



## INVL EMERGING EUROPE BOND SUBFUND

## I. GENERAL INFORMATION

## 1. General information about INVL Emerging Europe Bond Subfund:

Name	INVL Emerging Europe Bond Subfund
Date of Securities Commission agreement on establishment of the collective investment undertaking (CIU)	29 October 2010

## 2. Reporting period covered by these financial statements:

January 1, 2016 – June 30, 2016

## 3. Details of the management company:

Name	INVL Asset Management UAB
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 Register, 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	Darius Šulnis (General Director and Board Member) Vytautas Plunksnis (Board Member) Tomas Krakauskas (Director of Investment Management Department) Vaidotas Rūkas (Head of Funds Management) Justinas Gataveckas (Fund Manager)

## 4. Details of the depository:

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

**II. NET ASSET VALUE, NUMBER AND VALUES OF INVESTMENT UNITS (SHARES)**

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

	Opening balance at 1 January 2016	Closing balance at 30 June 2016	One year ago at 30 June 2015	Two years ago at 30 June 2014
Net asset value, EUR	16.693.207	22.802.232	14.856.172	12.792.451
Unit (share) value, EUR	37,1224	38,5660	36,1277	35,5775
Number of units (shares) in circulation	449.679,9726	591.251,6481	411.213,0190	359.565,8746

6. Number of investment units or shares distributed and redeemed over the reporting period and total conversion values:

	Number of units	Value, EUR
Distributed (by converting monetary funds into units)	205.519,6841	7.673.210
Redeemed (by converting units into monetary funds)	63.948,0086	2.411.059

\* The value of distributed units does not correspond to the amount of contributions of participants reported in the statement of changes in net assets, because in the table above it excludes the distribution fee.



III. EXPENSE AND TURNOVER RATIOS OF THE COLLECTIVE INVESTMENT UNDERTAKING

7. Deductions from assets of the collective investment undertaking:

Types of deductions (fees/charges)	Rates of deductions (fees/charges)		Amount of deductions charged for the reporting period, EUR	% of average net asset value for the reporting period
	Maximum rates as per foundation documents	Rates applied during the reporting period		
<b>Management fee:</b>				
<i>Fixed rate</i>	1% of the subfund's average annual net asset value	1% of the subfund's average annual net asset value	102.776	0,49
Performance fee	Non-applicable	Non-applicable	-	-
Depository fee	No more than 0.5% of average annual net asset value	No more than 0.5% of average annual net asset value	10.155	0,05
Transaction fee	No more than 1% of the value of transactions executed	No more than 1% of the value of transactions executed	10	-
Other operating costs (distribution fee)	2% of the value of the subfund's unit	2% of the value of the subfund's unit	3.653	0,02
Other operating costs (subfund change fee)	0.25% of the value of the subfund's units changed	0.25% of the value of the subfund's units changed	406	-
Audit fee	Fee payable to audit firm and financial institutions for services rendered - no more than 1% of the fund's average annual net asset value	Fee payable to audit firm and financial institutions for services rendered - no more than 1% of the fund's average annual net asset value	2.432	0,01
Other operating costs (bank charges)	No more than 1% of the subfund's average annual net asset value	No more than 1% of the subfund's average annual net asset value	68	-
Fee charged by the bank for keeping records of participants			443	-
Other operating costs (fees charged by the market maker, quotation costs and one-off fees)			1.390	0,01
Other operating costs (legal costs)	No more than 1% of the umbrella fund's average annual net asset value	No more than 1% of the umbrella fund's average annual net asset value	-	-
<b>Total expenses</b>				<b>121.333</b>



8. Intermediary fee:

Name of the intermediary	Description of services rendered	Fee for the services at 30 June 2016, EUR	Fee for the services at 30 June 2015, EUR	Relationship of the intermediary to the management company
SEB bank AB	Commission fee for intermediation services in transactions involving securities	10	-	The management company and intermediary have signed an agreement on intermediation services *
<b>Total</b>		<b>10</b>	-	

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 subfund.

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:

Issuer's name	Country	ISIN code	Quantity, items	Total face value	Total acquisition value	Total market value	Market of reference for determining the market value (website address)	Share of votes held in the issuer, %	Share in net assets, %
<b>Equity securities listed on the Main List of Stock Exchange or its equivalent</b>									
	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Equity securities listed on the Secondary List of Stock Exchange or its equivalent</b>									
	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Equity securities traded on other regulated markets</b>									
	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Newly issued equity securities</b>									
	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Total equity securities</b>									

**Non-equity securities listed on the Main List of Stock Exchange or its equivalent**

Issuer's name	Country	ISIN code	Quantity, items	Total face value	Total acquisition value	Total market value	Interest rate	Date of redemption/ conversion	Share in net assets, %
	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-

**Non-equity securities listed on the Secondary List of Stock Exchange or its equivalent**

Issuer's name	Country	ISIN code	Quantity, items	Total face value	Total acquisition value	Total market value	Interest rate	Date of redemption/ conversion	Share in net assets, %
	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-

