

STRATEGY

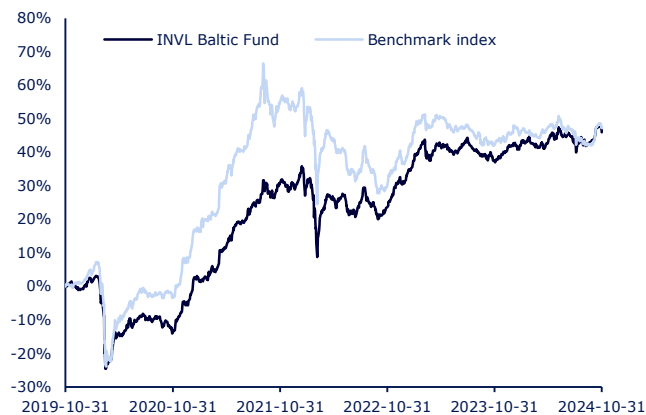
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and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

RESULTS


	Fund	Benchmark ***
Return YTD	2.7%	1.0%
Return 1Y	6.1%	3.6%
Return 3Y	12.0%	-4.7%
3 year annualized return	3.8%	-1.6%
5 year annualized return	7.9%	8.0%
Volatility (St. deviation)*	11.5%	12.6%
Sharpe ratio**	0.7	0.6

FUND MANAGER COMMENT

In October, volatility in equity markets was high, with a general trend towards the downside. Investors continued to express concerns about growth risks and future interest rates. The U.S. elections also added to the uncertainty. In such an environment, it was unsurprising that the U.S. dollar strengthened against other major currencies, including the euro. Developed market equities fell by 2.0% when calculated in U.S. dollars but, increased by 0.6% when recalculated in euros. Meanwhile, emerging market equities, despite gains in China, decreased by 1.9%. European equities were among the worst performers, posting a monthly drop of 3.4%.

Baltic equities did not follow September's rally in emerging markets but made a strong recovery in October, as the OMX Baltic Benchmark Capped Index gained 3.5%. The price of INVL Baltic Fund units also rose, though at a slower pace, with a monthly gain of 2.1%. Our exposure to non-Baltic names was the primary reason for this underperformance. The Polish market faced a significant correction in October, with Inter Cars (-10.3%) and PZU (-7.2%) among the worst performers. SEB (-5.7%) and Swedbank (-2.2%) reported third-quarter results that were generally in line with expectations, but investor reaction was largely negative. All three listed Baltic banks also reported nine-month results, which were mixed. Šiaulių Bankas (+14.1%) reported flat revenue and profit figures, while LHV Group (+5.6%) and Coop Pank (+9.0%) both reported weaker figures compared to the previous year. It seems investors had anticipated these results, resulting in a "buy-on-news" scenario. However, the major story of the month was Šiaulių Bankas share buyback program. This program has two parts. The first part was completed, with six million shares bought back through a tender offer procedure under Dutch auction rules. The second part involves a plan to buy up to 6.9 million shares on the open market until January 24, 2025. The bank aims to purchase 125,000 shares per trading day, using only passive orders. Akola Group (+8.7%) was another significant gainer in October. The company announced plans to acquire SIA Elagro Trade, one of Latvia's leading grain, seed, crop protection, and fertilizer businesses, which has been operating since 2010 and holds around 15% of the Latvian grain market.

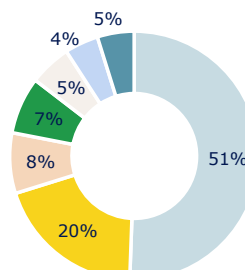
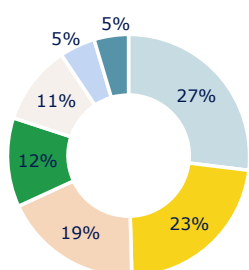
This month, we made several trades. We acquired a stake in Merko Ehitus (+4.6%), a real estate developer and construction services provider. We find its current valuation multiples very attractive: EV/EBITDA of 6.6 and ROE of 21%. The company is successful at switching revenue and profits between its two major business lines: construction and residential real estate development. It is also a reliable dividend payer, with its last dividend payment yielding 7.5%. Additionally, it has a negative net debt position, which allows it to reduce interest rate expenses and pay high dividends in the future. We also completed the exit of our TKM Group position, as we view its current valuation as well above Baltic averages. Additionally, we slightly increased our position in SEB and reduced our holding in Akola Group.

*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

Akola Group AB	9.7%	Consumer Staples
Ignitis Grupe AB	9.1%	Utilities
Tallink Grupp AS	8.6%	Industrials
Siauliu Bankas AB	8.5%	Financials
Vilkyskiu Pienine AB	4.8%	Consumer Staples
Apranga PVA	4.8%	Consumer Discretionary
LHV Group AS	4.6%	Financials
AB Grigeo	4.6%	Materials
Vienna Insurance Group AG Wien	4.4%	Financials
Amber Latvijas Balzams AS	4.3%	Consumer Staples

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 1.5 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, 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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