



Audited Annual Report

As at 31 December 2023

INVL Fund

An umbrella investment fund (fonds commun de placement à compartiments multiples) as defined under Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment, as amended.

K2085



HAUCK
AUFHÄUSER
FUND SERVICES

Management Company



HAUCK
AUFHÄUSER
LAMPE

Depository

Ladies and Gentlemen,

This financial report provides you with comprehensive information on the performance of the investment fund INVL Fund with its Sub-Fund INVL Emerging Europe Bond Fund.

INVL Fund is an investment fund established under Luxembourg law as an umbrella fund (fonds commun de placement à compartiments multiples) consisting of securities and other assets. It was incorporated according to Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment (the “Law of 2010”) as amended, and fulfils the Directive of the Council of the European Communities 2009/65/EC of 13th July 2009, last amended by Directive 2014/91/EU of the European Parliament and the Council from 23 July 2014 (“Directive 2009/65/EC”).

Unit class I of the Sub-Fund INVL Emerging Europe Bond Fund serves for investments of the feeder undertaking and other institutional investors.

INVL Emerging Europe Bond Subfund (ISIN: LTIF00000468) of the INVL Umbrella Fund established in Lithuania is the feeder undertaking of the Sub-Fund INVL Emerging Europe Bond Fund (unit class I / LU2228214792) of the umbrella fund INVL Fund established in the Grand Duchy of Luxembourg. In such structure, the Luxembourg-based Sub-Fund INVL Emerging Europe Bond Fund is deemed a master undertaking under Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS). At least 85 % of the assets of INVL Emerging Europe Bond Subfund is invested in the investment units of the master undertaking INVL Emerging Europe Bond Fund (unit class I).

Subscriptions may only be made on the basis of the current prospectus, the key information document for packaged retail and insurance-based investment products (PRIIPs) together with the subscription application form, the latest annual report and, if applicable, the latest semi-annual report.

Other important information for unitholders is generally published on the Management Company's website (www.hal-privatbank.com). Here you will also find current fund prices and facts about your funds. In addition, in cases prescribed by law, a publication will also be placed in a daily newspaper in Luxembourg.

This report covers the period from 1 January 2023 to 31 December 2023.



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Management and Administration

Management Company

Hauck & Aufhäuser Fund Services S.A.

R.C.S. Luxembourg B28878

1c, rue Gabriel Lippmann, L-5365 Munsbach

Subscribed capital as of 31 December 2023: EUR 11.0 m.

Supervisory Board of the Management Company

Chairman

Dr. Holger Sepp

Member of the Board of Directors

Hauck Aufhäuser Lampe Privatbank AG, Frankfurt am Main

Members

Marie-Anne van den Berg

Independent Director

Andreas Neugebauer

Independent Director

Board of Directors of the Management Company

Elisabeth Backes

Hauck & Aufhäuser Fund Services S.A., Luxembourg

Christoph Kraiker

Hauck & Aufhäuser Fund Services S.A., Luxembourg

Wendelin Schmitt

Hauck & Aufhäuser Fund Services S.A., Luxembourg

Depositary

Hauck Aufhäuser Lampe Privatbank AG, Niederlassung Luxemburg

1c, rue Gabriel Lippmann, L-5365 Munsbach

Paying Agent

Grand Duchy of Luxembourg

Hauck Aufhäuser Lampe Privatbank AG, Niederlassung Luxemburg

1c, rue Gabriel Lippmann, L-5365 Munsbach

Facilities Agent for Germany

Hauck & Aufhäuser Fund Services S.A.

1c, rue Gabriel Lippmann, L-5365 Munsbach

Investment Manager and Distribution Agent

UAB SB Asset Management

Gyneju str. 14, 01109 Vilnius, Lithuania

Statutory Auditor

KPMG Audit S.à r.l.

Cabinet de révision agréé

39, Avenue John F. Kennedy, L-1855 Luxembourg

Registrar and Transfer Agent

Hauck & Aufhäuser Fund Services S.A.

1c, rue Gabriel Lippmann, L-5365 Munsbach



Report of the Investment Manager

Review of Global Financial Markets

Even though interest rate raises were in full swing during the first half of the year, moderating inflation data prompted less hawkish comments from the Federal Reserve and suggestions that there may be interest rate cuts already in 2024. Consequently, 10-year US Treasury yield, which reached a high of 5.0 % in October, ended the year at 3.8 % after a significant year-end rally. Similar trend was seen in European markets as well. Robust labour market and stronger than expected economic growth seemed to suggest that any „hard-landing“ recession scenario should be avoided. 10-year German bund YTM tightened from an elevated 2.6 % level at the start of 2023, to around 2.0 % by year-end. In the meantime, peripheral European markets like Greece or Italy benefited additionally due to tightening spreads and improved credit outlooks. CEE sovereigns like Romania and Bulgaria also followed the momentum strongly.

