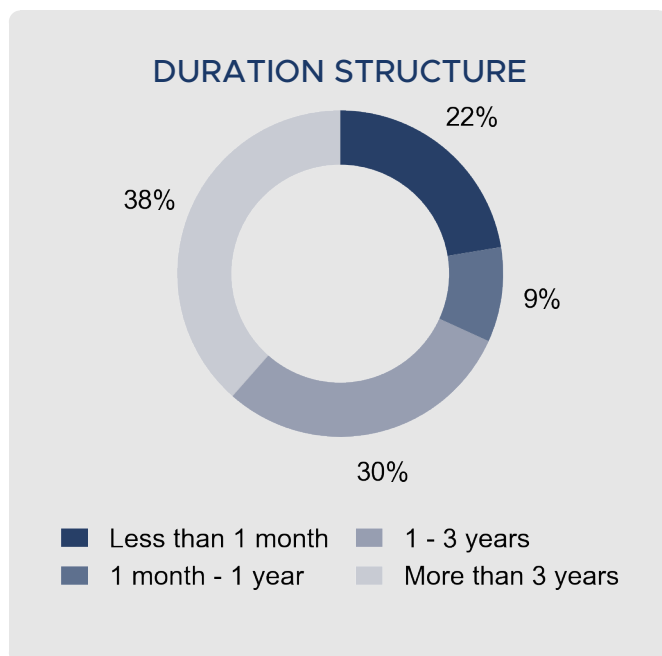
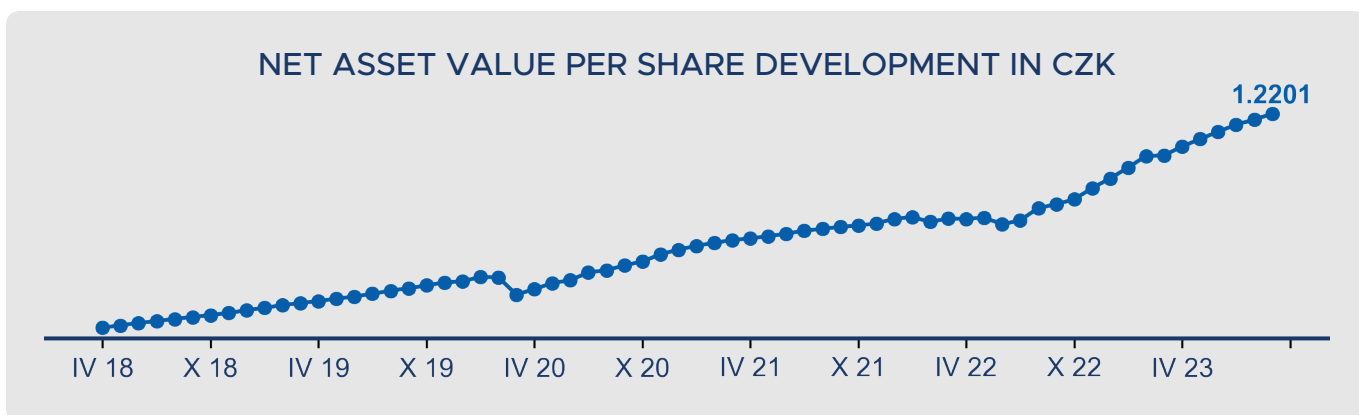


FOR DATE: **30.09.2023**

FUND PERFORMANCE

Assets under management: 829 mil. Kč	Investment share value: 1.2201 Kč
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Time period	1M	12M	3Y	5Y	Since inc.
Performance	0.51 %	8.26 %	14.67 %	20.69 %	22.01 %



You may find the fund annual report for year 2022 here.

MARKET UPDATE



Global credit markets sold off in September and into October, as investors priced in upward pressure on government bond yields. Perceptions that fiscal spending and inflation rates in major economies are not yet under control caused the increase in sovereign yields: credit market yields tend to rise in tandem because a rising cost of borrowing for governments generally implies higher bond coupon rates for corporates and banks. This applies particularly for debtors looking to borrow for the medium to long term. Major market Central Banks appear to have paused their sequence of policy interest rate rises for now, which should steady the level of shorter term yields in Euro and US dollars. This backdrop provides a base for high potential returns in the Czech credit universe.

The CNB held interest rates at 7% in its meeting at the very beginning of October. More benign inflation readings, with Czech consumer price inflation falling to a 6.9% year-on-year rate in September, open the door for the CNB's Monetary Policy Committee to perhaps trim policy rates later this quarter. The Committee will be wary, though, of renewed inflation pressures arising from a higher oil price, geopolitical events such as the Israel-Hamas conflict, Czech wage growth and a weakening koruna.

Mark Robinson, Member of the Investment Committee

PORTFOLIO UPDATE



The NAV of the Fund rose +0.51% in September, taking the historical 12-month return net-of-fees to 8.26%. The forward-looking gross running yield of the portfolio's components remains at a high 8.64%. These returns remain significantly above than prevailing CZK cash interest and annual inflation rates. The portfolio's interest coupon income drove September's performance. We have removed the majority of our interest rate swap positions protecting the portfolio against further market interest rate rises, retaining some hedging against increases in longer term yields. We bought during the month a new issue of Euro-denominated bonds of Ceska Sportelna due in 2028 and a position in the senior bonds of German bank Oldenburgische Landesbank due in 2026. With these actions we continue to thus gradually increase the portfolio's exposure to the higher yields now on offer and to the potential of rallying bond markets in the short to medium term.

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 EnCor Asset Management, investiční společnost, a.s., Údolní 1724/59, Praha 4 - Braník. 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.