EUR bond yields, thus looking to dampen down any periods of volatile pricing. In this environment, our strategy is to invest in higher-quality names while very gradually extending the maturity of the portfolio. As an example, our short-term bond position in J&T Financial Group matured with full repayment in July: we invested the proceeds into the CZK-denominated bonds of the highly-rated French bank BNP Paribas.

Lubor Žalman, Founder of the fund

DISCLAIMER

EnCor Funds SICAV, a.s. is a fund of qualified investors. Only a fully qualified investor within the meaning of ACT 272 of law no.240/2013 Sb., On Investment Companies and Investment Funds, can become an investor in the Fund. The investment company reminds investors that the value of the investment in the fund may vary, and the return of the originally invested amount of money is not guaranteed. Historic fund performance does not guarantee same or higher performance in the future. Investment in the fund is designed to yield returns in medium and long-term horizon and is therefore not suitable for short-term speculation. Potential investors should, in particular, consider specific risks that may arise from the investment objectives of the Fund as set out in its Statute. Investment objectives are reflected in the recommended investment horizon, as well as in fees and costs of the fund. Key Information about the Fund (KID) is available at www.avantfunds.com/information-info/ or www.encorfunds.com. In paper form, the information can be obtained at AVANT Investment Company, a.s., CITY TOWER | Hvězdova 1716/2b | 140 00 Praha 4. This information is informative only and does not constitute a proposal for conclusion of a contract or public offer according to the provisions of the Civil Code.