



I. GENERAL INFORMATION

1. General information about INVL Baltic Fund:

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

2. Reporting period covered by these financial statements:

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

3. Details of the management company:

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

4. Details of the depository:

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

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

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

Information is provided in Note 2.

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

Information is provided in Note 3.



III. EXPENSE AND TURNOVER RATIOS OF THE COLLECTIVE INVESTMENT UNDERTAKING

7. Deductions from assets of the collective investment undertaking:

January – June 2018

	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 founding documents	Rates applied during the reporting period		
Management fee:				
<i>Fixed rate</i>	No more than 2% of the fund's average annual net asset value	2% of the fund's average annual net asset value	97.237	1,00
<i>Performance fee</i>	Non-applicable	Non-applicable	-	-
Depository fee	No more than 0.25% of the fund's average annual net asset value	No more than 0.25% of the fund's average annual net asset value	5.142	0,05
Transaction fee	No more than 0.75% of the value of transactions executed	No more than 0.75% of the value of transactions executed	3.154	0,03
Other operating costs (distribution fee)	No more than 3% of the invested amount	No more than 2% of the invested amount	381	-
Audit fee	No more than 0.5% of the Fund's average annual net asset value	No more than 0.5% of the Fund's average annual net asset value	898	0,01
Other operating costs (bank charges)	No more than 0.5% of average annual net asset value of the fund	No more than 0.5% of average annual net asset value of the fund	134	-
Other operating costs (fee charged by the bank for keeping records of participants)			1.760	0,02
Other operating costs (fees charged by the market maker, quotation costs and one-off fees)			930	0,01
Total expenses included in TER				106.101
Total expenses				109.636



7. Deductions from assets of the collective investment undertaking (continued)

January – June 2017

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		
Management fee:				
<i>Fixed rate</i>	No more than 2% of the fund's average annual net asset value	2% of the fund's average annual net asset value	32.509	1,00
<i>Performance fee</i>	Non-applicable	Non-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	1.609	0,05
Transaction fee	No more than 0.75% of the value of transactions executed	No more than 0.75% of the value of transactions executed	2.854	0,09
Other operating costs (distribution fee)	No more than 3% of the invested amount	No more than 2% of the invested amount	128	-
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	415	0,01
Other operating costs (bank charges)			92	-
Other operating costs (fee charged by the bank for keeping records of participants)	No more than 0.5% of average annual net asset value of the Fund	No more than 0.5% of average annual net asset value of the Fund	726	0,02
Other operating costs (fees charged by the market maker, quotation costs and one-off fees)			1.019	0,03
Total expenses included in TER				36.370
Total expenses				39.352



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 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 a 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 unit's value 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 unit value 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 unit value 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.



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

INVL BALTIC FUND
STATEMENT OF NET ASSETS AS AT 30 JUNE 2018

No	Assets	Note No	Financial year	Previous financial year
A.	ASSETS		8.995.144	10.881.984
1.	CASH	4	829.716	995.134
2.	TIME DEPOSITS		-	-
3.	MONEY MARKET INSTRUMENTS		-	-
3.1.	Treasury bills		-	-
3.2.	Other money market instruments		-	-
4.	TRANSFERABLE SECURITIES	4,6	8.147.083	9.734.879
4.1.	Non-equity securities	4,6	-	249.917
4.1.1.	Non-equity securities issued or guaranteed by governments and central banks		-	-
4.1.2.	Other non-equity securities	4,6	-	249.917
4.2.	Equity securities	4,6	8.147.083	9.484.962
4.3.	Investment units and shares of other collective investment undertakings		-	-
5.	PREPAYMENTS		-	-
6.	AMOUNTS RECEIVABLE	4	18.345	151.971
6.1.	Amounts receivable from sale of investments	4	-	151.971
6.2.	Other amounts receivable	4	18.345	-
7.	INVESTMENT AND OTHER ASSETS		-	-
7.1.	Investment property		-	-
7.2.	Derivative financial instruments		-	-
7.3.	Other assets		-	-
B.	LIABILITIES	4	55.786	300.843
1.	Amounts payable	4	55.786	300.843
1.1.	Amounts payable for financial and investment assets		-	-
1.2.	Amounts payable to management company and depository	4	18.112	22.665
1.3.	Other payables	4	37.674	278.178
2.	Accrued charges		-	-
3.	Borrowings from credit institutions		-	-
4.	Liabilities under contracts on derivative financial instruments		-	-
5.	Other liabilities		-	-
C.	NET ASSETS	2	8.939.358	10.581.141

