

**HARMONIZED COLLECTIVE
INVESTMENT UNDERTAKING
DOVRE INSIDE NORDIC MANAGED
BY DOVRE FORVALTNING UAB**

Financial statements for the period
from 19 May 2015 to 31 December 2015

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

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

I. GENERAL INFORMATION

1. Subfund's information:

Title – „Dovre Inside Nordic“;

Legal form – Subfund of Dovre Umbrella Fund type Harmonized collective investment undertaking;

Approve of Commission for establishment documents – 9th or March, 2015

2. Reporting period:

19 May 2015 – 31 December 2015.

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; web page - www.dovreforvaltning.no

3.4. operating license no. – VKI-018;

3.5. Subfund 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 Subfund units:

	At the end of the reporting period		In the beginning of the reporting period (since funds merger 2015.05.15)		A year ago		Two years ago	
	NOK	EUR	NOK	EUR	NOK	EUR	NOK	EUR
Net asset value (NAV)	83.069.334,57	8.638.657,92	93.989.927,66	11.145.755,58	-	-	-	-
Investment unit's (share's) value	200,7561	20,8773	174,0816	20,64340	-	-	-	-
Current number of Subfund units (shares)	413.782,3648		539.918,8642		-	-	-	-

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

	Number of investment units (shares)	Value, NOK	Value, EUR
Distributed units	10.248,99	1.902.760,35	207.258,15
Redeemed units	136.385,49	24.106.619,68	2.672.882,01

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III. INDICATORS OF SUBFUND EXPENSES AND TURNOVER

7. Deductions:

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			919.285,30	101.218,62	1,120%
<i>fixed fee</i>	Management fee - 1,75% of annual NAV		919.285,30	101.218,62	1,120%
<i>success fee</i>	-				-
For custodian	0,2% of annual NAV, but not less than 200 LTL per month		105.061,17	11.567,84	0,128%
For transactions	0,2% of a transaction value		103.524,48	11.410,92	0,126%
Other expenses:			4.187,12	468,07	0,005%
Other expenses to financial institutions	Not more than 0,2% of Fund's average annual NAV		4.187,12	468,07	0,005%
Expenses included into Total Expense Ratio (TER)*			1.024.346,47	112.786,46	1,248%
TER % of NAV			1,248		
Total amount of expenses			1.132.058,07	124.665,45	1,374%
Portfolio turnover rate **			1,5357		

* Total Expense Ratio (TER) – percentage, which indicates the average amount of net assets that will be allocated to cover the management costs. These expenses directly reduce the investor's return on investment. The transaction costs (remuneration to brokers) are not included into TER.

** Portfolio turnover rate (PTR) – index, which describes the trading activity of the collective investment undertaking's portfolio measures. Subjects with high PTR have higher transaction costs.

8. Remuneration to brokers:

Broker	Paid amount		Service
	NOK	EUR	
„Swedbank”, AB	24.574,02	2.421,06	Commissions
Netfonds Bank ASA	72.800,79	8.023,29	Commissions
SpareBank 1 Markets AS	6.113,71	622,01	Commissions
Neonet Securities AB	2,544,81	304,14	Commissions

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Fondsfinans ASA	0,71	0,08	Commissions
Viso:	103.524,48	11.410,92	

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:

	After 1 year		After 3 year		After 5 year		After 10 year	
	NOK	EUR	NOK	EUR	NOK	EUR	NOK	EUR
Paid deductions	3.029,79	315,08	7.660,57	796,65	13.018,25	1.353,81	30.203,16	3.140,93
Accrued amount, if there were no deductions	100.968,00	10.500,00	111.317,22	11.576,25	122.727,24	12.762,82	156.634,51	16.288,95
The accumulated amount at the current level of deductions	97.938,21	10.184,92	103.656,65	10.779,60	109.708,99	11.409,00	126.431,35	13.148,02

Assumptions: Management fee - 1,75%; Custodian fee - 0,17%; Average transaction costs - 0,062%; Other expenses – 0,006 %; Return on investment 5 %.

