



INVL BALTIC FUND

SEMI-ANNUAL REPORT JANUARY – JUNE 2020

## I. GENERAL INFORMATION

1. The main information of the 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 2020

Deductions	Rates of deductions (%)		Amount of deductions charged for the reporting period, in 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	69 408	0,97
Success fee	Not applicable	Not applicable	-	-
Other operating costs (Subfund change fee)	No more than 3% of the amount invested	No more than 2% of the amount invested	266	-
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	3 771	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	8 295	0,12
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	1 847	0,03
Fee charged by the bank for keeping records of participants			1 627	0,02
Other operating costs (bank charges)			99	-
Other operating costs (fees charged by the market maker, quotation costs and one-off fees)	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	973	0,01
Other operating costs (legal costs)			1 616	0,02
Total expenses included in TER, in EUR				79 341
Total expenses, in EUR				87 902

**7. Deductions from assets of the collective investment undertaking (continued)**
January - June 2019

Deductions	Rates of deductions (%)		Amount of deductions charged for the reporting period, in EUR	Percentage of average net asset value for the reporting period
	Maximum rates as per founding	Rates applied during the reporting period		
Management fee:				
Fixed rate	Up to 2% of the Fund's average	2% of the Fund's average annual net	59 435	0,98
Success fee	Not applicable	Not applicable	-	-
Other operating costs (Subfund change fee)	No more than 3% of the amount invested	No more than 2% of the amount invested	-	-
Other operating costs (Subfund change fee)	Not applicable	Not applicable	-	-
Depository fee	No more than 0.25% of the Fund's average	No more than 0.25% of the Fund's average	3 043	0,05
Transaction fee	No more than 0.75% of the average annual	No more than 0.75% of the average annual	3 520	0,06
Audit fee	No more than 0.5% of the Fund's average	No more than 0.5% of the Fund's average	945	0,02
Fee charged by the bank for keeping records of participants	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	1 679	0,03
Other operating costs (bank charges)			185	-
Other operating costs (fees charged by the market maker,			1 031	0,02
Total expenses included in TER, in EUR				66 318
Total expenses, in EUR				69 838

**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 g. 14, Vilnius

**INVL Baltic Fund**

**STATEMENT OF NET ASSETS AS AT 30 June 2020**

No	Assets	Note	Financial year	Previous financial year
A.	ASSETS		6 590 071	4 147 804
1.	CASH	4	729 805	351 873
2.	TIME DEPOSITS		-	-
3.	MONEY MARKET INSTRUMENTS		-	-
3.1.	Treasury bills		-	-
3.2.	Other money market instruments		-	-
4.	TRANSFERABLE SECURITIES	4,5,6	5 860 266	3 783 749
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	4,5,6	5 860 266	3 783 749
4.3.	Investment units and shares of other collective investment undertakings		-	-
5.	PREPAYMENTS		-	-
6.	AMOUNTS RECEIVABLE	4	-	12 182
6.1.	Amounts receivable from sale of investments	4	-	12 182
6.2.	Other amounts receivable		-	-
7.	INVESTMENT AND OTHER ASSETS		-	-
7.1.	Investment assets		-	-
7.2.	Derivative financial instruments		-	-
7.3.	Other assets		-	-
B.	LIABILITIES	4	15 833	14 767
1.	Amounts payable	4	15 833	14 767
1.1.	Amounts payable for financial and investment assets		-	-
1.2.	Amounts payable to management company and depository	4	13 588	9 403
1.3.	Other payables	4	2 245	5 364
2.	Accrued charges		-	-
3.	Borrowings from credit institutions		-	-
4.	Liabilities under contracts on derivative financial instruments		-	-
5.	Other liabilities		-	-
C.	NET ASSETS	2	6 574 238	4 133 037

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

<u>General Director</u>	<u>Laura Križinauskienė</u>	<u>31 August 2020</u>
<u>Head of Funds Accounting</u>	<u>Aušra Montvydaitė</u>	<u>31 August 2020</u>

