



HARMONIZED COLLECTIVE  
INVESTMENT UNDERTAKING  
**DOVRE BALTIC SEA** MANAGED  
BY DOVRE FORVALTNING UAB

Financial statements for the period from 1st of January  
2017 to 30th of September 2017

## I. GENERAL INFORMATION

### 1. Subfund's information:

<b>Title</b>	Dovre Baltic Sea
<b>Legal form</b>	Subfund of Dovre Umbrella Fund type harmonized collective investment undertaking
<b>Code of Subfund</b>	F084
<b>Approve of Commission for establishment documents</b>	9 <sup>th</sup> or March, 2015

### 2. Reporting period

1<sup>st</sup> of January 2017– 30<sup>th</sup> of September 2017.

### 3. Information about management company:

<b>Title of management company</b>	Dovre Forvaltning, UAB, data is collected at Registry of Legal Entities
<b>Company's code</b>	302589746
<b>Address</b>	Konstitucijos av. 7, 09308, Vilnius, Lithuania
<b>Phone</b>	+370 526 83459
<b>Fax</b>	+370 526 83463
<b>Email</b>	info@dovreforvaltning.no
<b>Website</b>	www.dovreforvaltning.com
<b>Operating license no.</b>	VKĮ-018
<b>Manager</b>	Stig R. Myrseth

### 4. Custodian

<b>Title</b>	AB Swedbank bank
<b>Code</b>	1202965
<b>Address</b>	Konstitucijos av. 20A, 09321 Vilnius, Lithuania
<b>Phone</b>	+3705268422
<b>Fax</b>	+3705268417

**HARMONIZED COLLECTIVE INVESTMENT UNDERTAKING DOVRE BALTIC SEA  
MANAGED BY DOVRE FORVALTNING UAB**

Management company c.c. 302589746, address: Konstitucijos Ave. 7, LT09308 Vilnius

**II. NET ASSET VALUE, NUMBER OF UNITS**

**5. Number and value of net asset and Subfund's units:**

	At the beginning of reporting period (at 2017.01.01)		In the end of the reporting period (at 2017.06.30)		A year ago (2016.06.30)		Two years ago (2015.06.30)	
	NOK	EUR	NOK	EUR	NOK	EUR	NOK	EUR
<b>Net asset value (NAV)</b>	21.538.602,22	2.370.448,06	80.271.960,20	8.578.355,35	13.823.676,66	1.529.117,03	12.189.949,72	1.280.187,96
<b>Investment unit's (share's) value</b>	144,2190	15,8721	182,3368	19,4856	133,1944	14,7334	151,1860	15,8775
<b>Current number of Subfund units (shares)</b>	149.346,4701		440.239,9970		103.785,7392		80.628,8291	

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

	Number of investment units (shares)	Value, NOK	Value, EUR
Distributed units	327.304,0587	55.036.669,62	5.976.119,95
Redeemed units	36.389,7301	5.931.655,61	649.705,42
Net value of distributed and redeemed units	290.914,3286	49.105.014,01	5.326.414,53

**III. DEDUCTIONS AND REVENUE RATIOS**

**7. Deductions from collective investment undertaking by asset type, amount, per cent, general expenditure ratio, portfolio revenue ratio:**

Deductions	Amount of deductions		accrued during the reporting period		% of the average value of the reporting period NAV
	maximum, (set in Subfund's documents)	applied during the reporting period	NOK	EUR	
For management			1.484.438,63	159.535,06	2,95%
<i>fixed fee</i>	Management fee - 1,75% of annual NAV		660.480,05	71.218,92	1,31%
<i>subscription fee</i>	1-3 % , depends on invested amount		823.958,58	88.316,13	1,64%
For custodian	0,17% of annual NAV, but not less than 57,92 Eur per month		64.160,90	6.918,41	0,13%
For transactions	0,3% of a transaction value		72.302,46	7.831,98	0,14%
Other expenses:	Not more than 0,2% of Fund's average annual NAV		6.052,25	654,59	0,01%

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Total TER amount		724.640,95	78.137,33	1,44%
<b>Total</b>		<b>1.626.954,24</b>	<b>174.940,03</b>	<b>3,23%</b>

**8. Deductions for brokers:**

Broker	Amount		Type of service
	NOK	EUR	
Swedbank	72.302,46	7.831,98	Commissions
<b>Total</b>	<b>72.302,46</b>	<b>7.831,98</b>	

**9. Information about existing agreement for distribution of payment, hidden commissions (their providers, value, type of items or services).**

There were no such agreements during the reporting period.

