

**HARMONIZED COLLECTIVE INVESTMENT UNDERTAKING  
„DOVRE INSIDE NORDIC“  
REPORT FOR THE FIRST HALF OF THE YEAR 2013**

**I. GENERAL INFORMATION**

**1. Fund's information:**

Title – „Dovre Inside Nordic“;

Legal form – Harmonized collective investment undertaking;

Establishment date - 24 November 2011.

**2. Reporting period:**

01 January 2013 – 30 June 2013.

**3. Management Company's information:**

3.1. title – „Dovre Forvaltning“, UAB; company code - 302589746;

3.2. address – Konstitucijos pr. 7, 09308, Vilnius, Lithuania;

3.3. tel. no. +37052683461; fax. no. +37052683463; email: [info@dovreforvaltning.no](mailto:info@dovreforvaltning.no); web page - [www.dovreforvaltning.no](http://www.dovreforvaltning.no)

3.4. operating license no. – VKI-018;

3.5. Fund Manager – Rytis Simanaitis.

**4. Custodian's information:**

Title – Swedbank, AB; Code – 1202965;

Address – Konstitucijos pr. 20A, 09321 Vilnius, Lithuania;

Tel. no. +3705268422;

Fax. no. +3705268417.

**II. NUMBERS AND VALUES OF NET ASSETS, INVESTMENT UNITS OR SHARES**

**5. Number and value of net assets and Fund units:**

|  | <b>In the beginning of the reporting period</b> | <b>At the end of the reporting period</b> | <b>A year ago (2012.06.30)</b>        | <b>Two years ago</b> |
|--|---|---|---------------------------------------|----------------------|
| <b>Net asset value (NAV)</b>                 | 6.569.545,14 NOK;<br>2.856.175,44 LTL           | 46.770.324,24 NOK;<br>20.333.866,17 LTL   | 2.994.225,58 NOK;<br>1.301.769,51 LTL | -                    |
| <b>Investment unit's (share's) value</b>     | 129,0072 NOK;<br>56,0872 LTL                    | 143,5056 NOK;<br>62,3905 LTL              | 131,5657 NOK;<br>57,1995 LTL          | -                    |
| <b>Current number of Fund units (shares)</b> | 50.923,86                                       | 325.912,87                                | 22.758,41                             | -                    |

**6. Number and value of distributed and redeemed investment units (shares):**

|                   | <b>Number of investment units (shares)</b> | <b>Value</b>                         |
|-------------------|--|--------------------------------------|
| Distributed units | 305.669,42                                 | 41.830.936,54 NOK; 18.186.417,97 LTL |
| Redeemed units    | 30.680,41                                  | 4.212.199,64 NOK; 1.831.295,91 LTL   |

### III. INDICATORS OF FUND EXPENSES AND TURNOVER

#### 7. Deductions:

| Deductions                                       | maximum, (set in Fund's documents)  | applied during the reporting period | accrued during the reporting period | % of the average value of the reporting period NAV |
|--|---|-------------------------------------|-------------------------------------|--|
| For management                                   |   |                                     | 323.670,87 NOK;<br>140.719,15 LTL   | 0,918%   |
| <i>fixed fee</i>                                 | 1,75% of the average annual NAV   |                                     | 302.245,88 NOK;<br>131.404,42 LTL   | 0,857%   |
|  | 0% of amount contributed by client, if it exceeds 100.000 NOK or 50.000 LTL (in other cases – 1%) |                                     | 21.424,99 NOK;<br>9.314,73 LTL      | 0,061%   |
| <i>success fee</i>                               | -   | -                                   | -                                   | -  |
| For custodian                                    | 0,2% of the average annual NAV, but not less than 200 LTL per month                               |                                     | 34.542,40 NOK;<br>15.017,65 LTL     | 0,098%   |
| For transactions                                 | 0,2% of a transaction value   |                                     | 124.035,29 NOK;<br>53.925,58 LTL    | 0,352%   |
| Other expenses:                                  |   |                                     |                                     |  |
| Internet banking fee (Swedbank Norway)           | 300 NOK per month   |                                     | 1.800,00 NOK;<br>782,57 LTL         | 0,005%   |
| Expenses included into Total Expense Ratio (TER) |   |                                     | 338.588,28 NOK;<br>147.204,64 LTL   | 0,960%   |
| Total amount of expenses                         |   |                                     | 484.048,56 NOK;<br>210.444,95 LTL   | <b>1,373%</b>                                      |

#### 8. Remuneration to brokers:

| Broker                 | Paid amount                          | Service   |
|------------------------|--------------------------------------|-----------|
| Swedbank, AB           | 44.696,64 NOK; 19.432,31 LTL         | Brokerage |
| Arctic Securities, ASA | 1.561,86 NOK ; 679,03 LTL            | Brokerage |
| Carnegie, ASA          | 18.423,68 NOK ; 8.009,88 LTL         | Brokerage |
| DnB Bank, ASA          | 4.769,98 NOK ; 2.073,80 LTL          | Brokerage |
| Netfonds Bank, ASA     | 15.279,01 NOK ; 6.642,70 LTL         | Brokerage |
| Norne Securities, ASA  | 14.605,32 NOK ; 6.349,81 LTL         | Brokerage |
| Pareto Securities, ASA | 20.145,00 NOK ; 8.758,24 LTL         | Brokerage |
| SpareBank, ASA         | 4.553,79 NOK ; 1.979,81 LTL          | Brokerage |
| TOTAL                  | <b>124.035,29 NOK; 53.925,58 LTL</b> |           |

#### 9. Information about all agreements on payments division and hidden commissions.

There are no such agreements.

**10. An example of deductions influence on investment returns.** Provide calculations of deductions from Fund's participant contributions at the current level of deductions, and the amount recovered in 1, 3, 5, 10 years, if you invest 10,000 LTL and the annual return on investment is 5 percent (**presented only in yearly reports**).