## 11. Structure of investment portfolio (continued)

<b>Non-equity securities traded on other regulated markets</b>									
Issuer's name	Country	ISIN code	Quantity, items	Total face value	Total acquisition value	Total market value	Interest rate	Date of redemption/ conversion	Share in net assets, %
Bank St Petersburg 7.63% 07/25/17	RU	XS0312572984	1250	1.127.142	1.047.529	1.185.573	7,63	2017.07.25	5,20
BULENR 4 ¼ 11/07/18	BG	XS0989152573	1603	1.603.000	1.603.258	1.650.424	4,25	2018.11.07	7,24
BLTEBG 6.625 11/15/18	BG	XS0994993037	1617	1.617.000	1.674.121	1.661.567	6,63	2018.11.15	7,29
Lithuania 7.375% 02/11/20	LT	XS0485991417	318	286.745	324.157	346.903	7,38	2020.02.11	1,52
GAZPRU 9 ¼ 04/23/19	RU	XS0424860947	858	773.670	874.667	908.811	9,25	2019.04.23	3,99
RURAIL 3.3744 05/20/21	RU	XS0919581982	533	533.000	509.466	548.393	3,37	2021.05.20	2,40
OTP Bank 5,875% perpetual	HU	XS0274147296	786	786.000	794.782	798.342	5,88	2016.11.07	3,50
MOL 6.25% 09/26/2019	LU	XS0834435702	1143	1.030.658	1.140.212	1.144.082	6,25	2019.09.26	5,02
TURKEY 5.875% 04/02/2019	TR	XS0285127329	510	510.000	590.664	579.857	5,88	2019.04.02	2,54
BGARIA 1 ⅞ 03/21/23	BG	XS1382693452	970	970.000	957.584	972.055	1,88	2023.03.21	4,26
LUKOIL 4.563 04/24/23	NL	XS0919504562	530	477.908	467.817	489.452	4,56	2023.04.24	2,15
MACEDO 4 ⅞ 12/01/20	MK	XS1318363766	2128	2.128.000	2.140.018	2.214.371	4,88	2020.12.01	9,71
ROMANI 6 ¾ 2022.02.07	RO	US77586TAA43	298	537.421	674.276	651.925	6,75	2022.02.07	2,86
NOVATEK 6,604 % 02/03/21	RU	XS0588433267	806	726.781	745.249	822.757	6,60	2021.02.03	3,61
GLYHO 8 ⅞ 11/14/21	TR	XS1132825099	1040	937.782	863.037	886.337	8,13	2021.11.14	3,89
TURKEY 5 ⅞ 05/18/20	TR	XS0503454166	1276	1.276.000	1.447.179	1.437.207	5,13	2020.05.18	6,30
GLPRI 6.872 01/25/22	RU	XS1319813769	720	649.234	640.765	682.678	6,87	2022.01.25	2,99
HRELEC 5 ⅞ 10/23/22	HR	XS1309493630	954	860.234	901.053	914.631	5,88	2022.10.23	4,01
SNSPW 4 09/30/21 Corp	SE	XS1115183359	1440	1.440.000	1.444.160	1.450.354	4,00	2021.09.30	6,36
MAGYAR 6 ¼ 10/21/20	HU	XS0954674312	843	760.144	846.030	850.912	6,25	2020.10.21	3,73
<b>Total</b>	-	-	-	<b>19.030.719</b>	<b>19.686.024</b>	<b>20.196.631</b>	-	-	<b>88,57</b>
<b>Newly issued non-equity securities</b>									
	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Total non-equity securities</b>	-	-	-	<b>19.030.719</b>	<b>19.686.024</b>	<b>20.196.631</b>	-	-	<b>88,57</b>

## 11. Structure of investment portfolio (continued)

Name of collective investment undertaking (CIU)	Country	ISIN code	Quantity, items	Manager	Total acquisition value	Total market value	Market of reference for determining the market value (website address)	CIU type*	Share in net assets, %
<b>Units (shares) of collective investment undertakings (CIU) that meet the requirements of Art. 61.1 of the Lithuanian Law on Collective Investment Undertakings</b>									
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Units (shares) of other collective investment undertakings</b>									
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Total CIU units (shares):</b>								-	-

\* CIU 1 stands for CIU with the strategy of investment of up to 100% of net assets in non-equity securities;

CIU 2 stands for CIU with the strategy of mixed (balanced) investment;

CIU 3 stands for CIU with the strategy of investment of up to 100% of net assets in equity securities;

CIU 4 stands for CIU with the strategy of investment of up to 100% of net assets in money market instruments;

CIU 5 stands for all other types of CIU (alternative investment, private equity, real estate, raw materials, etc.).

Issuer's name	Country	Name of the instrument	Quantity, items	Currency	Total market value	Interest rate	Maturity date	Share in net assets, %
<b>Money market instruments traded on the regulated markets</b>								
<b>Total</b>	-	-	-	-	-	-	-	-
<b>Other money market instruments</b>								
<b>Total</b>	-	-	-	-	-	-	-	-
<b>Total money market instruments</b>								

Name of the credit institution	Country	Currency	Total market value	Interest rate	Deposit maturity date	Share in net assets, %
<b>Deposits held in credit institutions</b>						
<b>Total deposits held in credit institutions</b>	-	-	-	-	-	-

