

**STRATEGY**

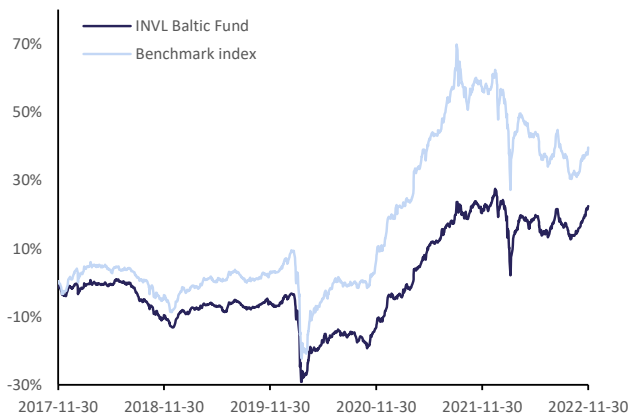
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and 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	9,8
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**


	<b>Fund</b>	<b>Benchmark ***</b>
Return YTD	-0,6%	-11,2%
Return 1Y	1,7%	-11,3%
Return 3Y	29,8%	35,7%
3 year annualized return	9,1%	10,7%
5 year annualized return	4,4%	6,9%
Volatility (St. deviation)*	11,4%	12,8%
Sharpe ratio**	0,4	0,5

**FUND MANAGER COMMENT**

Inflation started slightly to decrease in US and most probably is stabilizing in Europe. As expected, FED increased base rate by 75 bps to 4% but signaled that further increases will be at smaller extent. The idea that falling inflation could mean that the end to the rate hiking cycle is not far off, significantly improved investor sentiment and gave a boost for both stocks and bonds. At the same time China signaled some easing in covid zero policy and continued measures to support the economy. All in all, emerging market equities rallied more than 10% and developed markets equities increased 2.5% (both in Euro terms). Euro gained 4.5% against US dollar respectively monthly returns in USD terms were even higher. Emerging Europe equities also participated in a rally and jumped 11.7% while Baltic equities somewhat lagged the global trends. Fund units price increased 5.5% and the benchmark index went up 5.2%. Worth to mention that fund units year-to-date were just 0.6% down and this is really good result bearing in mind all the global and regional front winds. To compare, benchmark index since the beginning of the year lost 11.2% of its value. Companies finished reporting Q3 results, which in general were in line or better than expected. Polish Equities rebounded nicely from oversold territory, so our Polish picks were the biggest positive return generators in November: Inter Cars jumped 28.6% and PZU went up 19 %.

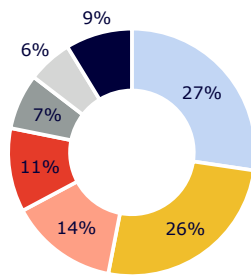
Holiday tour operator Novaturas (+14.3%) reported very strong travel packages sales numbers which are comparable with pre-pandemic year 2019 figures. Dairy "Vilkyskiu Pienine" (+11.0%) continued high double-digit revenue growth and surprised on bottom line. Now it trades at trailing 12 months P/E 3.5 and 34% ROE while Net Debt / EBITDA fell below 1. Our top pick "Linus Agro Group" (+1.7%) also reported exceptionally profitable quarter on successful grain trading segment results. It is highly expected that company's annual sales will top 2 bln. euros while its market cap is slightly above 200 mln. euros. Trailing P/E is just 2.4 and EV/EBITDA 2.5. Even if considering normalized EBITDA and net profit, both multiples could land at the range from 5 to 7 what is, in our eyes, very attractive levels. No surprise that electricity distributor and green energy producer "Ignitis Group" (+6.2%) also reported very strong profit and improved full-year EBITDA target. Now it trades at trailing P/E 5.2, but the risk factor is net debt which increased 60% because of higher working capital due to high energy prices. We slightly increased holding in the company ahead of results report. We did the same with "Vilkyskiu Pienine" and bought some "Novaturas" after results were released. We fixed profit by selling part of "Inter Cars" holding.

\*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.

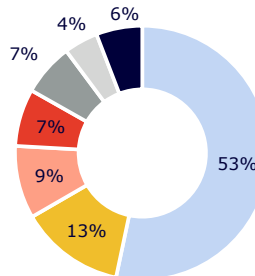
\*\*Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.

\*\*\*Benchmark index:

100% OMX Baltic Benchmark Capped Gross Index.

**BREAKDOWN OF INVESTMENTS**


- BY SECTOR**
- Consumer Staples
  - Financials
  - Utilities
  - Consumer Discretionary
  - Industrials
  - Cash and cash equivalents
  - Other



- BY COUNTRY**
- Lithuania
  - Estonia
  - Poland
  - Sweden
  - Latvia
  - Austria
  - Cash and cash equivalents

**TOP 10 PORTFOLIO HOLDINGS**

ŠIAULIŲ BANKAS	9,6%	Financials
LINAS AGRO GROUP AB	9,0%	Consumer Staples
AB IGNITIS GRUPĖ	8,9%	Utilities
LATVIJAS BALZAMS	6,6%	Consumer Staples
INTER CARS SA	4,8%	Consumer Discretionary
VILKYŠKIŲ PIENINĖ	4,7%	Consumer Staples
TALLINNA SADAM AS	4,6%	Industrials
ENEFIT GREEN AS	4,6%	Utilities
Powszechny Zakład Ubezpiecze	4,5%	Financials
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](http://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 have 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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