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IV. INFORMATION ABOUT SUBFUND'S FINANCIAL INSTRUMENTS PORTFOLIO

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

Issuer title	Country	ISIN	Currency	Quantity	Total nominal value, NOK	Total nominal value, NOK	Total purchase value		Total market value		Source for market value (web page))	Share of the issuer, %	Share in net assets, %
							NOK	EUR	NOK	EUR			
2	3	4	5	6	8	12	13	15	17	19			
Nuosavybės vertybiniai popieriai		ISIN kodas											
įtraukti į Oficialųjį ar jį atitinkantį prekybos sąrašą											-		
ABB Ltd.	SE	CH0012221716	SEK	14.869	13.383	1.392	2.521.040	262.171	2.377.870	247.283	http://www.nasdaqomxnordic.com	0,00064%	2,78%
Alimak Group AB (publ)	SE	SE0007158910	SEK	1.938	41	4	175.774	18.279	173.421	18.035	http://www.nasdaqomxnordic.com	0,00447%	0,20%
Atlas Copco AB B	SE	SE0006886768	SEK	11.973	-	-	2.608.906	271.309	2.447.305	254.503	http://www.nasdaqomxnordic.com	0,00098%	2,87%
Axfood AB	SE	SE0006993770	SEK	15.894	83.174	8.650	2.350.017	244.386	2.441.980	253.950	http://www.nasdaqomxnordic.com	0,00757%	2,86%
Capio AB	SE	SE0007185681	SEK	42.804	22.847	2.376	2.451.843	254.975	2.575.936	267.880	http://www.nasdaqomxnordic.com	0,03032%	3,02%
Castellum AB	SE	SE0000379190	SEK	18.623	9.745	1.013	2.487.631	258.697	2.352.555	244.650	http://www.nasdaqomxnordic.com	0,01136%	2,76%
CellaVision AB	SE	SE0000683484	SEK	41.903	6.578	684	2.643.634	274.920	3.058.949	318.110	http://www.nasdaqomxnordic.com	0,17568%	3,58%
Danske Bank AS	DK	DK0010274414	DKK	10.480	135.043	14.044	2.494.240	259.384	2.500.992	260.087	http://www.nasdaqomxnordic.com	0,00105%	2,93%
Electrolux, AB B	SE	SE0000103814	SEK	12.100	63.320	6.585	2.539.117	264.051	2.598.637	270.241	http://www.nasdaqomxnordic.com	0,00423%	3,04%
Fiskars Oy AB A	FI	FI0009000400	EUR	5.784	-	-	1.039.518	108.103	1.042.299	108.392	http://www.nasdaqomxnordic.com	0,00706%	1,22%
Haldex AB	SE	SE0000105199	SEK	29.859	-	-	2.507.860	260.801	2.484.422	258.363	http://www.nasdaqomxnordic.com	0,06769%	2,91%
Holmen AB B	SE	SE0000109290	SEK	9.043	473.223	49.212	2.411.518	250.782	2.475.901	257.477	http://www.nasdaqomxnordic.com	0,01077%	2,90%
Husqvarna AB B	SE	SE0001662230	SEK	43.991	92.082	9.576	2.804.195	291.618	2.578.308	268.127	http://www.nasdaqomxnordic.com	0,00768%	3,02%
Industrivärden AB	SE	SE0000107203	SEK	12.576	32.905	3.422	2.187.542	227.490	1.909.822	198.609	http://www.nasdaqomxnordic.com	0,00291%	2,24%
JM AB	SE	SE0000806994	SEK	10.173	10.647	1.107	2.516.757	261.726	2.690.526	279.797	http://www.nasdaqomxnordic.com	0,01348%	3,15%

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"Swedbank", AB	LT		NOK						4.182.551,8 9	434.957,56			
Total cash									4.182.551,8 9	434.957,56			4,90%
Other instruments unforeseen in the Law of CUI article 57 part1													
Payables									0,00	0,00			
Receivables									2,37	0,25			
TOTAL (OTHER)									2,37	0,25			0,00%
TOTAL									85.389.319, 65	8.879.920,93			100,00%

CIU (Collective Investment Undertaking)

CUI 1 – CUI, which strategy is to invest into non-equity securities up to 100 proc. of NAV;

CUI 2 – CUI, which strategy is mixed (balanced) investment;

CUI 3 – CUI, which strategy is to invest into equities up to 100 proc. of NAV;

CUI 4 – CUI which strategy is to invest into money market instruments up to 100 proc. of NAV;

CUI 5 – all other types of CUI (alternative, private capital, real estate, materials, etc.).

Note. Funds of funds should be assigned to a certain CUI group according to the investment strategy of funds' funds.