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#### IV. INFORMATION ABOUT FUND'S FINANCIAL INSTRUMENTS PORTFOLIO

##### 11. Portfolio composition at the end of the reporting period:

|          | Issuer title  | Country | ISIN         | Currency | Quantity | Nominal value              | Total purchase value                  | Total market value                    | Interest rate % | Source for market value (web page)  | Share of the issuer, % | Share in net assets, % |
|----------|---|---------|--------------|----------|----------|----------------------------|---------------------------------------|---------------------------------------|-----------------|---|------------------------|------------------------|
| <b>1</b> | <b>Equities</b>                                     |         | ISIN         |          |          |                            |                                       |                                       |                 |   |                        |                        |
| 1.1      | Listed in the official (or equivalent) trading list |         |              |          |          |                            |                                       |                                       |                 |   |                        |                        |
|          | Aker Solutions                                      | NO      | NO0010215684 | NOK      | 11009    | 1,66 NOK;<br>0,72 LTL      | 914.687,16 NOK;<br>397.669,39 LTL     | 909.893,85 NOK;<br>395.585,45 LTL     |                 | <a href="http://www.oslobors.no">http://www.oslobors.no</a>                 | 0,00402%               |                        |
|          | Archer Ltd.   | NO      | BMG0451H1097 | NOK      | 187331   | 6,09 NOK;<br>2,65 LTL      | 1.233.641,61 NOK;<br>536.338,03 LTL   | 706.237,87 NOK;<br>307.043,98 LTL     |                 | <a href="http://www.oslobors.no">http://www.oslobors.no</a>                 | 0,03235%               |                        |
|          | Atlas Copco AB ser. B                               | SE      | SE0000122467 | SEK      | 3748     | -                          | 565.308,75 NOK;<br>245.773,63 LTL     | 488.098,41 NOK;<br>212.205,66 LTL     |                 | <a href="http://www.nasdaqomxnordic.com">http://www.nasdaqomxnordic.com</a> | 0,00096%               |                        |
|          | Det norske oljeselskap                              | NO      | NO0010295603 | NOK      | 11815    | 1,00 NOK;<br>0,43 LTL      | 1.124.938,48 NOK;<br>489.078,25 LTL   | 984.189,50 NOK;<br>427.886,23 LTL     |                 | <a href="http://www.oslobors.no">http://www.oslobors.no</a>                 | 0,00840%               |                        |
|          | Fiskars OYJ Abp                                     | FIN     | FI0009000400 | EUR      | 2445     | -                          | 366.003,31 NOK;<br>159.123,60 LTL     | 333.792,51 NOK;<br>145.119,63 LTL     |                 | <a href="http://www.nasdaqomxnordic.com">http://www.nasdaqomxnordic.com</a> | 0,00298%               |                        |
|          | Fortum Oyj  | FIN     | FI0009007132 | EUR      | 3379     | 27,00 NOK<br>11,74 LTL     | 364.359,29 NOK;<br>158.408,84 LTL     | 386.431,51 NOK;<br>168.004,96 LTL     |                 | <a href="http://www.nasdaqomxnordic.com">http://www.nasdaqomxnordic.com</a> | 0,00038%               |                        |
|          | Gunnebo   | SE      | SE0000195570 | SEK      | 17204    | 4,53 NOK;<br>1,97 LTL      | 393.693,66 NOK;<br>171.162,25 LTL     | 433.134,88 NOK;<br>188.309,72 LTL     |                 | <a href="http://www.nasdaqomxnordic.com">http://www.nasdaqomxnordic.com</a> | 0,02268%               |                        |
|          | H&M Hennes & Mauritz B                              | SE      | SE0000106270 | SEK      | 4198     | -                          | 908.359,31 NOK;<br>394.918,29 LTL     | 837.920,76 NOK;<br>364.294,43 LTL     |                 | <a href="http://www.nasdaqomxnordic.com">http://www.nasdaqomxnordic.com</a> | 0,00029%               |                        |
|          | Hafslund ser. A                                     | NO      | NO0004306408 | NOK      | 16717    | 1,00 NOK;<br>0,43 LTL      | 888.017,38 NOK;<br>386.074,43 LTL     | 785.699,00 NOK;<br>341.590,50 LTL     |                 | <a href="http://www.oslobors.no">http://www.oslobors.no</a>                 | 0,01448%               |                        |
|          | Hafslund ser. B                                     | NO      | NO0004306416 | NOK      | 21205    | 1,00 NOK;<br>0,43 LTL      | 1.114.101,15 NOK;<br>484.366,62 LTL   | 996.635,00 NOK;<br>433.297,03 LTL     |                 | <a href="http://www.oslobors.no">http://www.oslobors.no</a>                 | 0,02659%               |                        |
|          | Helgeland Sparebank                                 | NO      | NO0010029804 | NOK      | 69270    | 50,00NOK;<br>21,74LTL      | 2.747.842,08 NOK;<br>1.194.651,82 LTL | 2.507.574,00 NOK;<br>1.090.192,87 LTL |                 | <a href="http://www.oslobors.no">http://www.oslobors.no</a>                 | 0,37043%               |                        |
|          | Holmen B  | SE      | SE0000109290 | SEK      | 3152     | 45,28<br>NOK;<br>19,69 LTL | 555.750,86 NOK;<br>241.618,24 LTL     | 515.243,29 NOK;<br>224.007,17 LTL     |                 | <a href="http://www.nasdaqomxnordic.com">http://www.nasdaqomxnordic.com</a> | 0,00507%               |                        |



