

**HARMONIZED COLLECTIVE
INVESTMENT UNDERTAKING
DOVRE BALTIC SEA 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 Baltic Sea“;

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		
Net asset value (NAV)	12.440.771,71	1.293.757,46	12.799.360,49	1.517.806,72	-	-
Investment unit's (share's) value	145,3024	15,1105	156,0020	18,49940	-	-
Current number of Subfund units (shares)	85.619,8443		82.046,1519		-	-

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

	Number of investment units (shares)	Value, NOK	Value, EUR
Distributed units	14.569,89	2.173.899,65	239.220,19
Redeemed units	10.996,20	1.639.356,06	185.558,60

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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			138.002,56	15.163,57	1,118%
<i>fixed fee</i>	Management fee - 1,75% of annual NAV		138.002,56	15.163,57	1,118%
<i>success fee</i>					-
For custodian	0,17% of annual NAV, but not less than 200 LTL per month		13.405,94	1.473,03	0,109%
For transactions	0,3% of a transaction value		10.701,17	1.196,61	0,087%
Other expenses:			691,79	77,57	0,006%
Other expenses to financial institutions			691,79	77,57	0,006%
Expenses included into Total Expense Ratio (TER)*			151.408,50	16.636,60	1,226%
TER % of NAV			1,226		
Total amount of expenses			162.801,46	17.910,78	1,313%
Portfolio turnover rate **			(8,2502)		

* 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	8.239,5	925,01	Commissions and custodian
Neonet AB	2.461,67	272,60	Commissions
Viso:	10.701	1.197	

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

There are no such agreements.

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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	2.926,02	304,29	7.330,74	762,35	12.435,83	1.293,24	28.857,20	3.000,96
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	98.041,98	10.195,71	103.986,48	10.813,90	110.291,41	11.469,57	127.777,30	13.287,99

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, EUR	Total purchase value		Total market value		Interest rate, %	Source for market value (web page)	Share of the issuer, %	Share in net assets, %
							NOK	EUR	NOK	EUR				
Equities		ISIN												
Listed in the official (or equivalent) trading list												-		
AB Vilkyškiu pienine	LT	LT0000127508	EUR	27.383	-	-	489.766	50.932	460.801	47.920		http://www.nasdaqomxbaltic.com	0,22928%	3,70%
Alior Bank S.A.	PL	PLALIOR00045	PLN	1.722	39.054	4.061	323.677	33.660	259.707	27.008		http://www.gpw.pl/	0,00246%	2,08%
Apranga AB	LT	LT0000102337	EUR	7.467	-	-	195.303	20.310	185.251	19.265		http://www.nasdaqomxbaltic.com	0,01350%	1,49%
AS O.k.-f.r. Olainfarm	LV	LV0000100501	EUR	1.548	-	-	115.065	11.966	105.836	11.006		http://www.nasdaqomxbaltic.com	0,01099%	0,85%
Asseco Poland S.A.	PL	PLSOFTB00016	PLN	3.475	7.881	820	448.692	46.661	447.643	46.552		http://www.gpw.pl/	0,00419%	3,59%
Bank Handlowy w Warszawie S.A.	PL	PLBH00000012	PLN	1.050	9.525	991	261.945	27.241	171.217	17.805		http://www.gpw.pl/	0,00080%	1,37%
Bank of Siauliai AB	LT	LT0000102253	EUR	116.302	-	-	335.508	34.891	333.271	34.658		http://www.nasdaqomxbaltic.com	0,03966%	2,67%
Bank Pekao S.A.	PL	PLPEKAO00016	PLN	2.423	5.495	571	1.055.899	109.806	788.558	82.005		http://www.gpw.pl/	0,00092%	6,33%
Bank Zachodni WBK S.A.	PL	PLBZ000000044	PLN	1.079	24.471	2.545	743.073	77.275	694.974	72.273		http://www.gpw.pl/	0,00109%	5,58%
Cyfrowy Polsat S.A.	PL	PLCFRPT00013	PLN	10.486	951	99	599.293	62.322	496.557	51.639		http://www.gpw.pl/	0,00164%	3,99%
Eurocash S.A.	PL	PLEURCH00011	PLN	5.422	12.297	1.279	526.891	54.793	596.389	62.021		http://www.gpw.pl/	0,00391%	4,79%
ING Bank Śląski S.A.	PL	PLBSK0000017	PLN	898	2.037	212	301.620	31.366	238.587	24.811		http://www.gpw.pl/	0,00069%	1,91%

