

FOR DATE: **30.06.2022**

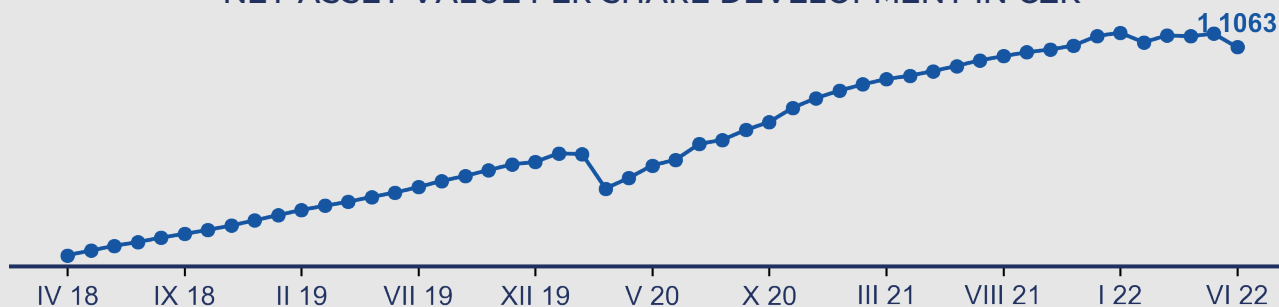
FUND PERFORMANCE

Assets under management:
709 mil. Kč

Investment share value:
1.1063 Kč

Time period	1M	3M	6M	12M	Since inc. p.a.
Performance	-0.62 %	-0.54 %	-0.51 %	0.88 %	2.45 %

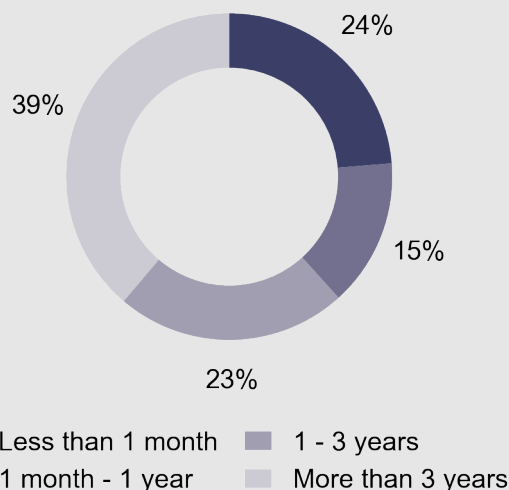
NET ASSET VALUE PER SHARE DEVELOPMENT IN CZK



TOP 10 POSITIONS IN PORTFOLIO

EPH 4.5/25	9%
Wood reverzní repo	6%
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	4%
Wood reverzní repo	3%
SAZKA 5.2/2024	3%

DURATION STRUCTURE



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

MARKET UPDATE



Global credit markets in June endured their worst month of this bond bear market. Again, the Czech credit market was no exception. Markets have stabilised somewhat so far in July. Ever-higher inflation readings, G10 and Emerging Market Central Banks reacting by hiking interest rates further and worries over the effects of the war in Ukraine and an increasing probability of recession in economies across the world have all soured sentiment. Bond yields are higher in consequence, meaning better future rates of return for fixed-income investors.

Czech inflation shows no sign of coming under control, with CPI and PPI reaching 17.2% and 28.5% year on year in June. CPI may well go higher in the coming months. The CNB responded by raising interest rates another 125bps to 7.0% in June and is likely to hike again in August and September. The CNB continued its policy of exchange rate stabilisation/imported inflation control via intervention in currency markets.

Mark Robinson, Member of the Investment Committee

PORTFOLIO UPDATE



The Fund generated a negative -0.62% return in June, in the face of very weak Czech and European credit markets. A positive contribution from our interest rate swap hedging positions and rising running yields of the portfolio constituents did not balance out June's reduction in mark-to-market prices of longer-dated bonds. We remain fully hedged against further rises in CZK and EUR bond yields. The end-June gross running yield of the Fund rose 7.4% annualised. We bought hedged positions in the EUR-denominated Investment Grade floating rate bonds of Erste Bank, USD-denominated bonds of Deutsche Bank and added to our position in lottery operator Allwyn (Sazka Group) in June. We also again issued a well-secured bridging loan to Prague-based real estate developer SATPO. Further investments in listed securities are planned through the summer months, taking advantage of the higher yields on offer in the marketplace and gradually extending the Fund's conservative maturity profile.

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.