|          |   |                   |               |     |  |  |   |   |                  |  |  |                 |
|----------|---|-------------------|---------------|-----|--|--|---|---|------------------|--|--|-----------------|
|          | markets   |                   |               |     |  |  |   |   |                  |  |  |                 |
| 1.4      | newly issued securities   |                   |               |     |  |  |   |   |                  |  |  |                 |
|          | TOTAL EQUITIES  |                   |               |     |  |  | <b>28.250.824,59 NOK;<br/>12.282.328,50 LTL</b> | <b>26.413.764,85 NOK;<br/>11.483.648,41 LTL</b> |                  |  |  | <b>56,39%</b>   |
| <b>2</b> | Non-equity securities   |                   |               |     |  |  |   |   |                  |  |  |                 |
| 2.1      | Listed in the official (or equivalent) trading list             |                   |               |     |  |  |   |   |                  |  |  |                 |
| 2.2      | Listed in the additional (or equivalent) trading list           |                   |               |     |  |  |   |   |                  |  |  |                 |
| 2.3      | traded in other regulated markets                               |                   |               |     |  |  |   |   |                  |  |  |                 |
| 2.4      | newly issued  |                   |               |     |  |  |   |   |                  |  |  |                 |
|          | TOTAL (NON-EQUITY SECURITIES)                                   |                   |               |     |  |  | <b>0</b>  | <b>0</b>  |                  |  |  |                 |
| <b>3</b> | Units (shares) of collective investment undertakings            |                   |               |     |  |  |   |   |                  |  |  |                 |
|          | Total   |                   |               |     |  |  | <b>0</b>  | <b>0</b>  |                  |  |  |                 |
| <b>4</b> | Money market instruments  |                   |               |     |  |  |   |   |                  |  |  |                 |
|          | Total   |                   |               |     |  |  | <b>0</b>  | <b>0</b>  |                  |  |  |                 |
| <b>5</b> | Deposits with credit institutions (Swedbank)                    | <b>LT</b>         | Term-deposits | NOK |  |  |   | 18.015.035,95 NOK;<br>7.832.217,03 LTL          | 0,92%;<br>1%; 2% |  |  | <b>38,46%</b>   |
|          | Total   |                   |               |     |  |  |   | <b>18.015.035,95 NOK;<br/>7.832.217,03 LTL</b>  |                  |  |  |                 |
| <b>6</b> | Derivatives   |                   |               |     |  |  |   |   |                  |  |  |                 |
|          | Total   |                   |               |     |  |  |   | <b>0</b>  |                  |  |  |                 |
| <b>7</b> | Cash  |                   |               |     |  |  |   |   |                  |  |  |                 |
|          | "Swedbank", AB  | <b>LT</b>         |               | NOK |  |  |   | 9.443.997,86 NOK;<br>4.105.872,51 LTL           | 0                |  |  |                 |
|          | <b>TOTAL (CASH)</b>   |                   |               |     |  |  |   | <b>9.443.997,86 NOK;<br/>4.105.872,51 LTL</b>   |                  |  |  | <b>20,16%</b>   |
| <b>8</b> | Other instruments unforeseen in the Law of CUI article 57 part1 | Brief description |               |     |  |  | Total value                                     |   | Purpose          |  |  |                 |
|          | Payables  |                   |               |     |  |  |   | -7.032.327,16 NOK; -<br>3.057.374,56 LTL        |                  |  |  |                 |
|          | <b>TOTAL (OTHER)</b>  |                   |               |     |  |  |   | <b>-7.032.327,16 NOK;<br/>-3.057.374,56 LTL</b> |                  |  |  | <b>-15,01%</b>  |
| <b>9</b> | <b>TOTAL</b>  |                   |               |     |  |  |   | <b>46.840.471,51 NOK;<br/>20.364.363,39 LTL</b> |                  |  |  | <b>100,00 %</b> |

**12. Investment allocation according to the criteria of the investment strategy:**

| Investment allocation                  | At the end of the reporting period          |                    | In the beginning of the reporting period  |                    |
|--|---|--------------------|---|--------------------|
|  | Market value                                | Share in assets, % | Market value                              | Share in assets, % |
| <b>According to investment objects</b> |   |                    |   |                    |
| Equities                               | 26.413.764,85 NOK; 11.483.648,41 LTL        | 56,39%             | 4.594.601,97 NOK; 2.147.241,28 LTL        | 69,81%             |
| Debt securities                        | 0,00 NOK; 0,00 LTL                          | 0,00%              | 0,00 NOK; 0,00 LTL                        | 0,00%              |
| Term-deposits                          | 18.000.000,00 NOK; 7.825.680,00 LTL         | 38,44%             | 1.001.015,89 NOK; 467.814,77 LTL          | 15,21%             |
| <b>Total</b>                           | <b>44.413.764,85 NOK; 19.309.328,41 LTL</b> | <b>94,83%</b>      | <b>5.595.617,86 NOK; 2.615.056,05 LTL</b> | <b>85,02%</b>      |
| <b>According to sectors</b>            |   |                    |   |                    |
| Energy                                 | 9.282.380,62 NOK; 4.035.607,80 LTL          | 19,82%             | 1.100.977,82 NOK; 514.530,97 LTL          | 16,73%             |
| Materials                              | 515.243,29 NOK; 224.007,17 LTL              | 1,10%              | 862.240,12 NOK; 402.959,30 LTL            | 13,10%             |
| Industrials                            | 5.531.124,38 NOK; 2.404.711,64 LTL          | 11,81%             | 1.226.915,84 NOK; 573.386,85 LTL          | 18,64%             |
| Casual consumer discretionary          | 3.135.723,74 NOK; 1.363.287,25 LTL          | 6,69%              | 346.497,89 NOK; 161.932,32 LTL            | 5,26%              |
| Consumer discretionary                 | 0,00 NOK; 0,00 LTL                          | 0,00%              | 0,00 NOK; 0,00 LTL                        | 0,00%              |
| Healthcare                             | 0,00 NOK; 0,00 LTL                          | 0,00%              | 132.761,41 NOK; 62.044,72 LTL             | 2,02%              |
| Financials                             | 3.353.351,36 NOK; 1.457.903,04 LTL          | 7,16%              | 503.173,22 NOK; 235.152,97 LTL            | 7,65%              |
| Information Technology                 | 468.676,14 NOK; 203.761,64 LTL              | 1,00%              | 422.035,67 NOK; 197.234,15 LTL            | 6,41%              |
| Telecommunication services             | 1.958.499,81 NOK; 851.477,38 LTL            | 4,18%              | 0,00 NOK; 0,00 LTL                        | 0,00%              |
| Utilities                              | 2.168.765,51 NOK; 942.892,49 LTL            | 4,63%              | 0,00 NOK; 0,00 LTL                        | 0,00%              |
| Other                                  | 0,00 NOK; 0,00 LTL                          | 0,00%              | 0,00 NOK; 0,00 LTL                        | 0,00%              |
| <b>Total</b>                           | <b>26.413.764,85 NOK; 11.483.648,41 LTL</b> | <b>56,39%</b>      | <b>4.594.601,97 NOK; 2.147.241,28 LTL</b> | <b>69,81%</b>      |
| <b>According to geographical area</b>  |   |                    |   |                    |
| Norway                                 | 15.624.225,12 NOK; 6.792.788,11 LTL         | 33,36%             | 2.270.503,93 NOK; 1.061.097,31 LTL        | 34,50%             |
| Sweden                                 | 9.252.765,05 NOK; 4.022.732,13 LTL          | 19,75%             | 1.362.023,32 NOK; 636.527,98 LTL          | 20,70%             |
| Denmark                                | 0,00 NOK; 0,00 LTL                          | 0,00%              | 453.658,17 NOK; 212.012,61 LTL            | 6,89%              |
| Finland                                | 1.536.774,68 NOK; 668.128,16 LTL            | 3,28%              | 508.416,55 NOK; 237.603,39 LTL            | 7,73%              |
| <b>Total</b>                           | <b>26.413.764,85 NOK; 11.483.648,41 LTL</b> | <b>56,39%</b>      | <b>4.594.601,97 NOK; 2.147.241,28 LTL</b> | <b>69,81%</b>      |