## 11. Structure of investment portfolio (continued)

Name of the instrument	Issuer	Country	Counterparty	Currency	Investment transaction (position)	Value of transaction (position)	Total market value	Name of the market (website address)	Maturity date	Share in net assets, %
<b>Derivative financial instruments traded on the regulated markets</b>										
	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-
<b>Other derivative financial instruments</b>										
FW_160217_1	-	LT	AB Šiaulių bankas	USD	USD/EUR	1.589.351	(19.736)	www.reuters.com	2016.07.13	(0,09)
FW_160307_1	-	LT	AB Šiaulių bankas	USD	USD/EUR	272.055	1.620	www.reuters.com	2016.07.13	0,01
FW_160309_1	-	LT	AB Šiaulių bankas	USD	USD/EUR	90.682	537	www.reuters.com	2016.07.13	0,00
FW_160315_3	-	LT	AB Šiaulių bankas	USD	USD/EUR	2.872.427	(20.034)	www.reuters.com	2016.08.12	(0,09)
FW_160321_1	-	LT	AB Šiaulių bankas	USD	USD/EUR	176.354	(3.806)	www.reuters.com	2016.08.12	(0,02)
FW_160322_1	-	LT	AB Šiaulių bankas	USD	USD/EUR	451.052	(8.357)	www.reuters.com	2016.08.12	(0,04)
FW_160413_6	-	LT	AB Šiaulių bankas	USD	USD/EUR	2.821.789	(76.264)	www.reuters.com	2016.09.13	(0,32)
FW_160520_1	-	LT	AB Šiaulių bankas	EUR	USD/EUR	1.589.351	(2.862)	www.reuters.com	2016.10.12	(0,01)
FW_160621_3	-	LT	AB Šiaulių bankas	EUR	USD/EUR	272.055	(4.523)	www.reuters.com	2016.11.15	(0,02)
FW_160627_5	-	LT	AB Šiaulių bankas	EUR	USD/EUR	90.682	371	www.reuters.com	2016.11.15	0,00
<b>Total</b>							<b>(133.054)</b>			<b>(0,58)</b>

Name of the bank	Currency	Total market value	Interest rate	Share in net assets, %
<b>Cash</b>				
AB SEB bankas	EUR	2.756.977		12,09
AB SEB bankas	USD	6.804		0,03
<b>Total cash</b>		<b>2.763.781</b>		<b>12,12</b>

Name	Brief description	Total value	Intended purpose	Share in net assets, %
<b>Other instruments not defined in Art. 57.1 of the Lithuanian Law on Collective Investment Undertakings</b>				
Amounts payable	Payable amounts for shares redemption	(772)		0,00
Amounts payable	Accrued but unpaid fees to the management company and the depository	(24.354)		(0,11)
<b>Total</b>		<b>(25.126)</b>		<b>(0,11)</b>

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

The subfund's funds are invested in the CEE region. The subfund's investment are not restricted to a certain industry sector.

The subfund invests in bonds with different maturity and different credit ratings.

The market prices of financial instruments had the major impact on the change in the value of the fund's investment portfolio.



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

## By investment object

Breakdown of investments	At 30 June 2016		At 1 January 2016	
	Market value, EUR	Share in assets, %	Market value, EUR	Share in assets, %
Shares	-	-	-	-
Government non-equity securities	7.053.230	30,93	5.410.897	32,41
Corporate non-equity securities	13.143.401	57,64	10.443.037	62,56
Collective investment instruments	-	-	-	-
Money market instruments	-	-	-	-
Deposits	-	-	-	-
Derivative financial instruments	(133.054)	(0,58)	(268.754)	(1,61)
Cash held in credit institutions	2.763.781	12,12	1.129.165	6,76
Other instruments	-	-	-	-
<b>Total</b>	<b>22.827.358</b>	<b>100,11</b>	<b>16.714.345</b>	<b>100,12</b>

## By industry sector

Breakdown of investments	At 30 June 2016		At 1 January 2016	
	Market value, EUR	Share in assets, %	Market value, EUR	Share in assets, %
Telecommunications	1.661.567	7,29	2.077.544	12,46
Financial services	1.983.915	8,7	3.959.100	23,72
Industrial materials	2.117.408	9,29	801.037	4,80
Utility goods and services	2.565.055	11,25	929.365	5,57
Energy	3.365.102	14,76	2.675.991	16,03
Convenience goods and services	1.450.354	6,36	-	-
Derivative financial instruments	(133.054)	(0,58)	(268.754)	(1,61)
Government securities	7.053.230	30,93	5.410.897	32,41
<b>Total</b>	<b>20.063.577</b>	<b>88,00</b>	<b>15.585.180</b>	<b>93,37</b>

## By currency

Breakdown of investments	At 30 June 2016		At 1 January 2016	
	Market value, EUR	Share in assets, %	Market value, EUR	Share in assets, %
EUR	14.069.547	61,70	7.460.692	44,69
USD	8.757.811	38,41	9.253.653	55,43
<b>Total</b>	<b>22.827.358</b>	<b>100,11</b>	<b>16.714.345</b>	<b>100,12</b>

## 12. Breakdown of investments by the criteria that meet the investment strategy (continued)

By geographical area

Breakdown of investments	At 30 June 2016		At 1 January 2016	
	Market value, EUR	Share in assets, %	Market value, EUR	Share in assets, %
Lithuania	2.977.630	13,06	1.978.491	11,85
Macedonia	2.214.371	9,71	697.522	4,18
Georgia	-	-	1.079.832	6,47
Croatia	914.631	4,01	656.633	3,93
Luxemburg	1.144.082	5,02	1.205.907	7,22
Bulgaria	4.284.046	18,79	2.890.544	17,32
Romania	651.925	2,86	895.502	5,36
Sweden	1.450.354	6,36	-	-
Russia	4.148.212	18,19	4.646.101	27,83
Turkey	2.903.401	12,73	1.348.487	8,08
Hungary	1.649.254	7,23	1.315.326	7,88
Netherlands	489.452	2,15	-	-
<b>Total</b>	<b>22.827.358</b>	<b>100,11</b>	<b>16.714.345</b>	<b>100,12</b>