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KGHM Polska Miedz S.A.	PL	PLKGHM000017	PLN	2.300	52.162	5.425	672.632	69.949	331.178	34.440		http://www.gpw.pl/	0,0011 5%	2,66%
Klaipėdos Nafta AB	LT	LT0000111650	EUR	34.420	-	-	122.464	12.735	122.133	12.701		http://www.nasdaqomxbaltic.com	0,0090 4%	0,98%
Linus Agro Group AB	LT	LT0000128092	EUR	19.827	-	-	131.553	13.681	125.833	13.086		http://www.nasdaqomxbaltic.com	0,0124 7%	1,01%
LPP S.A.	PL	PLLPP0000011	PLN	29	132	14	514.965	53.553	365.355	37.994		http://www.gpw.pl/	0,0015 8%	2,93%
mBank S.A.	PL	PLBRE0000012	PLN	456	4.137	430	323.128	33.603	324.731	33.770		http://www.gpw.pl/	0,0010 8%	2,61%
Merko Ehitus AS	EE	EE3100098328	EUR	1.369	-	-	121.770	12.663	111.633	11.609		http://www.nasdaqomxbaltic.com	0,0077 3%	0,90%
Olympic Entertainment Group AS	EE	EE3100084021	EUR	29.794	-	-	521.428	54.225	512.833	53.331		http://www.nasdaqomxbaltic.com	0,0196 3%	4,12%
PGE Polska Grupa Energetyczna	PL	PLPGER000010	PLN	11.995	272.038	28.290	550.876	57.287	347.936	36.183		http://www.gpw.pl/	0,0006 4%	2,79%
Polski Koncern Naftowy Orlen	PL	PLPKN0000018	PLN	6.360	18.030	1.875	987.323	102.675	978.668	101.775		http://www.gpw.pl/	0,0014 9%	7,85%
Polskie Gorn.Naft.i Gazo.	PL	PLPGNIG000014	PLN	31.768	72.047	7.492	462.864	48.135	370.324	38.511		http://www.gpw.pl/	0,0005 4%	2,97%
Powszechna K.O.(PKO)Bk Polski	PL	PLPKO0000016	PLN	17.207	39.024	4.058	1.281.646	133.283	1.066.531	110.912		http://www.gpw.pl/	0,0013 8%	8,56%
Powszechny Zaklad Ubezpieczen	PL	PLPZU0000011	PLN	9.040	20.502	2.132	963.391	100.186	697.479	72.533		http://www.gpw.pl/	0,0010 5%	5,60%
PRFoods AS	EE	EE3100101031	EUR	19.547	-	-	133.454	13.878	73.306	7.623		http://www.nasdaqomxbaltic.com	0,0505 3%	0,59%
Rokiskio Suris PC	LT	LT0000100372	EUR	7.698	-	-	102.893	10.700	105.114	10.931		http://www.nasdaqomxbaltic.com	0,0214 6%	0,84%
Silvano Fashion Group AS	EE	EE3100001751	EUR	11.974	-	-	161.199	16.764	147.382	15.327		http://www.nasdaqomxbaltic.com	0,0303 9%	1,18%
Tallink Grupp AS	EE	EE3100004466	EUR	21.052	-	-	157.900	16.421	173.488	18.042		http://www.nasdaqomxbaltic.com	0,0031 4%	1,39%
Tallinna Kaubamaja Grupp AS	EE	EE0000001105	EUR	3.348	-	-	190.269	19.787	216.990	22.566		http://www.nasdaqomxbaltic.com	0,0082 2%	1,74%

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TEO LT AB	LT	LT0000123911	EUR	27.392	-	-	276.572	28.762	266.035	27.666	http://www.nasdaqomxbalitic.com	0,0047 0%	2,14%
Total				434.831			13.073.058	1.359.511	11.115.741	1.155.963			89,21 %
TOTAL EQUITIES				434.831			13.073.058,19	1.359.511,04	11.115.741,10	1.155.963,09			89,21 %
Non-equity securities		ISIN											
Cash													
"Swedbank", AB	LT		NOK						1.288.02 9,67	133.94 6,51	0		
Total cash									1.288.029,67	133.946,51			10,34 %
Other instruments unforeseen in the Law of CUI article 57 part1													
Payables									0,00	0,00			
Receivables									56.389,3 9	5.864, 12			
TOTAL (OTHER)									56.389,39	5.864,12			0,45 %
TOTAL									12.460.160,16	1.295.773,73			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)

