



INVL BALTIC FUND

SEMI-ANNUAL REPORT JANUARY – JUNE 2019



I. GENERAL INFORMATION

1. General information about INVL Baltic Fund:

Information is provided under section General information in the explanatory notes.

2. Reporting period covered by these financial statements:

Information is provided under section General information in the explanatory notes.

3. Details of the management company:

Information is provided under section General information in the explanatory notes.

4. Details of the depository:

Information is provided under section General information in the explanatory notes.

II. NET ASSET VALUE, NUMBER AND VALUE OF INVESTMENT UNITS

5. Net asset value (NAV), number and value of investment units:

Information is provided in Note 2.

6. Number of investment units distributed and redeemed over the reporting period and value:

Information is provided in Note 3.

III. EXPENSE AND TURNOVER RATIOS OF THE COLLECTIVE INVESTMENT UNDERTAKING

7. Deductions from assets of the collective investment undertaking:

January - June 2019

Deductions	Rates of deductions (%)		Amount of deductions charged for the reporting period, EUR	Percentage of average net asset value for the reporting period
	Maximum rates as per founding documents	Rates applied during the reporting period		
Management fee:				
Fixed rate	Up to 2% of the Fund's average annual net asset value	2% of the Fund's average annual net asset value	59.435	0,98
Success fee	Not applicable	Not applicable	-	-
Other operating costs (Subfund change fee)	No more than 3% of the invested amount	No more than 2% of the invested amount	-	-
Other operating costs (Subfund change fee)	Not applicable	Not applicable	-	-
Depository fee	No more than 0.25% of the Fund's average annual net asset value	No more than 0.25% of the Fund's average annual net asset value	3.043	0,05
Transaction fee	No more than 0.75% of the average annual value of transactions executed	No more than 0.75% of the average annual value of transactions executed	3.520	0,06
Audit fee	No more than 0.5% of the Fund's average annual net asset value	No more than 0.5% of the Fund's average annual net asset value	945	0,02
Fee charged by the bank for keeping records of participants			1.679	0,03
Other operating costs (bank charges)	No more than 0.5% of the Fund's average annual net asset value	No more than 0.5% of the Fund's average annual net asset value	185	-
Other operating costs (fees charged by the market maker, quotation costs and one-off fees)			1.031	0,02
Total expenses included in TER				66.318
Total expenses				69.838

7. Deductions from assets of the collective investment undertaking (continued)
January - June 2018

Deductions	Rates of deductions (%)		Amount of deductions charged for the reporting period, EUR	Percentage of average net asset value for the reporting period
	Maximum rates as per founding documents	Rates applied during the reporting period		
Management fee:				
Fixed rate	Up to 2% of the Fund's average annual net asset value	2% of the Fund's average annual net asset value	97.237	1,00
Success fee	Not applicable	Not applicable	-	-
Other operating costs (Subfund change fee)	No more than 3% of the invested amount	No more than 2% of the invested amount	381	-
Other operating costs (Subfund change fee)	Not applicable	Not applicable	-	-
Depository fee	No more than 0.25% of the Fund's average annual net asset value	No more than 0.25% of the Fund's average annual net asset value	5.142	0,05
Transaction fee	No more than 0.75% of the average annual value of transactions executed	No more than 0.75% of the average annual value of transactions executed	3.154	0,03
Audit fee	No more than 0.5% of the Fund's average annual net asset value	No more than 0.5% of the Fund's average annual net asset value	898	0,01
Fee charged by the bank for keeping records of participants			1.760	0,02
Other operating costs (bank charges)	No more than 0.5% of the Fund's average annual net asset value	No more than 0.5% of the Fund's average annual net asset value	134	-
Other operating costs (fees charged by the market maker, quotation costs and one-off fees)			930	0,01
Total expenses included in TER				106.101
Total expenses				109.636

8. Intermediary fee:

Information is provided in Note 9.

9. Information on all existing arrangements on distributions and hidden commission fees:

Over the reporting period, the management company did not enter into any formal or informal arrangements on distributions, nor any hidden commission fees were applied to the Fund.

10. Illustration of impact of deductions on investor's ultimate return on investments:

Information is provided on the annual report.

IV. INFORMATION ON THE INVESTMENT PORTFOLIO OF THE COLLECTIVE INVESTMENT UNDERTAKING

11. Structure of investment portfolio at the end of the reporting period:

Information is provided in Note 4.

12. Breakdown of investments by the criteria that meet the investment strategy:

Information is provided in Note 5.

13. Transactions involving derivative financial instruments conducted over the reporting period, other than those referred to in section 11 herein:

Information is provided in Note 8.

14. Types of derivative financial instruments referred to in section 11 of the financial statements, the related risks and quantitative limits and methods used to assess the risks incurred by the collective investment undertaking in relation to transactions involving derivative financial instruments. Description of how derivative financial instrument may be used to hedge investment instrument transaction (position) against risk:

Information is provided in Note 8.

15. Total value of liabilities arising on transactions involving derivative financial instruments at the end of the reporting period:

Information is provided in Note 8.

16. Risk extent related to derivative financial instruments taken by the master collective investment undertaking: the sum of the direct potential risk extent of the feeder collective investment undertaking and the actual derivative financial instruments risk of the master collective investment undertaking that is proportional to the feeder collective investment undertaking's investments in the master undertaking, and the sum of the direct potential risk extent of the feeder collective investment undertaking and the extent of potential maximum risk that was taken by the master collective investment undertaking according to transactions in derivative financial instruments and that was determined in the founding documents of the master collective investment undertaking and that is proportional to the feeder collective investment undertaking's investments to the master undertaking.