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

CEO	<u>Laura Križinauskienė</u>	(signature)	31 August 2018
Head of Funds Accountant	<u>Aušra Montvydaitė</u>	(signature)	31 August 2018

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

INVL BALTIC FUND

STATEMENT OF CHANGES IN NET ASSETS FOR JANUARY – JUNE 2018

No	Items	Note No.	Financial year	Previous financial year
1.	NET ASSET VALUE AT 1 JANUARY	2	10.581.141	3.210.806
2.	INCREASE IN NET ASSET VALUE		-	-
2.1.	Contributions of participants	3	4.129.214	2.809.272
2.2.	Transfers from other funds*		-	-
2.3.	Guarantee contributions		-	-
2.4.	Investment income		286.485	100.783
2.4.1.	Interest income		-	-
2.4.2.	Dividends		286.485	100.783
2.4.3.	Rental income		-	-
2.5.	Gain on change in value and sale of investments	6	1.614.093	703.736
2.6.	Foreign exchange gain		6.282	3.130
2.7.	Gain on transactions involving derivative financial instruments		-	-
2.8.	Other increases in net asset value		31.251	2.000
	TOTAL INCREASE IN NET ASSET VALUE		6.067.325	3.618.921
3.	DECREASE IN NET ASSET VALUE		-	-
3.1.	Payments to participants	3	6.132.403	1.907.478
3.2.	Transfers to other funds		-	-
3.3.	Loss on change in value and sale of investments	6	1.453.910	306.321
3.4.	Foreign exchange loss		13.159	2.442
3.5.	Loss on transactions involving derivative financial instruments		-	-
3.6.	Management costs:		109.636	39.352
3.6.1.	Fee to management company		97.618	32.637
3.6.2.	Fee to depository		5.142	1.609
3.6.3.	Fee to intermediaries	9	3.154	2.854
3.6.4.	Audit fee costs		898	415
3.6.5.	Interest costs		-	-
3.6.6.	Other costs		2.824	1.837
3.7.	Other decreases in net asset value		-	-
3.8.	Reimbursement of costs (-)		-	-
	TOTAL DECREASE IN NET ASSET VALUE		7.709.108	2.255.593
4.	Change in value of net assets		(1.641.783)	1.363.328
5.	Profit appropriation		-	-
6.	NET ASSET VALUE AT 30 JUNE	2	8.939.358	4.574.134

* After the merger of INVL Flexible Strategy Subfund into INVL Baltic Fund on 31 May 2016 investment units with the value of EUR 396,320 were issued.

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

CEO _____

Laura Križinauskienė

(signature)

31 August 2018

Head of Funds Accountant _____

Aušra Montvydaitė

(signature)

31 August 2018



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

INVL BALTIC FUND

Explanatory notes to the semi-annual financial statements for January – June 2018

Details of the collective investment undertaking

Name	INVL Baltic Fund (hereinafter “the Fund”)
Type, legal form	Open-ended 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 the formation of the collective investment undertaking	8 December 2005
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
License No	VJK-005
Manager of the collective investment undertaking, other individuals making investment decisions	Vytautas Plunksnis – Member of the Investment Committee; Vaidotas Rūkas – Chief Investment Officer; Arvydas Jacikevičius – Junor Fund Manager.

Details of the depository

Name	SEB bankas AB
Company code	112021238
Office address	Gedimino ave. 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

Listing

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

Reporting period

From 1 January 2018 to 30 June 2018.