As a result, 2023 proved to be an outstanding year for capital markets. Equity markets were led by the „Magnificent Seven“ technology companies, while fixed income securities booked strongly positive returns on the back of higher accrued interest and the contraction of risk-free rates in the last quarter of the year.

Investment strategy and Performance

The Sub-Fund's net performance for 2023 was slightly ahead of the benchmark (10.5% compared to the benchmark's return of 10.3%) even though average portfolio duration was shorter. The outperformance was a result of focus on high-quality corporate bonds that allowed to capture additional yield pick-up but exposed the portfolio to lower interest rate volatility. The Sub-Fund continues to maintain somewhat lower duration than the benchmark (2.6 years for the fund vs 4.5 years in the benchmark) while maintaining a competitive yield-to-maturity (fund's YTM stood at 5.9 % as of the end of 2023) and average investment grade rating.

Sector-wise, within the CEE region both real estate and financial sectors rebounded well over the course of the year after they were too harshly sold-off in 2022. The fund was involved in this theme with some real estate managers within CEE and their bonds were trading close to 10 % or even more. In the financial sector, the fund was involved in bonds of regional banks with strong financial metrics and deep investment grade ratings while accumulating around 8 % YTM.

During 2023 the Sub-Fund faced both outflows and inflows but successfully managed the capital even though liquidity was low over extended time periods. The investment manager has a broad counterparty list which helps to trade even in distressed or low liquidity periods.

The performance of the Sub-Fund during the reporting period:

INVL Emerging Europe Bond Fund R	9.97 %
INVL Emerging Europe Bond Fund I	10.50 %

Outlook

CEE region continues to look attractive compared to other bond markets as fundamental quality of issuer companies and countries remains strong while YTM is still elevated. Moreover, leverage metrics on both sovereign and corporate level continue to look well. A return of global interest rates to long-term average levels creates a favorable environment for the entire fixed income asset class, when one does not have to rely on falling interest rates to earn positive return – we see such setting as a buying opportunity with rather limited downside risk. Therefore, in case risk-free rate rally subsides or yields stop falling, the Sub-Fund should perform well compared to the benchmark index.



This report has been prepared in accordance with the laws and regulations in force in Luxembourg on a going concern basis under LUX GAAP.

The value of a Unit (the "Unit Value") shall be denominated in the currency of the Unit Class (the "Unit Class Currency") as set out in the overview of the relevant Sub-Fund in the Prospectus. It shall be calculated under the supervision of the Depositary by the Management Company or by a third party appointed by it on each date specified in the Prospectus for the relevant Sub-Fund ("Valuation Day"). The Unit Value is calculated by dividing the net Sub-Fund Assets of the relevant Unit Class by the number of Units in circulation of the relevant Unit Class on the Valuation Day. Insofar as statutory provisions or stipulations of the Management Regulations prescribe that annual and semi-annual reports and other financial statistics provide information on the position of the Fund assets of the relevant Sub-Fund as a whole, this information is provided in Euro (the "Reference Currency") and the assets are converted into the Reference Currency.

The net fund assets are calculated according to the following principles:

- a) The target fund units contained in the Fund are valued at the most recently calculated and available unit value or redemption price.
- b) Cash holdings or bank deposits, deposit certificates, outstanding debts, prepaid expenses, cash dividends (declared or accumulated) and accrued interest are valued at their face value, unless it is determined that such holdings are unlikely to be paid or received in full, in which case the face value is reduced by an appropriate discount to reflect the value likely to be received by the Fund.
- c) Securities that are listed or traded on a stock exchange or another Regulated Market are valued at the most recently available price, unless stipulated otherwise below.
- d) If an asset is not quoted on a stock exchange or traded on another Regulated Market, or if, as mentioned above, in the case of assets quoted on a stock exchange or traded on another market, prices corresponding to the rules in c) do not fairly reflect the actual market value of the corresponding assets, the value of such assets shall be determined on the basis of the probable sale price, determined conservatively and in good faith.
- e) The liquidation proceeds of futures, forwards or options that are not traded on stock exchanges or regulated markets are valued at their net liquidation value pursuant to guidelines of the Board of Directors on the basis of calculations consistently applied for all types of contracts. The liquidation proceeds of futures, forwards or options that are traded on stock exchanges or Regulated Markets is calculated on the basis of the most recently available trade price of such contracts on the stock exchanges or regulated markets on which these futures, forwards or options are traded by the Fund. If a future, forward or option cannot be liquidated on a day for which the Net Asset Value is being determined, then the basis of valuation for such a contract shall be determined by the Board of Directors as they deem fair and reasonable.
- f) Swaps are valued at their market value. Care will be taken to ensure that swap contracts are entered into at arm's length conditions in the exclusive interest of the relevant Sub-Fund.
- g) Money market instruments may be valued at their respective market value as determined by the Management Company in good faith and according to generally accepted valuation rules that may be verified by the Auditors.
- h) All other securities or other assets shall be valued at their reasonable market value, as defined in good faith and in accordance with the policies of the Management Company.
- i) The accrued pro rata interest on transferable securities will be taken into account unless already taken into account in the market value (i.e. dirty pricing).
- j) The value of all assets and liabilities denominated in a currency other than the Base Currency will be converted into the Sub-Fund's Base Currency at the most recently available exchange rate. If such rates are not available, the exchange rate shall be determined in good faith and in accordance with the procedure established by the Board of Directors.

