

STRATEGY

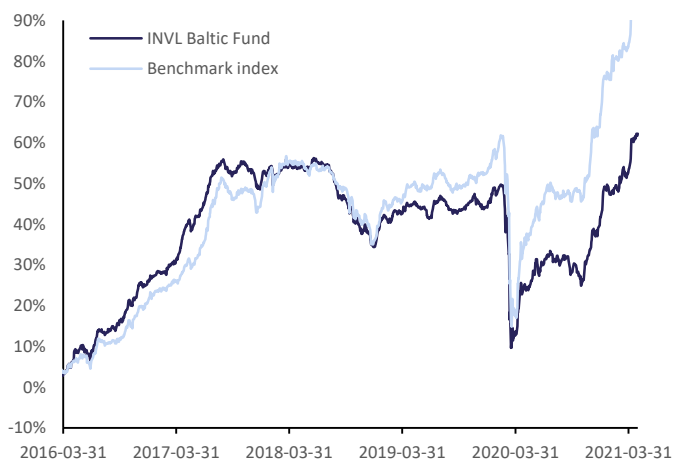
INVL Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and 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	8.7
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	14.5%	18.6%
Return 1Y	29.5%	44.8%
Return 3Y	5.3%	27.6%
3 year annualized return	1.7%	8.4%
5 year annualized return	8.9%	13.3%
Volatility (St. deviation)*	9.9%	10.7%
Sharpe ratio**	0.9	1.2

FUND MANAGER COMMENT

In April, investors' expectations of strong economic recovery started to turn from forecasts to reality. As a result, global equities extended year-to-date gains but at a slower pace: MSCI World Index increased 2.2% (in EUR terms) and outperformed MSCI Emerging Markets Index for a third month in a row, which managed to climb merely by 0.1%. Weak USD versus euro wiped out some 2.4% of the returns for euro area investors. Now the big question is whether an economic recovery is already priced-in. In US and UK nearly 50% of population have already received at least one Covid-19 vaccine while in Europe, although slower in the beginning, vaccination process has also accelerated putting path for reopening of economies and faster recovery in Q2 and Q3. Inflation expectations hit new highs since 2008, therefore rotation from growth to value continued after a short pause. Equities in Emerging Europe area outperformed Global equities after long-lasting underperformance period as MSCI Emerging Europe ex Russia Index gained 4.7%.

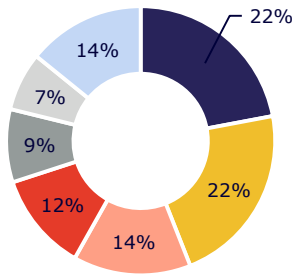
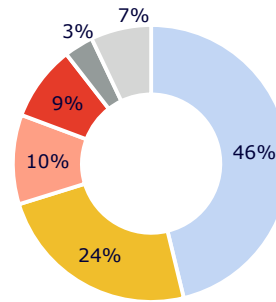
In the meantime, Baltic equities skyrocketed and outperformed Emerging Europe equities for a fourth month in a row. OMX Baltic Benchmark Capped Gross Index jumped 7.6% and fund units' value increased by 6.0%. A combination of strong Q1 results, high dividend proposals and reopening expectations were the main reasons for such a strong performance. Novaturas (+26.8%) was among the best performers after company announced renewal of flights to popular holiday destinations. It was followed by Grigeo (+21.9%), Merko Ehitus (+18.8%) and Pieno Zvaigzdes (+17.1%) – all surprised investors with high single dividend proposals. Banks maintained strong growth pace of deposits and loans with significantly lower provisions and healthy bottom-line, respectively stocks also performed well (Siauliu Bankas +12.2%, Coop Pank +15%, LHV Group +8.5%). Ignitis Group (+2.1%) still faced strong selling pressure on London Stock exchange thus continued to underperform and along with Polish picks created the biggest part of fund's underperformance against the benchmark index. We decided to take profit and reduced our investment in Coop Bank (P/B 2.0) as valuation became unattractive and increased exposure in SEB shares which offers much more attractive multiples (P/E 12 and P/B 1.3). We also reduced weight in Merko Ehitus and Tallink Grupp and bought some Grigeo 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

BY COUNTRY

TOP 10 PORTFOLIO HOLDINGS

Šiaulių bankas	9.0%	Financials
AB "Ignitis grupė"	8.8%	Utilities
Linus Agro Group	7.1%	Consumer Staples
Latvijas balzams	7.1%	Consumer Staples
Tallink Grupp	4.9%	Industrials
Grigeo	4.7%	Materials
Tallinna Sadam	4.5%	Industrials
Telia Lietuva	4.4%	Telecommunication Services
Inter Cars S.A.	3.9%	Consumer Discretionary
Apranga	3.8%	Consumer Discretionary

REASONS TO INVEST

- GDP contraction in 2020 was significantly lower in comparison to other major European economies. Over the last year Baltic states' nominal GDP shrank merely by 1.5% while eurozone experienced a 3.3% drop (as of the end of Q3 2020).
- 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
CONTACT

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.

INVL Asset Management

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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.invl.com, 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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