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. For the purpose of the Fund's financial statements, the year-end balances of assets and liabilities are reported as at 29 June 2018 amounts.

The fund's financial statements are prepared within four months following the end of the financial year. All amounts in these financial statements are presented in the euros (EUR).

Investment policy and structure of investment portfolio

The Fund's target is to achieve a maximum growth of assets for the benefit of the Fund's members with medium and higher risk level accepted.

Between 50 and 100% of the Fund's net assets may be invested in the securities of companies listed on stock exchanges of Lithuania, Latvia and Estonia. The remaining part of the Fund's net assets may be invested in the shares of companies with substantial part of their business developed in the Baltic states, which are quoted on other markets, as well as in other investment instruments referred to the Fund's rules.

The structure of investment portfolio is presented in Note 4.

Financial risk management

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

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

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

The Fund's 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.

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

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

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

23.3.2. Accounting policies (continued)

Policies for recognition of increase and decrease in assets and liabilities

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

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

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

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

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

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

Rules on deductions to the accumulation undertaking and the 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.

Any other costs not specified in the Fund's rules or in excess of the defined limits are born by the Management Company at its own expense.

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

Investment valuation methods, investment revaluation intervals

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

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

- The fair value of financial instruments traded on regulated markets is determined with reference to the quoted closing price of the instrument 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;
- Valuation of investment units (shares) of collective investment undertakings is carried out with reference to the NA value determined by the collective investment undertaking or the last quoted redemption price;
- Valuation of time deposits is based on the amortised cost;
- Valuation of cash on hand and cash held at credit institutions, except for time deposits, is based on the nominal value;
- Valuation of derivative financial instruments is based on the last market value of previous analogous transactions, provided there were no substantial changes in economic circumstances over the period between the date of the transaction and the date of valuation;
- 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 all investments is conducted on each business day.



23.3.2. . Accounting policies (continued)

Valuation of liabilities

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

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

Rules on valuation of investment units

The initial value of the fund's unit, which was available before the first calculation of net asset value, was equal to EUR 28.9620.

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

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

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

Cash and time deposits:

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

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

Amounts receivable and amounts payable:

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

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

Subsequent events

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



23.3.3. Notes:

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

There were no significant financial statement amounts.

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

	Opening balance at 1 January 2018	Closing balance at 30 June 2018	One year ago at 30 June 2017	Two years ago at 30 June 2016*
Net asset value, EUR	10.581.141	8.939.358	4.574.134	2.200.458
Unit value, EUR	38,8865	40,3444	37,7279	28,3063
Number of units in circulation	272.103,472056	221.576,161485	121.240,097246	77.737,305188

* After the merger of INVL Flexible Strategy Subfund into INVL Baltic Fund on 31 May 2016 investment units with the value of EUR 396.320 were issued.

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

	Current financial year		Previous financial year	
	Number of units	Value, EUR	Number of units	Value, EUR
Distributed (by converting monetary funds into units)*	103.370,623834	4.128.833	77.420,295359	2.809.144
Redeemed (by converting units into monetary funds)	153.897,934405	6.132.403	54.361,310253	1.907.478
Difference between the number and value of units (shares) distributed and redeemed	(50.527,310571)	(2.003.570)	23.058,985106	901.666

* The value of distributed units (by converting monetary funds to investment units) does 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 change fee (deductions are disclosed in section 7 herein)

