



# EnCor Fixed Income Strategy

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

ISIN: CZ0008043106 | FUND CURRENCY: CZK

FOR DATE: **30.11.2023**

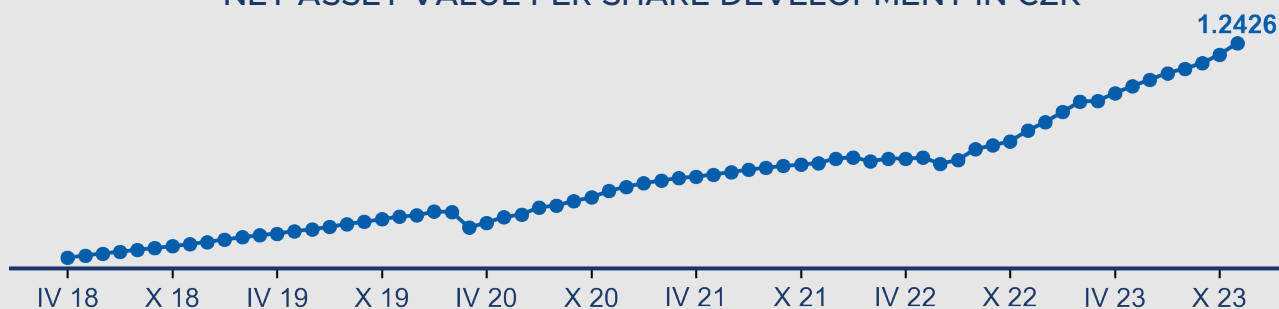
## FUND PERFORMANCE

Assets under management:  
1,065 mil. Kč

Investment share value:  
1.2426 Kč

| Time period | 1M     | 12M    | 3Y      | 5Y      | Since inc. |
|-------------|--------|--------|---------|---------|------------|
| Performance | 1.02 % | 8.66 % | 15.56 % | 22.40 % | 24.26 %    |

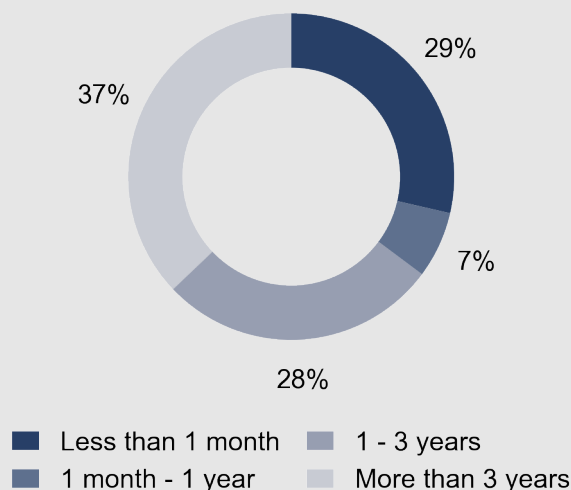
NET ASSET VALUE PER SHARE DEVELOPMENT IN CZK



### TOP 10 POSITIONS IN PORTFOLIO

|                      |    |
|----------------------|----|
| EPH 4.5/25           | 5% |
| ČS Eur 6.69/25       | 4% |
| EPH 6.65/28          | 3% |
| PPF Telecom 3.25/27  | 3% |
| Allwyn(Sazka) VAR/28 | 3% |
| AIR Bank VAR/29      | 2% |
| COLT VAR/27          | 2% |
| Orlen 4.75/30        | 2% |
| CEZ 2.375/27         | 2% |
| CSG 8.0/28           | 2% |

### DURATION STRUCTURE



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



## MARKET UPDATE



Global credit markets rallied in November, with bond prices continuing to rise in December. The corporate bond arena is taking its cue from international government bonds: falling inflation expectations have pulled sovereign yields down, sending prices up. Inflation is falling in part because of slowing G10 economies. As economies slow, default risk generally rises. Market participants are not yet painting worries over corporate defaults into this more optimistic picture for inflation. G10 Central Bank policymakers are still guiding that they intend interest rates to be on hold well into 2024. This environment provides a base for high potential returns in the Czech credit universe.

The CNB held interest rates at 7% on 2 November. November's Czech consumer price inflation ticked down to 7.3% year-on-year, slightly above expectations. The CNB meets again on 21 December and might opt to trim policy interest rates for the first time in this cycle. The CNB's inflation target remains at 2.0%, while market expectations of January 2024's key inflation rate are between 3%-5%.

Mark Robinson, Member of the Investment Committee

## PORTFOLIO UPDATE



The NAV of the Fund rose +1.02% in November, taking the historical 12-month return net-of-fees to 8.66%. The forward-looking gross running yield of the portfolio's components remains at a high 8.1%. These returns remain significantly above the prevailing CZK cash interest and annual inflation rates and this premium will most likely widen in H1 2024 as annual inflation and, eventually, interest rates drop. The portfolio's interest coupon income and rallying bond markets both contributed to the Fund's performance. During the month, we bought a new position in the 2029/34 bonds of Bayern LB and we participated in the new 2028 issue of Czech industrial/energy conglomerate EPH. Our short-term bridge loan to Prague-based real estate developer SATPO matured with full repayment. We are tilting our overall sector exposure towards energy and utilities and away from real estate presently. We are continuing via more purchases in December to increase the portfolio's exposure to the potential of rallying bond markets.

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/](http://www.avantfunds.com/information-info/) or [www.encorfunds.com](http://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.