By type of issuer

Breakdown of investments	At 30 June 2016		At 1 January 2016	
	Market value, EUR	Share in assets, %	Market value, EUR	Share in assets, %
Government of the Republic of Lithuania	346.903	1,52	1.118.079	6,70
Governments of other countries	6.706.327	29,41	4.292.818	25,72
Companies registered in the Republic of Lithuania	-	-	-	-
Companies registered outside the Republic of Lithuania	13.143.401	57,64	10.443.037	62,56
Collective investment undertakings registered in the Republic of Lithuania	-	-	-	-
Collective investment undertakings registered outside the Republic of Lithuania	-	-	-	-
Other	(133.054)	(0,58)	(268.754)	(1,61)
<b>Total</b>	<b>20.063.577</b>	<b>88,00</b>	<b>15.585.180</b>	<b>93,37</b>

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

Category of instrument	Settlement date	Gain/loss	Currency	Intended purpose of the derivative	Comments
Currency forwards	2016.01.15	(48.005)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.01.15	(12.954)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.01.15	(7.197)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.01.15	(1.791)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.01.15	(9.452)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.01.15	702	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.02.17	(50.776)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.03.15	(9.049)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.03.15	(60.339)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.04.13	93.604	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.04.13	52.804	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.06.15	46.257	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.06.21	45.528	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.06.15	-	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.06.22	-	EUR	Currency risk hedging	Not traded on regulated markets
<b>Total</b>		<b>39.332</b>	EUR		

Number of transactions	Purchase		Sale		Gain (loss), EUR
	Currency	Amount, EUR	Currency	Amount, EUR	
11	EUR	16.125.474	USD	16.125.474	49.873
4	USD	2.115.000	EUR	2.115.000	(10.541)
<b>Total</b>		<b>18.240.474</b>		<b>18.240.474</b>	<b>39.332</b>

14. Types of derivative financial instruments referred to in section 11, 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:

During the reporting period, the fund entered into currency forward contracts. These contracts were intended for currency risk management purposes. Currency forwards were used to hedge against currency risk arising on investments denominated in USD. They helped reduce the fluctuations in the value of the fund's investments and units caused by changes in foreign exchange rates.

By entering into these over-the-counter contracts, the fund assumes the related credit risk of the issuer of forward contracts. The credit risk is a risk of counterparty or issuer defaulting. This risk is managed by following the principle that the total exposure per single counterparty or issuer may not exceed 20% of net asset value.

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

Category of instrument	Value of liabilities at 30 June 2016	Currency	Comments
Currency forwards	(133.054)	EUR	Not traded on regulated markets
<b>Total</b>	<b>(133.054)</b>	<b>EUR</b>	

Category of instrument	Settlement date	Gain/loss	Currency	Intended purpose of the derivative	Comments
Currency forwards	2016.07.13	(19.736)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.07.13	1.620	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.07.13	537	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.08.12	(20.034)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.08.12	(3.806)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.08.12	(8.357)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.09.13	(76.264)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.10.12	(2.862)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.11.15	(4.523)	EUR	Currency risk hedging	Not traded on regulated markets
Currency forwards	2016.11.15	371	EUR	Currency risk hedging	Not traded on regulated markets
<b>Total</b>		<b>(133.054)</b>	<b>EUR</b>		

Number of transactions	Purchase		Sale		Gain (loss), EUR
	Currency	Amount, EUR	Currency	Amount, EUR	
10	EUR	8.709.738	USD	8.709.738	(133.054)
<b>Total</b>		<b>8.709.738</b>		<b>8.709.738</b>	<b>(133.054)</b>

16.1. 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 investments to the master undertaking:

The collective investment undertaking is a non-master investment undertaking.

16.2. 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 on 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 investments to the master undertaking:

The collective investment undertaking is a non-master 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.):

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

The subfund's funds are invested in the CEE region. The subfund's investment are not restricted to a certain industry sector. The subfund invests in bonds with different maturity and different credit ratings.

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

The market prices of financial instruments had the major impact on the change in the value of the fund's investment portfolio.

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

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

Information is provided in 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 subfund's operation:

Information is provided in 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 in the annual report.

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

Information is provided in 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:

No	Assets	Note No	Financial year (2016-06-30)	Previous financial year (2015-12-31)
A.	<b>ASSETS</b>		22.960.412	16.983.099
1.	CASH		2.763.781	1.129.165
2.	TIME DEPOSITS		-	-
3.	MONEY MARKET INSTRUMENTS		-	-
3.1.	Treasury bills		-	-
3.2.	Other money market instruments		-	-
4.	TRANSFERABLE SECURITIES		20.196.631	15.853.934
4.1.	Non-equity securities		20.196.631	15.853.934
4.1.1.	Non-equity securities issued or guaranteed by governments and central banks		7.053.230	5.410.897
4.1.2.	Other non-equity securities		13.143.401	10.443.037
4.2.	Equity securities		-	-
4.3.	Investment units and shares of other collective investment undertakings		-	-
5.	PREPAYMENTS		-	-
6.	AMOUNTS RECEIVABLE		-	-
6.1.	Amounts receivable from sale of investments		-	-
6.2.	Other amounts receivable		-	-
7.	INVESTMENT AND OTHER ASSETS		-	-
7.1.	Investment assets		-	-
7.2.	Derivative financial instruments		-	-
7.3.	Other assets		-	-
B.	<b>LIABILITIES</b>		158.180	289.892
1.	Amounts payable		25.126	21.138
1.1.	Amounts payable for financial and investment assets		-	-
1.2.	Amounts payable to management company and depository		24.354	21.138
1.3.	Other payables		772	-
2.	Accrued charges		-	-
3.	Borrowings from credit institutions		-	-
4.	Liabilities under contracts on derivative financial instruments		133.054	268.754
5.	Other liabilities		-	-
C.	<b>NET ASSETS</b>		22.802.232	16.693.207



