

**HARMONIZED COLLECTIVE INVESTMENT UNDERTAKING
„DOVRE BALTIC SEA“
REPORT FOR THE YEAR 2014**

I. GENERAL INFORMATION

1. Fund's information:

Title – „Dovre Baltic Sea “;

Legal form – Harmonized collective investment undertaking;

Establishment date - 19 February 2013.

2. Reporting period:

01 January 2014 – 31 December 2014.

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. Fund Manager – Rytis Simanaitis.

4. Custodian's information:

Title – Swedbank, AB; Code – 1202965;

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

Tel. no. +3705268422;

Fax. no. +3705268417.

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

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

	At the end of the reporting period	the beginning of the reporting period	A year ago (2013.12.31)	Two years ago
Net asset value (NAV)	15.173.229,15 NOK; 5.764.461,49 LTL	22.084.073,33 NOK; 9.023.552,36 LTL	22.084.073,33 NOK; 9.023.552,36 LTL	-
Investment unit's (share's) value	148,6756 NOK; 56,4833 LTL	143,9942 NOK; 54,7048 LTL	143,9942 NOK; 58,8360 LTL	-
Current number of Fund units (shares)	102.055,9792	153.367,8038	153.367,8038	-

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

	Number of investment units (shares)	Value
Distributed units	25.851,33	3.712.376,77 NOK; 1.410.369,06 LTL
Redeemed units	77.163,15	11.119.893,31 NOK; 4.224.558,67 LTL

III. INDICATORS OF FUND EXPENSES AND TURNOVER

7. Deductions:

Deductions	maximum, (set in Fund's documents)	applied during the reporting period	accrued during the reporting period	% of the average value of the reporting period NAV
For management			328.492,96 NOK; 135.897,54 LTL	1,772%
<i>fixed fee</i>	Management fee - 1,75% of annual NAV		324.892,96 NOK; 134.408,22 LTL	1,753%
	Subscription fee - 0% of amount contributed by client, if it exceeds 100.000 NOK or 50.000 LTL (in other cases - 1%)		3.600,00 NOK; 1.489,32 LTL	0,019%
<i>success fee</i>		-	-	-
For custodian	0,17% of annual NAV, but not less than 200 LTL per month		31.560,94 NOK; 13.056,76 LTL	0,170%
For transactions	0,3% of a transaction value		11.493,46 NOK; 4.754,84 LTL	0,062%
Other expenses:			442,28 NOK; 182,97 LTL	0,002%
Expenses included into Total Expense Ratio (TER)*			356.453,90 NOK; 147.464,98 LTL	1,923%
Total amount of expenses			371.989,64 NOK; 153.892,12 LTL	2,005%
Portfolio turnover rate **	-0,6352(-1,0051)			

* 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
Swedbank	10.562,13 NOK; 4.369,55 LTL	brokerage
Orion Securities	931,33 NOK; 385,29 LTL	brokerage
TOTAL:	11.493,46 NOK; 4.754,84 LTL	

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

There are no such agreements.

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

	After 1 year	After 3 years	After 5 years	After 10 years
Paid deductions	793,39 NOK; 301,42 LTL	1.982,60 NOK; 753,21 LTL	3.361,55 NOK; 1.277,09 LTL	7.800,51 NOK; 2.963,49 LTL
Accrued amount, if there were no deductions	27.638,12 NOK; 10.500,00 LTL	30.471,03 NOK; 11.576,25 LTL	33.594,31 NOK; 12.762,82 LTL	42.875,80 NOK; 16.288,95 LTL
The accumulated amount at the current level of deductions	26.844,74 NOK; 10.198,58 LTL	28.488,43 NOK; 10.823,04 LTL	30.232,77 NOK; 11.485,73 LTL	35.075,29 NOK; 13.325,45 LTL

Assumptions: Management fee - 1,75%; Subscription fee - 1,00%; Custodian fee - 0,17%; Average transaction costs - 0,062%; Other expenses - 0,002 %; Return on investment 5 %.

