

Investment strategy

The Fund's investment strategy is flexible, seeking to capitalize on investment opportunities, particularly in the equity markets of the Central and Eastern European region. The Fund allocates its assets across various asset classes, primarily equities, money market instruments, and, where appropriate, commodities.

The Fund also takes positions in foreign currencies; currency risk is actively managed with the aim of maximizing returns in Czech koruna. The Fund applies an absolute return strategy, does not use any benchmark for performance comparison, and does not track any market index.

Fund performance as of 31.05.2026 (net return)

Period	1 month	6 months	1 year	YTD	Since inc. p.a.
Fund	3,7 %	11,7 %	23,9 %	9,5 %	4,4 %

Monthly market review

In May, global markets were dominated by fears of stagflation stemming from the U.S.–Iran conflict. However, the released macroeconomic data and the first-quarter earnings season did not signal an approaching recession. Investors began increasing the probability of potential interest rate hikes due to accelerating inflation dynamics.

A turning point for financial markets came with the signing of a 60-day ceasefire agreement and the resulting plan to reopen the Strait of Hormuz. This diplomatic breakthrough pushed the price of Brent crude down from an initial USD 114 to USD 92 per barrel (month-on-month -19.3%). Despite this, missile attacks did not cease on either side of the conflict.

Overall, however, the news created hope for easing geopolitical tensions and triggered a strong rally in equity markets, which drove the S&P 500 index to new all-time highs with a total monthly gain of 5.1%. While defense stocks and European utilities weakened, the technology sector once again dominated, with the semiconductor index rising by an impressive 22.2%. The broader Nasdaq technology index gained 8.4%, and the pan-European EuroStoxx50 index, mainly tracking Western European markets, rose by 2.9% in May.

Stocks in Central and Eastern Europe, on average, grew slightly less than U.S. equities but once again outperformed Western Europe. The biggest winner was Poland's WIG 20, which rose by 6.6%, followed by Austria's ATX index with a 6.1% gain. Hungary's BUX index increased by 0.6%. The Prague Stock Exchange PX index was the weakest among the observed markets, posting a 0.4% gain in May.

Overall, May showed that equity markets can deliver attractive returns despite ongoing geopolitical uncertainty and the fragile situation in the Middle East. The outlook for the coming months will largely depend on the development of peace negotiations in the region and whether the Strait of Hormuz is reopened, which could help stabilize oil prices in the longer term.

If geopolitical tensions are not eased in the near future, this could have adverse effects on the global economy. This is also linked to concerns about the sustainability of the AI-driven rally in the United States, which could quickly reverse direction in the event of a deteriorating economic environment.

Basic information

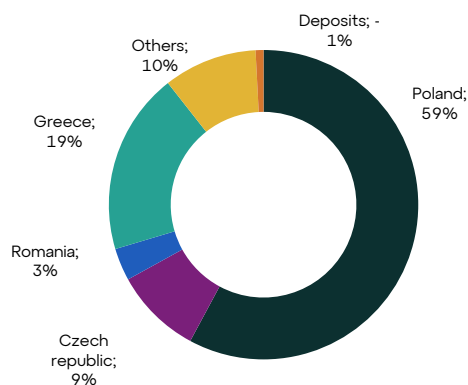
Fund manager	WOOD & Co. inv. spol.
Currency	CZK
Fund Type	Reinvesting
Custodian bank	UniCredit Bank
Liquidity	daily
Management fee	0,7 % p.a.
TER (2025)	0,0091
Performance fee	20 %*
Minimal initial subscription (CZK)	100
Unit value (CZK)	1,6889
Fund capital (mil. CZK)	328

* of positive portfolio return

Top positions

Nova Ljubljanska banka d.d.	9,1 %
Bank PEKAO	8,5 %
PKO Bank Polski	7,2 %
BENEFIT SYSTEMS SA	7,0 %
Colt CZ	6,5 %

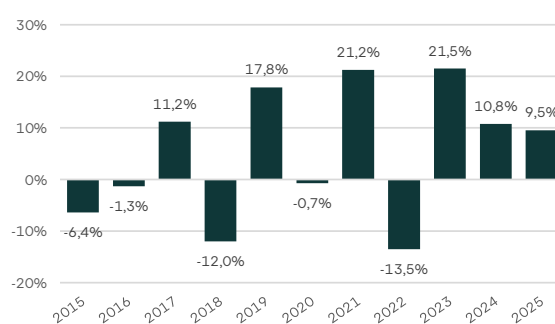
Regional asset allocation



Fund unit performance (CZK)



Fund performance in years



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