The Fund is a non-master collective investment undertaking.

17. Analysis of the current investment portfolio's compliance (non-compliance) with the collective investment undertaking's investment strategy (investment trends, investment specialisation, geographical area, etc.):

Structure of investment portfolio is provided in Note 4.

18. Factors that had the major impact on the structure of investment portfolio and changes in its value over the reporting period:

Information is provided in Note 4.

V. RETURN ON INVESTMENTS AND RISK INDICATORS OF THE COLLECTIVE INVESTMENT UNDERTAKING

19. Benchmark index (if selected) and its brief description:

Information is provided on the annual report.

20. Change in value of unit (share) for the same period, change in annual return (gross and net) on investments, and change in value of benchmark index (if selected), and other indicators over the last 10 years of the fund's operation. If the collective investment undertaking operated for a period shorter than 10 years, return on investments for the period during which the portfolio was managed:

Information is provided on the annual report.

21. Average return on investments, average change in value of investment unit and average change in value of benchmark index (if selected) over the last three, five, ten years (average net return on investments, average change in value of unit and average change in value of benchmark index are calculated as a geometric mean of annual changes in net return on investments, annual changes in value of unit and annual changes in value of benchmark index, respectively):

Information is provided on the annual report.

22. Other indicators showing the risks pertaining to the investment portfolio:

Information is provided on the annual report.

VI. FINANCIAL POSITION OF THE COLLECTIVE INVESTMENT UNDERTAKING

23. The financial statements of the collective investment undertaking have been prepared in accordance with the requirements of the Lithuanian laws and legal acts:

23.1. Statement of net assets;

23.2. Statement of changes in net assets;

23.3. Explanatory notes.

UAB „INVL ASSET MANAGEMENT“
 126263073, Gynėjų str. 14, Vilnius

INVL Baltic Fund
STATEMENT OF NET ASSETS AS AT 30 JUNE 2019

No	Assets	Note	The reporting period	The previous reporting period
A.	ASSETS		4.234.289	6.613.452
1.	CASH	4	177.742	1.134.600
2.	TIME DEPOSITS		-	-
3.	MONEY MARKET INSTRUMENTS		-	-
3.1.	Treasury bills		-	-
3.2.	Other money market instruments		-	-
4	TRANSFERABLE SECURITIES	4,6	4.006.866	5.455.881
4.1.	Non-equity securities		-	-
4.1.1.	Non-equity securities issued or guaranteed by governments and central banks		-	-
4.1.2.	Other non-equity securities		-	-
4.2.	Equity securities	4,6	4.006.866	5.455.881
4.3.	Investment units and shares of other collective investment undertakings		-	-
5.	PREPAYMENTS		-	-
6	AMOUNTS RECEIVABLE	4	49.681	22.971
6.1.	Amounts receivable from sale of investments		-	-
6.2.	Other amounts receivable	4	49.681	22.971
7.	INVESTMENT AND OTHER ASSETS		-	-
7.1.	Investment assets		-	-
7.2.	Derivative financial instruments		-	-
7.3.	Other assets		-	-
B.	LIABILITIES	4	9.377	12.158
1.	Amounts payable	4	9.377	12.158
1.1.	Amounts payable for financial and investment assets		-	-
1.2.	Amounts payable to management company and depository	4	8.337	11.943
1.3.	Other payables	4	1.040	215
2.	Accrued charges		-	-
3.	Borrowings from credit institutions		-	-
4.	Liabilities under contracts on derivative financial instruments		-	-
5.	Other liabilities		-	-
C.	NET ASSETS	2	4.224.912	6.601.294

The accompanying explanatory notes form an integral part of these financial statements.

<u>General Director</u>	<u>Laura Križinauskienė</u>	<u>29 August 2019</u>
<u>Heads of Funds Accounting</u>	<u>Aušra Montvydaitė</u>	<u>29 August 2019</u>

UAB „INVL ASSET MANAGEMENT“
 126263073, Gynėjų str. 14, Vilnius

INVL Baltic Fund
STATEMENT OF CHANGES IN NET ASSETS FOR JANUARY – JUNE 2019

No	Items	Note	The reporting period	The previous reporting period
1.	NET ASSETS AT 1 JANUARY	2	6.601.294	10.581.141
2.	INCREASE IN NET ASSET VALUE			
2.1.	Contributions of participants	3	562.117	4.129.214
2.2.	Transfers from other funds		-	-
2.3.	Guarantee contributions		-	-
2.4.	Investment income		214.750	286.485
2.4.1.	Interest income		-	-
2.4.2.	Dividends		214.750	286.485
2.4.3.	Rental income		-	-
2.5.	Gain on change in value and sale of investments	6	944.204	1.614.093
2.6.	Foreign exchange gain		-	6.282
2.7.	Gain on transactions involving derivative financial instruments		-	-
2.8.	Other increases in net asset value		-	31.251
	TOTAL INCREASE IN NET ASSET VALUE:		1.721.071	6.067.325
3.	DECREASE IN NET ASSET VALUE			
3.1.	Payments to participants	3	3.325.867	6.132.403
3.2.	Transfers to other funds		-	-
3.3.	Loss on change in value and sale of investments	6	701.748	1.453.910
3.4.	Foreign exchange loss		-	13.159
3.5.	Loss on transactions involving derivative financial instruments		-	-
3.6.	Management costs:		69.838	109.636
3.6.1.	Fee to management company		59.435	97.618
3.6.2.	Fee to depository		3.043	5.142
3.6.3.	Fee to intermediaries	9	3.520	3.154
3.6.4.	Audit fee costs		945	898
3.6.5.	Interest costs		-	-
3.6.6.	Other costs		2.895	2.824
3.7.	Other decreases in net asset value		-	-
3.8.	Reimbursement of costs (-)		-	-
	TOTAL DECREASE IN NET ASSET VALUE:		4.097.453	7.709.108
4.	Change in net asset value		(2.376.382)	(1.641.783)
5.	Profit distribution		-	-
6.	NET ASSET VALUE AT 30 JUNE	2	4.224.912	8.939.358

The accompanying explanatory notes form an integral part of these financial statements.