The Management Company may, at its absolute discretion, permit some other method of valuation to be used if it considers such valuation to be a fairer valuation of an asset of the Fund.

If the Management Company believes that the Unit Value defined on a certain Valuation Day does not reflect the actual value of the Sub-Fund's units or if considerable movements have occurred in the relevant stock exchanges and/or markets since the Unit Value was determined, the Management Company may in good faith update the Unit Value on the same day. In such circumstances, all applications for subscription and redemption received for that Valuation Day will be redeemed on the basis of the Unit Value updated in good faith.

Unit class I of the Sub-Fund INVL Emerging Europe Bond Fund serves for investments of the feeder undertaking and other institutional investors.

INVL Emerging Europe Bond Subfund (ISIN: LTIF00000468) of the INVL Umbrella Fund established in Lithuania is the feeder undertaking of the Sub-Fund INVL Emerging Europe Bond Fund (unit class I / LU2228214792) of the umbrella fund INVL Fund established in the Grand Duchy of Luxembourg. In such structure, the Luxembourg-based Sub-Fund INVL Emerging Europe Bond Fund is deemed a master undertaking under Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS). At least 85 % of the assets of INVL Emerging Europe Bond Subfund is invested in the investment units of the master undertaking INVL Emerging Europe Bond Fund (unit class I).

In the financial year, no securities financing transactions or total return swaps as defined in Regulation (EU) 2015/2365 of the European Parliament and the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("SFTR") have been employed. Thus, no disclosures to the investors as defined in Article 13 of the aforementioned Regulation are required in the annual report.

Risk warnings on Ukraine conflict: The impact of the Ukraine crisis on the Fund and its Sub-Funds is currently not conclusive. Even if there are no direct holdings of securities in Ukraine or Russia, there is a risk that indirect risks from the sanctions imposed, resulting market volatility or rising energy prices may affect the performance of the Fund or of counterparties.



Performance of the net assets of the Fund during the reporting period (BVI method excl. sales commission)

INVL Emerging Europe Bond Fund R / LU2228213802 (1 January 2023 to 31 December 2023)	9.97 %
INVL Emerging Europe Bond Fund I / LU2228214792 (1 January 2023 to 31 December 2023)	10.50 %

The performance is the percentage change between the assets invested at the beginning of the investment period and its value at the end of the investment period and is based on the assumption that any distributions have been reinvested. Past performance does not give any indication of a similar performance in the future.

Total Expense Ratio (TER) of the net assets of the Fund (according to the BVI method incl. performance fee)

INVL Emerging Europe Bond Fund R (1 January 2023 to 31 December 2023)	1.56 %
INVL Emerging Europe Bond Fund I (1 January 2023 to 31 December 2023)	1.10 %

The Total Expense Ratio (TER) of the net assets of the Fund expresses the sum of costs and fees as a percentage of the average assets under management within a financial year.

Total Expense Ratio (TER) of the net assets of the Fund (according to the BVI method excl. performance fee)

INVL Emerging Europe Bond Fund R (1 January 2023 to 31 December 2023)	1.56 %
INVL Emerging Europe Bond Fund I (1 January 2023 to 31 December 2023)	1.10 %

Performance Fee

INVL Emerging Europe Bond Fund R (1 January 2023 to 31 December 2023)*	0.00 %
INVL Emerging Europe Bond Fund I (1 January 2023 to 31 December 2023)*	0.00 %

Portfolio Turnover Rate (TOR)

INVL Emerging Europe Bond Fund (1 January 2023 to 31 December 2023)	35 %
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The absolute figure calculated for the portfolio turnover rate represents the ratio between the securities acquisitions and securities sales, the cash inflow and outflow and the average Net Fund Assets for the above-mentioned reporting period.

