

STRATEGY

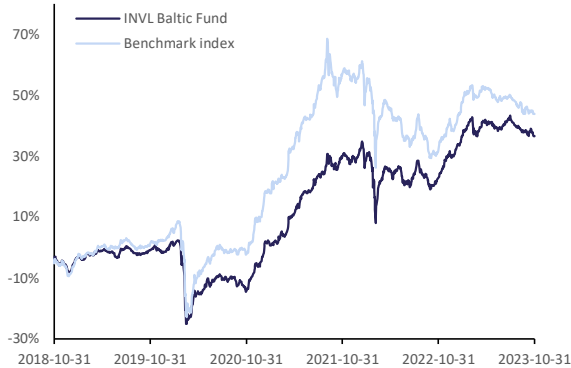
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and 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	10,9
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	4,8%	3,7%
Return 1Y	11,3%	9,3%
Return 3Y	59,5%	47,0%
3 year annualized return	16,8%	13,7%
5 year annualized return	7,2%	8,6%
Volatility (St. deviation)*	11,4%	12,6%
Sharpe ratio**	0,6	0,7

FUND MANAGER COMMENT

World. Global equities fell third straight month on the prospect of "higher for longer" interest rates. Simultaneously Israel-Hamas conflict also has hurt risk appetite, meanwhile inflation and employment data were supportive, and US GDP print of 4.9% annualized growth was a positive surprise. All in all, developed market equities fell 2.9% and Emerging market stocks fell 3.9% (both in euros). In Europe situation was different as STOXX 600 decreased 3.7% - in line with the global equities, but Emerging Europe ex-Russia Index jumped 11.4%. The reason for that is the reaction to Polish Parliament election results as investors welcomed the win of the opposition coalition.

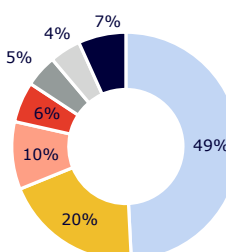
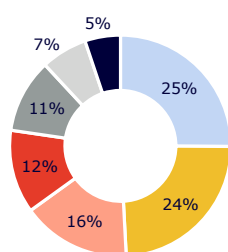
Baltic Market. Baltic Equities also showed some weakness, but at lower degree compared to global Emergings. The value of Fund units and the Benchmark index both fell 1.4%, but single stocks showed quite different results. In our universe 7 stocks gained, 23 fell and 2 were unchanged. No surprise that the best performers were Polish names PZU (19.4%) and PKN Orlen (+17.5%). Both Scandinavian banks were amongst laggards: SEB fell 7.1% and Swedbank decreased 11.3%. Investors disliked third quarter results reports despite better than expected bottom lines. Same story was with local banks, which reported very strong Q3 results but their stock prices moved lower. In general, investors were punishing the stocks of companies which reported weaker than expected Q3 results but showed little support to ones which reported stronger than expected figures. The trading volumes continued to decrease in local market thus higher than usual cash weight was formed. At trading area take-profit transactions were prevailing. We decided to exit PKN Orlen position and slightly reduced weights of PZU and "Grigeo". On buy side we decided to increase the weight of Tallink Group after we made some sales in the previous month. At the end of October 12 months trailing P/E of the fund's invested portfolio was 8.4, ROE 13.3% and dividend yield 4.3%.

*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	9,2%	Consumer Staples
AB IGNITIS GRUPĖ	9,1%	Utilities
ŠIAULIŲ BANKAS	9,0%	Financials
ENEFIT GREEN AS	6,5%	Utilities
TALLINK GRUPP AS	4,9%	Industrials
Powszechny Zakład Ubezpieczeni	4,9%	Financials
APRANGA PVA	4,7%	Consumer Discretionary
TALLINNA KAUBAMAJA GRUPP AS	4,7%	Consumer Staples
INTER CARS SA	4,7%	Consumer Discretionary
LATVIJAS BALZAMS	4,6%	Consumer Staples

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 Asset Management is a part of INVL Investment management and life insurance group. INVL Asset Management is a boutique asset management 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 2 billion EUR in assets. Being nimble and highly competitive, INVL funds consistently rank high in international rankings. INVL Asset Management adhere to the United Nations Principles for Responsible Investment (PRI) and is supervised by the Bank of Lithuania (Central Bank of the Republic of Lithuania).

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