<u>General director</u>	<u>Laura Križinauskienė</u>	<u>29 August 2019</u>
<u>Head of Funds Accounting</u>	<u>Aušra Montvydaitė</u>	<u>29 August 2019</u>

UAB „INVL ASSET MANAGEMENT“
 126263073, Gynėjų g. 14, Vilnius

INVL Baltic Fund

Explanatory notes to the semi-annual financial statements for January - June 2019

23.3.1. General information:

Details of the collective investment undertaking

Name	INVL Baltic Fund (hereinafter the Fund)
Legal form	Open-ended type harmonised investment fund with no rights of a legal entity
Date on which the Securities Commission (currently the Bank of Lithuania) approved the documents on formation	8 December 2005
Duration of operation	Indefinite period
Location	Vilnius

Details of the management company

Name	UAB „INVL Asset Management“
Company code	126263073
Office address	Gynėjų str. 14, LT-01109 Vilnius
Register at which all data about the undertaking is stored and compiled	State enterprise Centre of Registers, Vilnius branch
Telephone number	(8~700) 55 959
Fax number	(8~5) 279 06 02
Email address	info@invl.com
Website address	www.invl.com
Licence No	VJK-005
Manager of the collective investment undertaking, other individuals making investment decisions	Andrej Cyba – Member of the Investment Committee; Vaidotas Rūkas – Director of the Investment Management Department; Arvydas Jacikevičius – Junior Fund Manager.

Details of the depository

Name	SEB Bankas AB
Company code	112021238
Office address	Gedimino pr. 12, LT-01103 Vilnius
Telephone number	(8~5) 268 28 00
Fax number	(8~5) 268 23 33

Details of the audit company engaged to audit the annual financial statements

Name	UAB „PricewaterhouseCoopers“
Company code	111473315
Office address	J. Jasinskio 16B, LT-03163 Vilnius
Telephone number	(8~5) 239 2300

Listing

The INVL Baltic Fund has been listed on OMX Stock Exchange with effect from September 2013.

Reporting period

From 1 January 2019 to 30 June 2019.

23.3.2. Accounting policies:

Regulatory legislation adopted in the preparation of the financial statements

INVL Asset Management UAB manages the assets of the fund, keeps the fund's accounting records and prepares its financial statements in compliance with Business Accounting Standards (BAS), Lithuanian Law on Accounting, Lithuanian Law on Collective Investment Undertakings and other legal acts.

Generally accepted accounting principles

The financial year of the Fund coincides with the calendar year. Assets and liabilities reported in the Fund's financial statements as at the end of the reporting period are presented at the value as at 28 June 2019 amounts.

All amounts in these financial statements are presented in the euros (EUR).

Investment policy and structure of investment portfolio

The objective of the Fund is to ensure the maximum growth of assets for the benefit of the Fund's participants by assuming average or higher level of risk.

From 50 to 100 per cent of the Fund's net assets might be invested into the securities of companies quoted on Lithuania, Latvian, and Estonian stock exchanges. The remaining portion of the Fund's net assets might be invested into the shares of companies developing a major part of their activities in the Baltic countries and quoted in other markets, as well as into other investment instruments defined in the Fund's rules.

The structure of investment portfolio is presented in Note 4.

Financial risk management

The Fund's exposure to financial risks is managed through the diversification of the investment portfolio based on diversification principles defined in the Fund's rules.

The Investment Committee decides on the composition of the Fund's investment portfolio in view of the current risk level of the portfolio and the effects of decisions made on the overall risk level of the portfolio.

The Fund's portfolio risk and liquidity are assessed periodically and reported to the Investment Committee.

The Fund's portfolio risk and liquidity are assessed periodically and reported to the Investment Committee.

- issuer's credit rating;
- price sensitivity to interest rate shifts;
- nominal currency risk;
- maturity;
- yield;
- weight of securities in total investment portfolio;
- liquidity.

The shares of the issuer held by the management company together with the shares of the same issuer held by the managed funds may not carry over 1/10 of the voting rights at the issuer's general meeting of shareholders.

The Fund's assets may be used to acquire no more than as follows:

- 10% of the non-voting shares of an issuing body;
- 10% of the debt securities and other forms of non-equity securities of an issuing body;
- 25% of the units or shares of another collective investment undertaking;
- 10% of the money market instruments issued by a single issuing body.

23.3.2. Accounting policies (continued)

Policies for recognition of increase and decrease in assets and liabilities

Difference between the value of the Fund's net assets and the value of the Fund's liabilities reflects the value of net assets (NA).

Calculation of assets and liabilities is based on their fair value, which reflects the NA value, at which the sale of these assets are mostly probable.

Financial assets are recorded when the Fund receives or obtains a contractual right to receive cash or any other financial assets, i.e. following the selected trade date approach, when the receivable financial asset and the liability to pay for it are recorded in the buyer's books of account at the date of the transaction. In the seller's books of account, the financial asset sold is written off, and a receivable amount and the result of disposal (gain or loss) are recorded at the date of the transaction. Planned transactions, guarantees and sureties received are not recognised as the Fund's assets for as long as they do not meet the definition criteria of financial assets.