**10. Provide concrete illustrative example of influence on final investment return for investor.**

Information is provided only in annual report.

**IV INFORMATION ABOUT COLLECTIVE INVESTMENT UNDERTAKING'S  
INVESTMENT PORTFOLIO**

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

Information is not provided in quarter reports.

**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, %
	NOK	EUR		NOK	EUR	
<b>According to investment objects</b>						
Equities	70.606.538,25	7.779.648,98	86,93%	20.199.404,44	2.225.633,49	94,10%
<b>Total</b>	<b>70.606.538,25</b>	<b>7.545.448,92</b>	<b>86,93%</b>	<b>20.199.404,44</b>	<b>2.225.633,49</b>	<b>94,10%</b>
<b>According to sectors</b>						
Energy	20.463.218,78	2.254.701,38	25,19%	5.100.772,33	562.019,03	23,76%
Materials	5.688.675,19	626.796,01	7,00%	1.860.968,41	205.047,31	8,67%
Industrials	123.236,22	13.578,55	0,15%	112.444,17	12.389,45	0,52%
Casual consumer discretionary	11.921.468,83	1.313.544,68	14,68%	3.311.819,70	364.906,64	15,43%
Consumer discretionary	1.642.562,55	180.982,67	2,02%	1.137.678,08	125.352,93	5,30%
Healthcare	144.854,10	15.960,48	0,18%	119.559,87	13.173,48	0,56%
Financials	27.811.724,11	3.064.382,66	34,24%	7.629.390,34	840.630,06	35,54%
Information Technology	1.301.022,95	143.350,77	1,60%	385.540,05	42.480,01	1,80%
Telecommunication services	1.509.775,52	166.351,78	1,86%	541.231,49	59.634,58	2,52%
<b>Total</b>	<b>70.606.538,25</b>	<b>7.545.448,92</b>	<b>86,93%</b>	<b>20.199.404,44</b>	<b>2.225.633,49</b>	<b>94,10%</b>
<b>According to currencies</b>						
Euro	4.239.882,31	467.163,48	5,22%	3.339.242,53	367.928,17	15,56%

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Polish zloty	66.366.655,94	7.312.485,50	81,71%	16.860.161,91	1.857.705,32	78,54%
<b>Total</b>	<b>70.606.538,25</b>	<b>7.545.448,92</b>	<b>86,93%</b>	<b>20.199.404,44</b>	<b>2.225.633,49</b>	<b>94,10%</b>
<b>According to geographical area</b>						
Lithuania	2.724.233,76	300.164,59	3,35%	1.965.394,98	216.553,36	9,16%
Latvia	144.854,10	15.960,48	0,18%	119.559,87	13.173,48	0,56%
Estonia	1.370.794,45	151.038,42	1,69%	1.254.287,68	138.201,34	5,84%
Poland	66.366.655,94	7.312.485,50	81,71%	16.860.161,91	1.857.705,32	78,54%
<b>Total</b>	<b>70.606.538,25</b>	<b>7.779.648,98</b>	<b>86,93%</b>	<b>20.199.404,44</b>	<b>2.225.633,49</b>	<b>94,10%</b>
<b>According to other criteria</b>						
-						
<b>Total</b>	<b>70.606.538,25</b>	<b>7.779.648,98</b>	<b>86,93%</b>	<b>20.199.404,44</b>	<b>2.225.633,49</b>	<b>94,10%</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 Subfund's investment strategy (investment trends, investment specialization, geographical area, etc.).**

Allocation of portfolio fully comply with it's strategy. Detailed information is provided in paragraph number 12.

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

The main factor which influenced return of investment was market situation in equity markets.

