

STRATEGY

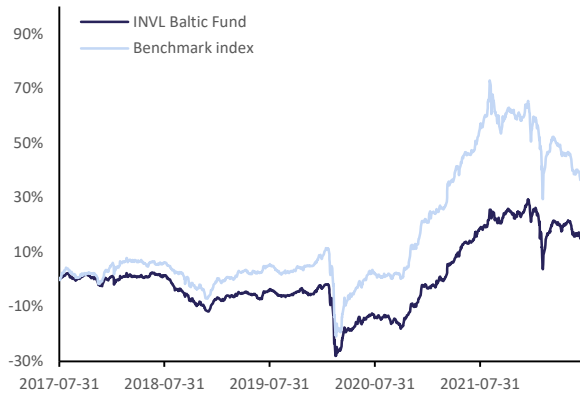
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and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

Recommended investment period – more than 5 years.

FACTS

Management company	INVL Asset Management
ISIN code	LTIF00000096
Inception date	2005-12-15
Minimum investment	EUR 0
AUM, EUR M	10,2
Management fee	2%
Subscription fee	2%
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.invl.com/en/investment/mutual-funds/invl-baltic-fund/fund-information/>

RESULTS


	Fund	Benchmark ***
Return YTD	-4,8%	-12,5%
Return 1Y	0,4%	-9,4%
Return 3Y	23,9%	33,4%
3 year annualized return	7,4%	10,1%
5 year annualized return	3,6%	7,0%
Volatility (St. deviation)*	11,3%	12,6%
Sharpe ratio**	0,3	0,6

FUND MANAGER COMMENT

Latest economic data provided further evidence of slowing global economy: PMIs dropped below 50 and inflation reached new highs, with only labor markets remaining strong. Markets priced-in rate cuts by Fed in 2023, so risk assets got strong support. All-in-all, MSCI World jumped 11% (in EUR). Emerging Markets lagged the global trends as MSCI EM climbed just 2.5%.

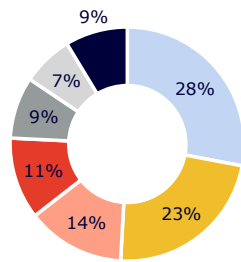
Baltics were doing even worse: OMX Baltic Benchmark Capped Index printed no monthly change, but the Fund outperformed as the price of its units increased 2.2%. Nearly one of four main list companies published Q2 reports which in general were supportive. Financials and Food industry companies generated the biggest part of the outperformance. "Vilkyskiu Pienine" (+14.3%) continued to impress with monthly sales growth figures while "Linus Agro Group" (+6.1%) attracted investors' attention before the release of 4th quarter results of a financial year 2021/2022. Swedish banks followed global trends, so no surprise about double-digits monthly gains: SEB +12.7%, Swedbank +11.8%. Local banks also gained but at slower pace: "Siauliu bank" went up 3.3%, Coop Pank climbed 4.5%. LHV (-8.5%) was the biggest loser – seems that part of the investors switched the investments by participating in the IPO of "Indexo" – pension funds' manager which plans to start banking business. We have made a decision to increase the weight of financials and luckily implemented it in the beginning of July, thus caught the past rally. The positions of SEB, Swedbank, PZU and Vienna Insurance Group were increased. We also have bought additional shares of "Ignitis Group" betting on high electricity prices. Our opinion is that "Novaturas" shares are oversold so we took the opportunity to buy some shares.

*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.

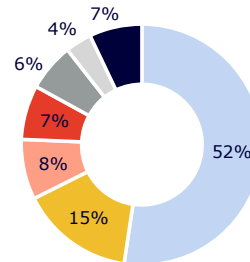
**Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period shown in the historical returns graph.

***Benchmark index:

100% OMX Baltic Benchmark Capped Gross Index.

BREAKDOWN OF INVESTMENTS


- BY SECTOR**
- Consumer Staples
 - Financials
 - Utilities
 - Consumer Discretionary
 - Industrials
 - Cash and cash equivalents
 - Other



- BY COUNTRY**
- Lithuania
 - Estonia
 - Poland
 - Sweden
 - Latvia
 - Austria
 - Cash and cash equivalents

TOP 10 PORTFOLIO HOLDINGS

LINAS AGRO GROUP AB	9,5%	Consumer Staples
AB IGNITIS GRUPĖ	8,9%	Utilities
ŠIAULIŲ BANKAS	8,4%	Financials
LATVIJAS BALZAMS	6,4%	Consumer Staples
VILKYŠKIŲ PIENINĖ	4,7%	Consumer Staples
ENEFIT GREEN AS	4,7%	Utilities
APRANGA PVA	4,7%	Consumer Discretionary
TALLINNA KAUBAMAJA GRUPP AS	4,4%	Consumer Staples
TELIA LIETUVA AB	4,4%	Telecommunication Services
INTER CARS SA	4,4%	Consumer Discretionary

REASONS TO INVEST

- GDP growth in the last 5 years has been significantly higher in the Baltic States - on average 3% per annum, in comparison to eurozone experiencing around 1% growth per annum (as of the end of Q4 2021).
- Active fund management allows choosing only the most attractive companies based on their valuations, management and growth opportunities.
- Fund management team takes active participation approach in cases of misconduct regarding minority shareholders in order to improve their corporate governance.

COMPANY

INVL Asset Management is a boutique asset management company that offers a range of CEE-focused investment products since 2004. Team of ten portfolio managers, based in Vilnius, Lithuania (headquarters) and Riga, Latvia, use primarily fundamental value, bottom up approach and manage over 1 billion EUR in assets. Being nimble and highly competitive, INVL funds consistently rank high in international rankings. We adhere to the UN Principles for Responsible Investment (PRI) and are supervised by the Central bank of Lithuania.

CONTACT

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