23.2. Statement of changes in net assets:

No	Items	Note No	Financial year (2016-06-30)	Previous financial year (2015-06-30)
1.	NET ASSETS AT 1 JANUARY		16.693.207	12.877.697
2.	INCREASE IN NET ASSET VALUE		-	-
2.1.	Contributions of participants		5.712.543	2.721.061
2.2.	Transfers from other funds		1.965.121	153.071
2.3.	Guarantee contributions		-	-
2.4.	Investment income		-	-
2.4.1.	Interest income		-	-
2.4.2.	Dividends		-	-
2.4.3.	Rental income		-	-
2.5.	Gain on change in value and sale of investments		3.786.903	4.222.667
2.6.	Foreign exchange gain		227.780	15.853
2.7.	Gain on transactions involving derivative financial instruments		172.517	-
2.8.	Other increases in net asset value		-	-
	TOTAL INCREASE IN NET ASSET VALUE		11.864.864	7.112.652
3.	DECREASE IN NET ASSET VALUE		-	-
3.1.	Payments to participants		2.268.716	1.328.713
3.2.	Transfers to other funds		142.342	58.581
3.3.	Loss on change in value and sale of investments		2.970.853	2.947.795
3.4.	Foreign exchange loss		252.125	17.066
3.5.	Loss on transactions involving derivative financial instruments		-	692.294
3.6.	Management costs:		121.333	89.728
3.6.1.	Fee to management company		106.835	68.975
3.6.2.	Fee to depository		10.155	10.178
3.6.3.	Fee to intermediaries		10	-
3.6.4.	Audit fee costs		2.432	1.790
3.6.5.	Interest costs		-	-
3.6.6.	Other costs		1.901	8.785
3.7.	Other decreases in net asset value		470	-
3.8.	Reimbursement of costs (-)		-	-
	TOTAL DECREASE IN NET ASSET VALUE		5.755.839	5.134.177
4.	Change in net asset value		6.109.025	1.978.475
5.	Profit distribution		-	-
6.	NET ASSET VALUE AT 30 JUNE		22.802.232	14.856.172

## 23.3. Explanatory notes.

## 23.3.1. General information:

Details of the collective investment undertaking:

Name	INVL Emerging Europe Bond Subfund
Type, legal form	Open-ended type special investment fund for investments in transferable securities, with no rights of a legal entity
Date on which the Securities Commission (currently the Bank of Lithuania) approved the documents on the formation of the collective investment undertaking	29 October 2010
Duration of operation	Indefinite period
Location	Vilnius

Details of the management company:

Name	INVL Asset Management UAB
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 Register, 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	Darius Šulnis (General Director and Board Member) Vytautas Plunksnis (Board Member) Tomas Krakauskas (Director of Investment Management Department) Vaidotas Rūkas (Head of Funds Management) Justinas Gataveckas (Fund Manager)

Details of the depository:

Name	SEB bankas AB
Company code	112021238
Office address	Gedimino av. 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	PricewaterhouseCoopers UAB
Company code	111473315
Office address	J.Jasinskio 16B, LT-03163 Vilnius
Telephone number	(8-5) 239 2300

Reporting period

From 1 January 2016 to 30 June 2016.



### 23.3.2. Accounting policies:

#### Regulatory legislation adopted in the preparation of the financial statements

INVL Asset Management UAB manages the assets of the subfund, keeps the subfund'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. The subfund's assets are denominated in the euros, however, investments may be made in different foreign currencies. The management company uses derivative financial instruments to mitigate the negative effects of fluctuations in foreign exchange rates.

The financial year of the subfund coincides with the calendar year. The subfund's financial statements are prepared within four months following the end of the financial year. All amounts in these financial statements have been presented in an official currency of the Republic of Lithuania. As from 1 January 2015, Lithuania joined the euro area and adopted euro as its official currency. Between the period from 2 February 2002 to 31 December 2014, the litas was pegged to the euro at an exchange rate of LTL 3.4528 to EUR 1. The subfund converted the accounting records and the comparative figures from LTL to EUR in line with Business Accounting Standard 40 *Adoption of Euro*. No gain or loss was recognised on change of official currency.

#### Investment policy and structure of investment portfolio

The subfund's objective is to ensure a well-balanced growth of its assets. Up to 100% of the subfund's assets are invested in government and corporate non-equity securities selected by the managers as the most promising across the emerging Europe. The subfund combines higher-risk investments (corporate bonds) with more safe investments (government bonds) to safeguard assets and ensure sustainable return on investments to the subfund.

The subfund's assets are invested in Central and Eastern Europe region. The subfund's investments are not restricted to certain industry sector. The subfund may invest in bonds of different maturities and with different credit ratings.

When no better investment possibilities are available in the market, up to 100% of the subfund's assets may be invested in deposits, money market instruments and harmonised investment units (shares) of collective investment undertakings with the main investment trend focused on money market instruments or bonds and other forms of non-equity securities. The subfund's assets may be invested in derivative financial instruments, provided they are used for risk management purposes.

Probability that the composition of the portfolio or portfolio management methods will give rise to significant fluctuations in the subfund's net asset value is remote.

#### Financial risk management

The subfund's assets are invested in the following financial instruments in line with the defined objectives and investment policy of the subfund:

- shares, depository receipts in respect of shares and harmonised investment units (shares) of collective investment undertakings with primary investment trend focused on shares, depository receipts in respect of shares;
- bonds and other forms of non-equity securities and harmonised investment units (shares) of collective investment undertakings with primary investment trend focused on bonds and other forms of non-equity securities;
- other securities which carry the right to acquire or dispose of the transferable securities or which result in cash settlements set on the basis of transferrable securities, currencies, interest rates, yield, commodities and other indices and instruments;
- other harmonised investment units (shares) of collective investment undertakings with primary investment trend focused on transferrable securities, raw materials, commodities, currencies, interest rates, yields, other indices;
- special collective investment undertakings (alternative investment, private equity, real estate) and collective investment undertakings that are not regulated under the Lithuanian Law on Collective Investment Undertakings (investing directly in commodities, raw materials, currencies, etc.);
- money market instruments and harmonised investment units (shares) of collective investment undertakings with primary investment trend focused on money market instruments;
- deposits held with credit institutions;
- derivative financial instruments linked with the above-mentioned financial instruments, financial indices, interest rates, currencies or exchange rates, provided they are used for risk management purposes.

