

FUND'S STRATEGY

The assets of the Fund are invested in stocks and units of investment funds, the main investment direction of which is stocks. The fund is recommended for people who assume a higher-than-average risk as an additional investment instrument, which provides the possibility to take advantage of the tax benefit and thus effectively manage personal finance. Composition: up to 100% – shares.

COMMENT

The last quarter of this year was full of events. It is worth mentioning the tense US presidential election, which ended in the victory of the Democratic Party candidate, and the tense process of handover of power. Despite extremely tight restrictions, investors' optimism was strongly encouraged by the positive results of COVID-19 vaccines as well as official approvals and launch of the first vaccines that followed shortly. The Brexit deal that allowed avoiding the worst-case exit scenario became a late Christmas present for European investors, especially those in the United Kingdom. Despite a highly volatile and unpredictable quarter, stock indices were at record highs at the end of the year. The end of the year was also remarkable for the inclusion of one of the most popular car manufacturers TESLA in the S&P 500 index, whose shares rose by more than 700% (in USD) in 2020. 2020 can also be crowned as the year of the IPO (initial public offering), when the highest number of public offerings was recorded since 2000, with an average first-day trading return of about 48%. The initial public offering of Airbnb, a platform for renting houses and flats, was also important. Its share price more than doubled on the first trading day and reached a capitalisation of almost USD 87 billion.

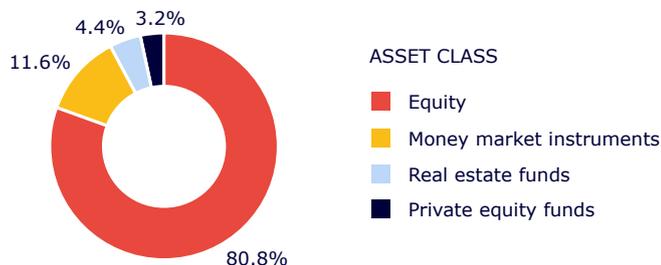
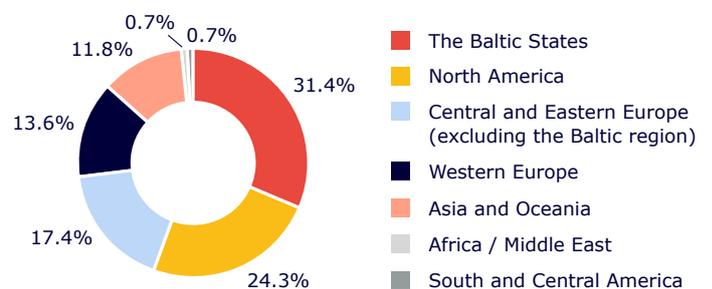
Considering the situation in the stock market, we redistributed part of our pension fund investments in the United States and directed them to the USA minimum volatility stocks. The active decision has been made on the basis of the observation that the return on low-risk stocks is currently at a record low compared to that on a broad US stock index, so low-volatility stocks have the potential to show better performance. At the end of the quarter, we also directed part of the assets of higher-risk pension funds to an international private equity fund in order to realise the potential return of niche investment directions. The preferred equity fund managed by 17Capital provides companies with mezzanine financing and offers investors an attractive risk-return ratio with the advantages of diversification, lower volatility and resilience to the economic cycle. It is worth mentioning that the pension fund invests half of the assets in East European companies, whose return was lower than that of global stocks this year but has untapped growth potential.

PERFORMANCE SINCE FUND INCEPTION

FUND'S RETURN IN DIFFERENT PERIODS

	Fund's return	Benchmark return
IV quarter of 2020	8.65 %	10.82 %
1 year	-0.19 %	2.54 %
3 years	14.74 %	1.91 %
5 years	43.56 %	41.02 %
Since Fund Inception	27.10 %	

Please note that the fund's past performance does not guarantee the same results and profitability in the future. Past performance is not a reliable indicator of future results.

DISTRIBUTION BY ASSET TYPES

GEOGRAPHICAL DISTRIBUTION**

FUND' INFORMATION

Net Asset Value	4 712 494 EUR
Fund's unit value	0.368 EUR
Number of Participants	2 531
Management fee	1.50 %
Partial withdrawal fee***	10 %

CONTACTS

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*The pension fund benchmark was applied since 14/04/2008. The composite benchmark has been applied since 31/07/2018: 50% MSCI EM Eastern Europe Small Cap USD Index (converted into EUR) + 45% MSCI World EUR Index + 5 % EONIA Total Return Index.

**Geographical distribution is indicated with regard to the countries of the economic logic of the investment, as well as to the investment components of collective investment undertakings (CIUs) and exchange traded funds (ETFs), according to their reports. If those reports do not provide the investment components of CIUs or ETFs, the country of registration of the CIU or ETF shall be taken into account.

***Deduction for the withdrawal of part of the funds accumulated in the Fund (from the amount to be withdrawn) applies when the funds are withdrawn within two calendar years from the last withdrawal. This deduction does not apply to pension fund participants who have acquired the right to a pension benefit in accordance with the procedure established in the Pension Fund Rules.

While participating in a 3rd pillar pension fund, you will be required to pay the fees specified in the rules of the respective fund. The money accumulated in a pension fund is invested according to the investment strategy specified in the rules of the relevant pension fund. When saving in pension funds, you assume the investment and investment-related risk. The value of a pension fund can go both up and down, and you can get back less than you invested. Past performance of a pension fund does not guarantee the same results and profitability in the future. Past performance is not a reliable indicator of future results. When seven or fewer years remain before retirement, consider investing in a conservative investment pension fund (INVL STABILO III 58+/INVL Stable).

Before you make an investment decision, assess all the risks associated with the investment yourself or with a help of investment consultants. Carefully read the rules of the pension fund, which are an integral part of the pension accumulation agreement.

A fund participant may choose from the following forms of pension payment: a lump sum, periodic payments in instalments (conversion of a portion of fund units in the pension account into money to be paid out at regular intervals) or purchase of an annuity from a life insurance company.

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