## V. RETURN OF INVESTMENT

### 19. Benchmark

Information is provided only in annual report.

### 20. Return

Information is provided only in annual report.

### 21. Average return and other ratios

Information is provided only in annual report.

### 22. Other ratios

Information is provided only in annual report.

## VI. STATEMENT OF FINANCIAL CONDITION

**23. Below are provided collective investment undertaking's financial reports, prepared in accordance with laws of Republic of Lithuania.**

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Management company c.c. 302589746, address: Konstitucijos Ave. 7, LT09308 Vilnius

**23.1 Statement of Net Asset:**

No.	Captions	Notes	Financial year		Previous financial year	
			NOK	EUR	NOK	EUR
A.	ASSETS		86.021.814,78	9.192.820,17	23.809.058,05	2.623.356,40
1.	CASH		15.194.233,51	1.623.749,24	3.609.570,33	397.713,74
2.	TERM DEPOSITS		0,00	0,00	0,00	0,00
3.	MONEY MARKET INSTRUMENTS		0,00	0,00	0,00	0,00
3.1.	Treasury		0,00	0,00	0,00	0,00
3.2.	Other		0,00	0,00	0,00	0,00
4.	TRANSFERABLE SECURITIES		70.606.538,25	7.545.448,92	20.199.404,44	2.225.633,49
4.1.	Non-equity securities		0,00	0,00	0,00	0,00
4.1.1.	Non-equity securities of governments and central banks or guaranteed by governments and central banks		0,00	0,00	0,00	0,00
4.1.2.	Other non-equity securities		0,00	0,00	0,00	0,00
4.2.	Equity securities	11,12	70.606.538,25	7.545.448,92	20.199.404,44	2.225.633,49
4.3.	Units and shares of other collective investment undertakings		0,00	0,00	0,00	0,00
5.	ADVANCE PAYMENTS		0,00	0,00	0,00	0,00
6.	RECEIVABLE ACCOUNTS		221.043,02	23.622,02	83,28	9,18
6.1.	Receivables from sales of investment		0,00	0,00	0,00	0,00
6.2.	Other receivables		221.043,02	23.622,02	83,28	9,18
7.	INVESTMENTS AND OTHER ASSETS		0,00	0,00	0,00	0,00
7.1.	Investment asset		0,00	0,00	0,00	0,00
7.2.	Derivatives		0,00	0,00	0,00	0,00
7.3.	Other		0,00	0,00	0,00	0,00
B.	LIABILITIES		5.749.854,59	614.464,82	2.382.691,30	262.532,37
1.	Payables		5.749.854,59	614.464,82	2.282.614,82	251.505,63
1.1.	Liabilities of financial and investment asset purchases		4.768.169,32	509.555,90	2.242.767,02	247.115,08
1.2.	Payable accounts to the management company and the custodian		406.690,24	43.461,42	39.847,80	4.390,56
1.3.	Other payables		574.995,03	61.447,51	0,00	0,00
2.	Accumulated expenses		0,00	0,00	0,00	0,00
3.	Liabilities to credit institutions		0,00	0,00	0,00	0,00
4.	Liabilities from derivative contracts		0,00	0,00	0,00	0,00
5.	Other payables and liabilities		0,00	0,00	100.076,49	11.026,74
C.	NET ASSETS		80.271.960,20	8.578.355,35	21.426.366,69	2.360.824,03

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**23.2 Statement of Changes in Net Asset value:**