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	11.115.741,10	1.155.963,09	89,21%	-	-	-
Debt securities	-	-	-	-	-	-
Term-deposits	-	-	-	-	-	-
Total	11.115.741,10	1.155.963,09	89,21%	-	-	-
According to sectors						
Energy	1.819.060,81	189.170,22	14,60%	-	-	-
Materials	331.178,22	34.440,33	2,66%	-	-	-
Industrials	111.633,30	11.609,12	0,90%	-	-	-
Casual consumer discretionary	2.477.254,42	257.617,97	19,88%	-	-	-
Consumer discretionary	982.044,38	102.126,08	7,88%	-	-	-
Healthcare	105.836,39	11.006,28	0,85%	-	-	-
Financials	4.575.055,15	475.775,29	36,72%	-	-	-
Information Technology	447.642,94	46.551,89	3,59%	-	-	-
Telecommunication services	266.035,49	27.665,92	2,14%	-	-	-
Utilities	-	-	-	-	-	-
Total	11.115.741,10	1.155.963,09	89,21%	-	-	-
According to geographical area						
Lithuania	1.598.438,69	166.226,99	12,83%	-	-	-
Latvia	105.836,39	11.006,28	0,85%	-	-	-
Estonia	1.235.632,10	128.497,51	9,92%	-	-	-
Poland	8.175.833,92	850.232,31	65,62%	-	-	-
	-	-	-	-	-	-
Total	11.115.741,10	1.155.963,09	89,21%	-	-	-
According to other criteria						
-	-	-	-	-	-	-
Total				-	-	-

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

-

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

-

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

-

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 Inside Nordic 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
70 %	WIG20 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 company shares from the relevant stock exchange. ST1X index reflects the yields of money market instruments. Currency of the benchmark 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	(6,86)%	(18,32)%	-	-	-
Benchmark index value change	(9,03)%	(20,19)%	-	-	-
Annual total investment return	(6,86)%	(18,43)%	-	-	-
The annual net return on investment	(7,89)%	(19,34)%	-	-	-
Standard deviation of return	10,95%	10,88%	-	-	-
Standard deviation of benchmark return	11,81%	11,92%	-	-	-
Fund unit and benchmark correlation coefficient values	97,92%	97,17%	-	-	-

Index tracking error	2,66%	2,64%	-	-	-
Alfa ratio	2,65%	8,85%	-	-	-
Beta ratio	93,85%	115,29%	-	-	-

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	-	-		(0,04)%	(0,13)%
The average return of the benchmark	-	-		(0,06)%	(0,14)%
The average gross return on investment	-	-		(0,04)%	(0,13)%
The average net return on investment	-	-		(0,05)%	(0,13)%
The average standard deviation of the Fund return	-	-		10,95%	10,88%

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	12.460.160,16	1.295.773,73	-	-
I.	CASH	1.288.029,67	133.946,51	-	-
II.	TERM DEPOSITS	-	-	-	-
III.	MONEY MARKET INSTRUMENTS	-	-	-	-
IV.	TRANSFERABLE SECURITIES	11.115.741,10	1.155.963,09	-	-
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	11.115.741,10	1.155.963,09	-	-
IV.3.	Units and shares of other collective investment undertakings	-	-	-	-
V.	RECEIVABLE ACCOUNTS	56.389,39	5.864,12	-	-
V.1.	Receivables from sales of investment	-	-	-	-
V.2.	Other receivables	56.389,39	5.864,12	-	-
VI.	INVESTMENTS AND OTHER ASSETS	-	-	-	-
B.	LIABILITIES	19.388,45	2.016,27	-	-
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	19.388,45	2.016,27	-	-
V.	Other payables and liabilities	-	-	-	-
C.	NET ASSETS (A-B)	12.440.771,71	1.293.757,46	-	-