The subfund's investment portfolio should be composed in compliance with the investment portfolio's diversification requirements and investment restrictions as set forth in the Lithuanian Law on Collective Investment Undertakings.

### 23.3.2. Accounting policies (continued)

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

The Investment Committee decides on the composition of the subfund'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 subfund's portfolio risk is assessed periodically and reported at the Meeting of the Investment Committee at least on a quarterly basis.

The subfund'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;
- historical and expected fluctuations in price of nominal currency;
- maturity;
- yield;
- weight of securities in total investment portfolio.

No more than 20% of the subfund's net assets may be invested in transferable securities and money market instruments issued by companies of the group, which is required to prepare the consolidated financial statements.

Shares held by the subfund together with the management company or other managed collective investment undertakings in an issuing body may not carry over 1/10 of the voting rights at the issuer's general meeting of shareholders.

The subfund may 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 of a single issuing body.

The management company reviews the investment strategy at least once during a 3-year period and makes amendments, if necessary.

#### Policies for recognition of increase and decrease in assets and liabilities

Calculation of net asset value (NAV) includes as follows:

- value of assets;
- value of liabilities;
- difference between the value of assets and the value of liabilities reflects the value of net assets.

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

Financial assets are recorded when the subfund receives or obtains a contractual right to receive cash or any other financial assets. Planned transactions, guarantees and sureties received are not recognised as assets of the subfund for as long as they do not meet the definition criteria of financial assets. Assets acquired are recorded on the date of settlement.

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

When calculating the value of net assets, the value of assets and liabilities denominated in foreign currencies is determined using the accounting exchange rate of the euro against foreign currencies published by the Bank of Lithuania and effective on the valuation date.

#### Rules on deductions to the accumulating company and the depository

The fee charged by the management company for the management of the subfund is paid from the subfund's assets.

The fee to the management company represents:

the asset management fee of no more than 1% of the subfund's average annual net asset value.

### 23.3.2. Accounting policies (continued)

The fee to the management company does not include the fee charged by the management company for the distribution and change of the subfund's units (subfund change fee is charged on change of the subfund's units into the units of another subfund):

The sale price of the subfund's unit is equal to the sum of the value of the subfund's unit and no more than 2 (two) percent of the fee to cover distribution costs.

The change price of the subfund's unit is equal to the sum of the value of the subfund's unit and no more than 0,25 percent of the fee to cover subfund change costs.

The distribution/subfund change fees that are included in the sale/change price of the subfund's unit are paid by the participant for the subfund's units acquired under the agreement for purchase/sale of the subfund's units.

The distribution and subfund change fees are not included in the calculation of net asset value.

The fee to the management company is calculated on accrual basis on each business day on the basis of the subfund's net asset value and increase in the value of the subfund's unit on that day following the principle of simultaneity. The fee to the management company is payable on a monthly basis by the 10<sup>th</sup> (tenth) day of the following month.

Overpayments refunded by the management company to the subfund are added to the subfund's net asset value.

The fee to the depository for the services rendered by the depository under the agreement is paid from the subfund's assets and it may be no more than 0.5 (point five) percent of the subfund's average annual net asset value.

The fee to the depository represents the fee charged on:

- the services of the depository; it is calculated on accrual basis on each business day on the subfund's net asset value. The fee is calculated based on assumption that one year has the actual number of business days;
- custody of the subfund's assets; it is calculated on accrual basis on each business day on the value of securities and in view of the country of custody. The fee is calculated based on assumption that one year has the actual number of business days;
- movements on the accounts of financial instruments; it is calculated on each business day of transactions in the accounts of financial instruments.

The fee to the depository is payable for each preceding quarter by the 10<sup>th</sup> (tenth) day of the following quarter.

After the end of the calendar year, the rate of asset custody fee is reviewed. All overpayments during the calendar year are refunded to the subfund over 30 (thirty) calendar days after the end of the financial year, and all underpayments should be covered to the depository by the subfund over 30 (thirty) calendar days after the end of the financial year.

Overpayments refunded by the depository to the subfund are added to the subfund's net asset value.

#### Investment valuation methods, investment revaluation intervals

- The fair value of financial instruments traded on regulated markets of the Baltic states (NASDAQ OMX Vilnius, NASDAQ OMX Riga, NASDAQ OMX Tallinn and the fair value of financial instruments traded on other than aforementioned regulated markets is determined with reference to the closing price, except when:
  - the financial instruments have been quoted on several regulated markets, in which case their fair value is based on the inputs of the regulated market, which has a higher liquidity, regularity and frequency of trade in these financial instruments;
  - based on the defined criteria, it is impossible to select reasonably the market, the inputs of which should be used to determine the fair value of the financial instrument, in which case the fair value is based on the inputs of the regulated market, in which the issuer's registered place of business is located;
  - the financial instrument has not been quoted during the last trading session, in which case the fair value is based on the last known or closing price, however not more than 30 calendar days ago, if no events have occurred since the last trading date that would make the current market price significantly lower or higher than the last known price;
  - the financial instrument has not been quoted for more than 30 calendar days as at the valuation date or has been quoted less frequently than defined in the management company's procedure for the calculation of the subfund's net assets, in which case the fair value is determined similarly as for the financial instruments that are not traded on regulated markets.

