

STRATEGY

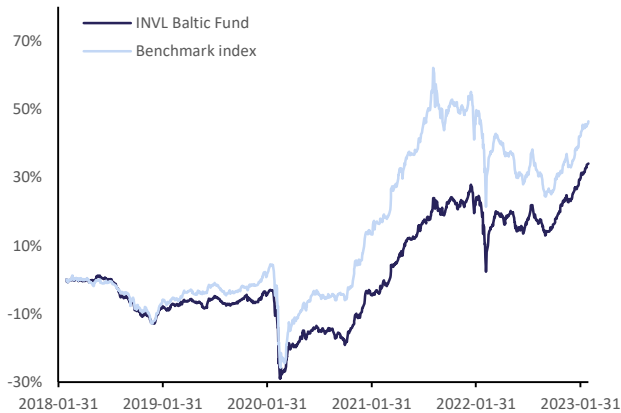
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and 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	11,0
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	8,5%	9,6%
Return 1Y	16,1%	6,2%
Return 3Y	49,9%	53,6%
3 year annualized return	14,4%	15,4%
5 year annualized return	6,0%	7,9%
Volatility (St. deviation)*	11,3%	12,6%
Sharpe ratio**	0,5	0,6

FUND MANAGER COMMENT

After a strong start of a year in February a wide correction went through all the markets. Probably the most often term in use was “sticky inflation”. At the same time employment remained very strong and PMIs improved. This forced investors to reassess expectations for the peak of the interest rates and the date of possible first cut. As a result, bond yields moved higher and stocks declined. The declines were partly compensated by stronger euro against US dollar. All in all, MSCI World Index inched down 0.02% and MSCI Emerging Markets Index dropped 4.2% (both in euro terms). Meanwhile, European Equities oversteered global trends helped by lower energy prices and improved consumer confidence: Stoxx 600 gained 1.7% and MSCI EM Eastern Europe ex Russia Index climbed 0.8%.

Baltic Equities overperformed European market as the fund’s units gained 3.3% and the Benchmark index increased 3.0%. Our top pick “Linus Agro Group” jumped 14.0% and this was second month in a row double digit gain. As we were expecting, dividend factor became very important, as at this stage retail investors have the largest power on the market. Respectively, our bet to underweight Estonian financials paid off: Swedbank and SEB gained 9.7% and 6.8% while LHV group dropped 4.0% and Coop Pank fell 1.1%. One of our top picks, Siauliu bank, stayed flat as investors wait for the dividend proposal with caution hoping for very rich yield, as the bank hasn’t pay yet dividends from 2021 profit.

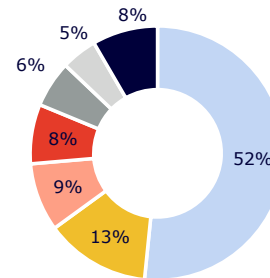
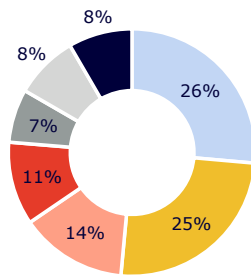
In February trading activity was quite low. We sold small piece of Linas Agro Group shares to meet the diversification rules. The proceeds were invested into high dividend yield names: “Ignitis Group”, Tallinna Kaubamaja Grupp, Enefit Green, Tallinna Sadam. At the end of February the weighted P/E of profitable companies’ stocks in a portfolio was 8.0 and dividend yield 4.5%. The higher than usually cash level shall make good buffer bearing in mind that Baltic market tends to lag global trends.

*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

LINAS AGRO GROUP AB	9,7%	Consumer Staples
ŠIAULIŲ BANKAS	8,7%	Financials
AB IGNITIS GRUPĒ	8,6%	Utilities
LATVIJAS BALZAMS	5,9%	Consumer Staples
VIENNA INSURANCE GROUP AG	4,6%	Financials
ENEFIT GREEN AS	4,5%	Utilities
TALLINNA KAUBAMAJA GRUPP AS	4,4%	Consumer Staples
INTER CARS SA	4,4%	Consumer Discretionary
TALLINNA SADAM AS	4,4%	Industrials
AB GRIGEO	4,4%	Materials

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.

CONTACT

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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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