Appropriation of Income

Ordinary income from interest and/or dividends less expenses and net exchange gains for INVL Emerging Europe Bond Fund R is generally distributed. In the financial year, an interim distribution was made on 12 December 2023 in the amount of EUR 2.23 per share. No distribution has been made so far in respect of the financial year.

Ordinary income from interest and/or dividends less expenses and net exchange gains for INVL Emerging Europe Bond Fund I is generally accumulated. No distribution is made in respect of the financial year.

Publications

The current net asset value of the Fund and all other information intended for the Unitholders may be obtained at any time at the registered office of the Management Company, the Depositary, the Paying Agents and Distributors.

Information on Remuneration

Information on remuneration can be found in the latest Sales Prospectus.

There were no agreements in place in the context of the activities of the Fund for the payment of "soft commissions" or similar fees for the previous financial year. Neither the Manager nor any affiliated body received any kickbacks or any reimbursements from brokers or agents for the reporting period.

Taxation of the Fund in Luxembourg

The Fund's assets are subject to a tax in the Grand Duchy of Luxembourg (the "Taxe d'Abonnement"), currently 0.05% p.a. for units of non-institutional unit classes and 0.01% for units of institutional unit classes. The Taxe d'Abonnement is payable on a quarterly basis, for the Net Fund Assets indicated at the end of each quarter. The Fund's income is not taxed in Luxembourg.

* According to the provisions of the prospectus a performance fee is not calculated.



Transaction costs

For the reporting period ending 31 December 2023, the transaction costs listed below were incurred in connection with the purchase and sale of securities, money market instruments, derivatives or other assets. Transaction costs include, in particular, commissions to brokers and agents, clearing fees and third party fees (such as stock exchange fees, local taxes and fees, registration and roll over fees).

INVL Emerging Europe Bond Fund (1 January 2023 to 31 December 2023)

3,910.59 EUR



Statement of investments and other net assets as at 31.12.2023

INVL Emerging Europe Bond Fund

As the INVL Fund consists of only one sub-fund, INVL Emerging Europe Bond Fund, as at 31 December 2023, the statement of investments and other net assets, the statement of changes in net assets and the statement of operations of INVL Emerging Europe Bond Fund are at the same time the consolidated above mentioned statements of the INVL Fund.

Generic name	Market	ISIN	Units/ Shares/ Nominal	Balance as at 31.12.2023	Purchases/ Additions in the reporting period	Sales/ Disposals	CCY	Price	Market value in EUR	% of the Sub-Fund's Net Assets
Securities portfolio									35,367,650.14	88.43
Exchange traded securities										
Bonds										
Bulgaria										
Bulgarian Energy Holding EAD EO-Bonds 2021(21/28)		XS2367164576	Nominal	1,000,000.00	650,000.00	0.00	EUR	87.65	876,500.00	2.19
Bulgarien EO-Medium-Term Notes 2022(29)		XS2536817211	Nominal	500,000.00	300,000.00	0.00	EUR	103.05	515,235.00	1.29
Bulgarien EO-Medium-Term Notes 2023(31)		XS2716887760	Nominal	300,000.00	300,000.00	0.00	EUR	105.08	315,240.00	0.79
Czech Republic										
CEZ AS - Anleihe - 2,375 06.04.2027		XS2461786829	Nominal	1,000,000.00	0.00	0.00	EUR	96.19	961,890.00	2.41
EPH Financing International as EO-Medium-Term Nts 2023(23/28)		XS27168891440	Nominal	1,600,000.00	1,600,000.00	0.00	EUR	101.40	1,622,400.00	4.06
Estonia										
AS LHV Group EO-FLR Notes 2023(26/27)		XS2693753704	Nominal	1,275,000.00	1,275,000.00	0.00	EUR	102.25	1,303,687.50	3.26
Luminor Bank AS EO-FLR Preferred MTN 23(25/26)		XS2576365188	Nominal	725,000.00	725,000.00	0.00	EUR	101.93	739,021.50	1.85
Luminor Bank AS EO-FLR Preferred MTN 23(26/27)		XS2633112565	Nominal	1,090,000.00	1,090,000.00	0.00	EUR	105.77	1,152,854.85	2.88
Guernsey										
Glo.Wr.Real Estate Invest.Ltd. EO-Medium-Term Nts 2020(20/26)		XS2208868914	Nominal	1,400,000.00	285,000.00	0.00	EUR	82.60	1,156,456.00	2.89
Latvia										
Citadele banka EO-FLR Preferred Nts 21(25/26)		XS2393742122	Nominal	1,000,000.00	0.00	0.00	EUR	90.10	900,950.00	2.25
Lithuania										
Akropolis Group UAB - Anleihe - 2,875 02.06.2026		XS2346869097	Nominal	2,300,000.00	0.00	0.00	EUR	90.89	2,090,366.50	5.23
Litauen, Republik EO-Medium-Term Notes 2022(28)		XS2547270756	Nominal	1,400,000.00	1,400,000.00	0.00	EUR	103.52	1,449,217.00	3.62
Maxima Grupe UAB EO-Med.-T. Notes 2022(22/27)		XS2485155464	Nominal	1,300,000.00	0.00	-100,000.00	EUR	98.77	1,284,023.00	3.21
Luxembourg										
GTC Aurora Luxembourg S.A. EO-Notes 2021(21/26) Reg.S		XS2356039268	Nominal	1,500,000.00	0.00	0.00	EUR	74.23	1,113,405.00	2.78
Poland										
Bank Gospodarstwa Krajowego EO-Medium-Term Nts 2022(27)		XS2530208490	Nominal	450,000.00	0.00	-200,000.00	EUR	101.77	457,965.00	1.15
Bank Polska Kasa Opieki S.A. EO-FLR Non-Pref. MTN 23(26/27)		XS2724428193	Nominal	550,000.00	550,000.00	0.00	EUR	102.05	561,275.00	1.40
mBank S.A. EO-FLR Non-Pref. MTN 21(26/27)		XS2388876232	Nominal	900,000.00	0.00	0.00	EUR	87.08	783,751.50	1.96
mBank S.A. EO-FLR Non-Pref. MTN 23(26/27)		XS2680046021	Nominal	700,000.00	700,000.00	0.00	EUR	105.53	738,741.50	1.85