Financial liabilities are recorded when the Fund assumes a commitment to pay cash or any other financial assets (the selected trade date approach). Planned transactions, guarantees and sureties granted but not yet executable are not recognised as the Fund's liabilities for as long as they do not meet the definition criteria of financial liabilities.

Liabilities are recorded in line with the requirements of Business Accounting Standards. Liabilities (or part of them) should be written off only when they extinguish, i.e. when contractual liabilities are settled, annulled or have expired.

When calculating the NA value in foreign currency, the value of assets and liabilities is determined using a foreign exchange reference rate of EUR against other currencies published by the European Central Bank, and where such foreign exchange reference rate is not published by the European Central Bank, using the foreign exchange reference rate published on the date of estimation by the Bank of Lithuania. For the purpose of accounting, the most recent foreign exchange rate effective before the economic event or economic transaction should be applied.

Rules on deductions to the accumulation undertaking and the deposi

The maximum rates of deductions from the Fund's assets charged for the management of the Fund and the services provided by the Depository are presented in the Fund's rules.

The specific rates of deductions for the management of the Fund are set by the decision of the Board of the Management Company and they are available to public on the Management Company's official website at address www.invl.com.

Any other costs not specified in the Fund's rules (including expenses related to the services provided by the depository) or in excess of the defined limits are born by the Management Company at its own expense.

The Fund's deductions over the reporting period are presented in section 7 of Annex.

Investment valuation methods, investment revaluation intervals

The Fund's net assets are measured at fair value in accordance with the procedure prescribed by legal acts of the Republic of Lithuania and in line with the net assets calculation procedures approved by the Management Company.

Valuation of net assets (NA) is based on the following principles for determining the fair value of investments:

- The fair value of financial instruments traded on regulated markets is determined with reference to the quoted closing price of the instrument, except for the cases defined in the Methodology for Calculation of Net Assets approved by the Bank of Lithuania;
- The fair value of financial instruments not traded on regulated markets is determined with reference to the Methodology for Calculation of Net Assets approved by the Bank of Lithuania;
- Valuation of investment units (shares) of collective investment undertakings is carried out with reference to the NA value determined by the collective investment undertaking or the last quoted redemption price;
- Valuation of time deposits is based on the amortised cost;
- Valuation of cash on hand and cash held at credit institutions, except for time deposits, is based on the nominal value;
- Valuation of other assets is based on the most probable selling price determined by the selected valuation model, which is generally accepted in the financial market.

23.3.2. Accounting policies (continued)

Valuation of liabilities

Valuation of liabilities is based on the requirements of Business Accounting Standards:

- Liabilities initially are recognised at cost;
- Liabilities related to market prices are measured at fair value;
- Liabilities not related to market prices are carried at amortised cost, which approximates to the fair value.

Rules on valuation of investment units

The initial value of the Fund's unit, which was available before the first calculation of net asset value, was equal to EUR 28,9620.

The Fund's net asset value for the current day is calculated by midday (12am) of the following day.

The value of the Fund's unit is calculated by dividing the Fund's net asset value by the number of all Fund's units in issue as at the date of calculation. The total value of all units of the Fund is always equal to the Fund's net asset value. The value of the Fund's unit is determined as four figures after the decimal point and rounded according to the mathematical rules of rounding.

The value of the Fund's unit is announced not later than by midday (12am) of the following day after the calculation of net asset value, on the website at address www.invl.com.

Cash and time deposits

Cash includes cash balances at accounts opened with credit institutions, overnight deposits and deposits with undefined maturity the repayment of which may be demanded in full or in part at any time without losing accumulated interest thereon (demand deposits).

Time deposits include a deposit amount with the specific deposit repayment date indicated in the deposit agreement, including the deposits with maturity of three months or less that cannot be taken from the account opened with the credit institutions without losing accumulated interest thereon. Time deposits are shown with accumulated interest thereon.

Amounts receivable and amounts payable

Amounts receivable represent amounts due to the fund on sale of investments, amounts due on guarantee contributions and other amounts receivable under contracts. Amounts receivable also include amounts due from the management company that upon receipt are deducted from expenses for the reporting period, other than those defined in the Fund's rules or which exceed the established limits.

Amounts payable represent amounts due to other funds to which the participant move, amounts due to the participants or their beneficiaries, amounts due to the distributors, amounts payable under the service agreement, and other amounts payable and receivable not specified elsewhere.

Subsequent events

All significant subsequent events that occurred after the end of the reporting period are disclosed in Note 15 of the explanatory notes.

22.3.3. Notes:
Note 1. Significant amounts reported in the financial statements and reasons for their changes:

Significant amounts reported in the financial statements are presented in the explanatory notes.

Note 2. Net asset value, number and value of units

	Opening balance at 1 January 2019	Closing balance at 30 June 2019	1 year ago at 30 June 2018	2 years ago at 30 June 2017
Net asset value, EUR	6.601.294	4.224.912	8.939.358	4.574.134
Unit value, EUR	34,9258	36,7768	40,3444	37,7279
Number of units	189.008,851698	114.879,940734	221.576,161485	121.240,097246

Note 3. Number and value of units distributed and redeemed over the reporting period

	The reporting period		The previous reporting period	
	Number of units	Value, EUR	Number of units	Value, EUR
Distributed (by converting monetary funds into units)*	15.120,208509	562.117	103.370,623834	4.128.833
Redeemed (by converting units into monetary funds)	89.249,119473	3.325.867	153.897,934405	6.132.403
Difference between the number and value of units (shares) distributed and redeemed	(74.128,910964)	(2.763.750)	(50.527,310571)	(2.003.570)

* The value of distributed units (by converting monetary funds to investment units) might not correspond to the amounts of contributions of participants reported in the statement of changes in net assets (2.1. and 2.2.), because in the table above it excludes the distribution fee (deductions are disclosed in section 7 herein).