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

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	2.173.899,65	239.222,32	-	-
II.2.	Amounts received from other funds	12.800.335,74	1.517.863,81	-	-
II.3.	Margin	-	-	-	-
II.4.	Interest income	10,20	1,07	-	-
II.5.	Dividends	279.230,73	30.729,01	-	-
II.6.	Gains from change in value of investments and sales	1.785.781,79	42.230,45	-	-
II.7.	Gains from changes in foreign exchange rates	114.155,40	71,93	-	-
II.8.	Gains from derivative transactions	-	-	-	-
II.9.	Other increase in net asset value	326,79	33,98	-	-
II.10.	Gains from translation difference	-	850,00	-	-
	TOTAL INCREASE:	17.153.740,29	1.831.002,58	-	-
III.	DECREASE IN NET ASSET VALUE	-	-	-	-
III.1.	Payments to Subfund participants	1.639.356,06	185.559,54	-	-
III.2.	Payments to other funds	-	-	-	-
III.3.	Losses from change in value of investments and sales	2.907.811,20	326.026,04	-	-
III.4.	Losses from changes in foreign exchange rates	2.999,87	7.750,98	-	-
III.5.	Losses from derivative transactions	-	-	-	-
III.6.	Management costs:	162.801,46	17.909,43	-	-
III.6.1.	Remuneration to the management company	138.002,56	15.163,76	-	-
III.6.2.	Remuneration to the custodian	13.405,94	1.473,05	-	-
III.6.3.	Remuneration to brokers	10.701,17	1.196,61	-	-
III.6.4.	Audit costs	-	-	-	-
III.6.5.	Other costs (e-banking costs)	691,79	76,01	-	-
III.7.	Other loss in net asset value	-	-	-	-
III.8.	Cost reimbursement (-)	-	-	-	-
III.9.	Distribution of profit	-	-	-	-
III.10.	Loss from translation difference	-	-	-	-
	TOTAL DECREASE:	4.712.968,58	537.244,90	-	-
IV.	NET ASSET VALUE IN THE END OF THE PERIOD	12.440.771,71	1.293.757,46	-	-

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

23.3. Explanatory notes

General information about “Dovre Baltic Sea” subfund

“Dovre Baltic Sea” (hereafter – “Subfund”) is a subfund of Dovre Umbrella Type harmonized collective investment undertaking. It was established on 19 May 2015 and is managed by Dovre Forvaltning UAB.

Operation period of the Subfund is indefinite.

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

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

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

Reporting period – 19 May 2015 – 31 December 2015.

The Subfund has no employees.

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

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.

Benchmarking:

Benchmark component parts	Index name
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.

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 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 transaction 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.

Principles of recognition for increase and decreases in assets

Subfund'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 Subfund only those deductions are carried out that are related to management of the Subfund and described in the Subfund Rules. The amount may not exceed the size stated in the Subfund Rules. All other expenses that are not mentioned in the Rules of the Subfund 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 Subfund'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 Subfund'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 Subfund units

The net asset value of the Subfund and the price of Subfund units is determined daily. The net asset value is determined using the methods described in methodology for calculating net asset value. The price of Subfund units is determined dividing the net asset value by the number of shares. The price and the number of Subfund 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 Subfund unit value

Subfund's 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 Subfund (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.

Subfund 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 Subfund unit value is determined each business day by dividing the NAV by the total number of circulating Subfund units. The Subfund 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 Subfund'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 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 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 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 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 Subfund will seek to reduce the risk by diversifying the portfolio.

Subfund operational risk

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 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 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 will 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 this should not significantly affect the risk of the portfolio.

Interest rate risk

Change in interest rates can directly affect the Subfund's portfolio securities values. Since the majority of Subfund investment portfolio will consist 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 will seek 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 will be 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.

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.

24. Full text of audit opinion

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

We have audited the accompanying financial statements of harmonized collective investment undertaking Dovre Umbrella Fund subfund Dovre Baltic Sea 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 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>	10,20	1,07
2.	<i>Realized gains on investments in:</i>	95.970,29	(21.862,28)
2.1.	equity securities	95.970,29	(21.862,28)
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	326,79	33,98
3.	<i>Unrealized gain (loss) from:</i>	(827.613,45)	(238.033,33)
3.1.	equity securities	(827.613,45)	(238.033,33)
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	-	-
	Total income	(731.306,17)	(259.860,57)
II.	<i>Costs</i>	-	-
1.	<i>Operating expenses:</i>	162.801,46	17.888,44
1.1.	deductions for management	138.002,56	15.163,74
1.2.	deductions for custodian	13.405,94	1.473,05
1.3.	payments to brokers	10.701,17	1.196,61
1.4.	payments for audit	-	-
1.5.	other deductions and expenses	691,79	74,94
2.	<i>Other expenses (subscription fee)</i>	-	-
	Total costs	162.801,46	17.908,34
III.	Net income	(894.107,62)	(277.768,91)
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:

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 Baltic Sea" 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:

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

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

Romena 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.