The notes are an integral part of the financial statements.

Generic name	Market	ISIN	Units/ Shares/ Nominal	Balance as at 31.12.2023	Purchases/ Additions in the reporting period	Sales/ Disposals	CCY	Price	Market value in EUR	% of the Sub-Fund's Net Assets
Polski Koncern Naftowy Orlen - Anleihe - 1,125 27.05.2028		XS2346125573	Nominal	1,300,000.00	0.00	0.00	EUR	90.43	1,175,525.00	2.94
Powszechna K.O.(PKO)Bk Polski EO-FLR Pref. MTN 23(25/26)		XS2582358789	Nominal	1,100,000.00	1,100,000.00	0.00	EUR	101.41	1,115,477.00	2.79
Republic of North Macedonia										
Nordmazedonien, Republik EO-Bonds 2021(27/28) Reg.S		XS2310118893	Nominal	1,700,000.00	500,000.00	0.00	EUR	87.04	1,479,612.00	3.70
Romania										
Banca Comerciala Româna S.A. EO-FLR Non-Pref.MTN 23(26/27)		AT0000A34CN3	Nominal	700,000.00	700,000.00	0.00	EUR	105.29	737,009.00	1.84
Banca Transilvania S.A. EO-FLR Non-Pr.Bonds 23(26/27)		XS2616733981	Nominal	1,350,000.00	1,350,000.00	0.00	EUR	105.65	1,426,335.75	3.57
RCS & RDS SA - Anleihe - 3,250 05.02.2028		XS2107452620	Nominal	1,100,000.00	1,100,000.00	0.00	EUR	89.66	986,243.50	2.47
Rumänien EO-Med.-Term Nts 2020(26)Reg.S		XS2178857285	Nominal	500,000.00	0.00	-600,000.00	EUR	98.40	492,000.00	1.23
Rumänien EO-Med.-Term Nts 2020(30)Reg.S		XS2178857954	Nominal	400,000.00	400,000.00	0.00	EUR	92.08	368,308.00	0.92
Rumänien EO-Med.-Term Nts 2021(30)Reg.S		XS2364199757	Nominal	400,000.00	0.00	0.00	EUR	81.08	324,326.00	0.81
Rumänien EO-Med.-Term Nts 2023(33)Reg.S		XS2689948078	Nominal	400,000.00	400,000.00	0.00	EUR	105.84	423,354.00	1.06
Slovenia										
Nova Ljubljanska Banka d.d. EO-FLR Pref. Nts 2023(26/27)		XS2641055012	Nominal	100,000.00	100,000.00	0.00	EUR	105.76	105,762.50	0.26
Turkey										
Ülker Bisküvi Sanayi A.S. DL-Notes 2020(25) Reg.S		XS2241387500	Nominal	1,100,000.00	0.00	-200,000.00	USD	98.55	981,337.01	2.45
United Kingdom										
PEU (Fin) Ltd. EO-Notes 2023(23/28) Reg.S		XS2643284388	Nominal	2,025,000.00	2,025,000.00	0.00	EUR	103.16	2,089,060.88	5.22
Organised Market										
Bonds										
Ireland										
Aragvi Finance Intl DAC DL-Nts 2021(21/26) Reg.S		XS2326545204	Nominal	1,950,000.00	550,000.00	0.00	USD	68.89	1,215,991.90	3.04
Netherlands										
CETIN Group N.V. EO-Medium-Term Nts 2022(22/27)		XS2468979302	Nominal	1,000,000.00	0.00	0.00	EUR	96.80	967,970.00	2.42
Teva Pharmac.Fin.NL II B.V. EO-Notes 2023(23/29)		XS2592804434	Nominal	750,000.00	1,000,000.00	-250,000.00	EUR	109.69	822,671.25	2.06
Poland										
Synthos S.A. - Anleihe - 2,500 07.06.2028		XS2348767836	Nominal	1,900,000.00	400,000.00	0.00	EUR	85.60	1,626,457.00	4.07
Slovenia										
Nova Ljubljanska Banka d.d. EO-FLR Pref. Notes 22(24/25)		XS2498964209	Nominal	1,000,000.00	0.00	-300,000.00	EUR	100.72	1,007,230.00	2.52
Derivatives									41,487.06	0.10
Foreign forward exchange contracts at										
Hauck Aufhäuser Lampe Privatbank AG										
Open positions										
Sell USD 2,450,000.00 / Buy EUR 2,246,057.94	OTC								41,487.06	0.10



