

**GENERAL INFORMATION**
**INVESTMENT STRATEGY**

Start of operations	2022 07 01
Net asset value	3 801 044,31 EUR
Unit value of investment direction	104,29 EUR
Management fee	0,95 %

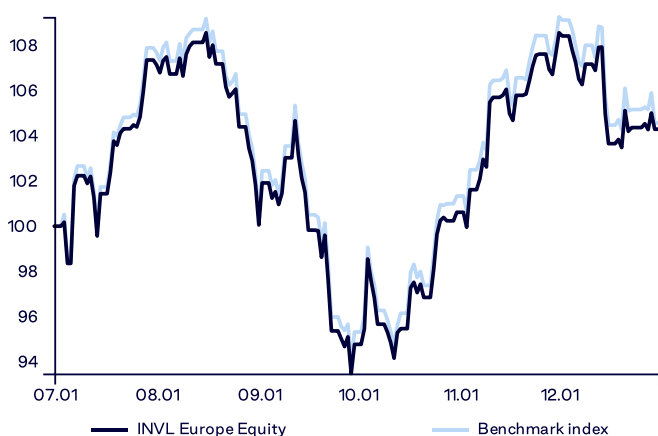
The assets are invested in investment objects linked to the European equity market: stocks, exchange-traded funds, index funds or other objects that invest in the European equity market. Proportion of alternative investments may represent up to 30% of the assets. In order to reduce the investment risk in the event of adverse market conditions, part of the assets may be invested in money market instruments, money market funds, deposits with a maturity of 12 months or less.

**COMMENT**

Q4 2022 started on a positive note, with a growing number of price indicators suggesting that inflationary pressures have finally peaked. October's US inflation data (published on 10 November) showed the first serious slowdown in the rate of increase in the consumer price index. A similar trend was also evident in Europe, where the situation was also dampened by the retreat of energy prices from their highs during a relatively warm winter. Although both the Fed and the ECB took a softer approach to interest rate hikes, both raising base rates by 0.50% in December (compared to 0.75% in previous months), the comments by central bankers on the outlook for the future were somewhat gloomier than the financial markets had expected. Both ECB President Christine Lagarde and Fed President Jerome Powell seem determined to avoid cutting interest rates in 2023, even in the event of a potential economic downturn. Although the actions of the central banks have led to a record rise in yields (US 10-year bond yields rose from 1.5% to 3.9% over the year, while German yields rose from 0% to 2.6%), and a consequent fall in bond prices, a large part of the negative developments have already materialised or have been factored into the prices of financial instruments. As a result, the reduced sensitivity of bonds to further interest rate rises and the significant rise in interest rates provide a favourable environment for a recovery in bond prices, which we consider as an acquisition opportunity.

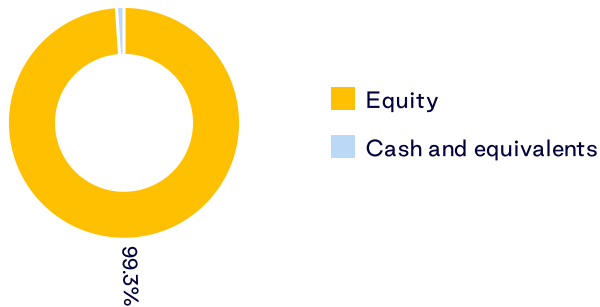
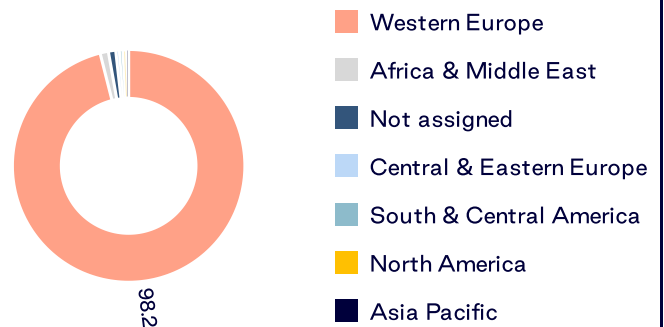
Equity markets in the main regions of the world remained significantly unchanged during the quarter, with the exception of Western Europe, which generated a return of close to 10% during the quarter. There was no region among the major equity indices that had a positive return in 2022, apart from a few individual country markets such as Brazil. From a historical perspective, over the last 75 years, the S&P 500 index of US equities has averaged a return of close to 15% (in dollars, excluding dividends) for 1 calendar year after a negative year, while negative returns have only been recorded three times for two years in a row. It is true that past performance cannot guarantee future results.

In 2022, Western European equity markets fell less than the broad MSCI World Index for the developed world. The region benefited from relatively lower valuations, which made equity prices less sensitive to rising interest rates, and from a favourable sectoral distribution, with the European market being dominated by energy companies, for which 2022 was a particularly good year.

**GRAPH SINCE THE ESTABLISHMENT OF THE INVESTMENT DIRECTION**
**RETURN ON INVESTMENT IN DIFFERENT PERIODS**


	Investment direction	Benchmark index*
2022 Y. IV QUARTER	10,05 %	9,71 %
Since creation	4,29 %	4,57 %

Please note that past results of the Investment Direction do not guarantee the same results and profitability in the future. Past performance is not a reliable indicator of future performance.

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**GEOGRAPHICAL DISTRIBUTION\*\***


\* From July 1, 2022, the composite comparative index is applied:

100,00% MSCI Europe IMI Net Total Return EUR Index (M7EUIM Index)

\*\* The geographical distribution is indicated considering the countries of the economic logic of the investments, as well as the investment components of collective investment funds (CIF) and exchange-traded funds (ETF), guided by their reports. If these reports do not specify the investment components of the CIF or ETF, the country of registration of the CIF or ETF is used.

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