Note 4. Structure of investment portfolio
30 June 2019

Issuer's name	Country of business	ISIN code	Currency	Quantity, items	Total acquisition value, in EUR	Total market value, in EUR	Share in net assets, %
Equity securities listed on the Main List of Stock Exchange or its equivalent							
Apranga	LT	LT0000102337	EUR	87.469	195.603	144.761	3,43
Vilkyškių pieninė	LT	LT0000127508	EUR	47.763	140.912	114.631	2,71
Šiaulių bankas	LT	LT0000102253	EUR	812.807	331.701	369.827	8,75
Rokiškio sūris	LT	LT0000100372	EUR	49.000	121.524	121.520	2,88
Linas Agro Group	LT	LT0000128092	EUR	522.000	376.876	328.860	7,78
Grigeo	LT	LT0000102030	EUR	249.528	328.739	339.358	8,03
Energijos Skirstymo Operatorius	LT	LT0000130023	EUR	300.840	248.573	201.563	4,77
Silvano Fashion Group	EE	EE3100001751	EUR	75.000	203.641	174.000	4,12
Tallink Grupp	EE	EE3100004466	EUR	184.844	193.584	178.559	4,23
Grindeks	LV	LV0000100659	EUR	15.000	111.125	186.000	4,40
Merko Ehitus	EE	EE3100098328	EUR	19.000	176.336	174.040	4,12
Tallinna Kaubamaja Grupp	EE	EE0000001105	EUR	21.000	195.157	173.040	4,10
SAF Tehnika	LV	LV0000101129	EUR	13.786	48.674	49.354	1,17
Telia Lietuva	LT	LT0000123911	EUR	211.430	218.378	235.745	5,58
LHV Group	EE	EE3100073644	EUR	16.000	180.564	189.600	4,49
Panevėžio statybos trestas	LT	LT0000101446	EUR	185.637	228.755	133.659	3,16
Novaturas	LT	LT0000131872	EUR	25.283	265.385	180.773	4,28
Tallinna Sadam	EE	EE3100021635	EUR	91.742	183.723	178.897	4,23
Tallinna Vesi	EE	EE3100026436	EUR	16.513	185.400	179.992	4,26
Total					3.934.650	3.654.179	86,49
Equity securities listed on the Secondary List of Stock Exchange or its equivalent							
Valmieras stikla šķiedra	LV	LV0000100485	EUR	31.475	110.505	36.511	0,86
Latvijas balzams	LV	LV0000100808	EUR	34.367	305.816	316.176	7,48
Total					416.321	352.687	8,34

Note 4. Structure of investment portfolio (continued):

Issuer's name	Country of business	ISIN code	Currency	Quantity, items	Total acquisition value, in EUR	Total market value, in EUR	Share in net assets, %
Equity securities traded on other regulated markets							
Telefonija *	RS	RSTLFNE22541	RSD	1.000	-	-	-
Total					-	-	-
Total equity securities					4.350.971	4.006.866	94,83

* Telefonija (ISIN RSTLFNE22541) is measured at a zero value due to the initiated bankruptcy procedure and suspension of trade in shares from 2 October 2014.

Bank	Currency	Total market value, in EUR	Interest rate, %	Share in net assets, %
Cash				
SEB Bankas AB	EUR	177.728	-	4,21
Šiaulių Bankas AB	EUR	14	-	-
Total cash		177.742		4,21

Name	Brief description	Total value	Share in net assets, %
Amounts receivable	Other amounts receivable	49.681	1,18
Amounts payable	Amounts payable to the Management Company and the Depository	(8.337)	(0,20)
Amounts payable	Other amounts payable	(1.040)	(0,02)
Total		40.304	0,96

The Fund's investment portfolio is in line with the Fund's investment strategy.

The fund has maintained the principle of the investment strategy, according to which from 50 to 100 per cent of the Fund's net assets have to be invested into the securities of companies quoted at Lithuanian, Latvian and Estonian stock exchanges.

As at the end of the second quarter, the Fund's assets were mostly invested in consumer staples and discretionary, industrial, finance and utility sectors in Vilnius, Riga and Tallinn stock exchanges.

Changes in the value of the investment portfolio of the Fund mainly stemmed from market prices of financial instruments.

Note 4. Structure of investment portfolio (continued):