Paragraph changes: No. [1K-24](#), 2008-12-11, Žin., 2008, No. 145-5865 (2008-12-18)

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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	
According to investment objects						
Equities	81.206.765,39	8.444.963,12	95,10%	-	-	-
Debt securities				-	-	-
Term-deposits				-	-	-
Total	81.206.765,39	8.444.963,12	95,10%	-	-	-
According to sectors				-	-	-
Energy				-	-	-
Materials	5.433.133,94	565.009,77	6,36%	-	-	-
Industrials	19.472.726,55	2.025.033,96	22,80%	-	-	-
Casual consumer discretionary	21.382.703,50	2.223.658,85	25,04%	-	-	-
Consumer discretionary	4.949.109,81	514.674,48	5,80%	-	-	-
Healthcare	9.026.942,55	938.741,95	10,57%	-	-	-
Financials	15.288.456,25	1.589.897,70	17,90%	-	-	-
Information Technology	5.653.692,79	587.946,42	6,62%	-	-	-
Telecommunication services				-	-	-
Utilities				-	-	-
Total	81.206.765,39	8.444.963,12	95,10%	-	-	-
According to geographical area				-	-	-
Norway				-	-	-
Sweden	74.805.010,93	7.779.223,27	87,60%	-	-	-
Finland	3.900.762,04	405.653,29	4,57%	-	-	-
Denmark	2.500.992,42	260.086,57	2,93%	-	-	-
Total	81.206.765,39	8.444.963,12	95,10%	-	-	-
According to other criteria				-	-	-
-				-	-	-
Total				-	-	-

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.).

In May subfund was merged with Dovre Baltic sea fund. Portfolio that subfund took over meet the criteria of subfund's strategy. In the remaining time of reporting period decisions made were within strategic and geographical boundaries.

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

The main influencing factor on subfund's performance was downwards trend in the markets.

V. INVESTMENT RETURNS AND RISK INDICATORS

19. Benchmarking:

Benchmark component parts	Index Name
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.

It should be noted that the Fund's investment strategy does not seek to replicate an index. Benchmark reflects what is expected to be medium-sized proportions. Benchmark index is reviewed at least once a year and shall be adjusted, if the average proportions change.

20. Investment returns:

	Reporting period		A year ago	Two years ago	Ten years ago
	NOK	EUR			
Unit value change	15,32%	1,13%	-	-	-
Benchmark index value change	7,92%	(5,39)%	-	-	-

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Annual total investment return	14,16%	0,18%	-	-	-
The annual net return on investment	12,90%	(0,92)%	-	-	-
Standard deviation of return	14,47%	14,01%	-	-	-
Standard deviation of benchmark return	14,83%	14,51%	-	-	-
Fund unit and benchmark correlation coefficient values	90,03%	96,26%	-	-	-
Index tracking error	5,39%	5,41%	-	-	-
Alfa ratio	9,96%	11,20%	-	-	-
Beta ratio	106,11%	106,13%	-	-	-

The annual net return on investment – return on investment, calculated on the basis of the contributions and deductions from the assets of the Fund.

Standard deviation of return – a statistical risk ratio showing how strongly the return fluctuates in relation to the average return.

Standard deviation of benchmark return – statistical risk ratio showing how strongly the benchmark return fluctuates relative to the average return.

Fund unit and benchmark correlation coefficient - an indicator that shows a statistical dependence of Fund return and benchmark return.

Index tracking error - a statistical risk indicator that shows the standard deviation of the difference between the return for the Fund and for the benchmark.

Alpha ratio – an indicator, which shows the difference between the return of the Fund and the return of the benchmark with comparable risk measures.

Beta ratio - indicator, which shows how the value of the Fund unit changes when the benchmark value changes.

21. The change in the value of Fund unit, investment portfolio's annual return and the benchmark index:

	Over the last 3 years	Over the last 5 years	Over the last 10 years	Since inception	
				NOK	EUR
The average return	-	-		0,09%	0,01%
The average return of the benchmark	-	-		0,05%	(0,03)%
The average gross return on investment	-	-		0,08%	0,00%
The average net return on investment	-	-		0,08%	(0,01)%
The average standard deviation of the Fund return	-	-		14,47%	14,01%

The average return – change of the value of the unit during the same period, expressed as a yearly interest rate.

The average return of the benchmark – benchmark's value change over the period, expressed as a yearly interest rate.

The average net return on investment – corresponding period's net return on investment, expressed as a yearly interest rate.