IV. INFORMATION ABOUT FUND'S FINANCIAL INSTRUMENTS PORTFOLIO

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

Issuer title	Country	ISIN	Currency	Quantity	Total nominal value	Total purchase value	Total market value	Interest rate %	Source for market value (web page)	Share of the issuer, %	Share in net assets, %
Equities		ISIN									
Listed in the official (or equivalent) trading list											
Apranga APB	LT	LT0000102337	LTL	7.467	19.654,66 NOK; 7.467,00 LTL	171.252,93 NOK; 65.060,70 LTL	177.802,61 NOK; 67.548,99 LTL		http://www.oslobors.no	0,00273%	
Asseco Poland SA	PL	PLSOFTB00016	PLN	2.317	4.906,74 NOK; 1.864,12 LTL	229.396,57 NOK; 87.150,05 LTL	250.243,68 NOK; 95.070,08 LTL		http://www.oslobors.no	0,00040%	
Bank Handlowy w Warszawie SA	PL	PLBH00000012	PLN	1.050	-	242.290,49 NOK; 92.048,58 LTL	237.813,77 NOK; 90.347,83 LTL		http://www.nasdaqomxnordic.com	0,00027%	
Bank Pekao	PL	PLPEKAO00016	PLN	2.423	-	868.505,73 NOK; 329.954,01 LTL	916.948,37 NOK; 348.357,86 LTL		http://www.oslobors.no	0,00172%	
Bank Zachodni WBK SA	PL	PLBZ00000044	PLN	515	-	376.022,22 NOK; 142.854,60 LTL	408.983,15 NOK; 155.376,79 LTL		http://www.nasdaqomxnordic.com	0,00063%	
City Service AB	LT	LT0000127375	LTL	7.462	19.641,49 NOK; 7.462,00 LTL	126.299,07 NOK; 47.982,28 LTL	113.934,49 NOK; 43.284,85 LTL		http://www.nasdaqomxnordic.com	0,00084%	
Cyfrowy Polsat S.A	PL	PLCFRPT00013	PLN	10.486	-	454.328,87 NOK; 172.604,08 LTL	521.848,73 NOK; 198.255,55 LTL		http://www.nasdaqomxnordic.com	0,01382%	
ING Bank Slaski SA	PL	PLBSK0000017	PLN	898	-	234.522,41 NOK; 89.097,41 LTL	266.048,59 NOK; 101.074,52 LTL		http://www.nasdaqomxnordic.com	0,00006%	
KGHM Polska Miedz	PL	PLKGHM000017	PLN	2.300	48.707,38 NOK; 18.504,42 LTL	587.322,68 NOK; 223.129,76 LTL	530.179,81 NOK; 201.420,61 LTL		http://www.oslobors.no	0,00199%	
Klaipėdos Nafta AB	LT	LT0000111650	LTL	34.420	90.600,41 NOK; 34.420,00 LTL	102.218,42 NOK; 38.833,80 LTL	97.288,60 NOK; 36.960,91 LTL		http://www.oslobors.no	0,04316%	
Linas Agro Group AB	LT	LT0000128092	LTL	19.827	52.188,68 NOK; 19.827,00 LTL	129.587,88 NOK; 49.231,73 LTL	124.335,97 NOK; 47.236,48 LTL		http://www.oslobors.no	0,10603%	
Lubelski Wegiel Bogdanka S.A.	PL	PLLWBGD00016	PLN	1.267	-	327.033,27 NOK; 124.243,21 LTL	258.815,80 NOK; 98.326,71 LTL		http://www.nasdaqomxnordic.com	0,00204%	

