

FOR DATE: **30.09.2022**

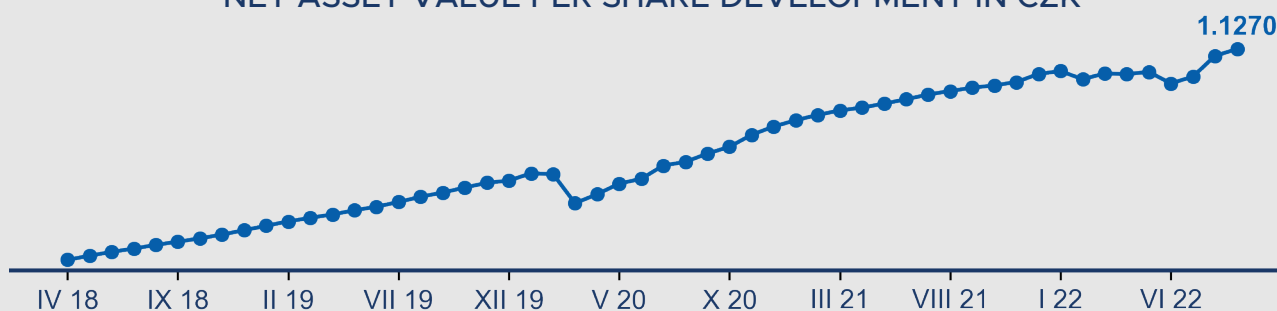
FUND PERFORMANCE

Assets under management:
672 mil. Kč

Investment share value:
1.1270 Kč

Time period	1M	3M	6M	12M	Since inc. p.a.
Performance	0.37 %	1.87 %	1.32 %	2.11 %	2.74 %

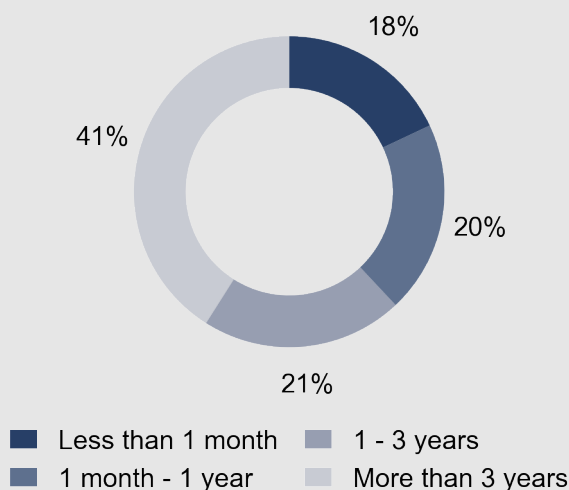
NET ASSET VALUE PER SHARE DEVELOPMENT IN CZK



TOP 10 POSITIONS IN PORTFOLIO

EPH 4.5/25	8%
Wood reverzní repo	7%
PPF Telecom 3.25/27	5%
BNP Paribas VAR/23	5%
Allwyn(Sazka) VAR/28	4%
AIR Bank VAR/29	4%
CZG VAR/2027	3%
GTC 2.25/26	3%
ZDR INVEST SICAV 7.5/24	3%
SAZKA 5.2/2024	2%

DURATION STRUCTURE



You may find the fund annual report for year 2021 here.

MARKET UPDATE



European credit markets were relatively resilient in the face of a sell-off in global government bond markets in September. Government bond investors absorbed 75bp interest rate rises from both the US Fed and the ECB last month. Investors expect more policy interest rate rises, as inflation rates remain elevated, even in the face of a likely slowdown in economic growth. Fixed income and cash markets are seeing inflows, as available bond yields in both Developed and Emerging Markets have climbed.

Czech bonds were somewhat resilient in September, with the Czech National Bank not raising interest rates from 7.0% for the second meeting in a row. The CNB's central forecast for consumer price inflation in 12 months' time is 6.5%, so "real interest rates" are 0.5% positive using this measure. Historical Czech consumer and producer price inflation rates remain stubbornly high, registering 18.0% and 25.8% year-on-year growth in September.

Mark Robinson, Member of the Investment Committee

PORTFOLIO UPDATE



The portfolio gained +0.4% in September. The July-September 3-month net-of-fees return annualized was +7.7%, close to the forward-looking gross annual running yield of the portfolio now sitting at 8.4%. Positive returns from our interest rate hedging and income from the portfolio's positions outweighed moderate mark-downs in the prices of some holdings in September. We retained our fully-hedged interest rate swap positions against further rises in CZK and, especially, EUR bond yields. These positions seek to dampen down future periods of volatile pricing. We maintain a high level of shorter-term liquidity in the portfolio, as near-run yields on offer remain very elevated compared to riskier longer-term exposures. We remain ready to diversify via buying new high-quality names with high yields for the portfolio at lower prices.

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.