Note 4. Structure of investment portfolio
30 June 2018

Issuer's name	Country	ISIN code	Quantity, items	Total acquisition value	Total market value	Share in net assets, %
Equity securities listed on the Main List of Stock Exchange or its equivalent						
Apranga	LT	LT0000102337	78.690	216.870	184.135	2,06
Vilkyškių pieninė	LT	LT0000127508	55.813	149.713	184.183	2,06
Šiaulių bankas	LT	LT0000102253	1.408.344	690.546	709.805	7,94
Rokiškio sūris	LT	LT0000100372	133.025	317.197	359.168	4,02
Linas Agro Group	LT	LT0000128092	648.102	465.050	456.912	5,11
Grigeo	LT	LT0000102030	300.615	394.001	432.886	4,84
Energijos Skirstymo Operatorius	LT	LT0000130023	500.083	435.107	427.071	4,78
Silvano Fashion Group	EE	EE3100001751	114.856	300.492	364.093	4,07
Tallink Grupp	EE	EE3100004466	611.496	682.867	654.301	7,32
Grindeks	LV	LV0000100659	13.886	53.461	101.923	1,14
Merko Ehitus	EE	EE3100098328	23.247	217.358	227.821	2,55
Olainfarm	LV	LV0000100501	48.868	501.768	390.944	4,37
Olympic Entertainment Group	EE	EE3100084021	200.000	377.220	396.000	4,43
Tallinna Kaubamaja Grupp	EE	EE0000001105	38.857	372.536	357.484	4,00
SAF Tehnika	LV	LV0000101129	16.794	58.893	76.581	0,86
Telia Lietuva	LT	LT0000123911	401.763	386.359	449.974	5,03
LHV Group	EE	EE3100073644	32.552	354.813	358.072	4,01
Panevėžio statybos trestas	LT	LT0000101446	346.536	424.079	311.882	3,49
Pieno žvaigždės	LT	LT0000111676	206.937	289.668	242.116	2,71
KLAIPEDOS NAFTA AB	LT	LT0000111650	578.307	296.902	298.406	3,34
Total	-	-	-	6.984.900	6.983.757	78,13
Equity securities listed on the Secondary List of Stock Exchange or its equivalent						
Valmieras stikla šķiedra	LV	LV0000100485	62.792	203.217	203.446	2,28
Latvijas balzams	LV	LV0000100808	49.367	413.874	419.620	4,69
Total	-	-	-	617.091	623.066	6,97
Equity securities traded on other regulated markets						
Telefonija*	RS	RSTLFNE22541	1.000	-	-	-
Novaturas	LT	LT0000131872	36.050	380.278	403.760	4,52
Tallinna Sadam AS	EE	EE3100021635	70.000	119.000	136.500	1,53
Total	-	-	-	499.278	540.260	6,05
Total equity securities			-	8.101.269	8.147.083	91,15

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

Note 4. Structure of investment portfolio (continued):

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

Name	Brief description	Total value	Intended purpose	Share in net assets, %
Amounts receivable	Other receivable amounts	18.345	-	0,20
Amounts payable	Amounts payable to the management company and the depository	(18.112)	-	(0,21)
Amounts payable	Other amounts payable	(37.674)	-	(0,42)
Total	-	(37.441)	-	(0,43)

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

Fund makes investments in shares listed on Baltic Stock Exchanges. Up to 50% of Fund's assets may be invested into shares of companies with significant part of their business in the Baltic States and are listed on Copenhagen, Stockholm, Helsinki, Oslo, Poland and London Stock Exchanges. At the end of reporting period the investments were mostly made in the sectors of food products and commercial banking.

Market prices of the shares had the largest influence on the value of Fund's investment portfolio.

Note 4. Structure of investment portfolio (continued):