The average standard deviation of the Fund return – the standard deviation of the period, expressed as a yearly interest rate.

22. Other indicators that reveal the investment portfolio risk.

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VI. FINANCIAL STATUS

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

23.1. Statement of net assets:

Eil. Nr.	Straipsniai	Reporting period		A year ago*	
		NOK	EUR	NOK	EUR
A.	ASSETS	85.389.319,65	8.879.920,93	-	-
I.	CASH	4.182.551,89	434.957,56	-	-
II.	TERM DEPOSITS	-	-	-	-
III.	MONEY MARKET INSTRUMENTS	-	-	-	-
IV.	TRANSFERABLE SECURITIES	81.206.765,39	8.444.963,12	-	-
IV.1.	Non-equity securities	-	-	-	-
IV.1.1.	Non-equity securities of governments and central banks or guaranteed by governments and central banks	-	-	-	-
IV.1.2.	Other non-equity securities	-	-	-	-
IV.2.	Equity securities	81.206.765,39	8.444.963,12	-	-
IV.3.	Units and shares of other collective investment undertakings	-	-	-	-
V.	RECEIVABLE ACCOUNTS	2,37	0,25	-	-
V.1.	Receivables from sales of investment	-	-	-	-
V.2.	Other receivables	2,37	0,25	-	-
VI.	INVESTMENTS AND OTHER ASSETS	-	-	-	-
B.	LIABILITIES	2.319.985,08	241.263,01	-	-
I.	Liabilities of financial and investment asset purchases	-	-	-	-
II.	Liabilities to credit institutions	-	-	-	-
III.	Liabilities from derivative contracts	-	-	-	-
VI.	Payable accounts to the management company and the custodian	134.202,67	13.956,18	-	-
V.	Other payables and liabilities	2.185.782,41	227.306,82	-	-
C.	NET ASSETS (A-B)	83.069.334,57	8.638.657,92	-	-

* Comparative information is not available since Subfund was established in reporting period.

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23.2. Statement of changes in net assets:

Eil. Nr.	Straipsniai	Reporting period		A year ago*	
		NOK	EUR	NOK	EUR
I.	NET ASSET VALUE AT THE BEGINNING OF THE PERIOD	0,00	0,00	-	-
II.	INCREASES IN NET ASSET VALUE			-	-
II.1.	Contributions from Subfund participants	1.902.760,35	207.257,92	-	-
II.2.	Amounts received from other funds	93.997.201,25	11.146.618,12	-	-
II.3.	Margin	-	-	-	-
II.4.	Interest income	19,37	2,06	-	-
II.5.	Dividends	466.283,42	52.105,30	-	-
II.6.	Gains from change in value of investments and sales	35.450.497,85	1.372.685,00	-	-
II.7.	Gains from changes in foreign exchange rates	637.670,00	13.930,08	-	-
II.8.	Gains from derivative transactions	-	-	-	-
II.9.	Other increase in net asset value	-	-	-	-
II.10.	Gains from translation difference	-	-	-	-
	TOTAL INCREASE:	132.454.432,24	12.792.598,48	-	-
III.	DECREASE IN NET ASSET VALUE			-	-
III.1.	Payments to Subfund participants	24.106.619,68	2.672.881,60	-	-
III.2.	Payments to other funds	-	-	-	-
III.3.	Losses from change in value of investments and sales	24.028.493,61	1.278.167,66	-	-
III.4.	Losses from changes in foreign exchange rates	99.570,00	77.237,18	-	-
III.5.	Losses from derivative transactions	-	-	-	-
III.6.	Management costs:	1.132.058,07	124.665,45	-	-
III.6.1.	Remuneration to the management company	919.285,30	101.218,62	-	-
III.6.2.	Remuneration to the custodian	105.061,17	11.567,84	-	-
III.6.3.	Remuneration to brokers	103.524,48	11.410,92	-	-
III.6.4.	Audit costs	-	-	-	-
III.6.5.	Other costs (e-banking costs)	4.187,12	468,07	-	-

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III.7.	Other loss in net asset value	18.356,31	2.016,96	-	-
III.8.	Cost reimbursement (-)	-	-	-	-
III.9.	Distribution of profit	-	-	-	-
III.10.	Loss from translation difference	-	-	-	-
	TOTAL DECREASE:	49.385.097,66	4.153.940,56	-	-
IV.	NET ASSET VALUE IN THE END OF THE PERIOD	83.069.334,57	8.638.657,92	-	-

* Comparative information is not available since Subfund was established in reporting period.