No.	Captions	Notes	Financial year		Previous financial year	
			NOK	EUR	NOK	EUR
<b>1.</b>	<b>NET ASSET VALUE AT THE BEGINNING OF THE PERIOD</b>		21.426.366,69	2.360.824,03	12.440.771,71	1.293.757,46
<b>2.</b>	<b>INCREASES IN NET ASSET VALUE</b>					
2.1.	Contributions from fund participants	2	55.860.628,22	6.064.436,08	12.440.771,71	1.293.757,46
2.2.	Amounts received from other funds		0,00	0,00	0,00	0,00
2.3.	Guarantee income		0,00	0,00	0,00	0,00
2.4.	Investment income		942.516,39	100.318,96	347.276,94	37.458,19
2.4.1.	Interest income		284,93	30,71	57,25	6,06
2.4.2.	Dividends		942.231,46	100.288,25	347.219,69	37.452,13
2.4.3.	Rent income		0,00	0,00	0,00	0,00
2.5.	Gains from changes in value of investments and sales		13.004.358,72	2.550.975,13	1.962.411,38	639.565,43
2.6.	Gains from changes in foreign exchange rates		55.627,41	1.775,95	0,00	7.690,74
2.7.	Gains from derivative transactions		0,00	0,00	0,00	0,00
2.8.	Other increase in net asset value		0,00	0,00	0,00	0,00
	<b>TOTAL INCREASE:</b>		69.863.326,47	8.717.506,13	6.286.040,32	1.107.588,64
<b>3.</b>	<b>DECREASE IN NET ASSET VALUE</b>					
3.1.	Payments to fund participants	2	5.931.655,61	649.705,42	1.463.179,50	156.787,86
3.2.	Payments to other funds		0,00	0,00	0,00	0,00
3.3.	Losses from changes in value of investments and sales		3.381.676,48	1.650.899,17	3.107.096,74	685.521,78
3.4.	Losses from changes in foreign exchange rates		77.719,01	22.223,35	82.756,18	3.144,37
3.5.	Losses from derivative transactions		0,00	0,00	0,00	0,00
3.6.	Management costs:		1.627.115,90	177.194,46	244.902,87	26.200,57
3.6.1.	Remuneration to the management company		1.484.438,63	159.535,06	204.633,54	21.869,12
3.6.2.	Remuneration to the custodian		64.160,90	6.918,41	16.722,26	1.783,35
3.6.3.	Remuneration to brokers		72.302,46	7.831,98	22.375,56	2.423,05
3.6.4.	Audit costs		0,00	0,00	0,00	0,00
3.6.5.	Interest costs		0,00	0,00	0,00	0,00
3.6.6.	Other costs		6.213,91	2.909,02	1.171,51	125,04
3.7.	Other decrease		0,00	0,00	0,00	0,00
3.8.	Compensation of costs		-434,04	-47,60	5.200,09	574,49
	<b>TOTAL DECREASE:</b>		11.017.732,96	2.499.974,80	4.903.135,38	872.229,07
4.	Change in net asset value		58.845.593,51	6.217.531,33	1.382.904,94	235.359,57
5.	Profit distribution		0,00	0,00	0,00	0,00
<b>6.</b>	<b>NET ASSET VALUE IN THE END OF THE PERIOD</b>		80.271.960,20	8.578.355,35	13.823.676,66	1.529.117,03

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Management company c.c. 302589746, address: Konstitucijos Ave. 7, LT09308 Vilnius

**23. 3 Explanatory notes**

**23.3.1 General information**

**23.3.1.1 Information about Subfund:**

<b>Title</b>	“Dovre Baltic Sea“
<b>Legal form</b>	Harmonized collective investment undertaking managed by UAB “Dovre Forvaltning”
<b>Code</b>	F084
<b>Address of registration</b>	Konstitucijos av. 7, Vilnius
<b>Date of inception</b>	19 <sup>th</sup> May 2015
<b>Operation period</b>	Indefinite
<b>Employees</b>	The Subfund has no employees.

**23.3.1.2 Information about Management Company:**

<b>Title</b>	„Dovre Forvaltning“, UAB, data is collected at the Registry of Legal Entities
<b>Company code</b>	302589746
<b>Address</b>	Konstitucijos av. 7, 09308, Vilnius, Lithuania
<b>Phone</b>	+370 526 83459
<b>Fax</b>	+370 526 83463
<b>Email</b>	<a href="mailto:info@dovreforvaltning.no">info@dovreforvaltning.no</a>
<b>Website</b>	<a href="http://www.dovreforvaltning.com">www.dovreforvaltning.com</a>
<b>Number of licence</b>	VKĮ-018
<b>Manage</b>	Stig R. Myrseth