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

**INVL Baltic Fund**

**STATEMENT OF CHANGES IN NET ASSETS FOR JANUARY - JUNE 2020**

No	Items	Note	Financial year	Previous financial year
1.	NET ASSETS AT 1 JANUARY	2	4 133 037	6 601 294
2.	INCREASE IN NET ASSET VALUE			
2.1.	Contributions of participants	3	5 695 103	562 117
2.2.	Transfers from other funds		-	-
2.3.	Guarantee contributions		-	-
2.4.	Investment income		62 721	214 750
2.4.1.	Interest income		-	-
2.4.2.	Dividends		62 721	214 750
2.4.3.	Rental income		-	-
2.5.	Gain on change in value and sale of investments	6	2 884 549	944 204
2.6.	Foreign exchange gain		7 344	-
2.7.	Gain on transactions involving derivative financial instruments		-	-
2.8.	Other increases in net asset value		47 122	-
	TOTAL INCREASE IN NET ASSET VALUE:		8 696 839	1 721 071
3.	DECREASE IN NET ASSET VALUE			
3.1.	Payments to participants	3	2 334 515	3 325 867
3.2.	Transfers to other funds		-	-
3.3.	Loss on change in value and sale of investments	6	3 818 722	701 748
3.4.	Foreign exchange loss		14 499	-
3.5.	Loss on transactions involving derivative financial instruments		-	-
3.6.	Management costs:		87 902	69 838
3.6.1.	Fee to management company		69 674	59 435
3.6.2.	Fee to depository		3 771	3 043
3.6.3.	Fee to intermediaries	9	8 295	3 520
3.6.4.	Audit fee costs		1 847	945
3.6.5.	Interest costs		-	-
3.6.6.	Other costs		4 315	2 895
3.7.	Other decreases in net asset value		-	-
3.8.	Reimbursement of costs (-)		-	-
	TOTAL DECREASE IN NET ASSET VALUE:		6 255 638	4 097 453
4.	Change in net asset value		2 441 201	(2 376 382)
5.	Profit distribution		-	-
6.	NET ASSET VALUE AT 31 DECEMBER	2	6 574 238	4 224 912

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

<u>General Director</u>	<u>Laura Križinauskienė</u>	<u>31 August 2020</u>
<u>Head of Funds Accounting</u>	<u>Aušra Montvydaitė</u>	<u>31 August 2020</u>

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

**INVL Baltic Fund**

**Explanatory notes to the annual financial statements for January - June 2020**

23.3.1. General information:

Details of the collective investment undertaking

Name	INVL Baltic 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 g. 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	<a href="http://www.invl.com">www.invl.com</a>
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 – Fund Manager.

Details of the depository

Name	AB SEB bankas
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 KPMG Baltics
Company code	111494971
Office address	Konstitucijos pr. 29, LT-08105 Vilnius
Telephone number	+370 5 2102600

Listing

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

Reporting period

From 1 January 2020 to 30 June 2020



### 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 30 June 2020.

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.

Investment portfolio of the Company must be diversified in accordance with the procedure established under the laws of the Republic of Lithuania and rules of the Fund.

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 investment portfolio risk is assessed on the basis of constituent securities in view of:

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

### 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 depository

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](http://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 Note 20.

#### 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 or, in case the closing price is not available, with reference to the average market price quoted on that regulated market and/or multilateral trading system, which has a higher liquidity, regularity and frequency of trade in these financial instruments, 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;

The fair value of non-equity securities is determined by calculating the price without the accumulated interest ("clean price") and adding the accumulated interest.

### 23.3.2. Accounting policies (continued)

- Valuation of investment units (shares) of collective investment undertakings is carried out with reference to the NAV 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;
- The value of forwards is calculated using the discounted cash flow method. The fair value of forwards or the current market value (CMV) is the difference between the payable and receivable amounts of the transaction discounted by the interbank offered rate (LIBOR) of the revaluation date and recalculated into euro at the official exchange rate of the revaluation date.

The value of all other derivative financial instruments is determined based on the most recent market value of an analogous previous transaction if there were no significant changes in economic circumstances during the period after the transaction date until the valuation date. In case of changes in economic circumstances, valuation is made based on the expected sale price determined according to the chosen valuation model which is generally applicable and accepted and in the financial market;

- 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.

#### 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 (2pm) 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 (2pm) of the following day after the calculation of net asset value, on the website at address [www.invl.com](http://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 assets, amounts due on guarantee contributions; amounts due on dividends; prepayments under assets due; amounts due from the 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; other amounts receivable under contracts or registered under accounting documents.

Amounts payable represent amounts payable on sale of assets; amounts due to other funds to which the participant move; amounts due to the participants or their beneficiaries, accrued and unpaid deductions from the Fund's assets; 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 2020	Closing balance* at 30 June 2020	1 year ago at 30 June 2019	2 years ago at 30 July 2018
Net asset value, EUR	4 133 037	6 574 238	4 224 912	8 939 358
Unit value, EUR	37,4405	33,8453	36,7768	40,3444
Number of units	110 389,557429	194 243,628543	114 879,940734	221 576,161485

\*On 15 January 2020 INVL Emerging Europe ex Russia TOP20 subfund of the harmonized investment fund INVL Umbrella Fund was merged to the open-ended harmonized investment fund INVL Baltic Fund.