30 June 2018

Issuer's name	Country of business	ISIN code	Currency	Quantity, items	Total acquisition value, in EUR	Total market value, in EUR	Share in net assets, %
Equity securities listed on the Main List of Stoch Exchange or its equivalent							
Apranga	LT	LT0000102337	EUR	78.690	216.870	184.135	2,06
Vilkyškių pieninė	LT	LT0000127508	EUR	55.813	149.713	184.183	2,06
Šiaulių bankas	LT	LT0000102253	EUR	1.408.344	690.546	709.805	7,94
Rokiškio sūris	LT	LT0000100372	EUR	133.025	317.197	359.168	4,02
Linas Agro Group	LT	LT0000128092	EUR	648.102	465.050	456.912	5,11
Grigeo	LT	LT0000102030	EUR	300.615	394.001	432.886	4,84
Energijos Skirstymo Operatorius	LT	LT0000130023	EUR	500.083	435.107	427.071	4,78
Silvano Fashion Group	EE	EE3100001751	EUR	114.856	300.492	364.093	4,07
Tallink Grupp	EE	EE3100004466	EUR	611.496	682.867	654.301	7,32
Grindeks	LV	LV0000100659	EUR	13.886	53.461	101.923	1,14
Merko Ehitus	EE	EE3100098328	EUR	23.247	217.358	227.821	2,55
Olainfarm	LV	LV0000100501	EUR	48.868	501.768	390.944	4,37
Olympic Entertainment Group	EE	EE3100084021	EUR	200.000	377.220	396.000	4,43
Tallinna Kaubamaja Grupp	EE	EE0000001105	EUR	38.857	372.536	357.484	4,00
SAF Tehnika	LV	LV0000101129	EUR	16.794	58.893	76.581	0,86
Telia Lietuva	LT	LT0000123911	EUR	401.763	386.359	449.974	5,03
LHV Group	EE	EE3100073644	EUR	32.552	354.813	358.072	4,01
Panevėžio statybos trestas	LT	LT0000101446	EUR	346.536	424.079	311.882	3,49
Pieno žvaigždės	LT	LT0000111676	EUR	206.937	289.668	242.116	2,71
KLAIPEDOS NAFTA AB	LT	LT0000111650	EUR	578.307	296.902	298.406	3,34
Total					6.984.900	6.983.757	78,13
Equity securities listed on the Secondary List of Stoch Exchange or its equivalent							
Valmieras stikla šķiedra	LV	LV0000100485	EUR	62.792	203.217	203.446	2,28
Latvijas balzams	LV	LV0000100808	EUR	49.367	413.874	419.620	4,69
Total					617.091	623.066	6,97

Note 4. Structure of investment portfolio (continued):

Issuer's name	Country of business	ISIN code	Currency	Quantity, items	Total acquisition value, in EUR	Total market value, in EUR	Share in net assets, %
Equity securities traded on other regulated markets							
Telefonija*	RS	RSTLFNE22541	RSD	1.000	-	-	-
Novaturas	LT	LT0000131872	EUR	36.050	380.278	403.760	4,52
Tallinna Sadam AS	EE	EE3100021635	EUR	70.000	119.000	136.500	1,53
Total					499.278	540.260	6,05
Total equity securities					8.101.269	8.147.083	91,15

* Telefonija (ISIN RSTLFNE22541) is measured at a zero value due to the initiated bankruptcy procedure and suspension of trade in shares from 2 October 2014.

Bank	Currency	Total market value, in EUR	Interest rate, %	Share in net assets, %
Cash				
AB SEB bankas	EUR	829.561	-	9,28
AB SEB bankas	PLN	155	-	-
Total cash		829.716		9,28

Name	Brief description	Total value	Share in net assets, %
Amounts receivable	Other amounts receivable	18.345	0,20
Amounts payable	Amounts payable to the Management Company and the Depository	(18.112)	(0,21)
Amounts payable	Other amounts payable	(37.674)	(0,42)
Total		(37.441)	(0,43)

The Fund's investment portfolio is in line with the Fund's investment strategy.

The fund has maintained the principle of the investment strategy, according to which from 50 to 100 per cent of the Fund's net assets might be invested into the securities of companies quoted on Lithuania, Latvian, and Estonian stock exchanges.

As at the end of the second quarter, the Fund's assets were mostly invested in consumer staples and discretionary, industrial, finance and utility sectors in Vilnius, Riga and Tallinn stock exchanges.

Changes in the value of the investment portfolio of the Fund mainly stemmed from market prices of financial instruments.

Note 5. Breakdown of investments by the criteria that meet the investment strategy

By industry sector

Breakdown of investments	Closing balance		Opening balance	
	Market value, in EUR	Share in assets, %	Market value, in EUR	Share in assets, %
Telecommunications	235.744	5,58	497.250	7,53
Health care	186.000	4,40	253.969	3,84
Emergency goods and services	499.535	11,83	653.385	9,90
Convenience goods and services	1.054.228	24,95	1.389.394	21,05
Financial services	559.427	13,24	762.812	11,56
Information technologies	49.354	1,17	38.382	0,58
Industrial materials	701.666	16,60	1.177.629	17,84
Utility goods and services	381.554	9,03	252.785	3,83
Energy	-	-	118.900	1,80
Materials	339.358	8,03	311.375	4,72
Total	4.006.866	94,83	5.455.881	82,65

By geographical area

Breakdown of investments	Closing balance		Opening balance	
	Market value, in EUR	Share in assets, %	Market value, in EUR	Share in assets, %
Lithuania	2.348.439	55,58	4.110.077	62,27
Latvia	588.041	13,91	831.478	12,59
Estonia	1.248.128	29,55	1.648.926	24,98
Total	4.184.608	99,04	6.590.481	99,84

Note 6. Change in value of investments
January - June 2019

Items of the statement of net assets	Change, in EUR					
	Balance at 31 December 2018	Acquired over the period	Sold (redeemed) over the period	Increase in value	Decrease in value	Balance at 30 June 2019
Time deposits	-	-	-	-	-	-
Money market instruments	-	-	-	-	-	-
Non-equity securities ²	-	-	-	-	-	-
Non-equity securities issued or guaranteed by governments and central banks	-	-	-	-	-	-
Other non-equity securities	-	-	-	-	-	-
Equity securities	5.455.881	543.432	2.234.903	944.204	701.748	4.006.866
Units and shares of collective investment undertakings	-	-	-	-	-	-
Derivative financial instruments ¹	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
Total	5.455.881	543.432	2.234.903	944.204	701.748	4.006.866

¹ Balance at 30 June 2019 reflects the fair value of derivative financial instruments.