**13. Transactions of derivatives executed during the reporting period, except indicated in paragraph 11.**

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**14. Types, risks, quantitative limits and methods for risk assessment of derivatives indicated in paragraph 11.**

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**15. Total value of derivatives' liabilities (at the end of the reporting period).**

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**16. Further information related to risk amount of derivatives.**

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**17. How the existing investment portfolio matches/does not match to Fund's investment strategy (investment trends, investment specialization, geographical area, etc.).**

The Fund's investment portfolio matches Fund's investment strategy. In accordance with the Fund's strategy the portfolio was complemented with shares of companies in which the related persons have increased their existing positions. The investment portfolio also matched with the geographic area restrictions (Norway, Sweden, Denmark and Finland).

**18. Factors which had the significant impact on the investment portfolio structure and its value changes during the reporting period.**

The main factor that determined Fund's portfolio structure in the first half of the year 2013 was Fund's strategy, according to which we follow insiders who increase their holdings in respective companies. At the end of the first half of the year 2013, Fund's NAV exceeded 46 million NOK. More attention was given to large-cap companies. This has contributed to lower volatility compared to 2012.

## V. INVESTMENT RETURNS AND RISK INDICATORS

This information is not provided in half-year reports.

## VI. FINANCIAL STATUS

**22. Financial reports prepared in accordance with laws and legislations of the Republic of Lithuania:**

**22.1. Statement of net assets:**

| No.       |   | Financial year 2013                             | Financial year 2012                           |
|-----------|---|---|---|
| <b>A.</b> | <b>ASSETS</b>   | <b>53.872.798,67 NOK;<br/>23.421.737,95 LTL</b> | <b>3.005.325,49 NOK;<br/>1.376.709,55 LTL</b> |
| I.        | CASH  | 9.443.997,87 NOK;<br>4.105.872,51 LTL           | 391.333,10 NOK;<br>179.264,78 LTL             |
| II.       | TERM DEPOSITS   | 18.000.000,00 NOK;<br>7.825.680,00 LTL          | 0,00 NOK; 0,00 LTL                            |
| III.      | MONEY MARKET INSTRUMENTS                              | 0,00 NOK; 0,00 LTL                              | 0,00 NOK; 0,00 LTL                            |
| IV.       | TRANSFERABLE SECURITIES                               | 0,00 NOK; 0,00 LTL                              | 0,00 NOK; 0,00 LTL                            |
| IV.1.     | Non-equity securities                                 | 0,00 NOK; 0,00 LTL                              | 0,00 NOK; 0,00 LTL                            |
| IV.1.1.   | Governments' and central banks' non-equity securities | 0,00 NOK; 0,00 LTL                              | 0,00 NOK; 0,00 LTL                            |
| IV.1.2.   | Other non-equity securities                           | 0,00 NOK; 0,00 LTL                              | 0,00 NOK; 0,00 LTL                            |

|           |  |   |   |
|-----------|--|---|---|
| IV.2.     | Equity securities  | 0,00 NOK; 0,00 LTL                                  | 0,00 NOK; 0,00 LTL                                  |
| IV.3.     | Other funds' units and shares                                | 0,00 NOK; 0,00 LTL                                  | 0,00 NOK; 0,00 LTL                                  |
| V.        | ACCOUNTS RECEIVABLE  | 26.413.764,85 NOK;<br>11.483.648,41 LTL             | 2.613.992,39 NOK;<br>1.197.443,77 LTL               |
| V.1.      | Receivablom sales of investment                              | 0,00 NOK; 0,00 LTL                                  | 0,00 NOK; 0,00 LTL                                  |
| V.2.      | Other receivables  | 15.035,95 NOK;<br>6.537,03 LTL                      | 0,00 NOK; 0,00 LTL                                  |
| VI.       | INVESTMENTS AND OTHER ASSETS                                 | 0,00 NOK; 0,00 LTL                                  | 0,00 NOK; 0,00 LTL                                  |
| <b>B.</b> | <b>LIABILITIES</b>   | 15.035,95 NOK;<br>6.537,03 LTL                      | 0,00 NOK; 0,00 LTL                                  |
| I.        | Liabilities of financial and investment asset purchases      | 0,00 NOK; 0,00 LTL                                  | 0,00 NOK; 0,00 LTL                                  |
| II.       | Liabilities to credit institutions                           | 0,00 NOK; 0,00 LTL                                  | 0,00 NOK; 0,00 LTL                                  |
| III.      | Liabilities from derivative contracts                        | 0,00 NOK; 0,00 LTL                                  | 0,00 NOK; 0,00 LTL                                  |
| VI.       | Accounts payable to the management company and the custodian | 0,00 NOK; 0,00 LTL                                  | 0,00 NOK; 0,00 LTL                                  |
| V.        | Other payables and liabilities (e-bank costs)                | <b>7.102.474,43 NOK;</b><br><b>3.087.871,78 LTL</b> | <b>3.005.325,49 NOK;</b><br><b>1.376.709,55 LTL</b> |
| <b>C.</b> | <b>NET ASSETS (A-B)</b>                                      | 0,00 NOK; 0,00 LTL                                  | 0,00 NOK; 0,00 LTL                                  |

