

STRATEGY

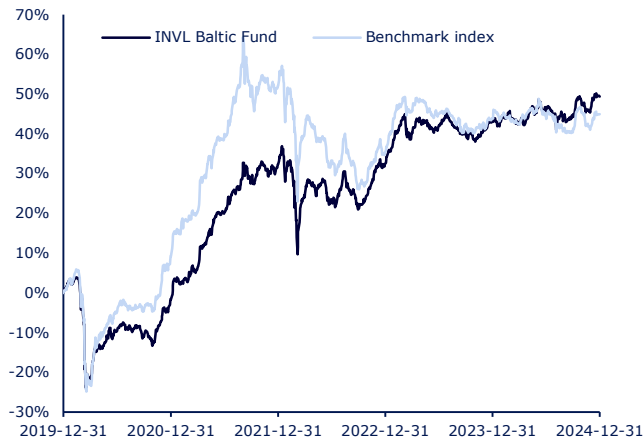
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and 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	4.3%	0.7%
Return 1Y	4.3%	0.7%
Return 3Y	12.9%	-4.7%
3 year annualized return	4.1%	-1.6%
5 year annualized return	8.4%	7.7%
Volatility (St. deviation)*	11.5%	12.7%
Sharpe ratio**	0.7	0.6
P/E***	7.0	
Dividend yield	5.7%	

FUND MANAGER COMMENT

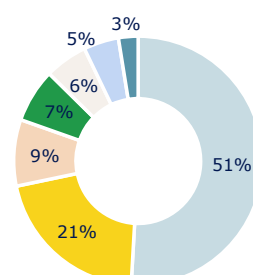
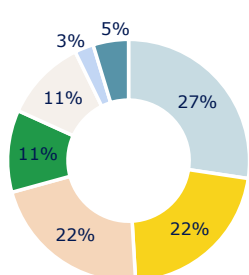
December started with positive trends in equity markets. However, uncertainty arose later due to various factors, including higher inflation in the U.S., restrictive trading tariff plans by D. Trump, and weak macroeconomic data from the euro area. The euro weakened against the USD, partially offsetting negative global returns for European investors. As a result, developed market equities decreased by 0.6%, while emerging market equities climbed by 2.0%. The Stoxx 600, the main European gauge, inched down by 0.5%.

The month was quite successful for the INVL Baltic Fund, as its unit price increased by 2.3%, nearly aligning with the benchmark index, which posted a 2.4% increase. Year-to-date, the fund notably outperformed the benchmark index, achieving a 4.3% price growth compared to the benchmark's 0.7% increase. The fund's outperformance was driven by its value investment approach, which involved significantly underweighting or avoiding high-valuation shares (mainly from Estonian companies), maintaining a strategy to invest part of the assets into shares of companies with significant business exposure or market share in the Baltics but listed on other EU exchanges (~19% of the portfolio at year-end), and making some effective tactical decisions.

In our universe, 23 shares gained, 8 declined, and 1 remained unchanged in December. Among the leaders was our new investment, Merko Ehitus (+9.2%), along with Rokiskio Suris (+7.8%) and Vilkyskiu Pienine (+4.4%). The worst performer was Novaturas (-1.7%), but the company reported improving November figures and reduced full-year loss projections, which helped the share recover part of its initial losses. Ignitis Group (+3.7%) was actively traded and benefited from higher electricity prices following an incident in the Baltic Sea. As usual, at the beginning of a new year, investors start paying more attention to potential dividend yields. Based on dividend policies and the last four quarters' results, we forecasted the top six shares by dividend yield (gross calculated using 2024-12-30 prices): Pieno Zvaigzdes – 8.3%, Apranga – 8.2%, Merko Ehitus – 7.9%, Siauliu Bank – 7.3%, and both Ignitis Group and Tallink Grupp – 6.8%.

At the end of the month, the INVL Baltic Fund was trading at a trailing weighted average P/E of 7.0, an ROE of 12.8% (excluding negative profit shares), and a dividend yield of 5.7%.

*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.
 ***Weighted average portfolio P/E ratio calculated based on profitable companies only; firms with negative earnings were excluded.
 ****Benchmark index:
 100% OMX Baltic Benchmark Capped Gross Index.

BREAKDOWN OF INVESTMENTS

TOP 10 PORTFOLIO HOLDINGS

Ignitis Grupe AB	9.2%	Utilities
Akola Group AB	9.2%	Consumer Staples
Tallink Grupp AS	8.9%	Industrials
Siauliu Bankas AB	8.5%	Financials
Apranga PVA	4.9%	Consumer Discretionary
AB Grigeo	4.7%	Materials
AS Merko Ehitus	4.7%	Industrials
Vilkyskiu Pienine AB	4.6%	Consumer Staples
Vienna Insurance Group AG Wien	4.6%	Financials
LHV Group AS	4.4%	Financials

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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Performance presented in the factsheet represents only fund's past performance results, which is no guarantee for future results. Investment return and principal value will fluctuate, so your investments may have a gain or loss. Current today's performance may be higher or lower than that quoted in the factsheet. The Management Company does not guarantee fund's performance results or ensure profit against loss. Please visit www.sb.lt for most recent month-end performance.

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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