Acquired over the period equals zero, because the valuation of derivative instruments is made on the following day after the acquisition.

Sold (redeemed) over the period reflects the realised result of finalised transactions.

² Balance at 30 June 2019 reflects the fair value of non-equity securities at 1 January plus accrued interest.

Acquired over the period reflects the acquisition value plus accrued interest of the predecessor client as at the date of acquisition.

Sold (redeemed) over the period reflects the sale value comprising accrued interest, acquisition cost and realised gain or loss.

Increase/decrease in value reflects accrued interest and revaluation result.

Note 6. Change in value of investments (continued)
January - June 2018

Items of the statement of net assets	Change, in EUR					
	Balance at 31 December 2017	Acquired over the period	Sold (redeemed) over the period	Increase in value	Decrease in value	Balance at 30 June 2018
Time deposits	-	-	-	-	-	-
Money market instruments	-	-	-	-	-	-
Non-equity securities ²	249.917	-	254.583	4.666	-	-
Non-equity securities issued or guaranteed by governments and central banks	-	-	-	-	-	-
Other non-equity securities	249.917	-	254.583	4.666	-	-
Equity securities	9.484.962	938.986	2.432.382	1.609.427	1.453.910	8.147.083
Units and shares of collective investment undertakings	-	-	-	-	-	-
Derivative financial instruments ¹	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
Total	9.734.879	938.986	2.686.965	1.614.093	1.453.910	8.147.083

¹ Balance at 30 June 2018 reflects the fair value of derivative financial instruments.

Acquired over the period equals zero, because the valuation of derivative instruments is made on the following day after the acquisition.

Sold (redeemed) over the period reflects the realised result of finalised transactions.

² Balance at 30 June 2018 reflects the fair value of non-equity securities at 1 January plus accrued interest.

Acquired over the period reflects the acquisition value plus accrued interest of the predecessor client as at the date of acquisition.

Sold (redeemed) over the period reflects the sale value comprising accrued interest, acquisition cost and realised gain or loss.

Increase/decrease in value reflects accrued interest and revaluation result.

Note 7. Results of disposal of investments

During the reporting period, the undertaking had no sale transactions involving financial instruments other than those measured at fair value.

Note 8. Derivative financial instruments

During the reporting period, the Fund had no transactions involving derivative financial instruments.

Note 9. Costs of intermediary fees

Name of the intermediary	Description of services rendered	Fee for the services during the reporting period, EUR	Fee for the services during the previous reporting period, EUR	Relationship of the intermediary to the management company
SEB Bankas AB	Commission fee for intermediation services in transactions involving securities	3.520	3.054	SEB Bankas AB is the depository of the fund managed by the management company
FMJ ORION SECURITIES UAB	Commission fee for intermediation services in transactions involving securities	-	100	The management company and intermediary have signed an agreement on intermediation services
Total		3.520	3.154	

Note 10. Dividends and other benefits assessed and/or paid to the participants that do not result in changes in units

The Fund did not pay and did not account for any dividends payable to its clients over the reporting period.

Note 11. Borrowings and loans granted

The Fund had no borrowings for its own needs as at the end and over the reporting period.

Note 12. Third-party guarantee commitments in respect of the undertaking's yield

There were no third-party guarantee commitments in respect of the undertaking's yield as at the end and over the reporting period.

Note 13. Related-party transactions over the financial year and previous financial year

Transactions and balances arising on these transactions with the management company have been disclosed in Notes 4 and 7.

Note 14. Significant effect of changes in accounting estimates, or if these were not made, adjustments to comparative information due to changes in accounting policies or correction of errors

During the reporting period from 1 January 2019 to 30 June 2019, the Fund applied accounting policies consistent with those applied in the previous year.

Note 15. Brief description of significant events after the end of the reporting period that, if not disclosed, might have material impact on the ability of users of these financial statements to make decisions

There were no significant events after the end of the reporting period.

Note 16. Significant changes in assets and liabilities that occurred after the date of calculation net asset value and that were not included in net asset value

There were no significant changes in assets and liabilities after the end of the reporting period.

Note 17. Other significant information on the financial position of the collective investment undertaking, factors and circumstances that had impact on assets and liabilities of the collective investment undertaking

There is no other significant information on the financial position of the fund.

24. Entire text of the auditor's report:

Information is provided on the annual report.

25. Information on investment income and expenses of the collective investment undertaking over the reporting period:

I.	Income from investing activities	
1.	Interest income	-
2.	Realised gain (loss) on investment in:	120.093
2.1.	equity securities	120.093
2.2.	non-equity securities	-
2.3.	money market instruments	-
2.4.	derivative financial instruments	-
2.5.	units of other collective investment undertakings	-
2.6.	real estate objects	-
2.7.	other investment instruments	-
3.	Unrealised gain (loss) on:	122.363
3.1.	equity securities	122.363
3.2.	non-equity securities	-
3.3.	money market instruments	-
3.4.	derivative financial instruments	-
3.5.	units of other collective investment undertakings	-
3.6.	real estate objects	-
3.7.	other investment instruments	-
4.	Other income:	214.750
4.1.	income from lease of real estate	-
4.2.	positive foreign exchange effect	-
4.3.	other	214.750
	total income	457.206
II.	expenses	
1.	Operating expenses:	69.838
1.1.	deductions of management fee	59.435
1.2.	deductions of depository fee	3.043
1.3.	intermediary feerpininkams	3.520
1.4.	audit fee	945
1.5.	deductions of other fees and charges	2.895
2.	Other expenses:	-
2.1.	interest expenses	-
2.2.	expenses related to the managed real estate objects	-
2.3.	negative foreign exchange effect	-
2.4.	other	-
	Total expenses	69.838
III.	Net income	387.368
IV.	Payments (dividends) to holders of investment units	-
V.	Re-invested earnings	387.368

26. Other significant information on the financial position of the collective investment undertaking, factors and circumstances that had impact on assets and liabilities of the collective investment undertaking:

There is no other significant information on the financial position of the fund.

