

STRATEGY

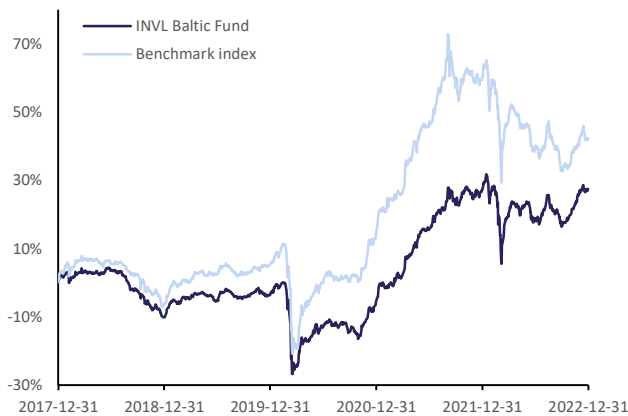
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and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

Recommended investment period – more than 5 years.

FACTS

Management company	INVL Asset Management
ISIN code	LTIF00000096
Inception date	2005-12-15
Minimum investment	EUR 0
AUM, EUR M	9,9
Management fee	2%
Subscription fee	2%
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.invl.com/en/investment/mutual-funds/invl-baltic-fund/fund-information/>

RESULTS


	Fund	Benchmark ***
Return YTD	0,0%	-11,1%
Return 1Y	0,0%	-11,1%
Return 3Y	32,4%	35,3%
3 year annualized return	9,8%	10,6%
5 year annualized return	5,0%	7,3%
Volatility (St. deviation)*	11,4%	12,7%
Sharpe ratio**	0,4	0,6

FUND MANAGER COMMENT

Markets ended a difficult year 2022 on minor note – MSCI World index fell 7.8% and MSCI Emerging Markets gauge decreased 5.1% (both in euro terms). Weak US dollar against euro made some 3.5% of those declines. Inflation rate started to decrease in Europe and continued to go down in US. Meanwhile, both FED and ECB increased interest rates by 0.50% in December (versus 0.75% increases in previous months), however, comments of banks officials on future scenarios were much more hawkish than markets anticipated. Chinese equities rallied on covid restrictions removal and had quite a positive impact on EM index.

Oversold Central and Eastern Europe equities resisted global trends and ended the month by climbing 1.5%, but for the full 2022 region's equities generated negative return of -21.5%. No doubt, region's closeness to Ukraine was the main reason of that. Baltic equities climbed 0.2% in December, but over full year fell "just" 11.1%. Meanwhile Baltic Fund increased 0.7% in December and despite of all global and regional front winds climbed 0.1% in full 2022. The major reasons for such a strong performance were preference of quality names with attractive valuation and underweight of relatively expensive (mainly Estonian) stocks. Our top picks performed perfectly: "Linus Agro Group" jumped 45% and "Vilkyskiu Pienine" gained 37.2% through the year.

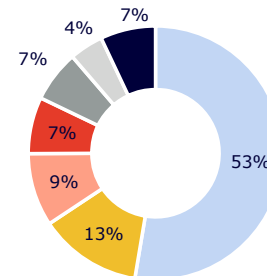
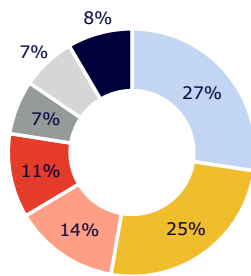
In December "Apranga" was the best performer in Baltics universe as investors started to speculate about possibly high dividend yield from last year's profit. But fund's top performer was Polish insurer PZU, which gained 11.9% on general Polish market optimism, stable written premiums growth and higher bonds yields. On trading side, it was rather quiet month. We participated in SPO of "Coop Pank" with an aim to gain from the difference of SPO and market prices. We also were happy to increase the position of "Linus Agro Group" and slightly decreased weighting of "Siauliu Bankas" due to diversification reason. At the end of December the weighted P/E of profitable stocks in the fund's portfolio was 8.0 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

ŠIAULIŲ BANKAS	9,3%	Financials
LINAS AGRO GROUP AB	9,3%	Consumer Staples
AB IGNITIS GRUPĖ	8,6%	Utilities
LATVIJAS BALZAMS	6,5%	Consumer Staples
INTER CARS SA	4,7%	Consumer Discretionary
Powszechny Zakład Ubezpiecze	4,6%	Financials
VILKYŠKIŲ PIENINĖ	4,5%	Consumer Staples
TALLINNA SADAM AS	4,5%	Industrials
ENEFIT GREEN AS	4,5%	Utilities
TELIA LIETUVA AB	4,4%	Telecommunication Services

REASONS TO INVEST

- GDP growth in the last 5 years has been significantly higher in the Baltic States - on average 3% per annum, in comparison to eurozone experiencing around 1% growth per annum (as of the end of Q4 2021).
- Active fund management allows choosing only the most attractive companies based on their valuations, management and growth opportunities.
- Fund management team takes active participation approach in cases of misconduct regarding minority shareholders in order to improve their corporate governance.

COMPANY

INVL investment management and life insurance group is a boutique asset management and life insurance company that offers a range of CEE-focused investment products since 2004.

Team of ten portfolio managers, based in Vilnius, Lithuania (headquarters) and Riga, Latvia, use primarily fundamental value, bottom up approach and manage over 1.7 billion EUR in assets. Being nimble and highly competitive, INVL funds consistently rank high in international rankings. We adhere to the UN Principles for Responsible Investment (PRI) and are supervised by the Central bank of Lithuania.

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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.invl.com, 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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