Merko Ehitus AS	EE	EE3100098328	EUR	1.369	-	88.901,77 NOK; 33.774,67 LTL	88.836,69 NOK; 33.749,95 LTL		http://www.nasdaqomxnordic.com	0,00031%	
Olainfarm	LV	LV0000100501	EUR	1.548	-	115.012,74 NOK; 43.694,49 LTL	83.428,87 NOK; 31.695,46 LTL		http://www.nasdaqomxnordic.com	0,00093%	
Olympic Entertainment Group AS	EE	EE3100084021	EUR	34.794	-	601.896,45 NOK; 228.666,48 LTL	537.581,08 NOK; 204.232,43 LTL		http://www.nasdaqomxnordic.com	0,04846%	
PGE Polska Grupa Energetyczna	PL	PLPGER000010	PLN	11.995	254.019,57 NOK; 96.504,57 LTL	435.731,41 NOK; 165.538,72 LTL	479.842,96 NOK; 182.297,14 LTL		http://www.nasdaqomxnordic.com	0,00397%	
PKN Orlen	PL	PLPKN0000018	PLN	9.800	25.941,97 NOK; 9.855,62 LTL	978.993,13 NOK; 371.929,28 LTL	1.015.265,06 NOK; 385.709,35 LTL		http://www.nasdaqomxnordic.com	0,00743%	
PKO Bank Polski	PL	PLPKO0000016	PLN	12.807	27.121,54 NOK; 10.303,74 LTL	992.914,48 NOK; 377.218,14 LTL	969.866,23 NOK; 368.461,88 LTL		http://www.nasdaqomxnordic.com	0,00971%	
Polish Oil and Gas	PL	PLPGNIG00014	PLN	33.569	71.089,48 NOK; 27.007,60 LTL	428.662,18 NOK; 162.853,05 LTL	316.348,17 NOK; 120.183,83 LTL		http://www.nasdaqomxnordic.com	0,02544%	
Powszechny Zakład Ubezpieczeń	PL	PLPZU0000011	PLN	904	-	853.062,70 NOK; 324.087,05 LTL	930.404,10 NOK; 353.469,82 LTL		http://www.nasdaqomxnordic.com	0,00069%	
Premia Foods AS	EE	EE3100101031	EUR	19.547	88.826,15 NOK; 33.745,94 LTL	127.569,53 NOK; 48.464,94 LTL	119.027,03 NOK; 45.219,56 LTL		http://www.oslobors.no	0,00833%	
Rokiskio Suris PC	LT	LT0000100372	EUR	7.698	20.262,69 NOK; 7.698,00 LTL	107.043,43 NOK; 40.666,87 LTL	96.548,98 NOK; 36.679,92 LTL		http://www.nasdaqomxnordic.com	0,00061%	
Siaulių Bankas AB	LT	LT0000102253	LTL	107.092	281.887,82 NOK; 107.092,00 LTL	247.596,09 NOK; 94.064,23 LTL	258.898,40 NOK; 98.358,09 LTL		http://www.oslobors.no	0,20357%	
Silvano Fashion Group AS	EE	EE3100001751	EUR	11.974	150.178,94 NOK; 57.054,48 LTL	233.824,75 NOK; 88.832,36 LTL	128.413,88 NOK; 48.785,72 LTL		http://www.nasdaqomxnordic.com	0,00290%	
Synthos S.A	PL	PLDWORY00019	PLN	20.283	-	230.561,95 NOK; 87.592,79 LTL	176.539,11 NOK; 67.068,97 LTL		http://www.nasdaqomxnordic.com	0,05428%	
Tallink Grupp AS	EE	EE3100004466	EUR	21.052	114.798,26 NOK; 43.613,01 LTL	182.165,57 NOK; 69.206,52 LTL	129.148,04 NOK; 49.064,63 LTL		http://www.oslobors.no	0,01621%	
Tallinna Kaubamaja AS	EE	EE0000001105	EUR	3.348	18.256,92 NOK; 6.935,98 LTL	171.293,99 NOK; 65.076,30 LTL	155.183,78 NOK; 58.955,87 LTL		http://www.oslobors.no	0,00010%	
TEO LT AB	LT	LT0000123911	LTL	27.392	72.101,29 NOK; 27.392,00 LTL	259.716,88 NOK; 98.669,04 LTL	246.710,76 NOK; 93.727,88 LTL		http://www.nasdaqomxnordic.com	0,00645%	
TPSA Telekom. Polska	PL	PLTLKPL00017	PLN	25.797	-	523.848,67 NOK; 199.015,35 LTL	454.526,75 NOK; 172.679,26 LTL		http://www.oslobors.no	0,11080%	

Vilkyskiu pienine AB	LT	LT0000127508	EUR	27.383	72.077,60 NOK; 27.383,00 LTL	385.074,31 NOK; 146.293,58 LTL	497.739,06 NOK; 189.096,05 LTL		http://www.oslobors.no	0,01850%	
Total				468.784		10.812.650,55 NOK; 4.107.834,07 LTL	10.588.552,52 NOK; 4.022.696,99 LTL				
Listed in the additional (or equivalent) trading list											
traded in other regulated markets											
newly issued securities											
TOTAL EQUITIES				468.784		10.812.650,55 NOK; 4.107.834,07 LTL	10.588.552,52 NOK; 4.022.696,99 LTL				69,68%
Non-equity securities											
Listed in the official (or equivalent) trading list											
Listed in the additional (or equivalent) trading list											
traded in other regulated markets											
newly issued											
TOTAL (NON-EQUITY SECURITIES)				-		-	-				
Units (shares) of collective investment undertakings											
Total				-		-	-				
Money market instruments											
Total				-			-				
Deposits with credit institutions											

