

FOR DATE: **30.04.2022**

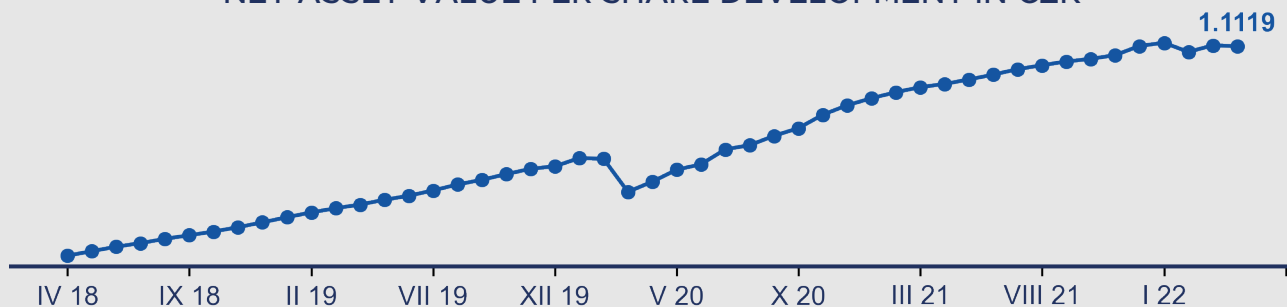
FUND PERFORMANCE

Assets under management:
777 mil. Kč

Investment share value:
1.1119 Kč

Time period	1M	3M	6M	12M	Since inc. p.a.
Performance	-0.04 %	-0.16 %	0.62 %	1.85 %	2.69 %

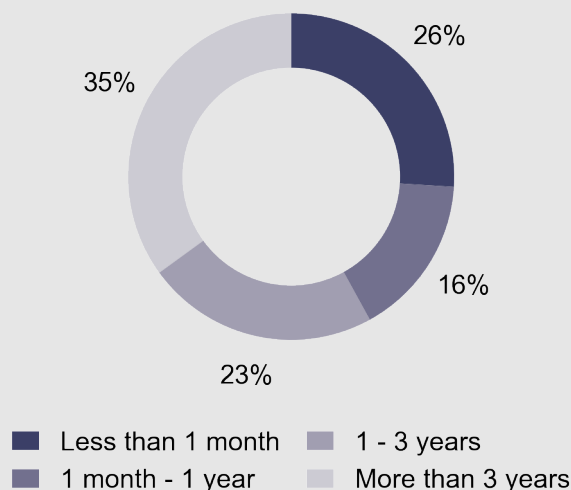
NET ASSET VALUE PER SHARE DEVELOPMENT IN CZK



TOP 10 POSITIONS IN PORTFOLIO

Wood reverzní repo	9%
EPH 4.5/25	9%
PPF Telecom 3.25/27	5%
AIR Bank VAR/29	4%
CZG VAR/2027	4%
JTFG VIII 4.0/23	4%
GTC 2.25/26	4%
Allwyn(Sazka) VAR/28	3%
SAZKA 5.2/2024	3%
ZDR INVEST SICAV 7.5/24	3%

DURATION STRUCTURE



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

MARKET UPDATE



April saw a significant price move down in global bond markets, with major European and US credit indices falling between -4%-7%. Two interest rate rises from the US Federal reserve (in March and early May, totaling 0.75%) and expectations of the key US Central Bank embarking on active sales of its huge Treasury (government) bond portfolio from May onwards acted to push government bond and credit yields up and prices down. Ahead is probably another 200-250bps of Fed hikes this year and a first move up in interest rates from the ECB before the end of Q3. All these moves are seen to rein in consumer price inflation, which hit 8.3% in April and 7.4% year-on-year in the US and the Eurozone respectively. Recent commodity price rises look set to sustain inflation in the next few months at these levels. Major economies are in a healthy condition otherwise, with low unemployment and bond default rates.

Similar conditions apply in the Czech economy, with low unemployment, tight supply conditions, and energy price hikes pushing CPI to 14.2% year-on-year in April. The CNB responded by raising base interest rates in early May by 75bps to 5.75%. Another 75bp hike may follow in June. The appointment of Ales Michl as Governor of the CNB from July might mean a much slower pace of interest rate rises thereafter.

Mark Robinson, Member of the Investment Committee

PORTFOLIO UPDATE



The Fund generated a -0.04% return in April, in the face of the sell-off in Czech and European credit markets. A positive contribution from our Koruna and recently-taken Euro interest rate swap positions and rising running yields of the portfolio constituents almost balanced out the reduction in mark-to-market prices of longer-dated bonds. We remain fully hedged against further rises in CZK bond yields and partially hedged against rising EUR bond yields. In April, our well-secured bridge loan to Czech real estate developer SATPO matured with a full repayment. We still see the situation of rising interest rates and falling bond prices as an opportunity as much as a threat and thus we continued in May to invest our surplus liquidity to capture the higher yields now on offer.

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.