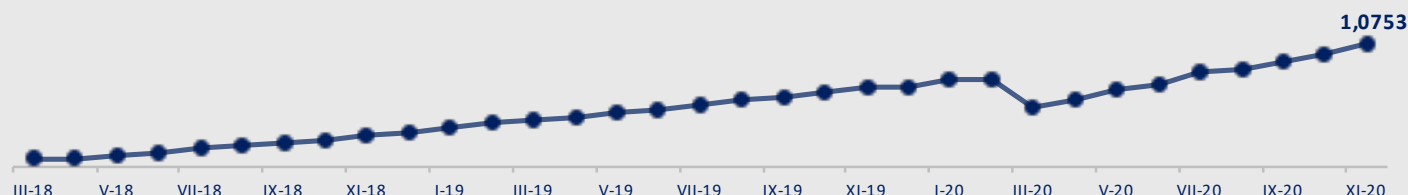


EnCor Fixed Income Strategy

Sub-fund of EnCor Funds SICAV, a.s.

ISIN:	CZ0008043106
Currency:	CZK
Period :	November 2020
Asset under management:	324,6 mil. CZK
Value of share:	1,0753 CZK
Fund performance 12M:	2,76%

Net Asset Value per Share development in CZK



Market update



Sentiment in global credit markets firmed in November and into the pre-Christmas period in December. The emergence of credible vaccines for COVID-19, further government spending to mitigate the effects of the present partial pandemic lockdowns, high levels of liquidity provided by the largest Central Banks and the US election result saw credit prices rise and spreads over government bonds tighten. These moves reflect confidence that, looking into 2021, global economic growth and creditworthiness prospects look likely to recover from the latest COVID-19 “lockdown” shocks in the Spring and Summer months.

Damage to the Czech economy from the latest “lockdown” phases appears to be confined presently to service industries, with industrial production and exports holding up relative to commentator expectations of a more severe trough. Lower food price inflation brought Czech CPI down to 2.7% year-on-year in November, the lowest annual rate of change observed since summer 2019. Prices of services continued to inflate at higher rates, Czech M1 money supply growth is 17% year-on-year and commodity prices are rising. These factors suggest that inflationary pressures are likely to remain in place and as a consequence, longer-dated Czech government bonds have sold off in the past few weeks.

Mark Robinson, Member of the Investment Committee

Portfolio update



Any rise in government bond yields will result in “mark-to-market” losses for holders of those bonds. The same applies to corporate bonds and we thus continue with a “short duration” strategy, avoiding large holdings in bonds with very long maturity profiles. Short-term liquidity in the Fund remains well above our present 15% limit, though we reduced our cash position in November.

We invested in a short-term bridge loan well-secured by real estate assets of the Satpo Group and added to our position in the 5-year bonds of the same issuer. We added to our holding in the reverse repo secured by the Wood Retail Real Estate Fund and bought promissory notes, maturing in February and April 2021, of Czech-Slovak conglomerate Penta Investments.

Lubor Žalman, Founder of the fund

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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., ROHAN BUSINESS CENTER, Rohanské nábřeží 671/15 (reception B), 186 00 Praha 8. 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.