

FUND'S STRATEGY

The investment objective of the fund's assets is to achieve a higher than average return by assuming medium risk. The fund's investments are evenly distributed between corporate equities and bonds issued or guaranteed by governments, central banks, bank deposits or corporate bonds. Structure: 50 percent – equities, 50 percent – bonds.

COMMENT

Financial markets continued their upward trend in the second quarter of the year, with the end of June marking the fifth consecutive month of growth for the S&P 500, the most popular index tracking US markets. Despite investor optimism about the economic recovery and the surge in consumption following the end of constraints, markets continued to be worried by expectations of rising inflation. The Consumer Price Index rose by as much as 5% in May, which is the highest level since 2008. Along with the easing of quarantine restrictions and the recovery in consumption, economies started to heat up again, and central banks therefore needed to be alert - FED has announced that interest rate hikes should not be expected in 2024, but in 2023 already. Although FED's tougher tone was expected to lead to a slowdown in market growth, optimistic investors do not believe that a rate hike would fundamentally change the stock landscape in the longer term. Thus, despite a successful start of the quarter for value stocks, growth stocks were again at the forefront in June.

In the second quarter, inflation and central banks' reactions to rising inflation expectations were the main topics among bond market participants. In theory, rising inflation is a threat to bond prices because it "eats" their returns, and as already mentioned, the US recorded a 5% rise in the Consumer Price Index in May. Nevertheless, the US Federal Reserve maintained the narrative that it expected the spike in inflation in 2021 to be only temporary, with price increases being driven by temporary factors such as a low price base in 2020, a sharp rebound in consumer demand, and temporary disruptions in the supply chain. The financial markets believed the central banks' stance and the US 10-year bond yield fell (as the yield falls, the price of the bond rises) from 1.74% to 1.47%, while the German 10-year bond yield rose only slightly from -0.29% to -0.20%. For their part, central banks of emerging markets also started interest rate hike cycles to counter rising inflation expectations and to protect their currencies from depreciation.

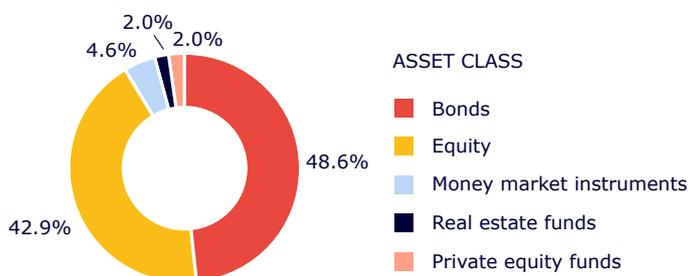
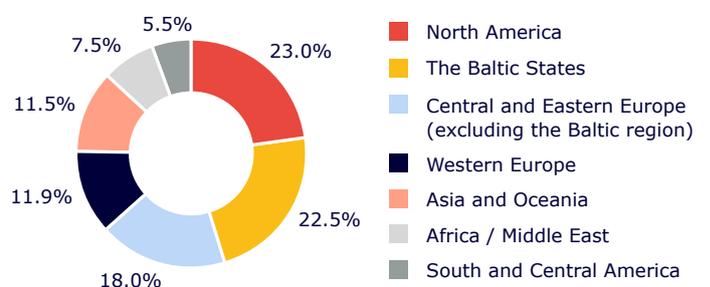
In the second quarter of the year, in the funds managed by us, we continued to allocate a higher proportion of investments to value and minimum volatility stocks as we believe that these stocks tend to perform better in an inflationary environment. In this quarter, we also decided to complement the basket of alternative investments with commitments in a private debt fund and two private equity funds as these investments ensure broader diversification and increase the likelihood of a positive return in various market conditions. In the balanced funds, we continue to cover the allocation of bonds of emerging countries with separate investments by reducing the financial duration and increasing the average rating and quality of issuers, while maintaining similar yield to maturity. In this way, we have a better protection of the fund participants' assets against bond depreciation in case central banks halt accommodative policies and raise interest rates.

PERFORMANCE SINCE FUND INCEPTION

FUND'S RETURN IN DIFFERENT PERIODS

	Fund's return	Benchmark return
II quarter of 2020	3.06 %	3.57 %
1 year	6.61 %	6.88 %
3 years	22.84 %	28.98 %
5 years	38.96 %	45.43 %
Since Fund Inception	115.06 %	-

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	12 920 236 EUR
Fund's unit value	0.623 EUR
Number of Participants	4 243
Management fee	0.80 %
Entry fee***	30 %
Partial withdrawal fee****	10 %

CONTACTS

UAB INVL Asset Management +370 700 55959 pensijos@invl.com www.invl.com	Gynėjų g. 14, Vilnius; Jonavos g. 7, Kaunas; Minijos g. 19, Klaipėda.
--	---

*The pension fund benchmark was applied since 1 January 2013. The complex benchmark index has been applied since 01/03/2021: 10% Bloomberg Barclays Series-E Euro Govt 7-10 Yr Bond Index (BERPG4 Index)

10% ECPI Ethical EURO Corporate Bond Index (ECAPECB Index) +10% J.P. Morgan Euro Emerging Markets Bond Index (EMBI) Global Diversified Europe (JPEFEUR Index) + 10% J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI) Broad Europe Index (JCBBEURO Index), insured by Bloomberg USDEUR 6 month Hedging Cost Index (FXHCUE6M Index) + 10% J.P. Morgan Emerging Markets Bond Index (EMBI) Global Hedged Euro Index (JPEIGHEU Index) + 3% European Central Bank ESTR OIS Index (OISESTR Index) + 43% MSCI ACWI IMI Net Total Return USD Index (MIMUAWON Index) (converted into EUR) + 4% MSCI Emerging Markets Net Total Return USD Index (M1EF Index) (converted into EUR).

**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.

***During the first 12 months after becoming a member of the pension fund, a 30% entry fee is applied to the pension contributions, which cannot exceed EUR 200 during this period but is deducted until the minimum amount of EUR 100 is reached. This fee applies only to new Participants, whose contracts are concluded after 14 October 2015, and to the participants who have transferred from a pension fund managed by another management company after that date. The participants who have transferred from another pension fund managed by the Management Company are not subject to the entry fee provided that the amount of funds transferred between the pension funds managed by the Management Company exceeds EUR 2000 and that more than 12 months have passed since the entry into force of the agreement in the other pension fund managed by the Management Company. When contributions to the fund are made by an employer for the benefit of its employees (participants), the entry fee to be deducted from each pension contribution paid by both the employer for the employee (participant) and the participant himself is determined by a separate agreement between the management company and the employer of the participants. This fee will depend on the number of employees (participants) involved in the accumulation scheme and other circumstances, but in any case will not exceed the maximum limit of deduction for each pension contribution paid as set out in the Fund Rules.

****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.

All the information presented is of a promotional nature and cannot be construed as a recommendation, offer or invitation to accumulate assets in pension funds managed by INVL Asset Management. The information provided here cannot serve as a basis for any subsequently concluded agreement. Although this information of a promotional nature is based on sources which are considered to be reliable, INVL Asset Management is not responsible for any inaccuracies or changes in the information, or for any losses that may incur when investments are based on this information.