The notes are an integral part of the financial statements.

Generic name	Market	ISIN	Units/ Shares/ Nominal	Balance as at 31.12.2023	Purchases/ Additions in the reporting period	Sales/ Disposals	CCY	Price	Market value in EUR	% of the Sub-Fund's Net Assets	
Bank balances									3,830,476.96	9.58	
EUR - Balances											
EUR at Hauck Aufhäuser Lampe Privatbank AG, Niederlassung Luxembourg				3,792,866.41			EUR		3,792,866.41	9.48	
Balances in Non-EU/EEA-currencies											
USD at Hauck Aufhäuser Lampe Privatbank AG, Niederlassung Luxembourg				41,548.38			USD		37,610.55	0.09	
Other assets									801,836.52	2.00	
Interest receivable from bank balances				10,732.49			EUR		10,732.49	0.03	
Interest receivable from securities				791,104.03			EUR		791,104.03	1.98	
Total Assets									40,041,450.68	100.12	
Liabilities									-48,590.72	-0.12	
from											
Fund Management fee				-17,591.91			EUR		-17,591.91	-0.04	
Audit fee				-23,396.04			EUR		-23,396.04	-0.06	
Risk management fee				-800.00			EUR		-800.00	0.00	
Taxe d'abonnement				-1,020.60			EUR		-1,020.60	0.00	
Depositary fee				-1,960.51			EUR		-1,960.51	0.00	
Management fee				-3,821.66			EUR		-3,821.66	-0.01	
Total Liabilities									-48,590.72	-0.12	
Total Net Assets									39,992,859.96	100.00**	
Net asset value per unit - R			EUR							89.59	
Net asset value per unit - I			EUR							93.87	
Number of units issued - R									2,315.564		
Number of units issued - I									423,817.959		

** Small rounding differences may have arisen in the calculation of percentages.



Securities prices or Market rates

The assets of the Investment Fund, which are not expressed in the Fund currency, are valued on the basis of the last established exchange rates.

Foreign exchange rates (indirect quotation)

US-Dollar	USD	1.1047	As of 29.12.2023 = 1 Euro (EUR)
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Market Key

Over the counter trading

OTC Over-the-Counter

Commitments from derivatives

Generic name	Commitment in EUR	%- of Net Assets
Foreign forward exchange contracts	2,204,570.88	5.51



The notes are an integral part of the financial statements.

Transactions of INVL Emerging Europe Bond Fund executed during the reporting period that no longer appear in the portfolio of investments

- Purchases and sales of securities, investment units and promissory note loans:

