

**STRATEGY**

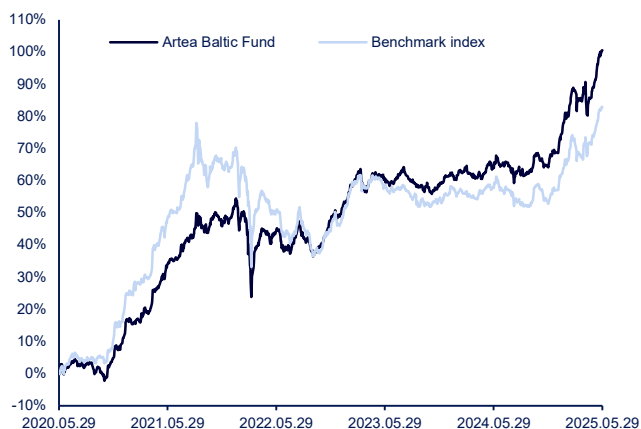
Artea Baltic Fund is investing into shares of companies listed on Baltic Stock Exchange or enterprises actively operating in the Baltic States. The fund is striving for maximum return by assuming high risk level. The fund focuses on long-term investments by identifying attractive economic sectors and picking undervalued companies.

Recommended investment period – more than 5 years.

**FACTS**

Management company	Artea Asset Management
ISIN code	LTIF00000096
Inception date	2005.12.15
Minimum investment	EUR 0
AUM, EUR M	12.2
Management fee	2%
Subscription fee	0%
Currency	EUR
Countries of distribution	Lithuania, Latvia, Sweden, Denmark, Finland, Norway, Germany

For more information on the fund (prospectus, benchmark, results) please click on the link below:  
<https://www.artea.lt/en/private/saving-investment/investing/investment-funds/artea-baltic-fund>

**RESULTS**


	<b>Fund</b>	<b>Benchmark</b>
		****
Return YTD	18.3%	15.8%
Return 1Y	21.7%	15.2%
Return 3Y	38.2%	20.7%
3 year annualized return	11.4%	6.5%
5 year annualized return	14.8%	12.7%
Volatility (St. deviation)*	8.9%	9.6%
Sharpe ratio**	1.7	1.3
P/E***	13.8	
Dividend yield	4.8%	

**FUND MANAGER COMMENT**

Equity markets continued to recover through May. Trade tensions eased as US import tariff hikes were delayed until July, and some progress in US negotiations with the EU and China was announced. Consumer sentiment improved, but PMIs moved in different directions – increasing in the US and decreasing in the EU. The Euro–US dollar exchange rate was almost unchanged, so indexes printed similar returns in both currencies. The S&P 500 gained 6.2%, while all developed equities rose 6.0%. The Stoxx 600 index and Emerging Europe equities also performed well, both posting a 4.0% increase.

Baltic equities mirrored global trends as the OMX Baltic Benchmark Capped index rose 4.7%, but the Artea Baltic Fund performed even better, gaining 5.6%. This year, the Fund's unit price is up 18.3%, leading the benchmark index by 250 basis points. In our universe, 25 stocks increased while only 4 decreased. Overall market activity remained quite high, with volumes well above last year's averages. Companies finished reporting quarterly results, and the majority of listed shares went ex-dividend.

Eesti Energia completed its Enefit Green share buyout offer, increasing its stake to 97%. The next step will be delisting. This is negative news for the small Baltic market, but the positive side is that sellers received 180 million euros, some of which will likely return to local equities or bonds. PST Group (+21.3%) was the best performer, as the company announced its intention to delist shares and majority shareholder company "HISK" proposed a minority shares buyout with a premium. Merko Ehitus (+17.8%) and Akola Group (+15.4%) surprised with very strong Q1 results. Novaturas (-22.4%) was the worst performer after an agreement was announced that up to 33% of shares will be sold by the group of current largest shareholders to a Turkish investor at a large discount – 0.64 euros per share.

On the trading side, it was quite an active month. We participated in the Enefit Green buyout offer and sold all shares. We also reinvested a significant part of the dividends received, which in total added close to 3% of additional cash to the Fund's portfolio. We realized partial profits by marginally reducing positions in Merko Ehitus and Vienna Insurance Group. The last but not the least, a new name was added to the portfolio – Coop Pank. The stock is trading close to its book value with an attractive P/E of 7.2x and return on equity slightly above 14%. We believe a turnaround in the Estonian economy is near, so we are betting on it by increasing investments in the country's banking sector.

At the end of April, the Artea Baltic Fund was trading at a trailing weighted average P/E of 13.8x, with an ROE of 13.3% (excluding negative profit shares) and a dividend yield of 4.8%.