## 22.2. Statement of changes in net assets:

| No.         |   | Financial year 2013                                   | Financial year 2012                                 |
|-------------|---|---|---|
| <b>I.</b>   | <b>NET ASSET VALUE AT THE BEGINNING OF THE PERIOD</b> | <b>6.569.545,14 NOK;</b><br><b>2.856.175,44 LTL</b>   | <b>0,00 NOK; 0,00 LTL</b>                           |
| <b>II.</b>  | <b>INCREASES IN NET ASSET VALUE</b>                   |   |   |
| II.1.       | Contributions from Fund participants                  | 41.830.936,54 NOK;<br>18.186.417,97 LTL               | 2.759.097,86 NOK;<br>1.263.915,14 LTL               |
| II.2.       | Amounts received from other funds                     | 0,00 NOK; 0,00 LTL                                    | 0,00 NOK; 0,00 LTL                                  |
| II.3.       | Margin  | 0,00 NOK; 0,00 LTL                                    | 0,00 NOK; 0,00 LTL                                  |
| II.4.       | Interest income                                       | 35.446,06 NOK;<br>15.410,53 LTL                       | 0,00 NOK; 0,00 LTL                                  |
| II.5.       | Dividends   | 782.322,66 NOK;<br>340.122,60 LTL                     | 6.375,00 NOK;<br>2.920,32 LTL                       |
| II.6.       | Gains from change in value of invesments and sales    | 3.676.642,49 NOK;<br>1.598.457,09 LTL                 | 611.251,12 NOK;<br>280.008,03 LTL                   |
| II.7.       | Gains from changes in foreign exchange rates          | 677.331,79 NOK;<br>294.476,77 LTL                     | 4.392,19 NOK;<br>2.012,02 LTL                       |
| II.8.       | Gains from derivative transactions                    | 0,00 NOK; 0,00 LTL                                    | 0,00 NOK; 0,00 LTL                                  |
| II.9.       | Other increase in net asset value                     | 113,61 NOK; 49,39 LTL                                 | 0,00 NOK; 0,00 LTL                                  |
|             | <b>TOTAL:</b>   | <b>47.002.793,15 NOK;</b><br><b>20.434.934,35 LTL</b> | <b>3.381.116,17 NOK;</b><br><b>1.548.855,51 LTL</b> |
| <b>III.</b> | <b>DECREASE IN NET ASSET VALUE</b>                    |   |   |
| III.1.      | Payments to Fund participants                         | 4.212.199,64 NOK;<br>1.831.295,91 LTL                 | 0,00 NOK; 0,00 LTL                                  |
| III.2.      | Payments to other funds                               | 0,00 NOK; 0,00 LTL                                    | 0,00 NOK; 0,00 LTL                                  |
| III.3.      | Losses from change in value of invesments and sales   | 2.047.334,18 NOK;<br>890.099,01 LTL                   | 333.090,68 NOK;<br>152.585,51 LTL                   |
| III.4.      | Losses from changes in foreign exchange rates         | 58.431,67 NOK;<br>25.403,75 LTL                       | 2.616,78 NOK;<br>1.198,72 LTL                       |

|            |   |   |   |
|------------|---|---|---|
| III.5.     | Losses from derivative transactions             | 0,00 NOK; 0,00 LTL                              | 0,00 NOK; 0,00 LTL                            |
| III.6.     | Management costs:                               | 484.048,56 NOK;<br>210.444,95 LTL               | 0,00 NOK; 0,00 LTL                            |
| III.6.1.   | Remuneration to the management company          | 323.670,87 NOK;<br>140.719,15 LTL               | 14.725,66 NOK;<br>6.745,68 LTL                |
| III.6.2.   | Remuneration to the depository                  | 34.542,40 NOK;<br>15.017,65 LTL                 | 2.217,96 NOK;<br>1.016,03 LTL                 |
| III.6.3.   | Remuneration to brokers                         | 124.035,29 NOK;<br>53.925,58 LTL                | 27.014,13 NOK;<br>12.374,90 LTL               |
| III.6.4.   | Audit costs                                     | 0,00 NOK; 0,00 LTL                              | 6.255,51 NOK;<br>2.865,59 LTL                 |
| III.6.5.   | Other costs (e-bank costs)                      | 1.800,00 NOK; 782,57 LTL                        | 969,88 NOK; 444,29 LTL                        |
| III.7.     | Other loss in net asset value                   | 0,00 NOK; 0,00 LTL                              | 0,00 NOK; 0,00 LTL                            |
| III.8.     | Cost reimbursement (-)                          | 0,00 NOK; 0,00 LTL                              | 0,00 NOK; 0,00 LTL                            |
| III.9.     | Distribution of profit                          | 0,00 NOK; 0,00 LTL                              | 0,00 NOK; 0,00 LTL                            |
|            | <b>TOTAL:</b>                                   | <b>6.802.014,04 NOK;<br/>2.957.243,63 LTL</b>   | <b>386.890,59 NOK;<br/>177.230,71 LTL</b>     |
| <b>IV.</b> | <b>NET ASSET VALUE IN THE END OF THE PERIOD</b> | <b>46.770.324,24 NOK;<br/>20.333.866,17 LTL</b> | <b>2.994.225,58 NOK;<br/>1.371.624,79 LTL</b> |

## 22.3. Explanatory notes

### General information about “Dovre Inside Nordic” fund

“Dovre Inside Nordic” (hereafter – “Fund”) is a harmonized collective investment undertaking. It was established on 24 November 2011 and is managed by Dovre Forvaltning UAB.

Operation period of the Fund is indefinite.

Management Company - Dovre Forvaltning UAB, c.c. 302589746, address Konstitucijos 7, Vilnius.

Custodian, that protects the assets of the Fund, – Swedbank AB, cc 112029651, address Konstitucijos 20A, Vilnius.