Generic name	ISIN	Currency	Purchases/Additions in the reporting period	Sales/Disposals in the reporting period
Securities				
Exchange traded securities				
Bonds				
Arcelik A.S. - Anleihe - 3,000 27.05.2026	XS2346972263	EUR	0.00	-1,000,000.00
Bank Gospodarstwa Krajowego EO-Medium-Term Nts 2023(33)	XS2589727168	EUR	225,000.00	-225,000.00
Bulgarian Energy Holding EAD EO-Bonds 2018(25)	XS1839682116	EUR	0.00	-800,000.00
Bulgarien EO-Medium-Term Notes 2015(27)	XS1208855889	EUR	0.00	-550,000.00
Luminor Bank AS EO-FLR Preferred MTN 20(23/24)	XS2265801238	EUR	0.00	-700,000.00
Nordmazedonien, Republik EO-Bonds 2023(26/27) Reg.S	XS2582522681	EUR	100,000.00	-100,000.00
TBC Bank JSC DL-Notes 2019(24) Reg.S	XS1843434363	USD	0.00	-900,000.00
Turk Telekomunikasyon AS - Anleihe - 6,875 28.02.2025	XS1955059420	USD	0.00	-1,200,000.00
Organised market				
Bonds				
AS LHV Group EO-FLR Notes 2021(24/25)	XS2379637767	EUR	200,000.00	-1,100,000.00
Kernel Holding S.A. - Anleihe - 6,750 27.10.2027	XS2244927823	USD	0.00	-1,100,000.00
Kernel Holding S.A. DL-Notes 2019(22/24) Reg.S	XS2010040983	USD	0.00	-500,000.00
MAS Securities B.V. EO-Notes 2021(21/26)	XS2339025277	EUR	0.00	-1,650,000.00
PPF Telecom Group B.V. - Anleihe - 3,125 27.03.2026	XS1969645255	EUR	0.00	-1,000,000.00
Non listed				
Bonds				
Luminor Bank AS EO-FLR Preferred MTN 22(23/24)	XS2523337389	EUR	0.00	-800,000.00



The notes are an integral part of the financial statements.

Statement of Operations (incl. income equalisation)
INVL Emerging Europe Bond Fund

The statement of operations for the period from 1 January 2023 to 31 December 2023 is structured as follows:

	Unit Class R in EUR	Unit Class I in EUR	Total* in EUR
I. Income			
Interest on bonds (net of withholding tax)	2,270.53	1,393,027.02	1,395,297.55
Bank interest	142.46	72,839.65	72,982.11
Other income	2.40	31,036.54	31,038.94
Ordinary income equalisation	6,709.62	208,239.86	214,949.48
Total income	9,125.01	1,705,143.07	1,714,268.08
II. Expenses			
Management fee	-59.42	-39,470.18	-39,529.60
Depositary fee	-29.87	-20,248.19	-20,278.06
Deposit fee	-1.39	-18,255.16	-18,256.55
Taxe d'abonnement	-42.01	-3,414.45	-3,456.46
Audit fee	-33.95	-36,758.13	-36,792.08
Printing and publication expenses	-32.80	-11,531.54	-11,564.34
Risk management remuneration	-13.44	-9,586.56	-9,600.00
Other expenses	-42.96	-31,639.16	-31,682.12
Registrar- and transfer agent fee	-11.97	-8,863.03	-8,875.00
Interest expenses	-0.01	0.00	-0.01
Fund management fee	-493.70	-180,904.90	-181,398.60
Ordinary expense equalisation	-2,437.05	-50,908.45	-53,345.50
Total expenses	-3,198.57	-411,579.75	-414,778.32
III. Ordinary net income			1,299,489.76
IV. Sales Transactions			
Realised profit			368,391.81
Realised loss			-1,085,168.40
Extraordinary income equalisation			-109,390.22
Profit/loss from sales transactions			-826,166.81
V. Realised profit/loss for the reporting period			473,322.95
Net change in unrealised profit			-416,972.19
Net change in unrealised loss			3,372,148.10
VI. Net change in unrealised profit/loss for the reporting period			2,955,175.91
VII. Result of operations			3,428,498.86

*) The Sub-Fund is subject to the audit by the réviseur d'entreprises agréé, but not the values of the individual unit classes.



The notes are an integral part of the financial statements.

Statement of Changes in Net Assets INVL Emerging Europe Bond Fund

For the period from 1 January 2023 to 31 December 2023:

		in EUR
I. Net asset value at the beginning of the reporting period		30,716,340.72
Interim distribution		-4,967.83
Cash inflow/outflow (net)		5,905,201.97
Cash inflow from subscription of units	11,316,644.53	
Cash outflow from redemption of units	-5,411,442.56	
Income equalisation		-52,213.76
Result of operations		3,428,498.86
Thereof net change in unrealised profit	-416,972.19	
Thereof net change in unrealised loss	3,372,148.10	
II. Net asset value at the end of the reporting period		39,992,859.96



Comparative overview of the last financial year *
 INVL Emerging Europe Bond Fund

	Unit Class R in EUR	Unit Class I in EUR
As at 31.12.2023		
Net Assets	207,458.58	39,785,401.38
Units outstanding	2,315.564	423,817.959
Net asset value per unit	89.59	93.87
As at 31.12.2022		
Net Assets	2,331.10	30,714,009.62
Units outstanding	27.907	361,573.427
Net asset value per unit	83.53	84.95
As at 31.12.2021		
Net Assets	1,502,647.93	27,912,290.07
Units outstanding	15,264.733	284,478.878
Net asset value per unit	98.44	98.12

* Historical performance does not allow any conclusions to be drawn about a similar development in the future.