23.3. Explanatory notes

General information about “Dovre Inside Nordic” fund

“Dovre Inside Nordic” (hereafter – “Fund”) is a harmonized collective investment undertaking. It was established on 19th May 2016 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 – 19th May 2015 – 31 December 2015.

The Fund has no employees.

The management fee - 1,75 % of Fund's 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 choosen in which companies to invest is by tracking related persons* transactions. It is believed that related persons

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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.*

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.

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

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

Below are the basic accounting principles.

Functional and presentation currency

Items included in the Subfund's financial statements are measured using the currency of the primary economic environment in which the Subfund operates (the 'functional currency'). The functional currency of the Subfund is the Norwegian krone (NOK) as it mainly influences sale 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, prepared in Norwegian krone, the functional currency of the Subfund, are translated to the presentation currency, Euro by 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 rates of the main currencies were as follows:

Currency	Exchange rate at the end of the period
	31 December 2015
EUR / NOK	0.10399
EUR/SEK	0.10884
EUR / DKK	0,13400

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.

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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

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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.

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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.

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.

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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

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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.

24. Full text of audit opinion

To the participants of harmonized collective investment undertaking Dovre Umbrella Fund subfond Dovre Inside Nordic managed by Dovre Forvaltning UAB:

We have audited the accompanying financial statements of harmonized collective investment undertaking Dovre Umbrella Fund subfund Dovre Inside Nordic managed by Dovre Forvaltning UAB (hereinafter – the Subfund), which comprise the Statement of Net Assets as at 31 December 2015 and the Statement of Changes in Net Assets for the period from 19 May 2015 (establishment date) until 31 December 2015, and explanatory notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Business Accounting Standards of the Republic of Lithuania and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Subfund as at 31 December 2015, and the changes in net assets for the period

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from 19 May 2015 (establishment date) to 31 December 2015 in accordance with the Business Accounting Standards of the Republic of Lithuania.

Deloitte Lietuva, UAB

Audit Company License No 001275

Arūnas Užbalis

Lithuanian Certified Auditor

License No 000543

Vilnius, Republic of Lithuania

18 April 2016

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

		NOK	EUR
I.	Income from investment activities		
1.	<i>Income on interest</i>	19,37	2,06
2.	<i>Realized gains on investments in:</i>	3.747.791,40	(242.012,71)
2.1.	equity securities	3.747.791,40	(242.012,71)
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	5.689,21	(989,06)
3.	<i>Unrealized gain (loss) from:</i>	8.629.428,72	325.328,65
3.1.	equity securities	8.629.428,72	325.328,65
3.2.	government's non-equity securities	-	-

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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	-	-
	Total income	12.490.545,36	1.372.437,49
II.	<i>Costs</i>		
1.	<i>Operating expenses:</i>	1.132.058,07	124.388,40
1.1.	deductions for management	919.285,30	101.218,62
1.2.	deductions for custodian	105.061,17	11.567,84
1.3.	payments to brokers	103.524,48	11.410,92
1.4.	payments for audit	-	-
1.5.	other deductions and expenses	-	-
2.	<i>Other expenses (subscription fee)</i>	-	-
	Total costs	1.132.058,07	124.388,40
III.	Net income	11.358.487,29	1.248.049,09
IV.	Payments (dividends) to Subfund units holders		
V.	Reinvested earnings		

26. Other significant information about the Subfund'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

27. 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 Subfund does not pay dividends.

VIII. INFORMATION ABOUT BORROWED FUNDS

28. Collective investment undertaking's borrowed funds at the end of the reporting period:

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

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

IX. OTHER INFORMATION

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

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X. RESPONSIBLE PERSONS

30. Names (legal titles), addresses, license numbers and business names of consultants, whose services were used in preparing this report (brokerage firms, auditors, etc.).

-

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

-

32. 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“ CEO Stig Roar Myrseth, 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, Subfund's "Dovre Inside Nordic" accountant Romena Urbonaitė, 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:

33. Persons responsible for the information provided in this report:

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

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

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

Stig Roar Myrseth, tel. +37052683461, fax. +37052683463, sm@dovreforvaltning.no.

Romana Urbonaitė, tel. +37052683460, fax. +37052683463, ru@dovreforvaltning.no.

33.2. Names, surnames and contact information of the consultants.

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