**23.3.1.3 Custodian:**

<b>Title</b>	AB Swedbank bank
<b>Code</b>	1202965
<b>Address</b>	Konstitucijos av. 20A, 09321 Vilnius, Lithuania
<b>Phone</b>	+3705268422
<b>Fax</b>	+3705268417

**23.3.1.4 Audit company**

<b>Title</b>	„Ernst & Young Baltic“ UAB
<b>Address</b>	Subaciaus str. 7, Vilnius
<b>Phone</b>	+370 5 274 2200
<b>Date of licence for audit</b>	Nr. 001335, 2007-07-23

**23.3.1.5 Management fee**

1,75 % of Fund's annual net assets value (NAV).



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**23.3.1.6 Investment policy and portfolio composition**

Dovre Baltic Sea invests in equities, various rank government or corporate bonds (typically up to 1 year term, but in exceptional cases, where the manager sees a particularly favorable opportunity, and longer duration), investment funds and deposits (Prospectus par. 27). The Subfund specializes in the geographical area: Lithuania, Latvia, Estonia, Poland and Norway. The Subfund shall not specialize in industries.

The Subfund will invest in those financial instruments that meet the Subfund's objectives and investment policy. The major part of Subfund's assets will be invested into listed stocks. The goal of the

Subfund is to be invested ~90% all of the time. In exceptional cases, in order to protect the interests of investors, the Subfund may be less invested.

The measures and instruments are used to ensure stable and good performance of the Subfund. The Subfund's manager is responsible for compliance with the objectives, measures and restrictions.

The Management Company which manages the assets of the Subfund may not borrow on the account of the Subfund except for loans with duration of 3 months up to 10% of its net assets to maintain liquidity. This shall not constitute a prohibition to borrow foreign currency for the purpose of acquisition of transferable securities or money market instruments, provided the lender has submitted at least an equivalent amount in another currency in order to secure repayment of the loan.

**23.3.1.7 Benchmark**

<b>Benchmark component parts</b>	<b>Index name</b>
70 %	WIG20TR Index
20 %	OMX Baltic Benchmark Capped Index GI
10 %	Norway Government Bond Index 0.25 years (ST1X)

NASDAQ OMX index calculation methodology details are available on NASDAQ OMX's website <http://www.nasdaqomxbaltic.com>, index column. WIG information about the WIG index family is given in the Warsaw Stock Exchange website (<http://www.gpw.pl/>) index column. ST1X index calculation methodology detailed information is available on the website <http://www.oslobors.no>. WIG and OMX selected indices consist of various industrial and service sectors highest liquidity and market capitalization companies' shares from the relevant stock exchange. ST1X index reflects the yields of money market instruments. Currency of the benchmark is NOK.

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**23.3.2 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.

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

Currency of financial statements

The Subfund's currency is the Norwegian krone (NOK) as it mainly influences sales and purchase prices of the securities and major part of Subfund'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 Subfund are prepared in euro (EUR) and Norwegian crone (NOK). Operations in other currencies are translated to euro (EUR) and Norwegian crone (NOK) using period end exchange rate for translation of assets and liabilities and day exchange rate for the year for translation of income and expenses. All resulting exchange differences are recognized as cumulative translation adjustments in other comprehensive income. Exchange rate set by Accounting law.

\* Subfund financial reports for the period 1<sup>st</sup> of January – 30<sup>th</sup> of June, 2015 was prepared using Subfund's currency – Norwegian crones and converted to presentation currency – euro - using the following exchange rates: for asset and liabilities was used exchange rate of transaction's date and for incomes and expenditure average exchange rate. Average exchange rate was used not in accordance with National accounting standards. Seeking that financial statements correctly represent financial situation, comparable data for 2015 was calculated using exchange rate of transaction's date for incomes and expenditures.

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

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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.

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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.

**23.3.2.2 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.

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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 o'clock on the next working day. Day's NAV calculations include those transactions that were concluded prior to the date of NAV calculation 24 o'clock. 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.

