

INVESTMENT STRATEGY

The investment objective of the Fund is to achieve a persistent return with a low level of volatility over the long term and thus to overhaul the rate of inflation and returns on bank deposits in the long run. For this purpose, the Fund invests mainly in high-quality corporate bonds from issuers from the Czech Republic, supplemented by issuers from the EU and possibly other countries, in money market instruments, reverse repo operations and other fixed income instruments. To ensure stability, the fund will use hedging of exchange rate risk against CZK, or interest rate risk using financial derivatives. Current coupons are reinvested and are further appreciated. The Fund does not actively track any index or benchmark.

KEY INFORMATION

Fund Manager:	EnCor Asset Management
Administrator:	Wood & Company investiční společnost
Depository:	UniCredit Bank
Auditor:	Ernst & Young Audit
ISIN (class B):	CZ0008477940
Currency of quotation:	CZK
Date of founding:	7. August 2023
Date of inception:	1. December 2023
Liquidity	weekly
Management fee:	1,0 % p.a.

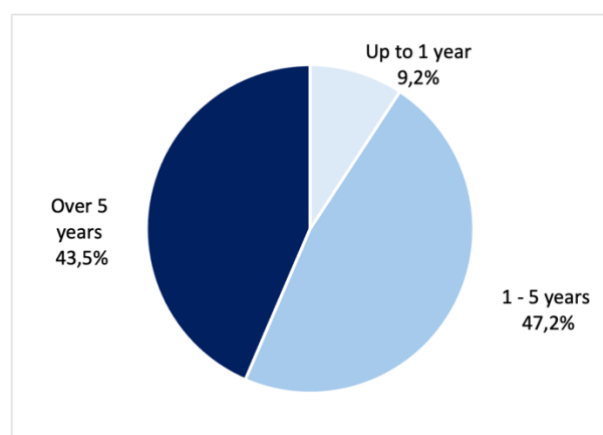
PERFORMANCE OF THE FUND AS OF 31. 5. 2026

Assets under management in the Fund: 768,4 mil. CZK

Unit price: 1,1312 CZK

Period	1M	3M	6M	YTD	1Y	3Y	Since inception
Return	0,53 %	0,15 %	1,73 %	1,37 %	4,05 %	-	13,12 %

PORTFOLIO COMPOSITION BY MATURITY



TOP POSITIONS IN THE PORTFOLIO

Instrument	Weight
MND VAR/27	3,6%
EMUN GPC	2,9%
CEZ 4,125/31	2,7%
BNP Diversified Private Credit I	2,6%
VONOVIA SE 4,500/40	2,5%
EPH 6,651/28	2,4%
EPH 5,875/29	2,4%
Eutelsat Communications 5,75/31	2,3%
KKCG FINAN 5,9/29	2,3%
Slovenske elektrarne 3,875/32	2,2%

PORTFOLIO MANAGER'S COMMENTARY

The Fund's unit price rose 0.53% in May, taking the year-to-date return to 1.37%. The month extended the stabilisation in European and Czech fixed income markets that followed April's ceasefire rebound after March's conflict-driven sell-off. Sentiment in global bond markets, though, remained cautious: energy prices stayed elevated, inflation concerns persisted and investors continued to debate whether central banks would need to tighten policy, limiting the rally in benchmark bonds. Credit spreads, however, were steadier and coupon income again supported returns. Portfolio activity was selective. We bought the new EP Infrastructure 2034 bonds, increased holdings in Pale Fire Capital's 2026 and J&T Banka's 2029 issues, sold our Romanian government bond exposure and reduced our CTP 2032 bonds. These changes improved issuer mix and carry, while we also reduced interest rate risk further by increasing the portfolio's interest rate swap hedging positions. The gross yield-to-maturity stands at 5.8%, continuing to offer an attractive carry relative to cash, while the energy sector exposure provides partial protection against inflation risks.

IMPORTANT NOTICE

EnCor Dluhopisovy OPF is an open-end mutual fund according to Act No. 240/2013 Coll., on Investment Companies and Investment Funds. The fund manager, EnCor Asset Management, Investment Company, a.s. is subject to the supervision of the Czech National Bank. The manager warns investors that the value of the investment in the fund may go down as well as up and the return of the amount originally invested is not guaranteed. The performance of the Fund in previous periods does not guarantee the same or better performance in the future. An investment in the Fund is intended to provide a return over the medium and long term and is therefore not suitable for short-term speculation. In particular, potential investors should consider the specific risks that may arise from the investment objectives of the Fund as set out in its constitution. The investment objectives are reflected in the recommended investment horizon, as well as in the fees and expenses of the Fund. The Fund's Key Information Document (KID) is available at <http://www.encoram.com>. The information can be obtained in paper form from the company's registered office at EnCor Asset Management, investiční společnost, a.s., Pernerova 691/42, 186 00 Praha 8 – Karlín. The information provided is for information purposes only and does not constitute a proposal to conclude a contract or a public offer under the provisions of the Civil Code. More information can be found on the website <http://www.encoram.com>