

STRATEGY

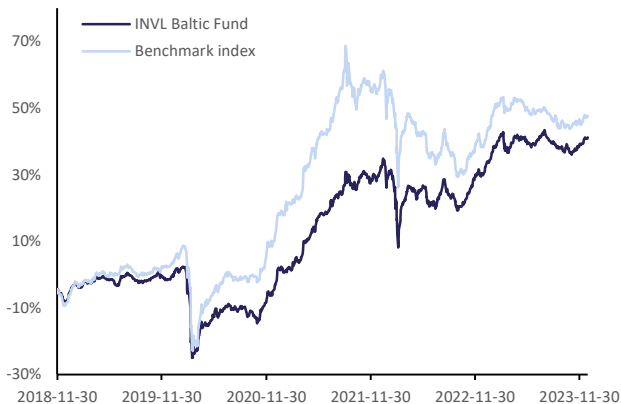
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and picking undervalued companies.

Recommended investment period – more than 5 years.

FACTS

Management company	SB Asset Management
ISIN code	LTIF00000096
Inception date	2005-12-15
Minimum investment	EUR 0
AUM, EUR M	10.5
Management fee	2%
Subscription fee	0%
Currency	EUR
Countries of distribution	Lithuania, Latvia, Sweden, Denmark, Finland, Norway, Germany

For more information on the fund (prospectus, benchmark, results) please click on the link below:
<https://www.sb.lt/privatiems/investavimas/investiciniai-fondai/invl-baltijos-fondas>

RESULTS


	Fund	Benchmark ***
Return YTD	8.3%	6.4%
Return 1Y	8.3%	6.4%
Return 3Y	46.3%	32.8%
3 year annualized return	13.5%	9.9%
5 year annualized return	9.0%	10.1%
Volatility (St. deviation)*	11.4%	12.6%
Sharpe ratio**	0.8	0.8

FUND MANAGER COMMENT

World. Global equity markets extended rally in December and delivered very nice Christmas present for investors. Developed Markets in USD jumped almost 5%, but stronger euro slightly reduced returns for euro area investors. As a result, in euros MSCI World Index gained 3.3% and MSCI EM Index climbed 2.3%. Western Europe equities led DM World with 3.7% increase while EM Europe gained even more – 5.5%. Growing excitement that central banks will cut interest rates sooner in 2024 than previously expected resulted in an ‘almost everything’ rally. The outliers were commodities and Chinese equities.

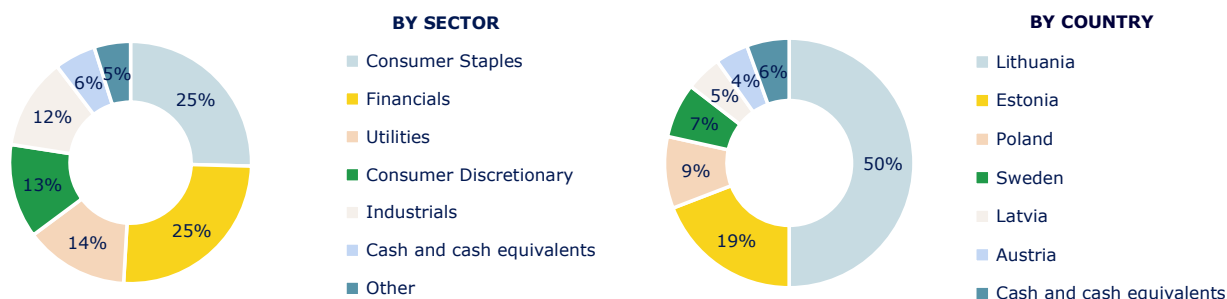
Baltic market. Our equities also moved higher but at somewhat slower pace: Baltic Fund unit price climbed 1.7% and outperformed the Benchmark index which inched up 0.7%. Full 2023 return of the fund was healthy 8.3% gain with almost 2% outperformance versus the Benchmark index. “Grigeo” (+11.7%) was the best performer in local market. Company released no news but has received very strong buying support from the insider – largest shareholder of the company. The second-best stock was dairy “Vilkyskiu Pienine” (+11.0%), which reports sales revenue each month. According to the latest reports, the company recovered sales volume and came back to 2022 levels, what was positively accepted by investors. Both Swedish banks with significant Baltic presence also significantly contributed to outperformance. The combination of stock prices increases and Swedish krona gains against euro led to very nice overall performance: SEB shares jumped 12.2% and Swedbank followed with 8.5% increase. Green energy producers’ shares moved in opposite directions. Stronger winds and higher electricity prices helped “Enefit Green” (+2.2%) to recover part of previous months losses. Meanwhile, “Ignitis Group” (-2.0%) fell for a second month in a row as investors still overreact on political risks amid overwhelming GDRs supply in London. However, we stick to the opinion about very large potential of this stock and simultaneously like attractive valuation multiples (EV/EBITDA ~5, dividend yield close to 7%). In December we were buyers of Tallink Grupp (+1,5%) and increased its weight in the portfolio above 6%. We are still very optimistic about current profitability and attractive multiples; at the same time, we expect company to restart dividends payout this year. In accordance with company’s policy, dividend yield could exceed 7%. At the end of the year the weighted average P/E of the invested portfolio was 9.4 (median 7,4) and dividend yield – 4.2%.