### **23.3.2.3 Financial risk**

Risk factors associated with acquisition of units: Subfund's unit value can either increase or decrease. 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 Subfund's investment portfolio, will change due to risk factors relating to the issuer of the securities. To reduce this risk, the Subfund's investment portfolio is diversified among different issuers of securities, which are active in different regions and industries (Note 3.2.3).

#### Market liquidity risk

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

#### Market volatility risk

Fluctuations in the market price - 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 Subfund seeks to reduce the risk by diversifying the portfolio.

#### Subfund operational risk

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There is a risk that if there is a sharp rise in redemption applications of Subfund units, the Subfund will be unable to pay the members of the Subfund for the units redeemed. To reduce this risk, the Subfund will invest as much as possible in liquid securities. Also part of the Subfund assets are 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 Subfund securities' results. The Subfund has not established any upper or lower limits on investments in the specific currency-denominated securities. The Subfund may manage the risks by using derivative instruments (forward exchange transactions and currency options). Derivative financial instruments could be used to offset any adverse change in the Subfund's assets due to exchange rate fluctuations.

Inflation risk

Real Subfund growth may be lower due to inflation, in addition the inflation directly affects the interest rate changes, which may have an impact on Subfund investment portfolio. Historically, investments in equity securities provide sufficient protection against inflation, so the Subfund 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, in management opinion, this should not significantly affect the risk of the portfolio.

Interest rate risk

Change in interest rates can directly affect the Subfund's securities portfolio values. Since the majority of Subfund investment portfolio consists of shares, the direct impact of this risk to the Subfund's investment returns will be minimal. The Subfund 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 Subfund seeks to minimize risk through transactions only with reliable, excellent reputation financial institutions. Most of the Subfund transactions will be conducted in accordance with the payment principle. The Subfund's investment portfolio is diversified in order to reduce positions of substantial influence on the entire investment portfolio, however, there is no guarantee that the Subfund's portfolio value will grow.

Subfund investment objective and investment policy risk

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

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**Chosen risk management methods**

In order to effectively manage the above mentioned risks, the Management Company uses 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.

**23.3 Notes of explanatory note**

**1 note. Net asset value, investment units and value.**

Information is provided in note 5.

**2 note. Number of distributed and redeemed units.**

Information is provided in note 6.

**3 note. Composition of portfolio.**

Information is provided in note 11.

**4 note. Portfolio distribution according to investment strategy.**

Information is provided in note 12.

**5 note. Change of investment value.**

-

**6 note. Investment sale result.**

-

**7 note. Derivatives.**

Information is provided in note 15.

**8 note. Commission for brokers.**

Information is provided in note 8.

**9 note. Dividend for participants of subfund and other payments that don't change number of units.**

Information is provided in note 26.

**10 note. Borrowing and loan.**

Information is provided in note 28.

**11 note. Liabilities by third party guaranteed yield.**

-

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**12 note. Amount of transaction with related persons.**

-

**13 note. Affect of significant subsequent events.**

-

**14 note. Information about subsequent events.**

-

**15 note. After NAV calculation occurred events not included into NAV.**

-

**16 note. Other important information about collective investment undertaking's financial condition.**

-

**24. Auditor's opinion.**

Information in semi-annual report is not provided.

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

		Nok	Eur
I.	<b>Income from investment activities</b>		
1.	<i>Income on interest</i>	284,93	30,71
2.	<i>Realized gains on investments in:</i>	1.019.189,44	89.475,21
2.1.	equity securities	1.019.189,44	89.475,21
2.2.	Non equity securities	0,00	0,00
2.3.	Money market	0,00	0,00
2.4.	derivatives	0,00	0,00
2.5.	Other UCITS	0,00	0,00
2.6.	real estate objects	0,00	0,00
2.7.	Other	0,00	0,00
3.	<i>Unrealized gain (loss) from:</i>	9.523.828,39	890.441,60
3.1.	equity securities	9.523.632,67	890.441,60
3.2.	Non equity securities	0,00	0,00
3.3.	Money market	0,00	0,00
3.4.	derivatives	0,00	0,00
3.5.	Other UCITS	0,00	0,00
3.6.	real estate objects	0,00	0,00
3.7.	Other	0,00	0,00
4.	Other revenues:	0,00	0,00
4.1.	Revenues from real estate	0,00	0,00
4.2.	Positive results of currency exchange	0,00	0,00
4.3.	other	<b>195,72</b>	<b>0,00</b>
	Total revenues	10.543.302,76	979.947,53