Audit company – Deloitte Lietuva UAB, c.c. 111525235, address Jogailos str. 4, Vilnius.

Reporting period – 1 January 2013 – 30 June 2013.

The Fund has no employees.

The management fee - 1,75 % of Fund's average annual net assets value (NAV).

### Investment policy and portfolio composition

The Fund is an actively managed mutual fund whose purpose - to achieve returns on investment greater than the ones of the chosen benchmark index by investing in attractive companies situated in Nordic countries (Denmark, Norway, Sweden, Finland). The main method for chosen in which companies to invest is by tracking related persons\* transactions. It is believed that related persons have the advantage of information that is revealed by their transactions (of which the public stock exchanges inform).

To indicate which sector's or what size companies related persons will do most transactions is practically impossible, therefore, in implementing this strategy large fluctuations in net assets are possible.

It is likely that the Fund's resources will be invested mainly in shares, but the Fund may also invest in varying lengths and different grade companies' debt securities and derivative financial instruments to

manage currency risk (derivatives are used to compensate for the change in the Fund's assets due to exchange rate fluctuations. Using derivatives to manage currency risk may cause interest rate and counterparty risk). In order to ensure liquidity, the Fund will keep cash position, which can be invested in short-term highly liquid money market instruments: deposits, short-term government securities, money market funds. The Fund does not set limits for individual regions or sectors; therefore, there may be periods when the risk increases with certain narrow asset classes, industry sectors and geographical distribution.

The Fund's investments are based on both strategic and tactical asset allocation techniques in order to increase the portfolio gains. The Fund manager, having regard to the market situation, economic and political risks, may at his discretion decide what part of the Fund's assets must be invested in equities. In cases where the market situation seems particularly unfavorable for equities, the Fund may be up to 100 percent invested into cash, deposits, money market instruments, short-term government securities or money market funds

The Fund does not invest more than 35 percent. of net assets in transferable securities or money market instruments issued or guaranteed by the Republic of Lithuania and European Union member states, their municipalities, other countries or international organizations with at least one European Union country.

*\* Related person - a natural person working for the company, including CEO, partners, or any other persons holding an analogous situation, or persons, directly or indirectly related to the company control. As well as persons who have close relationship with the company's related parties, or there is reason to believe that such persons have a close relationship with the company's related parties.*

The Fund does not invest primarily in not transferable securities or money market instruments.

List of financial instruments in which the Fund invests / can invest is stated in the Fund's full prospectus (paragraph 27).

### **Benchmarking:**

| <b>Benchmark component parts</b><br><i>(used up to 2013.02.26)</i> | <b>Index name</b>                              |
|--|--|
| 40 %   | Oslo Børs Benchmark index                      |
| 5 %  | OMX Stockholm Benchmark Cap GI                 |
| 10 %   | OMX Copenhagen Benchmark Cap GI                |
| 5 %  | OMX Helsinki Benchmark Cap GI                  |
| 40 %   | Norway Government Bond Index 0.25 years (ST1X) |

| <b>Benchmark component parts</b><br><i>(used from 2013.02.26)</i> | <b>Index name</b>                              |
|---|--|
| 15 %  | Oslo Børs Benchmark index                      |
| 25 %  | OMX Stockholm Benchmark Cap GI                 |
| 10 %  | OMX Copenhagen Benchmark Cap GI                |
| 10 %  | OMX Helsinki Benchmark Cap GI                  |
| 40 %  | Norway Government Bond Index 0.25 years (ST1X) |

NASDAQ OMX index calculation methodology detailed information is available on NASDAQ OMX's website <http://www.nasdaqomxnordic.com>, the column indices. Oslo Børs index calculation methodology details are available on web page <http://www.oslobors.no>, the column indices. Selected indexes consist of all industry and service sectors and liquidity of the market capitalization of companies with shares of the stock. Benchmark's currency is NOK.

## ACCOUNTING POLICY

The financial statements have been prepared in accordance with the Lithuanian Business Accounting Standards, Collective Investment Undertakings and Accounting laws, Net asset value calculation methods and other by-laws approved by the Government of the Republic of Lithuania.

### **Below are the basic accounting principles.**

#### Functional and presentation currency

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which the Fund operates (the 'functional currency'). The functional currency of the Fund is the Norwegian krone (NOK) as it mainly influences sale and purchase prices of the securities and major part of Fund's participants reside in Norway. The management uses the NOK to manage business risks and exposures and to measure performance of the business.

The financial statements of the Fund, prepared in Norwegian krone, the functional currency of the Fund, are translated to the presentation currency, Lithuanian Litas by using period end exchange rate for translation of assets and liabilities and average exchange rate for the year for translation of income and expenses (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at rates prevailing at the dates of the transactions). All resulting exchange differences are recognized as cumulative translation adjustments in other comprehensive income.

Principles of recognition for increase and decreases in assets – Fund's assets increase or decrease in value due to changes of stock prices and exchange rates. Increase in assets is recognized by getting: new contributions, investment income from sales, interest on securities, investment income and gains of foreign exchange rate changes.

A decrease in assets is recognized by making possible deductions: payment of asset management fee, the redemption payments. A decrease in asset value is caused by realized losses, unrealized losses and by negative changes in exchange rates.

Rules for deductions to the management company and the custodian - from the assets of the Fund only those deductions are carried out that are related to management of the Fund and described in the Fund Rules. The amount may not exceed the size stated in the Fund Rules. All other expenses that are not mentioned in the Rules of the Fund or exceed the limits stated in the Rules are covered by the management company.

#### Investment valuation methods:

*Instruments' traded on regulated markets*, fair value is determined by the market's publicly announced closing price on the valuation date (submitted by news agency Bloomberg, FactSet, Reuters and so on).

*Derivative financial instruments* are valued: According to the latest market value of a similar instrument. Assessment of these instruments is based on information from the financial markets. Forward and swap transactions are valued using the following formula: Value of a derivative financial instrument = payables from derivative financial instrument (current value) - (minus) receivables from the derivative financial instrument (current value).

*Term deposits* with banks are valued by face value / amortized cost value method.