30 June 2017

Issuer's name	Country	ISIN code	Quantity, items	Total acquisition value	Total market value	Share in net assets, %
Equity securities listed on the Main List of Stock Exchange or its equivalent						
Apranga	LT	LT0000102337	104.504	275.842	266.485	5,83
Vilkyškių pieninė	LT	LT0000127508	43.940	70.354	126.108	2,76
Šiaulių bankas	LT	LT0000102253	506.953	114.989	249.421	5,45
Rokiškio sūris	LT	LT0000100372	71.373	107.979	170.581	3,73
Linas Agro Group	LT	LT0000128092	282.680	189.765	186.569	4,08
Grigeo	LT	LT0000102030	165.043	175.637	186.499	4,08
Energijos Skirstymo Operatorius	LT	LT0000130023	235.052	204.517	203.790	4,46
Silvano Fashion Group	EE	EE3100001751	67.691	151.938	188.858	4,13
Tallink Grupp	EE	EE3100004466	221.719	200.121	201.764	4,41
Grindeks	LV	LV0000100659	20.600	79.310	156.560	3,42
Merko Ehitus	EE	EE3100098328	14.320	123.655	131.744	2,88
Olainfarm	LV	LV0000100501	27.523	219.605	300.001	6,56
Olympic Entertainment Group	EE	EE3100084021	158.304	285.653	273.866	5,99
Tallinna Kaubamaja Grupp	EE	EE0000001105	18.880	137.192	173.696	3,80
SAF Tehnika	LV	LV0000101129	23.294	79.130	112.976	2,47
Telia Lietuva	LT	LT0000123911	330.215	307.103	294.881	6,45
LHV Group	EE	EE3100073644	21.023	200.551	210.230	4,60
Total	-	-	-	2.923.341	3.434.029	75,10
Equity securities listed on the Secondary List of Stock Exchange or its equivalent						
Valmieras stikla šķiedra	LV	LV0000100485	44.174	136.178	144.891	3,17
Latvijas balzams	LV	LV0000100808	16.000	115.538	144.000	3,15
Žemaitijos pienas	LT	LT0000121865	130.111	106.177	222.490	4,86
Total	-	-	-	357.893	511.381	11,18
Equity securities traded on other regulated markets						
Telefonija *	RS	RSTLFNE22541	1.000	-	-	-
Total	-	-	-	-	-	-
Total equity securities			-	3.281.234	3.945.410	86,28

* 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.

Note 4. Structure of investment portfolio (continued):

Issuer's name	Country	ISIN code	Quantity, items.	Total acquisition value	Total market value	Interest rate, %	Redemption / conversion date / term	Share in net assets, %
Non-equity securities traded on other regulated markets								
Lauma International 12 05/19/21	LT	LV0000802254	10	100.000	101.400	12,00	2021-05-19	2,22
Total	-	-	-	100.000	101.400	-	-	2,22
Total non-equity securities			-	100.000	101.400	-	-	2,22

Name of bank	Currency	Total market value	Interest rate	Share in net assets, %
Cash				
SEB bankas AB	EUR	883.682	-	19,32
Total cash		883.682	-	19,32

Name	Brief description	Total value	Intended purpose	Share in net assets, %
Amounts receivable	Other receivable amounts	6.244	-	0,14
Amounts payable	Amounts payable for financial and investment assets	(283.990)	-	(6,21)
Amounts payable	Amounts payable to the management company and the depository	(7.883)	-	(0,17)
Amounts payable	Other amounts payable	(70.729)	-	(1,55)
Total		(356.358)	-	(7,79)

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

The investment strategy tenet of investing 50 per cent to 100 per cent of the Fund's net assets in securities of companies listed on the Lithuanian, Latvian and Estonian exchanges was maintained.

At the end of the half-year the Fund's main investments were in the financial, consumer goods, industrial and health care sectors on the Vilnius, Tallinn, and Riga exchanges. The change in the value of the fund's investment portfolio was mostly influenced by the market price of financial instruments.

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

By industry sector

Breakdown of investments	Market value	Share in assets, %	Market value at the beginning of the reporting period	Share in assets at the beginning of the reporting period, %
Telecommunications	449.974	5,04	446.640	4,22
Health care	492.867	5,51	592.293	5,60
Emergency goods and services	1.347.988	15,08	1.669.253	15,78
Convenience goods and services	2.019.483	22,59	2.662.576	25,16
Financial services	1.067.877	11,95	1.293.617	12,23
Information technology	76.581	0,86	130.896	1,24
Industrial materials	1.533.950	17,16	1.670.867	15,79
Utility goods and services	427.071	4,78	510.733	4,83
Energy	298.406	3,34	262.192	2,48
Materials	432.886	4,84	495.812	4,69
Total	8.147.083	91,15	9.734.879	92,02

By geographical area

Breakdown of investments	Market value	Share in assets, %	Market value at the beginning of the reporting period	Share in assets at the beginning of the reporting period, %
Lithuania	5.290.015	59,18	6.160.969	58,23
Latvia	1.192.513	13,34	1.610.246	15,22
Estonia	2.494.271	27,91	2.958.798	27,97
Total	8.976.799	100,43	10.730.013	101,42

Note 6. Change in value of investments

January – June 2018

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

¹ Balance at 30 June 2017 reflects the fair value of derivative financial instruments.