(Swedbank)											
Swedbank, Norge	NO		NOK				2.820.215,00 NOK; 1.071.427,88 LTL	1,75%		2015-12-31	18,56%
Swedbank Lithuania	LT		NOK				1.008.374,42 NOK; 383.091,53 LTL	0,82%		2015-01-09	6,64%
Total							3.828.589,42 NOK; 1.454.519,41 LTL				25,19%
Derivatives											
Total							-				
Cash											
"Swedbank", AB	LT		NOK				747.802,53 NOK; 284.097,66 LTL	-			
TOTAL (CASH)							747.802,53 NOK; 284.097,66 LTL				4,92%
Other instruments unforeseen in the Law of CUI article 57 part1		Brief description					Total value	Purpose			
Payables							-5.589,17 NOK; -2.123,38 LTL				-0,04%
Receivables							37.261,14 NOK; 14.155,88 LTL				0,25%
TOTAL (OTHER)							31.671,97 NOK; 12.032,50 LTL				
TOTAL							15.196.616,44 NOK; 5.773.346,55 LTL				100,00%

CIU (Collective Investment Undertaking)

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

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

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

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

CIU 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
According to investment objects				
Equities	10.588.552,52 NOK; 4.022.696,99 LTL	69,68%	9.242.634,34 NOK; 3.776.540,39 LTL	41,79%
Debt securities	-	-	-	-
Term-deposits	3.828.589,42 NOK; 1.454.519,41 LTL	25,19%	6.628.570,27 NOK; 2.708.433,81 LTL	29,97%
Total	14.417.141,94 NOK; 5.477.216,39 LTL	94,87%	15.871.204,61 NOK; 6.484.974,20 LTL	71,76%
According to sectors				
Energy	2.167.560,59 NOK; 823.477,94 LTL	9,80%	2.169.278,77 NOK; 886.367,31 LTL	9,81%
Materials	706.718,92 NOK; 268.489,58 LTL	3,20%	552.750,00 NOK; 225.853,65 LTL	2,50%
Industrials	88.836,69 NOK; 33.749,95 LTL	0,40%	83.293,10 NOK; 34.033,56 LTL	0,38%
Casual consumer discretionary	1.494.794,34 NOK; 567.887,32 LTL	6,76%	1.366.536,02 NOK; 558.366,62 LTL	6,18%
Consumer discretionary	992.834,82 NOK; 377.187,88 LTL	4,49%	732.484,36 NOK; 299.293,11 LTL	3,31%
Healthcare	83.428,87 NOK; 31.695,46 LTL	0,38%	-	-
Financials	4.102.897,10 NOK; 1.558.731,64 LTL	18,55%	3.780.501,92 NOK; 1.544.713,08 LTL	17,09%
Information Technology	250.243,68 NOK; 95.070,08 LTL	1,13%	111.497,72 NOK; 45.557,97 LTL	0,50%
Telecommunication services	701.237,51 NOK; 266.407,14 LTL	3,17%	446.292,45 NOK; 182.355,10 LTL	2,02%
Utilities	-	-	-	-
Total	10.588.552,52 NOK; 4.022.696,99 LTL	47,88%	9.242.634,34 NOK; 3.776.540,39 LTL	41,79%
According to geographical area				
Norway	-	-	-	-
Poland	7.733.674,28 NOK; 2.938.100,20 LTL	34,97%	6.482.214,77 NOK; 2.648.632,96 LTL	29,31%
Lithuania	1.613.258,87 NOK; 612.893,18 LTL	7,29%	1.460.653,95 NOK; 596.823,20 LTL	6,60%
Latvia	83.428,87 NOK; 31.695,46 LTL	0,38%	-	-
Estonia	1.158.190,50 NOK; 440.008,15 LTL	5,24%	1.299.765,62 NOK; 531.084,23 LTL	5,88%
Total	10.588.552,52 NOK; 4.022.696,99 LTL	47,88%	9.242.634,34 NOK; 3.776.540,39 LTL	41,79%

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

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

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

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16. Further information related to risk amount of derivatives.

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

The Fund's investment portfolio matches Fund's investment strategy during the year. The investment portfolio also matched with the geographic area restrictions.

