

STRATEGY

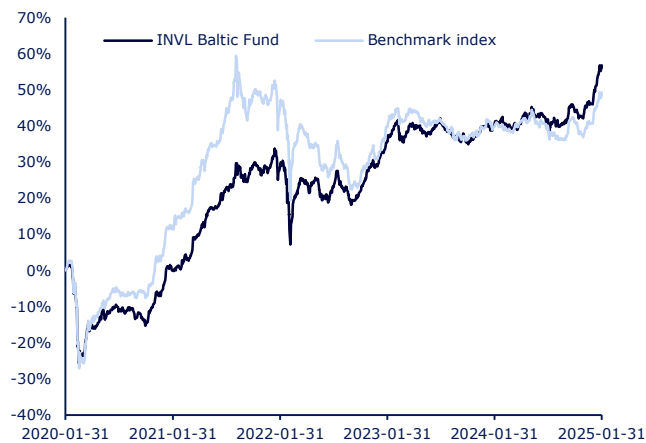
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and 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	10.7
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	7.2%	6.1%
Return 1Y	11.4%	6.6%
Return 3Y	21.6%	2.8%
3 year annualized return	6.7%	0.9%
5 year annualized return	9.4%	8.3%
Volatility (St. deviation)*	11.5%	12.7%
Sharpe ratio**	0.8	0.7
P/E***	7.2	
Dividend yield	5.2%	

FUND MANAGER COMMENT

It was a strong start to the year for investors as equities rallied. Economic data supported U.S. securities, but the emergence of the Chinese AI startup DeepSeek led to a correction in the technology sector. As a result, Europe outperformed the U.S. and other developed markets: the Stoxx Europe Index jumped 6.3%, while the MSCI World Index increased by 2.8%. The overall best performer was Central European equities, which gained 12.0%.

The month was also very positive for Baltic equities—the Fund's unit price rose by 7.2%, and the benchmark index increased by 6.1%. In our investment universe, 28 shares gained, 1 declined, and 1 remained unchanged in January. The rally was driven by strong buying interest from retail investors. Among the top performers were Panevėžio Statybos Trestas (+14.3%), Inter Cars (+13.6%), and Siauliu Bank (+11.9%). The only loser was Enefit Green (-1.7%). So far, only two companies have reported their Q4 and full-year 2024 results, neither of which are in the Fund's portfolio. Tallinna Kaubamaja, in line with expectations, reported declines in both revenue and profit, while Telia Lietuva surprised with an improved net margin in the fourth quarter. All other companies are expected to report by the end of February. As usual, at the beginning of a new year, investors start focusing on potential dividend yields. Based on dividend policies and the last four quarters' results, we forecasted the top five shares by dividend yield: Pieno Zvaigzdes and Apranga – 7.9%; Merko Ehitus – 7.3%; Telia Lietuva – 6.8%; Siauliu Bank – 6.5%. Additionally, stocks of two other major names, Ignitis Group and Tallink Grupp, may deliver a dividend yield of 6.3%.

On the trading side, we were not very active, executing only a few regular rebalancing trades. We also took advantage of an arbitrage opportunity in Ignitis Group shares, as aggressive supply of GDRs in London coincided with strong buying interest in Vilnius. At the end of the month, the INVL Baltic Fund was trading at a trailing weighted average P/E of 7.2, an ROE of 12.5% (excluding negative profit shares), and a dividend yield of 5.2%.

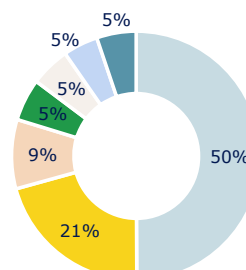
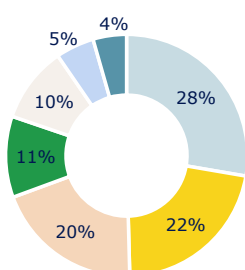
*Standard deviation is used to measure risk. Standard deviation is an indicator that measures how strongly fund's daily return deviates from its mean. The lower the standard deviation the lower the fund's risk. The standard deviation value corresponds to the period shown in the historical returns graph.

**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

Tallink Grupp AS	9.1%	Industrials
Akola Group AB	9.0%	Consumer Staples
Siaulių Bankas AB	8.9%	Financials
Ignitis Grupe AB	7.1%	Utilities
Vilkyskiu Pienine AB	4.6%	Consumer Staples
Vienna Insurance Group AG Wien	4.5%	Financials
AS Merko Ehitus	4.5%	Industrials
Inter Cars SA	4.5%	Consumer Discretionary
Apranga PVA	4.5%	Consumer Discretionary
AB Grigeo	4.5%	Materials

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.

CONTACT
SB Asset Management

Gyneju 14, 01109 Vilnius, Lithuania

+370 37 301 337

info@sb.lt

http://www.sb.lt

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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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