*Cash and balances with credit institutions* are valued at face value.

*Dividends* on equity securities of companies in the Fund's assets are accounted on an accrual basis on the date of publication of a dividend. The date of dividend announcement is considered to be when such information is published in the stock exchange websites or when this information is presented by the Custodian. If the amount of dividends received does not match the company's general shareholders' meeting approved dividends, the Fund's NAV is accordingly adjusted on the business day on which the dividends are received. The resulting difference is recorded as investment gain or losses.

*Money market instruments* with a maturity or the remaining maturity of less than 397 days, or instruments whose yield is regularly adjusted at least every 397 days, or instruments which have very similar risks, including credit and interest rate risk, to those financial instruments with maturities and yields mentioned above are measured using amortized cost method.

*Instruments', traded on regulated markets and multilateral trading systems*, fair value is determined by the mid-market price or the closing price on the multilateral system of trade in which these instruments tend to have more liquidity, regularity and frequency (these characteristics are best described by the average volume and the average number of trades during the past 12 months).

*Instruments', traded only on the multilateral trading system*, fair value is determined by the mid-market price or the closing price on the multilateral trading system in which trading in these instruments tends to have more liquidity, regularity and frequency (these characteristics are best described by the average volume and the average number of trades during the past 12 months).

The frequency of investment valuation– evaluation of investments is done when calculating net asset value which is carried out every day.

Realized and unrealized gain/loss in investments – in the statement of changes in net asset the realized gain/loss is calculated as the difference between the selling price and the price at the start of the reporting period or the purchase price if the purchase has taken place within the reporting period. Unrealized gains are calculated as the difference in the price of securities at the start and at the end of the reporting period or the purchase price and the price at the end of the reporting period if the securities were purchased during the reported period.

Rules for determining the price of fund units – The net asset value of the Fund and the price of Fund units is determined daily. The net asset value is determined using the methods described in methodology for calculating net asset value. The price of Fund units is determined dividing the net asset value by the number of shares. The price and the number of Fund units is determined to four decimal places.

Cash and cash equivalents – Cash in the bank account and cash equivalents. Cash equivalents are considered to be short term (up to three months) liquid investments that can be quickly converted into cash and their risk of price variation is insignificant. Equity investments are not considered to be cash equivalents.

Effective interest rate method – a method for determining the amortized purchasing price and for the distribution of interest income to a specific period. Effective interest rate is an interest rate that discounts future cash-flows to the price of the financial instrument during the tenure of the instrument or if necessary for a shorter period.

### **Below are the basic calculation principles of Net asset value (NAV) and Fund unit value**

Fund NAV is calculated each day according to the supervisory authority approved NAV calculation methodology and Management company's NAV calculation procedures. Calculation of NAV includes calculations of value of assets and value of liabilities. The difference between the calculated assets and the liabilities value comprises the net asset value of the Fund (NAV).

Liabilities are calculated according to business accounting standards. Liabilities (or portions thereof) are debited only when they disappear, i.e. when the contract obligations are met, canceled or expired. Assets (or part thereof) are debited only when the rights are enforced to the property (or part thereof), when the rights expire or when the rights are passed.

When calculating net assets denominated in foreign currency, the value of the assets and liabilities is determined according to the Bank of Lithuania official currency exchange rate of the valued currency and NOK valid on valuation date.

Fund NAV is calculated to four decimal places rounded according to the mathematical rules of rounding. The current day's NAV is calculated till 12.00 hrs on the next working day. Day's NAV calculations include those transactions that were concluded prior to the date of NAV calculation 24 hrs. The Fund unit value is determined each business day by dividing the NAV by the total number of circulating Fund units. The Fund unit value is calculated to four decimal places rounded according to mathematical rules of rounding.

### **Financial risk**

Risk factors associated with acquisition of units: investors should note that the Fund's unit value can either increase or decrease and investors may receive less than invested. The past returns on investment do not guarantee the same returns will be achieved in the future.

Risk factors associated with investing in securities:

#### Specific risk

Specific risk – risk that the prices of securities, that are in the Fund's investment portfolio, will change due to risk factors relating to the issuer of the securities. To reduce this risk, the Fund's investment portfolio will be diversified among different issuers of securities, which are active in different regions and industries.

#### Market liquidity risk

Under exceptional circumstances for markets or when there is a need for the Fund to sell a large quantity of securities due to lack of market liquidity the Fund may incur losses. When making investment decisions security's liquidity will be taken into account.

#### Market volatility risk

Fluctuations in the market risk - the risk that affects constant stock price volatility in the market (the prices may rise and fall). There are many factors that determine the overall market volatility: the macroeconomic environment, sentiment, political events, expectations for the future, natural disasters and more. The Fund will seek to reduce the risk by diversifying the portfolio.

#### Fund operational risk

There is a risk that if there is a sharp rise in redemption applications of Fund units, the Fund will be unable to pay the members of the Fund for the units redeemed. To reduce this risk, the Fund will invest as much as possible in liquid securities. Also part of the Fund assets will be kept as cash or cash equivalents.

#### Exchange rate fluctuations

There is a risk that the value of investments will be reduced by the unfavorable exchange rate changes, which are not directly related to the Fund securities' results. The Fund has not established any upper or lower limits on investments in the specific currency-denominated securities. The Fund may manage the risks by using derivative instruments (forward exchange transactions and currency options). Derivative financial instruments will be used to offset any adverse change in the Fund's assets due to exchange rate fluctuations.

#### Inflation risk

Real Fund growth may be lower due to inflation, in addition the inflation directly affects the interest rate changes, which may have an impact on Fund investment portfolio. Historically, investments in equity securities provide sufficient protection against inflation, so the Fund will seek to reduce this risk by investing primarily in equity securities. It should be noted that investment is made in the Nordic Europe region, which normally has low inflation rates, so this should not significantly affect the risk of the portfolio.

#### Interest rate risk

Change in interest rates can directly affect the Fund's portfolio securities values. Since the majority of Fund investment portfolio will consist of shares, the direct impact of this risk to the Fund's investment returns will be minimal. The Fund will not forecast and will not manage interest rate risk.