### 23.3.2. Accounting policies (continued)

The procedure for valuation of financial instruments that are not traded on regulated markets is as follows:

#### Equity securities:

- based on the valuation of independent business valuer qualified to be engaged in such activities, unless no more than 1 year has passed after the valuation and no events have occurred after the valuation that would make the current market price significantly lower or higher than that determined by the valuer;
- when the above-mentioned valuation is not available or the above-mentioned conditions are not met, the valuation is based on earnings (before tax) per share (using the weighted average number of shares in issue during a certain period) of a comparable company multiplied by earnings per share of the company in question;
- when due to certain reasons the above-mentioned valuation techniques cannot be used, the valuation is based on the probable selling price determined under the selected valuation technique defined in the management company's procedure for the calculation of the subfund's net asset value, which is generally accepted and widely applied in the finance market;

The valuation of non-equity securities and money market instruments is made in accordance with the methodology for the calculation of net asset value approved by the Bank of Lithuania or based on the following valuation techniques if they reflect more accurately the value of these financial statements.

#### Non-equity securities:

- profitability of securities of the Republic of Lithuania is determined with reference to the average profitability, given the lowest bid price and the highest ask price for particular issue of securities on that day provided by at least three primary dealers (SEB Bankas AB, DNB Bankas AB, Swedbank AB);
- the fair value of foreign securities and non-quoted securities is determined under one of the following methods:
- based on profitability data and (or) prices provided by Bloomberg, Reuters or any other international news agencies, information sources;
- based on the value of securities with analogous maturity, analogous rating and similar issue conditions;
- based on the probable selling price determined under the valuation technique of relevant financial instrument defined in the management company's procedure for the calculation of the subfund's net asset value;
- where it is impossible to determine the price of securities based on the above-mentioned methods, the value of securities is determined under the accumulated interest method (by amortising the value of securities).

The value of derivate financial instrument is determined with reference to the last market price of previous analogous transaction, provided there were no significant changes in economic circumstances over the period from the date of transaction to the date of valuation. If this condition is not met, the valuation is based on the probable selling price determined under the selected valuation technique defined in the management company's procedure for the calculation of the subfund's net asset value, which is generally accepted and widely applied in the finance market;

The valuation of units (shares) of collective investment undertakings is based on the last quoted redemption price;

The valuation of time deposits held in banks is based on the amortised cost.

The valuation of cash and cash held in credit institutions is based on the nominal value;

The valuation of money market instruments with the redemption term or the remaining time to redemption not longer than 397 days or with yields regularly updated in line with money market conditions at least once during 397 days, or the risk of which (including credit and interest rate risks) is very similar to the risk of financial instruments, the redemption term and yields of which satisfy the aforementioned characteristics, may be based on the amortised cost method.

The valuation of other assets is based on the probable selling price determined under the selected valuation technique defined in the management company's procedure for the calculation of the subfund's net asset value, which is generally accepted and widely applied in the finance market.

The valuation of all investments is conducted on each business day.

#### Rules on valuation of investment units

The initial value of the subfund's unit, which was available before the first calculation of net asset value, was equal to LTL 100 (one hundred litas), i.e. EUR 28.9620 (twenty eight euros point nine thousand, six hundred and twenty euro cents).

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

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



23.3.2. Accounting policies (continued)

The value of the subfund'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](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 subfund 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 subfund's rules or which exceed the established limits.

Amounts payable represent amounts due to other subfunds 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 events that occurred after the end of the reporting period are disclosed in Note 14 of the explanatory notes.

23.3.3. Notes to the financial statements:

Note 1. Net asset value, number and value of units

Information is provided in the report's Clause 5.

Note 2. Number and value of units distributed and redeemed over the reporting period

Information is provided in the report's Clause 6.

Note 3. Investment portfolio structure

Information is provided in the report's Clause 11.

Note 4. Breakdown of investments by the criteria that meet the investment strategy

Information is provided in the report's Clause 12.

Note 5. Change in value of investments

Items reported in the statement of net assets	Change					Balance at 30 June 2016
	Balance at 31 December 2015	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>	15.853.934	17.731.412	14.204.823	3.786.903	2.970.795	20.196.631
Non-equity securities issued or guaranteed by governments and central banks	5.410.897	9.040.489	7.145.417	944.853	1.197.592	7.053.230
Other non-equity securities	10.443.037	8.690.923	7.059.406	2.842.050	1.773.203	13.143.401
Equity securities	-	-	-	-	-	-
Units and shares of collective investment undertakings	-	8.895	8.837	-	58	-
Derivative financial instruments <sup>1</sup>	(268.754)	-	(109.591)	26.109	-	(133.054)
<b>Total</b>	<b>15.585.180</b>	<b>17.740.307</b>	<b>14.104.069</b>	<b>3.813.012</b>	<b>2.970.853</b>	<b>20.063.577</b>

Note 6. Results of sale of investments

During the first six months of year 2016, the undertaking had no sale transactions involving financial instruments other than those measured at fair value.

Note 7. Transactions involving derivative financial instruments

Information is provided in the report's Clauses 13, 14 and 15.

Note 8. Costs of intermediary fees

Information is provided in the report's Clause 8.

Note 9. Dividends and other benefits assessed and/or paid to the participants that do not result in changes in units

Information is provided in the report's Clause 27.

Note 10. Borrowings and loans granted

Information is provided in the report's Clause 28.