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

	Reporting period		Previous reporting period	
	Number of units	Value, EUR**	Number of units	Value, EUR
Distributed (by converting monetary funds into units)*	148 853,878958	5 694 781	15 120,208509	562 117
Redeemed (by converting units into monetary funds)	64 999,807840	2 334 515	89 249,119473	3 325 867
Difference between the number and value of units (shares) distributed and redeemed	83 854,071118	3 360 266	(74 128,910964)	(2 763 750)

\* 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 7 herein).

\*\*On 15 January 2020 INVL Emerging Europe ex Russia TOP20 subfund of the harmonized investment fund INVL Umbrella Fund was merged to the open-ended harmonized investment fund INVL Baltic Fund. Following the merger of the funds:

- INVL Emerging Europe ex Russia TOP20 subfund expired;
- INVL Baltic Fund continues operation with more participants and assets.

Assets of INVL Baltic Fund increased by EUR 5 533 249 following the merger.

Note 4. Structure of investment portfolio
30 June 2020

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	170 000	346 899	294 100	4,47
Vilkyškių pieninė	LT	LT0000127508	EUR	71 000	195 448	134 190	2,04
Šiaulių bankas	LT	LT0000102253	EUR	1 467 142	633 165	598 594	9,11
Rokiškio sūris	LT	LT0000100372	EUR	76 299	192 347	193 799	2,95
Linus Agro Group	LT	LT0000128092	EUR	700 000	486 346	413 000	6,28
Grigeo	LT	LT0000102030	EUR	179 860	191 551	213 134	3,24
Silvano Fashion Group	EE	EE3100001751	EUR	173 033	390 397	287 235	4,38
Tallink Grupp	EE	EE3100004466	EUR	330 000	250 454	254 760	3,88
Merko Ehitus	EE	EE3100098328	EUR	16 540	155 608	140 259	2,13
Tallinna Kaubamaja Grupp	EE	EE0000001105	EUR	22 000	198 000	181 720	2,76
Telia Lietuva	LT	LT0000123911	EUR	320 000	424 775	451 200	6,86
LHV Group	EE	EE3100073644	EUR	16 369	192 713	215 252	3,27
Panevėžio statybos trestas	LT	LT0000101446	EUR	224 181	248 015	138 992	2,11
Novaturas	LT	LT0000131872	EUR	47 758	192 176	110 799	1,69
Tallinna Sadam	EE	EE3100021635	EUR	159 856	314 691	306 124	4,66
AS Coop Pank	EE	EE3100007857	EUR	83 916	89 064	87 440	1,33
Olainfarm	LV	LV0000100501	EUR	30 000	213 769	218 400	3,32
<b>Total:</b>					<b>4 715 418</b>	<b>4 238 998</b>	<b>64,48</b>
Equity securities listed on the Secondary List of Stock Exchange or its equivalent							
Latvijas balzams	LV	LV0000100808	EUR	64 500	657 245	580 500	8,83
<b>Total:</b>					<b>657 245</b>	<b>580 500</b>	<b>8,83</b>

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	12 971	-	-	-
Powszechny Zakład Ubezpieczeń	PL	PLPZU0000011	PLN	39 000	378 725	252 613	3,84
Inter Cars S.A.	PL	PLINTCS00010	PLN	5 900	314 696	277 405	4,22
Skandinaviska Enskilda Banken AB	SE	SE0000148884	SEK	20 000	137 513	154 037	2,34
Swedbank AB - A shares	SE	SE0000242455	SEK	19 000	193 381	216 511	3,30
Polski Koncern Naftowy ORLEN	PL	PLPKN0000018	PLN	10 000	139 103	140 202	2,13
<b>Total:</b>					<b>1 163 418</b>	<b>1 040 768</b>	<b>16</b>
<b>Total equity securities</b>					<b>6 536 081</b>	<b>5 860 266</b>	<b>89,14</b>

\* 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	729 793	-	11,10
AB Šiaulių bankas	EUR	12	-	0,00
<b>Total cash</b>		<b>729 805</b>		<b>11,10</b>