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

The main factor that determined Fund's portfolio structure in the first half of the year 2014 was the overall trend of stock market, although fluctuating did not show a clear direction. In the second half of the year a significant impact on the Fund's return was changes in currencies rates, Euro and Polish Zloty currencies were increasing against the Norwegian krone. Fund's asset allocation to shares portfolio was greater at the end of the year than at the beginning of the year. Among other factors, a decline in the Fund's net asset had influence to Fund's asset allocation. At the end of the year Fund's net asset was 15 million NOK.

V. INVESTMENT RETURNS AND RISK INDICATORS

19. Benchmarking:

Benchmark component parts	Index name
45 %	WIG20 Index
15 %	OMX Baltic Benchmark Capped Index GI
40 %	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
	LTL	NOK	LTL	NOK		
Unit value change	4,00%	3,25%	27,34%	43,99%	-	-
Benchmark index value change	6,71%	1,13%	(2,08%)	10,71%	-	-
Annual total investment return	3,66%	4,23%	32,10%	50,13%	-	-
The annual net return on investment	5,32%	2,43%	28,26%	48,22%	-	-
Standard deviation of return	8,14%	8,96%	24,32%	23,47%	-	-
Standard deviation of benchmark return	8,79%	8,64%	8,34%	9,09%	-	-
Fund unit and benchmark correlation coefficient values	99,40%	95,15%	33,89%	11,15%	-	-
Index tracking error	3,40%	3,03%	23,73%	23,75%	-	-
Alfa ratio	14,28%	-0,84%	42,62%	58,33%	-	-
Beta ratio	0,92%	0,95	0,65	0,32	-	-

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	
				LTL	NOK
The average return	-	-	-	0,05%	0,03%
The average return of the benchmark	-	-	-	0,02%	0,09%
The average gross return on investment	-	-	-	0,06%	0,10%
The average net return on investment	-	-	-	0,05%	0,10%
The average standard deviation of the Fund return	-	-	-	25,66%	25,17%

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:

No.		Financial year 2014	Financial year 2013
A.	ASSETS	15.202.205,61 NOK; 5.775.469,93 LTL	22.117.486,65 NOK; 9.037.205,05 LTL
I.	CASH	747.802,53 NOK; 284.097,66 LTL	6.246.282,04 NOK; 2.552.230,84 LTL
II.	TERM DEPOSITS	3.827.999,87 NOK; 1.454.295,43 LTL	6.628.570,27 NOK; 2.708.433,81 LTL
III.	MONEY MARKET INSTRUMENTS	-	-
IV.	TRANSFERABLE SECURITIES	10.588.552,52 NOK; 4.022.696,99 LTL	9.242.634,34 NOK; 3.776.540,39 LTL
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	10.588.552,52 NOK; 4.022.696,99 LTL	9.242.634,34 NOK; 3.776.540,39 LTL
IV.3.	Units and shares of other collective investment undertakings	-	-
V.	RECEIVABLE ACCOUNTS	37.850,69 NOK; 14.379,86 LTL	-
V.1.	Receivables from sales of investment	-	-
V.2.	Other receivables	37.850,69 NOK; 14.379,86 LTL	-
VI.	INVESTMENTS AND OTHER ASSETS	-	-
B.	LIABILITIES	28.976,46 NOK; 11.008,45 LTL	33.413,32 NOK; 13.652,68 LTL
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	23.387,29 NOK; 8.885,07 LTL	3.467,32 NOK; 1.416,75 LTL
V.	Other payables and liabilities	5.589,17 NOK; 2.123,38 LTL	29.946,00 NOK; 12.235,94 LTL
C.	NET ASSETS (A-B)	15.173.229,15 NOK; 5.764.461,49 LTL	22.084.073,33 NOK; 9.023.552,36 LTL

