

**STRATEGY**

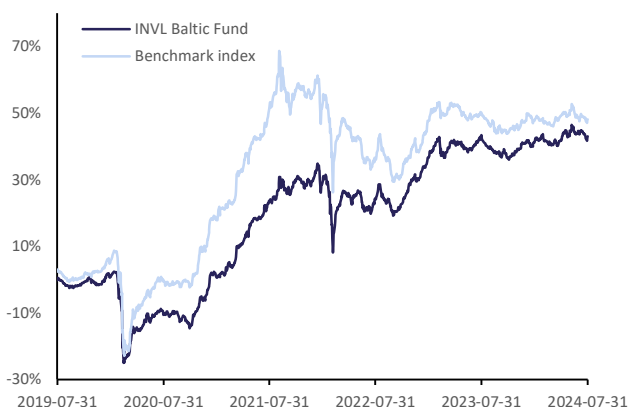
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and 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	10.0
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	1.3%	0.3%
Return 1Y	-0.3%	-1.3%
Return 3Y	15.5%	-3.2%
3 year annualized return	4.9%	-1.1%
5 year annualized return	7.4%	7.6%
Volatility (St. deviation)*	11.4%	12.6%
Sharpe ratio**	0.6	0.6

**FUND MANAGER COMMENT**

**World.** July confirmed its title of a volatile month as markets reacted to a number of important economic data and political developments. Last US inflation reading was lower than anticipated while unemployment numbers started to increase quite rapidly. This heightened expectations of US rate cuts. PMIs moved in different directions: increased in US and moved down to almost 50 point level in euro area. Despite intra-month swings, equities landed with rather small monthly changes with slight developed markets outperformance versus emerging markets: MSCI World climbed 0.9% and MSCI Emerging Markets decreased 0.6% (both in euros). Meanwhile Central Europe was a laggard with 3.1% decrease.

**Baltic Equities.** In our region volatility was smaller while OMX Baltic Benchmark Capped index inched down 0.25% and the price of INVL Baltic Fund decreased 1.1%. The gainers (16) slightly overweighted the losers (13) and 2 stocks ended the month unchanged. Previous months' gainer "Vilkyskiu Pienine (+5.1% in June) extended rally and year-to-date is 25.5% up. Despite of this rally, the stock is traded at 4.1x trailing 12 months P/E, 27% ROE and low 0.8x Net Debt/EBITDA. Financial stocks – Siauliu Bank (+4.9%), SEB (+3.4%) and Swedbank (+2.5%) were top positive contributors. Spare parts for automobiles distributor Inter Cars (-10.9%) disappointed with weak single digit sales growth numbers in May and June and was sold down, however, we expect this trend to be temporary thus made no actions. Price of Novaturas shares (-13.4%) continued to search for a stable support level, but the flow of negative news didn't help: it was announced about the leave of CFO and moreover, with June sales report it was said that May's sales figure was cut from 17 m€ to 14 m€. However, sales numbers tell us nothing about the margins, so we prefer to wait for Q2 financial report which is scheduled to be released on August 23. A big loser of June Tallink Grupp extended decrease by another 5.9%, but we stick to our main scenario that after August 5 (when voluntary tender bid at 0.55 € per share will end up), the overhang will disappear, and stock will have a wide room for growth.

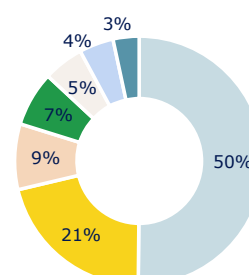
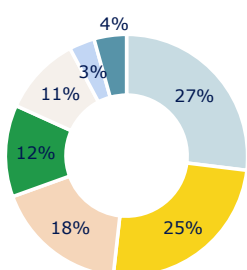
On trading area, we were very passive. We bought some shares of Tallink Grupp and slightly reduced weights of Tallinna Sadam and TKM Group. At the end of the month median P/E of the equities portfolio was standing at 7.9 and last 12 months dividend yield was 6.6%.

\*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**

Siaulių Bankas AB	9.5%	Financials
Akola Group AB	9.3%	Consumer Staples
Ignitis Grupe AB	8.7%	Utilities
Tallink Grupp AS	8.6%	Industrials
Vilkyskiu Pienine AB	4.8%	Consumer Staples
Powszechny Zakład Ubezpieczeń	4.5%	Financials
Vienna Insurance Group AG Wien	4.5%	Financials
AB Grigeo	4.3%	Materials
Amber Latvijas Balzams AS	4.2%	Consumer Staples
Apranga PVA	4.1%	Consumer Discretionary

**REASONS TO INVEST**

- Main goal of the strategy is to provide return on Baltic capital markets. Real GDP growth in the last 5 years has been significantly higher in the Baltic States - on average 1.9% per annum, in comparison to the eurozone's 1.0% growth per annum (as of the end of 2023).
- 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 1.3 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](http://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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