Name	Brief description	Total value	Share in net assets, %
Amounts payable	Amounts payable to the Management Company and the Depository	(13 588)	(0,21)
Amounts payable	Other amounts payable	(2 245)	(0,03)
<b>Total:</b>		<b>(15 833)</b>	<b>(0,24)</b>

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 daily and long-term consumer goods, finance, industrial and utilities sectors in Vilnius, Tallinn, and Riga 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 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
Linus 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
Grindex	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
<b>Total:</b>					<b>3 934 650</b>	<b>3 654 179</b>	<b>86,49</b>
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
<b>Total:</b>					<b>416 321</b>	<b>352 687</b>	<b>8,34</b>

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, %
Non-equity securities traded on other regulated markets							
Telefonija*	RS	RSTLFNE22541	RSD	1 000	-	-	-
<b>Total:</b>					-	-	-
<b>Total equity securities:</b>					<b>4 350 971</b>	<b>4 006 866</b>	<b>94,83</b>

\* 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	177 728	-	4,21
AB Šiaulių bankas	EUR	14	-	0,00
<b>Total cash:</b>		<b>177 742</b>		<b>4,21</b>

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)
<b>Total:</b>		<b>40 304</b>	<b>0,96</b>

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 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	451 200	6,86	235 744	5,58
Health care	218 400	3,32	186 000	4,40
Emergency goods and services	969 538	14,76	499 535	11,83
Convenience goods and services	1 503 209	22,86	1 054 228	24,95
Financial services	1 524 447	23,19	559 427	13,24
Information technologies	-	-	49 354	1,17
Industrial materials	840 136	12,78	701 666	16,60
Utility goods and services	-	-	381 554	9,03
Energy	140 202	2,13	-	-
Materials	213 134	3,24	339 358	8,03
<b>Total:</b>	<b>5 860 266</b>	<b>89,14</b>	<b>4 006 866</b>	<b>94,83</b>

## 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	3 277 613	49,85	2 348 439	55,58
Latvia	798 900	12,15	588 041	13,91
Poland	670 220	10,19	-	-
Sweden	370 548	5,64	-	-
Estonia	1 472 790	22,41	1 248 128	29,55
<b>Total:</b>	<b>6 590 071</b>	<b>100,24</b>	<b>4 184 608</b>	<b>99,04</b>

Note 6. Change in value of investments

January - June 2020

Items of the statement of net assets	Change, in EUR					Balance at 30 June 2020
	Balance at 31 December 2019	Acquired over the period*	Sold (redeemed) over the period	Increase in value	Decrease in value	
Time deposits	-	-	-	-	-	-
Money market instruments	-	-	-	-	-	-
Non-equity securities <sup>2</sup>	-	-	-	-	-	-
Non-equity securities issued or guaranteed by governments and central banks	-	-	-	-	-	-
Other non-equity securities	-	-	-	-	-	-
Equity securities	3 783 749	6 527 094	3 516 404	2 884 549	3 818 722	5 860 266
Units and shares of collective investment undertakings	-	-	-	-	-	-
Derivative financial instruments <sup>1</sup>	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
<b>Total</b>	<b>3 783 749</b>	<b>6 527 094</b>	<b>3 516 404</b>	<b>2 884 549</b>	<b>3 818 722</b>	<b>5 860 266</b>

1 Balance at the end of a previous period 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 the end of a previous period 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.

\*On 15 January 2020 INVL Emerging Europe ex Russia TOP20 subfund of the harmonized investment fund INVL Umbrella Fund was merged to the open-ended harmonized investment fund INVL Baltic Fund. Following the merger of the funds:

- INVL Emerging Europe ex Russia TOP20 subfund expired;
- INVL Baltic Fund continues operation with more participants and assets.

Assets of INVL Baltic Fund increased by EUR 3 958 528 following the merger.

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

Items of the statement of net assets	Change, in EUR					Balance at 30 June 2020
	Balance at 31 December 2019	Acquired over the period	Sold (redeemed) over the period	Increase in value	Decrease in value	
Time deposits	-	-	-	-	-	-
Money market instruments	-	-	-	-	-	-
Non-equity securities <sup>2</sup>	-	-	-	-	-	-
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 <sup>1</sup>	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
<b>Total</b>	<b>5 455 881</b>	<b>543 432</b>	<b>2 234 903</b>	<b>944 204</b>	<b>701 748</b>	<b>4 006 866</b>

1 Balance at the end of a previous period 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 the end of a previous period 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

In 2020 and 2019, the undertaking had no sale transactions involving financial instruments other than those measured at fair value.