23.2. Statement of changes in net assets:

No.		Financial year 2014	Financial year 2013
I.	NET ASSET VALUE AT THE BEGINNING OF THE PERIOD	22.084.073,33 NOK; 9.023.552,36 LTL	0,00 NOK; 0,00 LTL
II.	INCREASES IN NET ASSET VALUE		
II.1.	Contributions from Fund participants	3.712.376,77 NOK; 1.535.810,27 LTL	23.026.024,07 NOK; 10.208.127,25 LTL
II.2.	Amounts received from other funds	-	-
II.3.	Margin	-	-
II.4.	Interest income	76.261,97 NOK; 31.549,58 LTL	33.040,43 NOK; 14.647,81 LTL
II.5.	Dividends	442.200,96 NOK; 182.938,54 LTL	127.521,06 NOK; 56.533,91 LTL
II.6.	Gains from change in value of investments and sales	1.166.973,29 NOK; 482.776,85 LTL	920.507,24 NOK; 408.088,47 LTL
II.7.	Gains from changes in foreign exchange rates	24.658,75 NOK; 10.201,33 LTL	792.145,97 NOK; 351.182,07 LTL
II.8.	Gains from derivative transactions	-	-
II.9.	Other increase in net asset value	-	-
II.10.	Translation difference	-	-
	TOTAL INCREASE:	5.422.471,75 NOK; 2.243.276,56 LTL	24.899.238,78 NOK; 11.038.579,53 LTL
III.	DECREASE IN NET ASSET VALUE		
III.1.	Payments to Fund participants	11.119.893,31 NOK; 4.600.299,86 LTL	2.283.193,93 NOK; 1.012.208,36 LTL
III.2.	Payments to other funds	-	-
III.3.	Losses from change in value of investments and sales	792.698,64 NOK; 327.939,43 LTL	323.771,89 NOK; 143.537,79 LTL
III.4.	Losses from changes in foreign exchange rates*	48.734,34 NOK; 20.161,40 LTL	23.659,65 NOK; 10.489,03 LTL
III.5.	Losses from derivative transactions	-	-
III.6.	Management costs:	371.989,64 NOK; 153.892,12 LTL	184.539,97 NOK; 81.812,10 LTL
III.6.1.	Remuneration to the management company	328.492,96 NOK; 135.897,54 LTL	136.659,44 NOK; 60.585,23 LTL
III.6.2.	Remuneration to the custodian	31.560,94 NOK; 13.056,76 LTL	12.649,92 NOK; 5.608,09 LTL
III.6.3.	Remuneration to brokers	11.493,46 NOK; 4.754,84 LTL	35.230,61 NOK; 15.618,79 LTL
III.6.4.	Audit costs	-	-
III.6.5.	Other costs (e-banking costs)	442,28 NOK; 182,97 LTL	-
III.7.	Other loss in net asset value	-	-
III.8.	Cost reimbursement (-)	-	-
III.9.	Distribution of profit	-	-
III.10.	Translation difference	0,00 NOK; 400.074,64 LTL	0,00 NOK; 766.980,23 LTL
	TOTAL DECREASE:	12.333.315,93 NOK; 5.502.367,44 LTL	2.815.165,44 NOK; 2.015.027,52 LTL
IV.	NET ASSET VALUE IN THE END OF THE PERIOD	15.173.229,15 NOK; 5.764.461,49 LTL	22.084.073,33 NOK; 9.023.552,00 LTL

23.3. Explanatory notes

General information about “Dovre Baltic Sea” fund

“Dovre Baltic Sea” (hereafter – “Fund”) is a harmonized collective investment undertaking. It was established on 19 February 2013 and is managed by Dovre Forvaltning UAB.

Operation period of the Fund is indefinite.

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

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

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

Reporting period – 1 January 2014 – 31 December 2014.

The Fund has no employees.

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

Investment policy and portfolio composition

The Fund is an actively managed investment fund, which aims to achieve the Fund's investment unit value growth. The Fund specializes in the geographical area: Lithuania, Latvia, Estonia, Poland and Norway. The Fund shall not specialize in industries.

The Fund invests in equities, various rank governments 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 Fund's portfolio management approach is based on tactical asset allocation and frequent portfolio adjustments. This means that the Fund manager, having regard the market situation as well as economic and political risk factors, may at its discretion decide what part of the Fund's assets must be invested in stocks (or stock funds). If the situation in the markets seem to be particularly favorable for equity, 100 percent of the Fund's assets may be invested in equities or equity funds. As equity securities have large price fluctuations the Fund's net assets may also experience big fluctuations. In cases where the market situation seems particularly unfavorable for equity securities, the Fund may hold up to 100 percent in cash or in deposits or be invested into money market instruments.

Although there are no specific limits for regions, sectors or financial instruments, the Fund, however, expects that the average proportions will be:

- 45% shares listed in Poland, or investment funds that invest in the relevant financial instruments;
- 15% shares listed in the Baltic States (Lithuania, Latvia and Estonia) or investment funds that invest in the relevant financial instruments;
- 40% cash and deposits (in Lithuania and / or Norwegian financial institutions), government or corporate bonds up to 1 year duration, listed in Lithuania, Latvia, Estonia, Poland and Norway, investment funds that invest in the relevant financial instruments, and other money market instruments which are not admitted to trading on a regulated market and fulfill criteria in par 4. and geographic specialization of the Fund.

