

STRATEGY

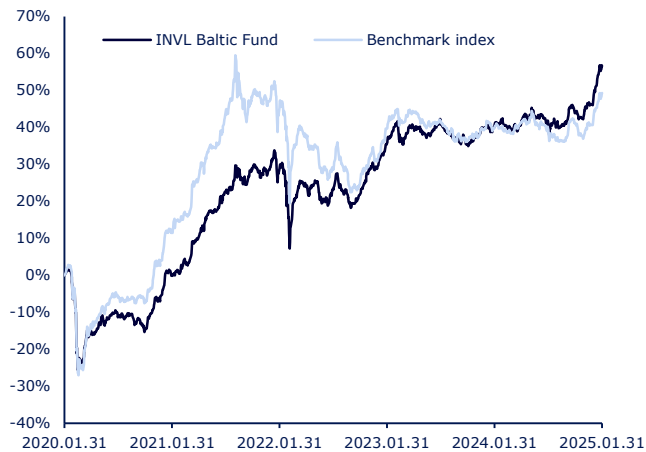
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and 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	11.3
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	11.2%	8.8%
Return 1Y	14.0%	9.0%
Return 3Y	34.4%	13.0%
3 year annualized return	10.3%	4.1%
5 year annualized return	11.6%	10.3%
Volatility (St. deviation)*	11.4%	12.5%
Sharpe ratio**	1.0	0.8
P/E***	7.5	
Dividend yield	4.9%	

FUND MANAGER COMMENT

After a strong start to the year, February was marked by diverse market trends. Growing uncertainty regarding the impact of U.S. tariffs and concerns about economic growth began to emerge in the second half of the month. Weak performance in the U.S. led to a 0.5% decline in developed market equities (in euros). In contrast, emerging markets benefited from the growth of Chinese equities, particularly in the technology sector, resulting in a 0.7% increase in the MSCI EM Index (in euros). Meanwhile, European markets performed even better, with the Stoxx 600 rising by 3.3% and the MSCI EM Europe Index surging by 6.2%.

In February, the unit price of the INVL Baltic Fund gained an additional 3.7%, extending its year-to-date increase to 11.2%. For comparison, the benchmark index rose by 8.8% over the same period. Within our investment universe, 23 stocks posted gains, five declined, and two remained unchanged during the month. The strongest positive contributors were banks (SEB +13.3%, Swedbank +12.0%) and insurance companies (Vienna Insurance Group +11.7%, PZU +9.2%). Overall, the European market continues to provide a favorable environment for financial sector outperformance, a trend that may persist given the still-attractive valuations and solid dividend yields.

A total of 23 companies reported their Q4 and full-year 2024 results. Of these, 11 exceeded expectations, while six underperformed. Notable positive results came from Merko Ehitus (+12.0%) and Akola Group (+6.6%), with Merko Ehitus also announcing a 46% dividend increase to 1.9 euros per share. On the trading side, we reintroduced Telia Lietuva (-0.3%) into the Fund's portfolio. The company reported a 6.3% increase in Q4 sales and a 33.2% rise in net profit, while free cash flow surged by 58%. We believe that 2024 marks a turning point for the company following an intensive capital expenditure cycle in recent years. As a result, profit margins are improving rapidly, and the company is generating strong cash flow. With a trailing EV/EBITDA of just 6x and a Net Debt/EBITDA ratio of 0.5x, Telia Lietuva is well-positioned to increase dividends this year, which was an important factor in our investment decision.

At the end of February, INVL Baltic Fund was trading at a trailing weighted average P/E of 7.5x, with an ROE of 13.0% (excluding negative profit shares) and a dividend yield of 4.9%.

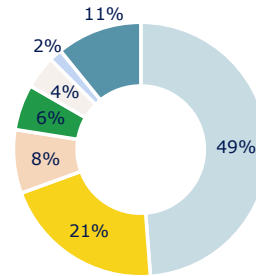
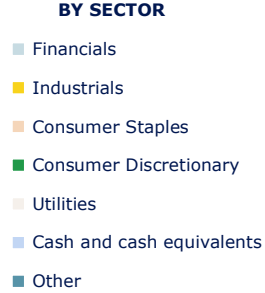
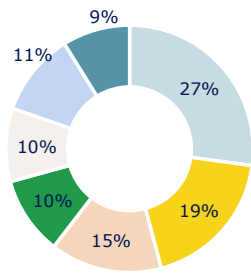
*Standard deviation is used to measure risk. Standard deviation is an indicator that measures how strongly fund's daily return deviates from its mean. The lower the standard deviation the lower the fund's risk. The standard deviation value corresponds to the period shown in the historical returns graph.

**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

Akola Group AB	9.4%	Industrials
Tallink Grupp AS	8.9%	Consumer Staples
Siaulių Bankas AB	8.7%	Financials
Ignitis Grupe AB	6.7%	Utilities
AS Merko Ehitus	4.6%	Consumer Staples
AB Grigeo	4.5%	Financials
LHV Group AS	4.5%	Industrials
Apranga PVA	4.4%	Consumer Discretionary
Telia Lietuva AB	4.4%	Consumer Discretionary
Vienna Insurance Group AG Wien	4.2%	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.

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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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