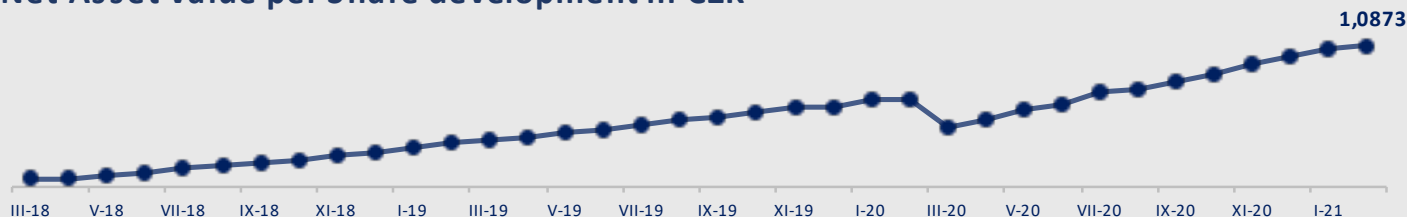


EnCor Fixed Income Strategy

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

ISIN:	CZ0008043106
Currency:	CZK
Period :	February 2021
Asset under management:	335,2 mil. CZK
Value of share:	1,0873 CZK*
Fund performance 12M:	3,38%

Net Asset Value per Share development in CZK



Market update



Higher long-term market interest rates (rising government bond yields) meant falling prices in international credit markets in February and into March. A synchronized global economic growth acceleration in 2021 is now a core expectation amongst investors and a temporary spike in inflation, at least, is expected in the coming months.

Debate amongst commentators centres around whether this inflation spike turns into something more enduring, therefore increasing the pressure on Central Banks in the G10 countries to start raising short-term interest rates in response. Government bond and credit market prices/yields are likely to remain volatile all the while this debate is unresolved. Credit "spreads", the gap between the yields on credits and government bond yields, are very narrow compared to history, suggesting that not much risk is presently priced in to credit markets.

Czech government bonds sold off in February and into March, even with February's Czech CPI remaining steady at 2.1% year-on-year. Czech producer price inflation accelerated, up 1.4% year-on-year in February, whilst consumer demand weakened, with January's retail sales falling -9.0% year-on-year. Interest rate hikes from Central Banks in other Emerging Markets, such as Turkey and Brazil, in reaction to spiking inflation, shows the likely upward direction of travel for CNB short term policy interest rates later in 2021.

Mark Robinson, Member of the Investment Committee

Portfolio update



We continued our strategy in the month of February of carefully managing our portfolio duration, or sensitivity of our portfolio to changes in interest rates. A high duration implies a risk of "mark-to-market" price losses and we have maintained this figure at a low 2.2 years for several months already. We do not hold any Czech government bonds in the portfolio.

We thus added, in deploying the portfolio's cash, to several of our positions, including that of lottery operator Sazka, energy conglomerate EPH and to the reverse repo secured by the Wood Retail Real Estate Fund. We also purchased a small position in the secured 2-year bonds of the same issuer. One of our short-term Penta bonds matured during the month. The running yield of the Fund remained at 4.02% at February month-end.

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

* Important disclaimer: The share value has not yet been confirmed by the regular annual KPMG audit. Final value of the share may slightly deviate from the above-stated