

STRATEGY

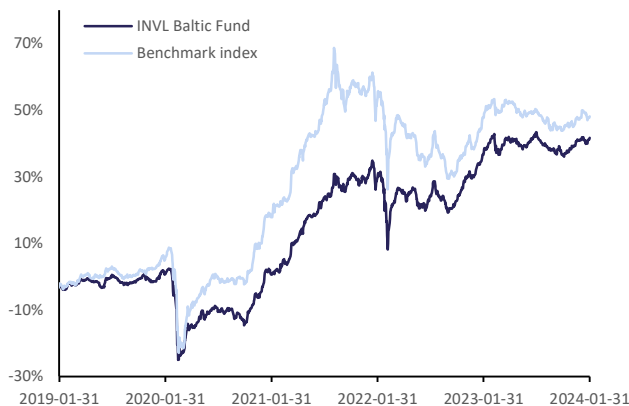
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and 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	10.3
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	0.4%	0.3%
Return 1Y	3.5%	0.2%
Return 3Y	40.7%	25.7%
3 year annualized return	12.0%	7.9%
5 year annualized return	7.8%	8.7%
Volatility (St. deviation)*	11.4%	12.6%
Sharpe ratio**	0.7	0.7

FUND MANAGER COMMENT

World. After almost everything-rally in last quarter of 2023, trends in January were rather mixed across markets and asset classes. Developed Markets equities notably outperformed Emerging Equities. In euros MSCI World Index gained 3.2% while MSCI Emerging Markets index dropped 2.8%. Strong growth data and better than expected companies' results maintained soft landing optimism helped growth stocks the rally. On the other hand, Central bankers extinguished optimism of markets regarding interest rate decrease already in spring. Struggling Chinese economy caused global emerging equities weakness, which at some degree transferred into Emerging Europe's region as MSCI EM Europe index inched down 0.8%.

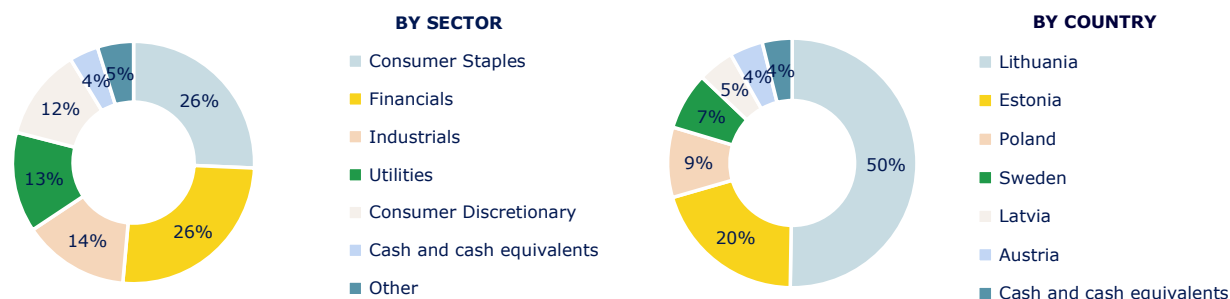
Baltic equities lagged the rally at the end of 2024, but slightly increased in January. Benchmark index was up 0.25% and price of Baltic Fund units climbed 0.38%. Lithuanian construction company "Panevezio Statybos Trestas" (+10.3%) was the best performer. Company delivered a row of positive news, which may lead to better financial performance in the future: signed the agreement with insurers consortia on 1,2m€ compensation payment, won auction for building the nuclear waste storage (100m€), signed contract with "Agrokoncernas Group" and will be responsible for the technical design of the deep grain processing plant and its implementation. Only few companies delivered Q4 results, majority plan to report in the second half of February. Both Estonian banks, "LHV Group" (+1.4%) and "Coop Pank" (+2.1%) were amongst first reporters. Despite of record levels profits and potentially higher dividend payouts, investors were concerned about the future results, which most probably will negatively affected by increasing borrowing costs and worsening quality of credit portfolios. Meanwhile Swedish banks, which have dominating market share in Baltics, were able to convince investors, that profits will deteriorate slowly and proposed record high dividends, what had very positive impact on their share prices: SEB jumped 5.5% and Swedbank gained 3.5%. As Q4 results are coming, local investors started to eye stocks of dividend payers. Fashion clothes retailer "Apranga" (+6.8%) last year paid dividends with double-digit yield, so no surprise, investors were tending to buy this stock. Estonian construction company Merko (+3.1%) printed better than expected Q4 profit figures thus investors expect regular high yield (~6%) dividend payout. Holidays tours operator "Novaturas" (+1.5%) recovered its revenue and profits to pre-covid levels, thus we expect the restoration of dividend payout, what in accordance with dividend policy may mean a double-digit yield of dividends. We increased our position in the Fund of "Tallink Grupp" (-1.3%) shares. Probably overall weakness in Estonian market still not reported Q4 results caused the shares price decrease. However, we are more than happy about the current valuation multiples: trailing P/E ~5.3 and EV/EBITDA ~4.9 with significantly lower debt level as Net Debt/EBITDA ratio decreased to 2.7. In addition, we have quite high confidence, that the company will restore dividends payout, and when relying on policy shall bring dividend yield close to 7.5%. All-in-all, we think "Tallink Grupp" has one of the best potentials amongst our top picks. To summarize, at the end of the January the invested portfolio of the fund had weighted average P/E ~9.4 and median EV/EBITDA ~7.4 with potential dividend yield of this year ~4.5%.

*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	9.1%	Financials
AB IGNITIS GRUPĖ	9.0%	Utilities
Akola Group	8.9%	Consumer Staples
TALLINK GRUPP AS	7.8%	Industrials
APRANGA PVA	4.9%	Consumer Discretionary
Powszechny Zakład Ubezpieczeni	4.9%	Financials
AB GRIGEO	4.8%	Materials
LATVIJAS BALZAMS	4.7%	Consumer Staples
TALLINNA KAUBAMAJA GRUPP AS	4.6%	Consumer Staples
VILKYŠKIŲ PIENINĖ	4.6%	Consumer Staples

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.

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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.

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