



EnCor Fixed Income Strategy

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

ISIN: CZ0008043106 | FUND CURRENCY: CZK

FOR DATE: **31.01.2024**

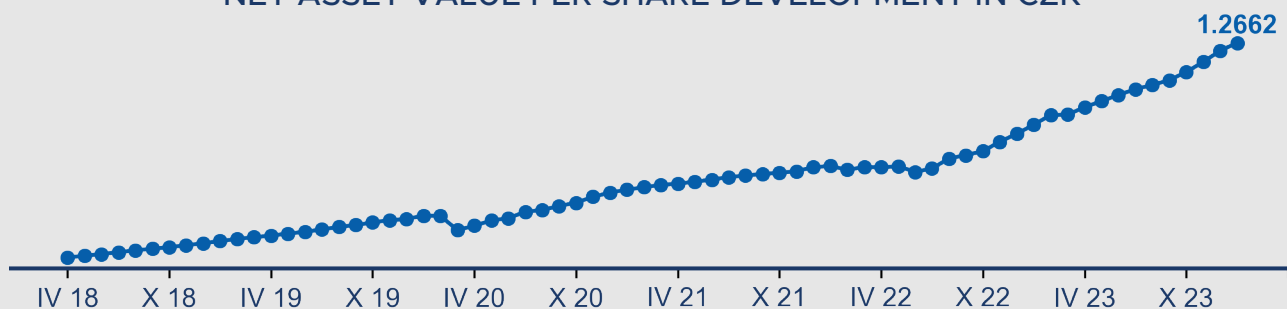
FUND PERFORMANCE

Assets under management:
1,479 mil. Kč

Investment share value:
1.2662 Kč

Time period	1M	12M	3Y	5Y	Since inc.
Performance	0.78 %	8.71 %	16.80 %	24.08 %	26.62 %

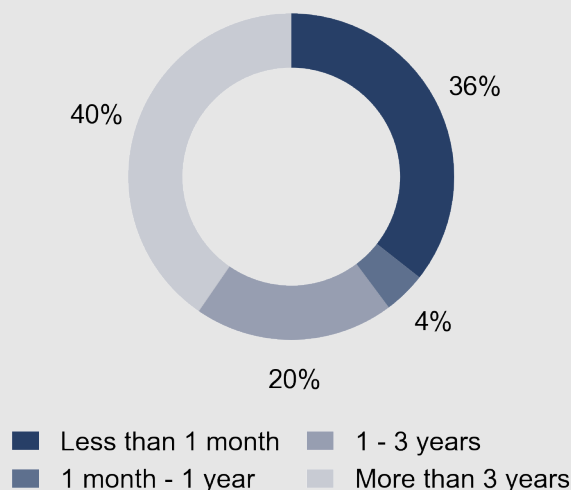
NET ASSET VALUE PER SHARE DEVELOPMENT IN CZK



TOP 10 POSITIONS IN PORTFOLIO

Orlen 4.75/30	4%
EPH 4.5/25	3%
EPH 6.65/28	3%
ČS 6.69/25	3%
PPF Telecom 3.25/27	2%
CEZ 2.375/27	2%
Allwyn(Sazka) VAR/28	2%
MND VAR/27	2%
AIR Bank VAR/29	2%
ČS 4.82/30	2%

DURATION STRUCTURE



You may find the fund annual report for year 2022 [here](#).

**Important note: The investment share price is already final after the completion of the regular annual audit, the exact number of securities will be finalized in the coming days.*



MARKET UPDATE



Global credit markets consolidated in January after rallying strongly in the previous months. Annual rates of inflation in major economies appear to have stopped falling, causing market participants to reassess whether policy interest rates will be cut soon by the G10 Central Banks and questioning that bond yields will drop further. New bond issuance in the new year of 2024 is nevertheless very high, a sign of a very liquid marketplace. Conditions for credits in the European “periphery”, including the Czech market, are good.

After the month end, the CNB again cut policy interest rates by 50 basis points (-0.50%) to 6.25% in early February. With its second cut in two meetings, the CNB is thus “moving early”, not for the first time when compared to its G10 counterparts. Their justification came with the January consumer price inflation rate dropping to just 2.7% year-on-year. Inflation looks likely to sit in the 2.0%-4.0% range in 2024. A weakening of the koruna, observed since January, might slow the pace of future policy rate cuts.

Mark Robinson, Member of the Investment Committee

PORTFOLIO UPDATE



The NAV of the Fund rose +0.78% in January, keeping the historical 12-month return net-of-fees at a high 8.71%. The forward-looking gross running yield of the portfolio's components remains at a competitive 7.3%. These returns are now significantly above the current and expected Czech inflation rates and available cash-in-bank interest returns. The portfolio's interest coupon income and firm pricing in segments of the Czech and European bond arena propelled January's performance. During the month, we invested in a new issue of 2030 bonds of Ceska Sporitelna and purchased new positions in the 10-year government bonds of Slovenia and in the Art of Finance Elevation Fund. In addition, we added to positions in the 2027 and 2030 bonds of Polish energy players Tauron and PKN and the 2026 bonds of Czech utility Net4Gas. We rolled over the portfolio's exposure to real estate fund ZDR by participating in their issuance of 2027 bonds. We are continuing in the near term to deploy the Fund's liquidity into well-priced opportunities.

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.