EnCor Fixed Income Strategy

Sub-fund of EnCor Funds SICAV, a.s. **May 2026**

INVESTMENT PLAN

The sub-fund's investment strategy is to grow investors' funds mainly through investments in sovereign and corporate debt instruments from various sectors, issued by issuers mainly from the Czech Republic, supplemented by issuers from the EU and the USA, while maintaining a low level of credit risk. In the case of foreign currencies, investments are hedged against currency risk in CZK. The sub-fund's investment strategy additionally includes the provision of secured loans, for example to developers with a proven track record of successful projects or companies with positive cash flow.

KEY INFORMATION

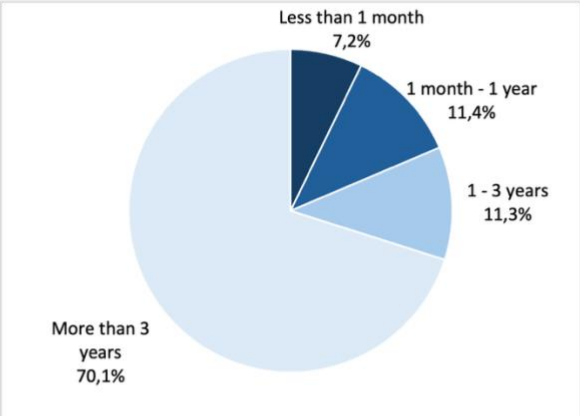
Manager:	EnCor Asset Management
Administrator:	AVANT investiční společnost, a.s.
Depositary:	Česká spořitelna, a.s.
Auditor:	Ernst & Young Audit
ISIN:	CZ0008043106
Currency:	CZK
Date of creation:	11.1. 2018
Valuation as of:	1.5. 2018
Liquidity:	monthly
Management fee:	0,8 % p.a.
Total cost (TER):	1,1 % p.a.

FUND PERFORMANCE 31. 5. 2026

Assets under management: 2764,8 mil. CZK
Investment share value: 1,4164 CZK

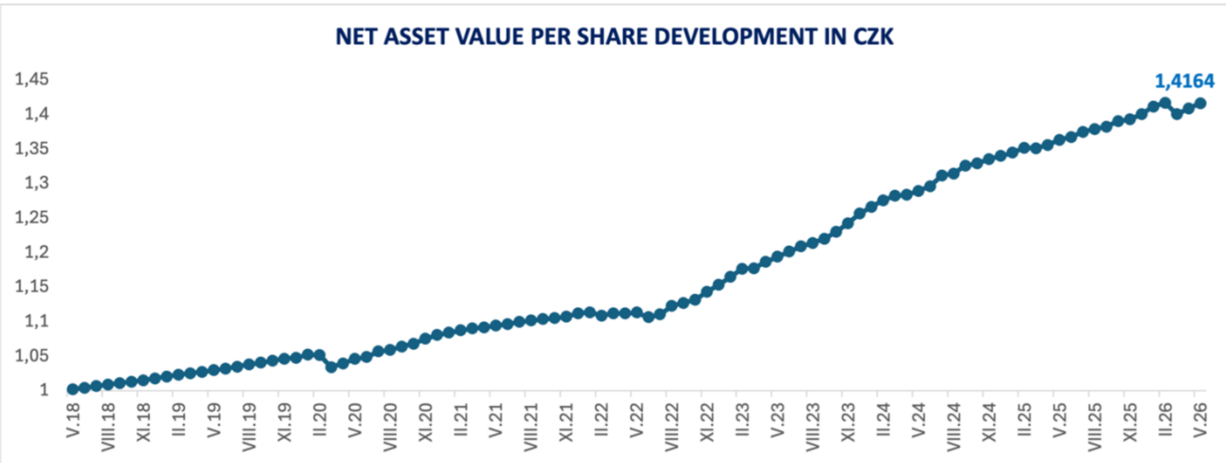
Time period	1M	YTD	12M	5Y	Since inc.
Performance	0,53 %	1,12 %	3,89 %	29,46 %	41,64 %

DURATION STRUCTURE



TOP POSITIONS IN PORTFOLIO

Instrument	Weight
EMUN GPC OPF	5,9%
Zajištěná půjčka MTK	3,6%
Orlen 4.75/30	2,8%
EPH 4.62/32	2,7%
Colt 6.1/31	2,5%
EPH 6.65/28	2,4%
Moneta 4.41/30	2,4%
MND VAR/27	2,2%
CSG 5.75/30	2,2%
Élévation OPF	2,0%



MARKET REVIEW AND OUTLOOK

European and Czech fixed income markets in May continued April's post-Iran War ceasefire stabilisation, after March's conflict-driven sell-off. Sentiment in global government bond markets remained cautious, overall: 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. The ECB and the CNB have both hiked policy interest rates by 25 basis points in June: market participants anticipated both moves. Corporate credit spreads have remained remarkably steady over the past quarter, in marked contrast to the volatility seen in government bond markets. This indicates some confidence in the resilience of the global economy to absorb shocks.

Mark Robinson, Member of the Investment Committee

PORTFOLIO REVIEW

The Fund's unit price rose 0.53% in May, translating to an annual return of 3.9%. The portfolio's coupon income again supported returns, as did the stabilisation of global bond market sentiment. We took advantage of firm market pricing to sell our positions in PPF Telecom and Volksbank's 2027 issues as well as reducing our Romanian government bond exposure on macro concerns. One of our well-secured real estate loans matured with full repayment. We replaced this holding with a new loan to property developer Crestyl. These changes improved issuer mix and carry, while we also reduced interest rate risk further by increasing again the Fund's interest rate swap hedging positions during May. The portfolio's gross yield-to-maturity stands at 6.1%, continuing to offer an attractive carry relative to cash, while our energy sector exposure provides partial protection against inflation risks.

Lubor Žalman, Founder of the fund

DISCLAIMER