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II.	Expenditure		
1.	<i>Operating expenses</i>	1.626.681,86	177.146,86
1.1.	deductions for management	1.484.438,63	159.535,06
1.2.	deductions for custodian	64.160,90	6.918,41
1.3.	payments to brokers	72.302,46	7.831,98
1.4.	payments for audit	0,00	0,00
1.5.	other deductions and expenses	5.779,87	2.861,42
2.	<i>Other expenditure:</i>	0,00	0,00
2.1.	Credit interest expenditure	0,00	0,00
2.2.	expenditure related with real estate objects	0,00	0,00
2.3.	Negative results from currency exchange	0,00	0,00
2.4.	other	0,00	0,00
	<b>Total costs</b>	1.626.681,86	177.146,86
III.	Net income	8.916.620,90	802.800,67
IV.	<b>Payments (dividends) to Subfund units holders</b>	0,00	0,00
V.	<b>Reinvested earnings</b>	0,00	0,00

**26. Other important information about financial condition of collective investments undertaking, events and circumstances affected subfund's asset and liabilities.**

There were no such events during reporting period

**VII. INFORMATION ABOUT DIVIDENDS**

**27. Provide information about amounts paid as dividend.**

The Subfund does not pay dividends.

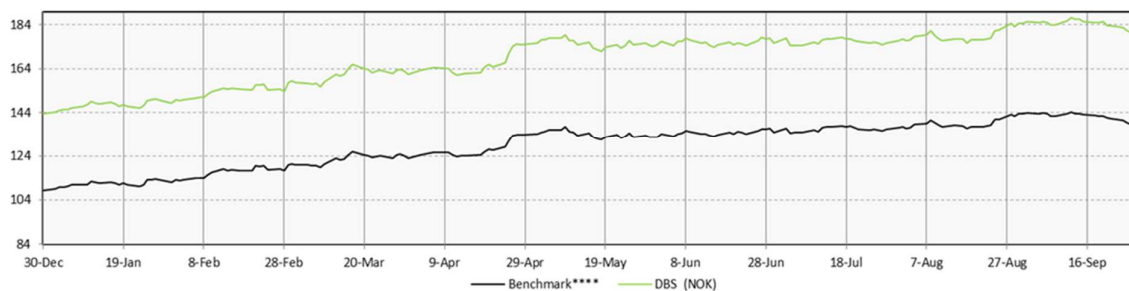
**VIII. INFORMATION ABOUT LOANS**

**28. Borrowings at the end of the reporting period:**

No.	Loan amount, Eur	Loan currency	Loan collective date	Maturity of the loan	The interest rate	Purpose of borrowing	Credit or	Borrowed funds compared with the Subfund's net assets, %
	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Total</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>

## IX OTHER INFORMATION

### 29. Other information relevant to evaluate subfund's performance.



1 picture. Change of performance of benchmark and subfund since 1st of January 2017

## X. RESPONSIBLE PERSONS

### 30. Consultants

-

### 31. Name and surname, position of persons who prepared the report (if persons are not employees of the Company).

-

### 32. Names, surnames, titles and contact information of the people who are responsible for the report.

I, UAB „Dovre Forvaltning“ CEO Stig R. Myrseth, confirm that information provided in the report is fair and there are no hidden facts that could influence value of ratios.

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*signature*

I, UAB „Dovre Forvaltning“ Accountant Romena Urbonaite, confirm that information provided in the report is fair and there are no hidden facts that could influence value of ratios.

---

*signature*

### 33. Persons responsible for information.

#### 33.1 Names, surnames, titles and contact information of the people who are responsible for the report

<b>Name and surname</b>	<b>Stig R. Myrseth</b>	<b>Romena Urbonaite</b>
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#### 33.2 Consultants-