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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of INVL Fund and each of its sub-funds ("the Fund"), which comprise the statement of net assets and the statement of investments and other net assets as at 31 December 2023 and the statement of operations and the statement of changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of INVL Fund and each of its sub-funds as at 31 December 2023 and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the Audit of the Financial Statements » section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Management Board of the Management Company is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management Board of the Management Company and Those Charged with Governance for the financial statements

The Management Board of the Management Company is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Management Board of the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Board of the Management Company is responsible for assessing the Fund's and each of its sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board of the Management Company either intends to liquidate the Fund or any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board of the Management Company.
- Conclude on the appropriateness of the Management Board of the Management Company use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s or any of its sub-fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d’entreprises agréé” to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, 22 April 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'Jansen', written over a circular stamp or seal.

Jan Jansen

Risk management reporting INVL Emerging Europe Bond Fund

The Management Company uses a risk management process that allows the monitoring of the risks of the individual portfolio positions and their share of the overall risk profile of the portfolio of the managed sub-fund at all times. In accordance with the Law of 17 December 2010 and the applicable regulatory requirements of the Commission de Surveillance du Secteur Financier ('CSSF'), the Management Company reports regularly to the CSSF on the risk management process it uses.

The Management Company uses a relative value at risk approach to monitor the overall risk exposure of the INVL Emerging Europe Bond Fund.

As a benchmark there is a combination of two European bond indices used.

The maximum permissible limit utilisation, as measured by the ratio of the value at risk of the portfolio and the value at risk of the benchmark, is 200 %. The value at risk utilisation in the past reporting period was as follows:

Minimum	7.8 %
Maximum	82.9 %
Average	49.6 %

A historical value at risk model is used to calculate the value at risk. The value at risk refers to a holding period of 20 days, a confidence level of 99% and an observation period of one year.

In the past reporting period, a leverage effect of an average of 10.99% was measured. The calculation is based on the sum of notionals approach defined in the European Securities and Markets Authority (ESMA) - Guideline 10-788.

Information according to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

The fund manager will consider any risks related to sustainability (environmental, social and governance aspects) when making investment decisions as well as on an ongoing basis during the life of an investment. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. The investment strategy for this financial product does not contain any binding ESG/ sustainability criteria as part of the investment decision. This includes the main adverse impacts on sustainability factors according to EU 2019/2088 Article 7(1) as well as the EU criteria for environmentally sustainable economic activities according to EU 2020/852 Article 2(1).

Remuneration policy

Remuneration policy of the external portfolio management company

Information on the remuneration policy of UAB INVL Asset Management is available at:
<https://www.invl.com/en/contacts/>

Remuneration policy of the Management Company

Hauck & Aufhäuser Fund Services (HAFS) has defined principles for its remuneration system that are consistent with and conducive to a sound and effective risk management system. This remuneration system is based on the sustainable and entrepreneurial business policy of the Hauck Aufhäuser Lampe Group and is therefore not intended to provide incentives to take on risks that are incompatible with the risk profiles and contractual terms and conditions of the investment funds/investment companies managed by HAFS. The remuneration system shall always be consistent with the business strategy, objectives, values and interests of the HAFS and the investment funds/investment companies it manages and the investors in these funds, and shall also include measures to avoid conflicts of interest.

Remuneration for HAFS employees may include fixed and variable elements as well as monetary and non-monetary benefits. These elements are calculated in consideration of risk principles, market standards and appropriateness. Checks are made when defining the individual elements to ensure that there is no significant dependency on variable pay and that there is an appropriate ratio of variable to fixed pay. Thus, variable pay is merely regarded as a supplement to fixed pay and does not provide any incentives for the assumption of unreasonable risks. The objective is a flexible remuneration policy which can make provision for the payment of variable components to be waived.

The remuneration system is reviewed at least once a year and adapted where necessary in order to ensure appropriateness and compliance with statutory requirements.

In the 2023 financial year, HAFS employed an average of 134 employees who received a remuneration EUR 14.6 m. Of the 134 employees, 11 employees were identified as risk takers in accordance with ESMA Guideline ESMA/2016/411, point 19. These employees were remunerated EUR 2.3 m in 2023, of which EUR 0.6 m was paid as variable remuneration.