#### Counterparty and settlement risk

The risk of loss resulting from a counterparty failing to meet its financial obligations.

The Fund will seek to minimize risk through transactions only with reliable, excellent reputation financial institutions. Most of the Fund transactions will be conducted in accordance with the payment principle. The Fund's investment portfolio will be diversified in order to reduce positions of substantial influence on the entire investment portfolio, however, there is no guarantee that the Fund's portfolio value will grow.

#### Fund investment objective and investment policy risk

There is a risk that the chosen Fund strategy will not work as expected. There is no guarantee that Fund objectives will be achieved.

### **Chosen risk management methods**

In order to effectively manage the above mentioned risks, the Management Company will use the generally accepted risk management techniques (portfolio diversification, derivatives financial instruments, portfolio immunization, etc.).

Each risk's management methods are described above in the specific risk profile.

### **23. Full text of audit opinion**

-

**24. Information on Fund's operating income and expenses incurred during the reporting period:**

|             |  |   |
|-------------|--|---|
| <b>I.</b>   | <b>Income from investment activities</b>       |   |
| 1.          | <i>Income on interest</i>                      | -   |
| 2.          | <i>Realized gains on investments in:</i>       | 2.551.034,95 NOK; 1.109.087,96 LTL        |
| 2.1.        | equity securities                              | 2.551.034,95 NOK; 1.109.087,96 LTL        |
| 2.2.        | government's non-equity securities             | -   |
| 2.3.        | companies' non-equity securities               | -   |
| 2.4.        | financial instruments                          | -   |
| 2.5.        | derivative financial instruments               | -   |
| 2.6.        | other collective investment undertakings units | -   |
| 2.7.        | other  | -   |
| 3.          | <i>Unrealized gain (loss) from:</i>            | 439.137,29 NOK; 190.919,33 LTL            |
| 3.1.        | equity securities                              | 439.137,29 NOK; 190.919,33 LTL            |
| 3.2.        | government's non-equity securities             | -   |
| 3.3.        | companies' non-equity securities               | -   |
| 3.4.        | financial instruments                          | -   |
| 3.5.        | derivative financial instruments               | -   |
| 3.6.        | other collective investment undertakings units | -   |
| 3.7.        | other  | -   |
|             | <b>Total income</b>                            | <b>2.990.172,24 NOK; 1.300.007,28 LTL</b> |
| <b>II.</b>  | <b>Costs</b>                                   |   |
| 1.          | <i>Operating expenses:</i>                     |   |
| 1.1.        | deductions for management                      | 302.245,88 NOK; 131.404,42 LTL            |
| 1.2.        | deductions for custodian                       | 34.542,40 NOK; 15.017,65 LTL              |
| 1.3.        | payments to intermediaries                     | 124.035,29 NOK; 53.925,58 LTL             |
| 1.4.        | payments for audit                             | 0,00 NOK; 0,00 LTL                        |
| 1.5.        | other deductions and expenses                  | 1.800,00 NOK; 782,57 LTL                  |
| 2.          | <i>Other expenses (distribution fee)</i>       | 21.424,99 NOK; 9.314,73 LTL               |
|             | <b>Total costs</b>                             | <b>484.048,56 NOK; 210.444,95 LTL</b>     |
| <b>III.</b> | <b>Net income</b>                              | <b>2.506.123,68 NOK; 1.089.562,33 LTL</b> |
| <b>IV.</b>  | <b>Payments (dividends) to unit holders</b>    | -   |
| <b>V.</b>   | <b>Reinvested earnings</b>                     | -   |

**25. Other significant information about the Fund's financial situation. Factors and circumstances that have an impact on the collective investment undertaking's assets or liabilities.**

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**VII. INFORMATION ON DIVIDEND PAYMENT****26. Provide information on the charged and (or) paid dividends (half-yearly report - interim dividends after taxes), the period for which the dividends were paid, the payment date, the dividend amount per unit (share), and other relevant information.**

The Fund does not pay dividends.

**VIII. INFORMATION ABOUT BORROWED FUNDS****27. Collective investment undertaking's borrowed funds at the end of the reporting period:**

| No.   | Loan amount | Loan currency | Loan collection date | Maturity of the loan | The interest rate | Purpose of borrowing | Creditor | Borrowed funds compared with the fund's net assets, % |
|-------|-------------|---------------|----------------------|----------------------|-------------------|----------------------|----------|---|
|       | -           | -             | -                    | -                    | -                 | -                    | -        | -   |
|       | -           | -             | -                    | -                    | -                 | -                    | -        | -   |
| Total | 0           | 0             | 0                    | 0                    | 0                 | 0                    | 0        | 0   |

## IX. OTHER INFORMATION

**28. Notes, comments, pictorial and graphic material and other important information about the Fund for an investor to properly evaluate the changes in the entity's operations and results.**

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## X. RESPONSIBLE PERSONS

**29. Consultants, whose services were used in preparing this report, (brokerage firms, auditors, etc.) names (legal title), addresses, license numbers and business names.**

-

**30. Names, surnames, titles and workplaces of persons who prepared the report (if they are not employees of the Company).**

-

**31. Signatures of the director of the Management company and persons who prepared the report as confirmation that the information presented in this report is correct and there is no omission likely to have a significant impact on the values of the indicators:**

I, UAB „Dovre Forvaltning“ Deputy CEO Gytė Maleckaitė, certify that the information presented in this report is correct and there is no omission likely to have a significant impact on the values of the indicators:

\_\_\_\_\_

I, Fund's "Dovre Inside Nordic" accountant Eglė Jonaitytė, certify that the information presented in this report is correct and there is no omission likely to have a significant impact on the values of the indicators:

\_\_\_\_\_

**32. Persons responsible for the information provided in this report:**

**32.1. Names, surnames, titles and contact information of persons who prepared the report**

Gytė Maleckaitė, tel. +37052683461, fax. +37052683463, gm@dovreforvaltning.no.

Eglė Jonaitytė, tel. +37052683460, fax. +37052683463, ej@dovreforvaltning.no.

**32.2. Names, surnames and contact information of the consultants.**

Consultants' services were not used for preparation of this report.