Note 11. 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 12. Related-party transactions over the financial year and previous financial year

No transactions were drawn with the related persons during the reporting period.

Note 13. 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 2016 to 30 June 2016, the subfund applied accounting policies consistent with those applied in the previous financial year.

Note 14. 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 is no other significant information on the subfund's financial position.

Note 15. 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 is no other significant information on the subfund's financial position.

Note 16. 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

1) On 19 January 2016, the management company completed the merger of two investment funds managed in Latvia – Finasta Obligāciju Fonds and Finasta Sabalansētais Fonds – to Finasta Emerging Europe Bond Subfund of Finasta Umbrella Fund managed in Lithuania.

As a result of the merger:

- Finasta Obligāciju Fonds (ISIN LV0000400257) ceased to exist, the net asset value of which was EUR 312,841 on the date of merger;
- Finasta Sabalansētais Fonds (ISIN LV0000400265) ceased to exist, the net asset value of which was EUR 884,412 on the date of merger;
- Finasta Emerging Europe Bond Subfund continues its activities.

2) As from 17 February 2016, the subfund's name has been changed to INVL Emerging Europe Bond Subfund.

24. The full text of the audit's conclusion:

Information provided in 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:	525.174
2.1.	equity securities	-
2.2.	government non-equity securities	(97.267)
2.3.	corporate non-equity securities	116.978
2.4.	financial instruments	-
2.5.	derivative financial instruments	-
2.6.	units of other collective investment undertaking	40
2.7.	other (dividends, coupon, currency)	505.423
3.	Unrealised gain (loss) on investments in:	439.048
3.1.	equity securities	-
3.2.	government non-equity securities	(315.471)
3.3.	corporate non-equity securities	582.099
3.4.	financial instruments	-
3.5.	derivative financial instruments	172.518
3.6.	units of other collective investment undertaking	(98)
3.7.	other	-
	Total income	964.222
II.	Expenses of investing activities	-
1.	Operating expenses:	121.333
1.1.	deductions of management fee	106.835
1.2.	deductions of depository fee	10.155
1.3.	intermediary fee	10
1.4.	audit fee	2.432
1.5.	deductions of other fees and charges	1.901
2.	Other expenses	471
	Total expenses	121.804
III.	Net income	842.418
IV.	Payments (dividends) to holders of investment units	-
V.	Re-invested earnings	842.418

## 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 subfund's financial position.

**VII. INFORMATION ON PAYMENT OF DIVIDENDS**

## 27. Information on dividends declared and/or paid:

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

**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:

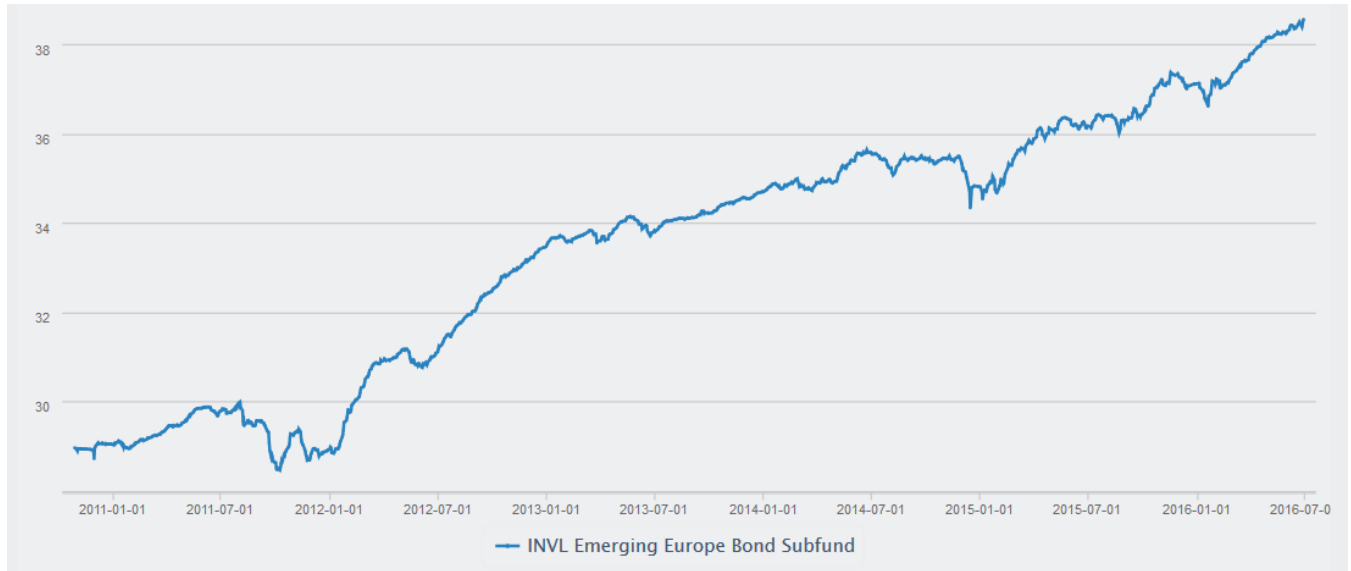
The fund had no borrowings for its own needs as at the end and over the reporting period.



**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:

Picture 1. Change in value of unit since start of the fund's operations



**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 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, Darius Šulnis, 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 values of reported items.

\_\_\_\_\_  
(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 values of reported items.

\_\_\_\_\_  
(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	Darius Šulnis	Aušra Montvydaitė
Job position	General Director	Head of Funds Accounting
Telephone number	8 700 55 959	8 6 264 5582
Fax number	8 5 279 06 02	8 5 279 06 02
Email address	darius.sulnis@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.