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

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

² Balance at 30 June 2017 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.

January – June 2017

Items of the statement of net assets	Change					Balance at 30 June 2017
	Balance at 31 December 2016	Acquired over the period	Sold (redeemed) over the period	Increase in value	Decrease in value	
Time deposits	-	-	-	-	-	-
Money market instruments	-	-	-	-	-	-
Non-equity securities ²	-	100.000	-	1.400	-	101.400
Non-equity securities issued or guaranteed by governments and central banks	-	-	-	-	-	-
Other non-equity securities	-	100.000	-	1.400	-	101.400
Equity securities	2.959.374	1.261.939	671.918	702.336	306.321	3.945.410
Units and shares of collective investment undertakings	-	-	-	-	-	-
Derivative financial instruments ¹	-	-	-	-	-	-
Total	2.959.374	1.361.939	671.918	703.736	306.321	4.046.810

¹ Balance at 30 June 2017 reflects the fair value of derivative financial instruments.

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

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

² Balance at 30 June 2017 reflects the fair value of non-equity securities at 1 January plus accrued interest.

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

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

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

Note 7. Results of disposal of investments

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

Note 8. Derivative financial instruments

During the reporting period, there were no transactions involving derivative financial instruments.

Note 9. Costs of intermediary fees

Name of the intermediary	Description of services rendered	Fee for the services during the reporting period, EUR	Fee for the services during the previous reporting period, EUR	Relationship of the intermediary to the management company
UAB FMJ ORION SECURITIES	Commission fee for intermediation services in transactions involving securities	100	64	The management company and intermediary have signed an agreement on intermediation services.
SEB bankas AB	Commission fee for intermediation services in transactions involving securities	3.054	2.790	SEB bankas AB is a depository of the fund managed by the management company
Total	-	3.154	2.854	-

Note 10. Dividends and other benefits assessed and/or paid to the participants that do not result in changes in units
The Fund did not pay and did not account for any dividends payable to its clients over the reporting period.

Note 11. Borrowings and loans granted

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

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

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

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

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

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

During the reporting period from 1 January 2018 to 30 June 2018, the Fund applied the same 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:

Information is provided on the annual report.

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

I.	Income from investing activities	
1.	Interest income	-
2.	<i>Realised gain (loss) on investment in:</i>	323.378
2.1.	equity securities	323.295
2.2.	non-equity securities	83
2.3.	money market instruments	-
2.4.	derivative financial instruments	-
2.5.	units of other collective investment undertaking	-
2.6.	real estate objects	-
2.7.	other investment instruments	-
3.	Unrealised gain (loss) on:	(163.194)
3.1.	equity securities	(167.777)
3.2.	non-equity securities	4.583
3.3.	money market instruments	-
3.4.	derivative financial instruments	-
3.5.	units of other collective investment undertaking	-
3.6.	real estate objects	-
3.7.	other investments instruments	-
4.	<i>Other income:</i>	324.018
4.1.	income from lease of real estate	-
4.2.	positive foreign exchange effect	6.282
4.3.	Other	317.736
	Total income	484.202
II.	Expenses	
1.	<i>Operating expenses:</i>	109.636
1.1.	deductions of management fee	97.618
1.2.	deductions of depository fee	5.142
1.3.	intermediary fee	3.154
1.4.	audit fee	898
1.5.	deductions of other fees and charges	2.824
2.	<i>Other expenses:</i>	13.159
2.1.	interest expenses	-
2.2.	expenses related to the managed real estate objects	-
2.3.	negative foreign exchange effect	13.159
2.4.	Other	-
	Total expenses	122.795
III.	Net income	361.407
IV.	Payments (dividends) to holders of investment units	-
V.	Re-invested earnings	361.407

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 Fund's financial position.

