

FOR DATE: **31.08.2022**

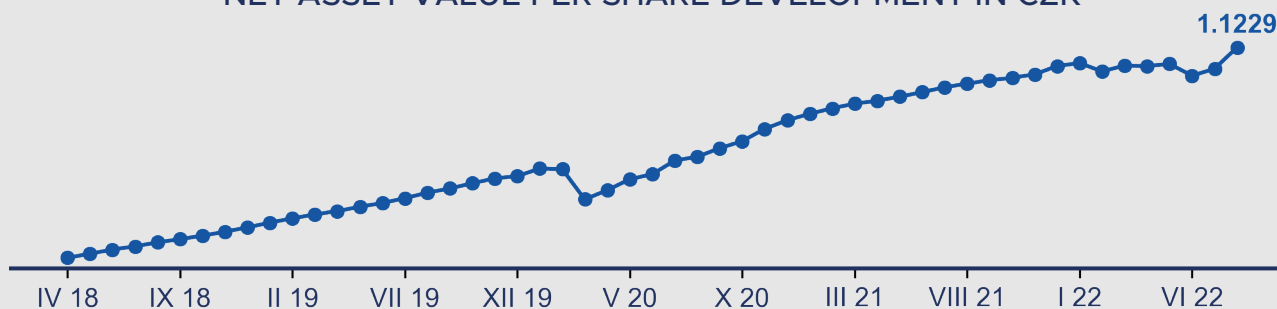
## FUND PERFORMANCE

**Assets under management:**  
640 mil. Kč

**Investment share value:**  
1.1229 Kč

Time period	1M	3M	6M	12M	Since inc. p.a.
Performance	1.13 %	0.87 %	1.27 %	1.92 %	2.71 %

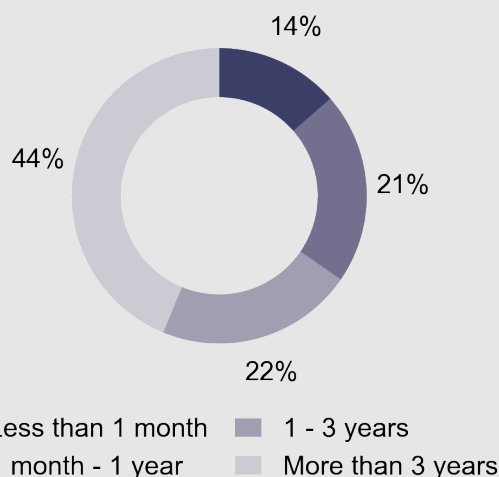
NET ASSET VALUE PER SHARE DEVELOPMENT IN CZK



### TOP 10 POSITIONS IN PORTFOLIO

EPH 4.5/25	9%
Wood reverzní repo	8%
PPF Telecom 3.25/27	6%
BNP Paribas VAR/23	5%
Allwyn(Sazka) VAR/28	5%
AIR Bank VAR/29	4%
CZG VAR/2027	4%
GTC 2.25/26	4%
ZDR INVEST SICAV 7.5/24	3%
SAZKA 5.2/2024	3%

### DURATION STRUCTURE



You may find the fund annual report for year 2021 [here](#).

## MARKET UPDATE



European and Czech credit markets sold off moderately in August before stabilizing in September as inflation expectations fell again. Bond investors continue to weigh up the positives of eventual lower inflation rates and slowing economic growth in the future against rising interest rates in the US and Eurozone, the higher cost of government debt, the chances of recession and the continuation of the Russia-Ukraine war. The Fixed income and cash arenas are seeing inflows, as available bond yields in both Developed and Emerging Markets have climbed to attractive levels.

Czech bonds were resilient in this environment, with the Czech National Bank at its 4 August meeting choosing not to raise interest rates from 7.0%. This 7.0% level is now higher than the CNB's central 6.5% forecast for consumer price inflation in 12 months' time. Czech consumer and producer price inflation rates again stabilized at the recent high levels, registering 17.2% and 25.2% year-on-year growth in August.

Mark Robinson, Member of the Investment Committee

## PORTFOLIO UPDATE



We are pleased to report a +1.13% increase in the value of the portfolio in August. Positive returns from our interest rate swap hedging, a larger contribution of income from the portfolio's positions and a rally in the price of some holdings all aided this performance. We remain fully-hedged against further rises in CZK and especially EUR bond yields, thus looking to dampen down future periods of volatile pricing. The gross annual running yield of the portfolio has climbed to 8.3%, as lower-yielding EUR currency hedges matured. We took advantage of firmer pricing in August markets to trim our positions in the CZK-denominated bonds of energy conglomerate EPH and gaming and lottery operator Sazka Group. We remain ready to diversify via buying for the portfolio new high-quality names with high yields at lower prices.

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/](http://www.avantfunds.com/information-info/) or [www.encorfunds.com](http://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.