*Standard deviation is used to measure risk. Standard deviation is an indicator that measures how strongly fund’s daily return deviates from its mean. The lower the standard deviation the lower the fund’s risk. The standard deviation value corresponds to the period shown in the historical returns graph.

**Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio’s Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period since the inception date.

***Benchmark index:

100% OMX Baltic Benchmark Capped Gross Index.

BREAKDOWN OF INVESTMENTS

TOP 10 PORTFOLIO HOLDINGS

ŠIAULIŲ BANKAS	9.4%	Financials
Akola Group	9.0%	Consumer Staples
AB IGNITIS GRUPĖ	8.8%	Utilities
TALLINK GRUPP AS	6.1%	Industrials
AB GRIGEO	4.9%	Materials
APRANGA PVA	4.8%	Consumer Discretionary
ENEFIT GREEN AS	4.7%	Utilities
Powszechny Zakład Ubezpieczeni	4.7%	Financials
LATVIJAS BALZAMS	4.7%	Consumer Staples
INTER CARS SA	4.6%	Consumer Discretionary

REASONS TO INVEST

- Main goal of the strategy is to provide return on Baltic capital markets. GDP growth in the last 5 years has been significantly higher in the Baltic States - on average 2.7% per annum, in comparison to the eurozone's 1.2% growth per annum (as of the end of 2022).
- Active fund management allows choosing only the most attractive companies based on their valuations, management quality, growth opportunities and positive triggers.
- Value creating engagement and shareholder activism is an important part of the strategy. Investment management team takes active participation approach in cases of misconduct regarding minority shareholders' rights and inappropriate corporate governance.

COMPANY

SB Asset Management is the investment management company of Šiaulių bankas group. The team of experienced investment managers is one of the largest and most capable in the Baltic States and has been managing clients' assets since 2003. Investment managers make investment decisions on behalf of more than EUR 1.2 billion of clients assets.

Investment managers are guided by the principles of long-term investing and fundamental investment analysis while specializing in Central and Eastern European equity and bond markets. The team flexibly take advantage of investment opportunities that arise in the markets. The managers' expertise is proven by consistently high ratings in international fund rankings.

CONTACT
SB Asset Management

Gyneju 14, 01109 Vilnius, Lithuania
 +370 687 29689
 regimantas.valentonis@sb.lt
<http://www.sb.lt>

Performance presented in the factsheet represents only fund's past performance results, which is no guarantee for future results. Investment return and principal value will fluctuate, so your investments may have a gain or loss. Current today's performance may be higher or lower than that quoted in the factsheet. The Management Company does not guarantee fund's performance results or ensure profit against loss. Please visit www.sb.lt for most recent month-end performance.

Before investing, please consider the funds' investment objectives, risks, and fees applied. To obtain more information about the fund, please visit www.sb.lt, where you can find fund's key facts, NAV's, Rules, Prospectus and KIID which contain this and other important information.

All funds presented in the factsheet has benchmark. Benchmark indexes and their composition is selected to more accurately reflect the fund's investment strategy, defined in fund Rules and Prospectus.

All information and review of funds' past performance results cannot be considered as personal recommendation to invest in investment funds, managed by SB Asset Management. Any information presented herein cannot be part or included in any transaction or agreement whatsoever. While this review was prepared and concluded based on the content of reliable sources, SB Asset Management is not responsible for any inaccuracies or changes in such information, including losses that may occur when investments are made based on information presented herein.