VII. INFORMATION ON PAYMENT OF DIVIDENDS

27. Information on dividends declared and/or paid:

Information is provided in Note 10.

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

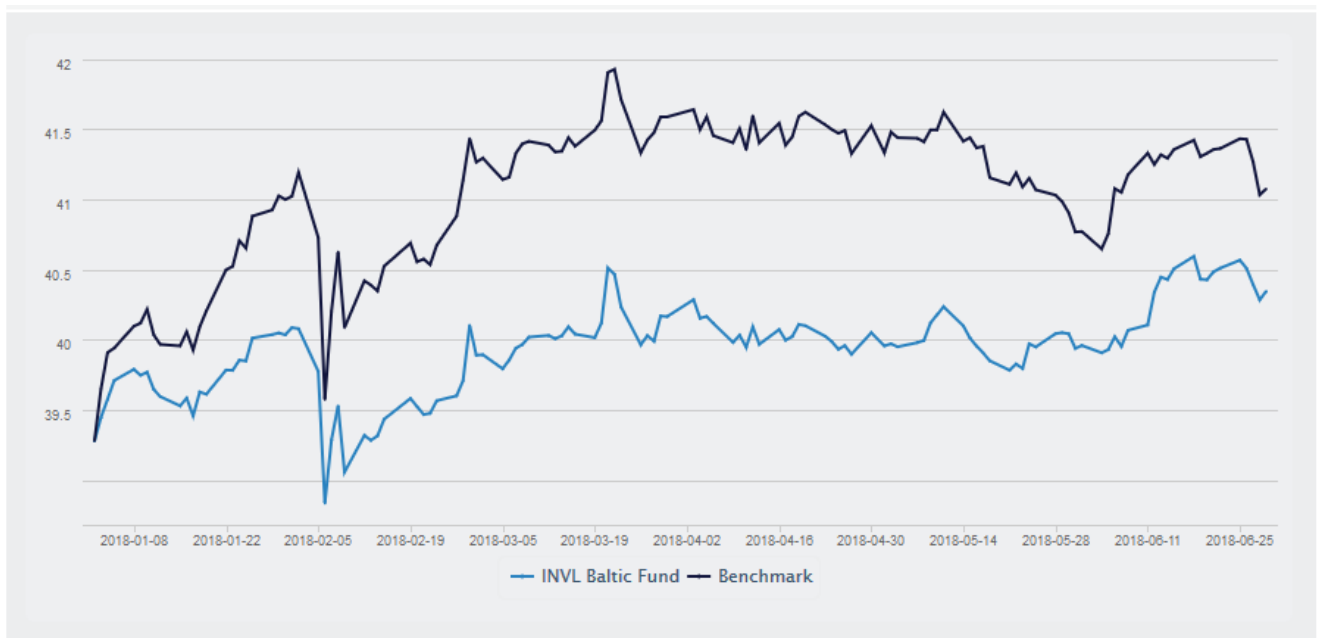
28. Collective investment undertaking's borrowings for its own needs as at the end of the reporting period:

Information is provided in Note 11.

IX. OTHER INFORMATION

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

Change in benchmark index and value during the reporting period



X. ACCOUNTABLE PERSONS

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

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

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

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

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

I, Laura Križinauskienė, CEO 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 Accountant 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 who are responsible for the preparation of the financial statements;

Full name	Laura Križinauskienė	Aušra Montvydaitė
Job position	CEO	Head of Funds Accountant
Telephone number	(8-7) 005 59 59	(8-6) 264 55 82
Fax number	(8-5) 279 06 02	(8-5) 279 06 02
Email address	laura.krizinauskiene@invl.com	ausra.montvydaite@invl.com

33.2. If 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.