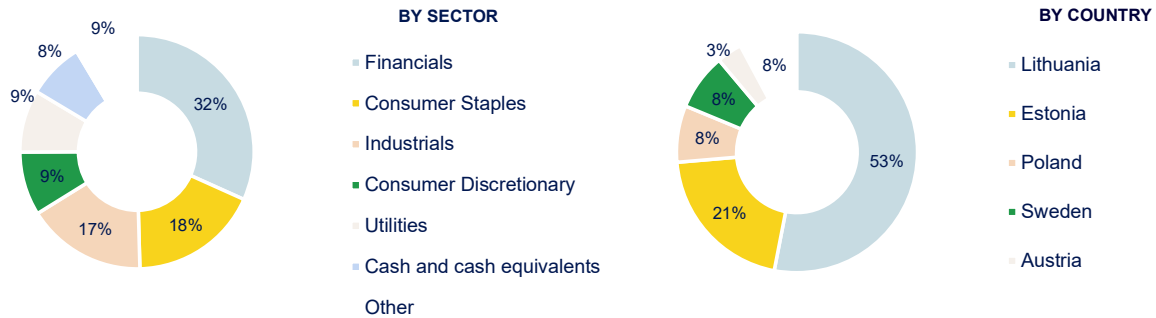
\*Standard deviation is used to measure risk. Standard deviation is an indicator that measures how strongly fund's daily return deviates from its mean. The lower the standard deviation the lower the fund's risk. The standard deviation value corresponds to the period shown in the historical returns graph.

\*\*Sharpe ratio measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance. Sharpe ratio value corresponds to the period since the inception date.

\*\*\*Weighted average portfolio P/E ratio calculated based on profitable companies only; firms with negative earnings were excluded.

\*\*\*\*Benchmark index:

100% OMX Baltic Benchmark Capped Gross Index.

**BREAKDOWN OF INVESTMENTS**

**TOP 10 PORTFOLIO HOLDINGS**

Akola Group AB	9.5%	Consumer Staples
Ignitis Grupe AB	8.6%	Utilities
AB Artea bankas	8.2%	Financials
Tallink Grupp AS	6.8%	Industrials
Vilkyskiu Pienine AB	5.0%	Consumer Staples
LHV Group AS	4.7%	Financials
AS Merko Ehitus	4.5%	Industrials
Telia Lietuva AB	4.5%	Telecommunication Services
PST Group	4.2%	Industrials
Apranga PVA	4.2%	Consumer Discretionary

**REASONS TO INVEST**

- Main goal of the strategy is to provide return on Baltic capital markets. Real GDP growth in the last 5 years has been significantly higher in the Baltic States - on average 1.9% per annum, in comparison to the eurozone's 1.0% growth per annum (as of the end of 2023).
- Active fund management allows choosing only the most attractive companies based on their valuations, management quality, growth opportunities and positive triggers.
- Value creating engagement and shareholder activism is an important part of the strategy. Investment management team takes active participation approach in cases of misconduct regarding minority shareholders' rights and inappropriate corporate governance.

**COMPANY**

Artea Asset Management is the investment management company of Artea bankas group. The team of experienced investment managers is one of the largest and most capable in the Baltic States and has been managing clients' assets since 2003. Investment managers make investment decisions on behalf of more than EUR 1.5 billion of clients assets.

Investment managers are guided by the principles of long-term investing and fundamental investment analysis while specializing in Central and Eastern European equity and bond markets. The team flexibly take advantage of investment opportunities that arise in the markets. The managers' expertise is proven by consistently high ratings in international fund rankings.

**CONTACT**
**Artea Asset Management**

Gyneju 14, 01109 Vilnius, Lithuania

+370 610 44447

info@artea.lt

http://www.artea.lt

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Before investing, please consider the funds' investment objectives, risks, and fees applied. To obtain more information about the fund, please visit [www.artea.lt](http://www.artea.lt), where you can find fund's key facts, NAV's, Rules, Prospectus and KIID which contain this and other important information.

All funds presented in the factsheet has benchmark. Benchmark indexes and their composition is selected to more accurately reflect the fund's investment strategy, defined in fund Rules and Prospectus.

All information and review of funds' past performance results cannot be considered as personal recommendation to invest in investment funds, managed by Artea Asset Management. Any information presented herein cannot be part or included in any transaction or agreement whatsoever. While this review was prepared and concluded based on the content of reliable sources, Artea Asset Management is not responsible for any inaccuracies or changes in such information, including losses that may occur when investments are made based on information presented herein.