

STRATEGY

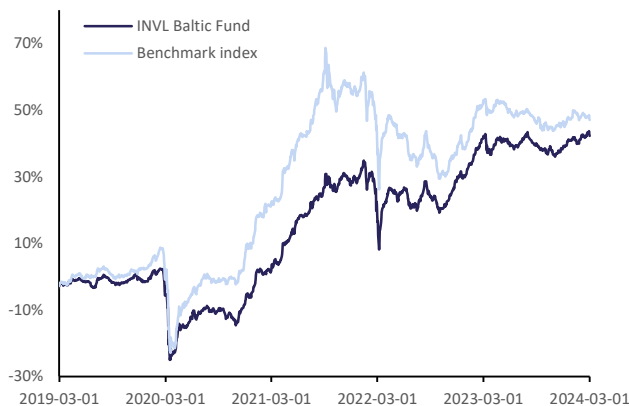
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and 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	1.0%	-0.2%
Return 1Y	0.3%	-3.6%
Return 3Y	39.9%	21.3%
3 year annualized return	11.9%	6.6%
5 year annualized return	7.9%	8.5%
Volatility (St. deviation)*	11.4%	12.6%
Sharpe ratio**	0.7	0.7

FUND MANAGER COMMENT

World. Resilient economic data and comparatively strong earnings reports spurred investors' optimism and contributed to equities gains in February. Despite of somewhat higher than anticipated inflation readings and later easing start date expectations, soft landing scenario now is widely treated as the main. US outperformed Europe and UK ,and Chinese market rebounded on a number of supportive measures by the government. All-in-all, Developed Markets equities gained 4.7% and Emerging Markets index increased 5.2%. Emerging Europe was in line and went up 4.5% (all calculated in euros).

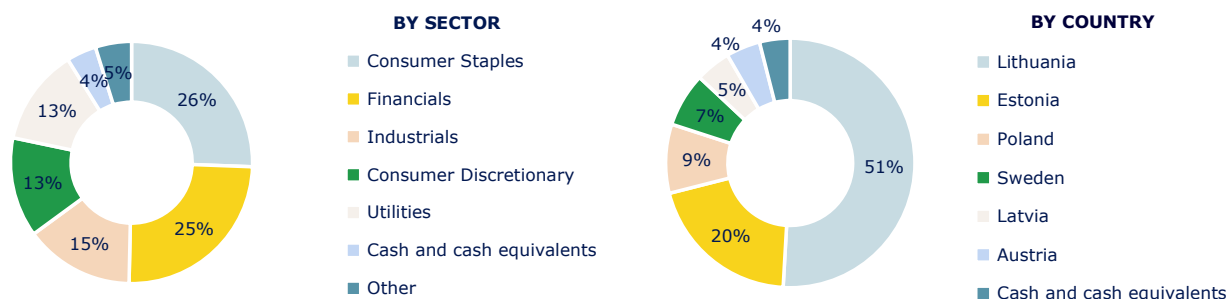
Baltic equities lagged the global trends as Nasdaq Baltic Capped Index decreased 0.5%, but thanks to our strategy, Baltic Fund outperformed and printed 0.6% monthly gain. Local companies' earnings reports were pretty much mixed while gainers and losers ratio was almost equal: 16 versus 14. As the Baltic market is mostly retail investors driven, proposals of dividends was quite a hot topic in February. However, overall mood stayed rather gloomy, as investors' reaction to better-than-expected earnings was muted, while the stocks of companies with in-line results or negative surprises were punished quite heavily. Swedbank (+7.1%) and Inter Cars (+6.0%) were the biggest positive contributors. Among local names, Lithuanian companies Vilkyskiu Pienine (+5.7%), Grigeo (+4.7%) and Rokiskio Suris (+4.1%) were the best performers. Akola Group (former Linas Agro Group, -5.4%) disappointed investors, as lower grain prices hit the margins. However, company's food production segment is growing at notable pace and partly compensated losses of grain trading segment. Meanwhile, electricity producer Enefit Green (-5.6%) was the worst performer in our universe as lower output prices hit both, revenue and margins. February was quite an active month in terms of trading activities. We finished formation of Tallink Grupp (+2.8%) stake and increased Novaturas (-4.9%) stocks weight in the fund's portfolio. Tallink Grupp delivered Q4 earnings slightly below expectations, but quite in line with full 2023 targets. We are more than positive about dividend proposal with current 8.5% yield and trailing EV/EBITDA standing at 5.3. In addition, deep value may be hiding behind low P/B 0.65 ratio, especially when the company makes the sale of unemployed vessel, what was done in February. On sell side, we have made a row of relatively small trades aiming to take the profits and keep the stocks weights at target levels. To summarize, at the end of February median P/E of Fund's invested portfolio was 7.7 and dividend yield 4.9%.

*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

Siauliu Bankas AB	8.9%	Financials
Akola Group AB	8.5%	Consumer Staples
Ignitis Grupe AB	8.5%	Utilities
Tallink Grupp AS	8.2%	Industrials
Vilkyskiu Pienine AB	4.9%	Consumer Staples
AB Grigeo	4.8%	Materials
Apranga PVA	4.7%	Consumer Discretionary
Tallinna Kaubamaja Grupp AS	4.6%	Consumer Staples
Amber Latvijas Balzams AS	4.6%	Consumer Staples
Inter Cars SA	4.5%	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.

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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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