VII. INFORMATION ON PAYMENT OF DIVIDENDS

27. Information on dividends declared and/or paid:
 Information is provided in Note 10.

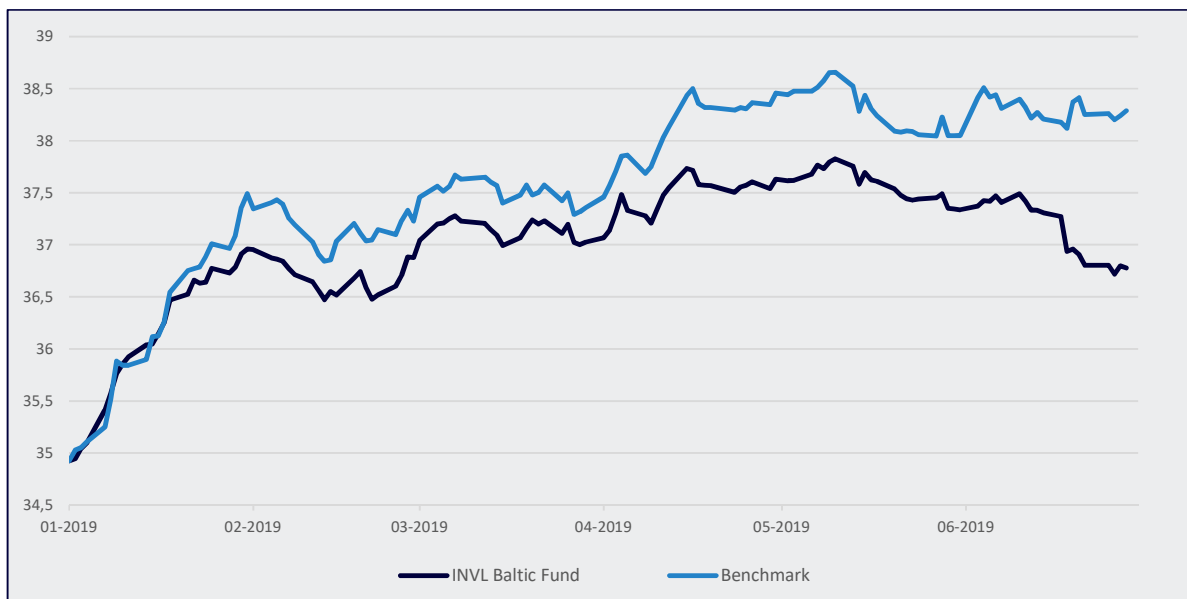
VIII. INFORMATION ON COLLECTIVE INVESTMENT UNDERTAKING'S BORROWINGS FOR ITS OWN NEEDS

28. Collective investment undertaking's borrowings for its own needs as at the end of the reporting period:
 Information is provided in Note 11.

IX. OTHER INFORMATION

29. Explanations, comments, graphic illustrations and other important information on the activities of collective investment undertaking enabling the investor to assess appropriately all changes in and results of operations of the undertaking:

Change in benchmark index and value during the reporting period



X. ACCOUNTABLE PERSONS

30. First and last names (names of legal entities), addresses, titles and registration numbers of permits to engage in relevant activities of consultants whose services were used in the preparation of the financial statements (finance dealer firms, auditors, etc.):

No services of consultants were used in the preparation of these financial statements.

31. First and last names, job titles and workplace of persons who prepared the financial statements (if other than employees of the company):

The financial statements were prepared by the employees of the management company.

32. Statement and signatures made by the management company's head of administration, chief financier, persons who prepared the financial statements and consultants to confirm that information contained in the financial statements is true and fair and that there are no omissions of facts that might substantially affect the values of reported items:

I, Laura Križinauskienė, Director General of INVL Asset Management UAB, hereby confirm that information contained in these financial statements is true and fair and that there are no omissions of facts that might substantially affect the assessment of the fund's results.

(signature)

I, Aušra Montvydaitė, Head of Funds Accounting of INVL Asset Management UAB, hereby confirm that information contained in these financial statements is true and fair and that there are no omissions of facts that might substantially affect the assessment of the fund's results

(signature)

33. Persons responsible for information contained in these financial statements:

33.1. Members of the undertaking's managerial bodies, employees and head of administration responsible for the preparation of financial statements;

Full name	Laura Križinauskienė	Aušra Montvydaitė
Position	General Director	Head of Funds Accounting
Telephone number	(8~7) 005 59 59	(8~6) 264 55 82
Fax number	(8~5) 279 06 02	(8~5) 279 06 02
Email address	laura.krizinauskiene@invl.com	ausra.montvydaite@invl.com

33.2. When the financial statements have been prepared by or with assistance of consultants, please specify their full names, telephone and fax numbers, email addresses (if a consultant is a legal entity, please specify its name, telephone and fax numbers, email address and full name(s) of a consultant's representative(s)); please indicate, which specific sections have been prepared by or with assistance of consultants and the scope of their liability.

No services of consultants were used in the preparation of these financial statements.