

FOR DATE: **31.12.2022**

## FUND PERFORMANCE

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

**Investment share value:**  
1.1535 Kč

Time period	1M	3M	6M	12M	Since inc. p.a.
Performance	0.87 %	2.35 %	4.27 %	3.73 %	3.11 %

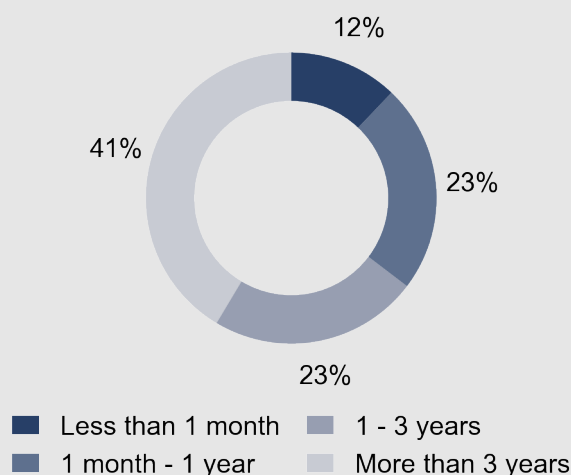
### NET ASSET VALUE PER SHARE DEVELOPMENT IN CZK



### TOP 10 POSITIONS IN PORTFOLIO

Wood reverzní repo	8%
EPH 4.5/25	8%
ČS Eur 6.69/25	6%
PPF Telecom 3.25/27	5%
BNP Paribas VAR/23	5%
Allwyn(Sazka) VAR/28	4%
AIR Bank VAR/29	4%
CZG VAR/2027	4%
ZDR INVEST SICAV 7.5/24	3%
GTC 2.25/26	3%

### DURATION STRUCTURE



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

*\*Important note: The investment share price is already final after the completion of the regular annual audit, the exact number of securities will be finalized in the coming days.*

## MARKET UPDATE



November's rally in international bond and credit markets continued at a slower pace through December and into January. Commentators are anticipating that Central Banks will only raise policy interest rates to certain levels in 2023, less than 1% higher than now. This is allowing investors to price in falling rates of headline inflation and the likelihood of very slow economic growth or recession in G10 countries this year. Prices of Fixed Income assets tend to rally in an environment of falling inflation rates and low economic growth.

December's Czech consumer price inflation ("CPI") surprised commentators on the downside, with flat month-on-month prices meaning the calculated rate of CPI from June to December amounted to just 2.3 % (4.7 % annualised). This is clearly well below the headline annual rate of CPI (15.8 %), which contains the rampant inflation seen in H1 2022 and makes the CNB's policy interest rate of 7 % realistic and restrictive.

Mark Robinson, Member of the Investment Committee

## PORTFOLIO UPDATE



The Fund gained 0.9 % in December, delivering a total return of 3.7 % in 2022. Its 4.2 % 6-month return outstripped H2 2022's CPI rate of 2.3 %, thus beating inflation in that period. Positive price returns from our bond holdings, our EUR interest rate swap positions and the portfolio's interest coupon income contributed to the December performance. We trimmed our EUR and CZK interest rate swap positions, thus reducing somewhat the hedge on interest rates rising further: in effect, we are foreseeing a steadying of interest rate expectations in 2023 compared to our stance throughout 2022. The Fund in December received cash from a maturing position in the floating rate bonds of Erste Bank while adding to its Ceske Drahy holding and initiating a new position in Raiffeisenbank Czech Republic, both with the acquisition of 5-year bonds. The forward-looking gross annualised running yield of the portfolio remains close to 9% but liquidity is maintained for the purchase of new bond opportunities in the market as they arise.

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.