Note 8. Derivative financial instruments

The Subfund had no transactions involving derivative financial instruments over the reporting period.

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
AB SEB bankas	Commission fee for intermediation services in transactions involving securities	7 356	3 520	SEB Bankas AB is the depository of the fund managed by the management company
UAB FMJ ORION SECURITIES	Commission fee for intermediation services in transactions involving securities	256		The management company and intermediary have signed an agreement on intermediation services
WOOD&COMPANY	Commission fee for intermediation services in transactions involving securities	683		The management company and intermediary have signed an agreement on intermediation services
<b>Total:</b>		<b>8 295</b>	<b>3 520</b>	

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

Parties are considered to be related when one party has a possibility to control the other or have a significant influence on the other party in making financial or operating decisions. As at 30 June 2020, the parties related to the Fund included the management company UAB INV L Asset Management, entities under its control, managers, shareholders as well as other INV L Invalda AB group entities related through the shareholder.

During the reporting period, management company UAB INV L Asset Management was a related party to which management fee disclosed in 7 herein was calculated.

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 2020 to 30 June 2020, the Fund applied accounting policies

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:

Presented on pages 2 to 5 of the financial statements.

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:	(284 581)
2.1.	equity securities	(284 581)
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:	(649 592)
3.1.	equity securities	(649 592)
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:	117 187
4.1.	income from lease of real estate	-
4.2.	positive foreign exchange effect	7 344
4.3.	other	109 843
	total income	(816 986)
II.	expenses	
1.	Operating expenses:	87 902
1.1.	deductions of management fee	69 674
1.2.	deductions of depository fee	3 771
1.3.	intermediary fee	8 295
1.4.	audit fee	1 847
1.5.	deductions of other fees and charges	4 315
2.	Other expenses:	14 499
2.1.	interest expenses	-
2.2.	expenses related to the managed real estate objects	-
2.3.	negative foreign exchange effect	14 499
2.4.	other	-
	Total expenses	102 401
III.	Net income	(919 387)
IV.	Payments (dividends) to holders of investment units	-
V.	Re-invested earnings	(919 387)

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:

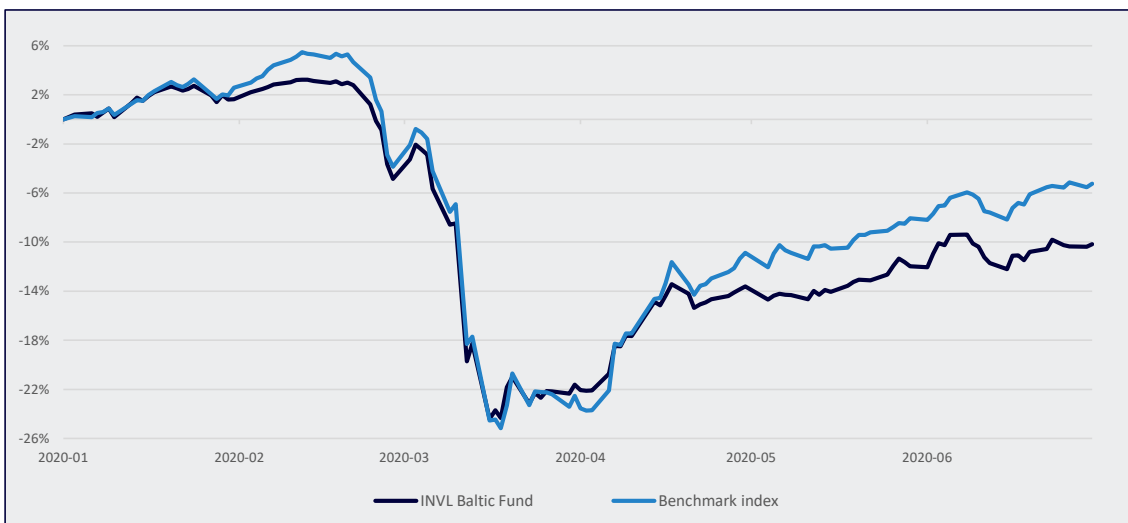
Information is provided in Note 11.

**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:

Information is provided in Note 19.

Change in value of unit and benchmark index during the period between 1 January 2020 and 30 June 2020:



**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	<a href="mailto:laura.krizinauskiene@invl.com">laura.krizinauskiene@invl.com</a>	<a href="mailto:ausra.montvydaite@invl.com">ausra.montvydaite@invl.com</a>

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.