The Fund does not set limits for individual sectors; therefore, there may be periods when the risk increases with certain narrow asset classes or industry sectors.

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.

ACCOUNTING POLICY

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

Below are the basic accounting principles.

Functional and presentation currency

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

The Fund's financial statements are presented in Norwegian krone, which is the Fund's functional currency, and, due to the requirements of the laws of the Republic of Lithuania, also in Lithuanian Litas (LTL) being an additional presentation currency. Since 2 February 2002 the exchange rate of the Litas has been pegged to the euro at a rate of LTL 3.4528 = EUR 1.

Exchange rates of the main currencies were as follows:

Currency	Average exchange rate for the period		Exchange rate at the end of the period	
	2014	2013	31 December 2014	31 December 2013
LTL / NOK	0,4137	0,4433	0,3799	0,4086
PLN / LTL	0,8254	0,8228	0,8045	0,8322
PLN / NOK	0,5012	0,5388	0,4722	0,4910

Norwegian krone is the functional currency of the Fund and is translated to the presentation currency, Lithuanian Litas by using period end exchange rate for translation of assets and liabilities and average exchange rate for the year for translation of income and expenses.

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

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

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

not mentioned in the Rules of the Fund or exceed the limits stated in the Rules are covered by the management company.

Investment valuation methods:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial risk

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

Risk factors associated with investing in securities:

Specific risk

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

Market liquidity risk

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

Market volatility risk

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

Fund operational risk

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

Exchange rate fluctuations

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

Inflation risk

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

Interest rate risk

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

Counterparty and settlement risk

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

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

Fund investment objective and investment policy risk

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

Chosen risk management methods

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

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

24. Full text of audit opinion

INDEPENDENT AUDITOR'S REPORT

To the participants of Dovre Forvaltning UAB managed harmonized collective investment undertaking Dovre Baltic Sea:
We have audited the accompanying financial statements (pages 4-21) of Dovre Forvaltning UAB managed harmonized collective investment undertaking Dovre Baltic Sea (hereinafter – the Fund), which comprise the Statement of Net Assets as at 31 December 2014, the Statement of Changes in Net Assets for the year then ended, and 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 Fund as at 31 December 2014, and the changes in net assets for the year then ended 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
31 March 2015

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

I.	Income from investment activities	
1.	<i>Income on interest</i>	76.261,97 NOK; 31.549,58 LTL
2.	<i>Realized gains on investments in:</i>	378.700,87 NOK; 156.668,55 LTL
2.1.	equity securities	378.700,87 NOK; 156.668,55 LTL
2.2.	government's non-equity securities	-
2.3.	companies' non-equity securities	-
2.4.	financial instruments	-
2.5.	derivative financial instruments	-
2.6.	other collective investment undertakings units	-
2.7.	other	-
3.	<i>Unrealized gain (loss) from:</i>	413.699,16 NOK; 171.147,34 LTL
3.1.	equity securities	413.699,16 NOK; 171.147,34 LTL
3.2.	government's non-equity securities	-
3.3.	companies' non-equity securities	-
3.4.	financial instruments	-
3.5.	derivative financial instruments	-
3.6.	other collective investment undertakings units	-
3.7.	other	-
	Total income	868.662,01 NOK; 359.365,47 LTL
II.	<i>Costs</i>	
1.	<i>Operating expenses:</i>	368.389,64 NOK; 152.402,80 LTL
1.1.	deductions for management	324.892,96 NOK; 134.408,22 LTL
1.2.	deductions for custodian	31.560,94 NOK; 13.056,76 LTL
1.3.	payments to intermediaries	11.493,46 NOK; 4.754,84 LTL
1.4.	payments for audit	-
1.5.	other deductions and expenses	442,28 NOK; 182,97 LTL
2.	<i>Other expenses (distribution fee)</i>	3.600,00 NOK; 1.489,32 LTL
	Total costs	371.989,64 NOK; 153.892,12 LTL
III.	Net income	496.672,36 NOK; 205.473,36 LTL
IV.	Payments (dividends) to unit holders	-
V.	Reinvested earnings	-

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

-

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 Fund 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 fund's net assets, %
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

IX. OTHER INFORMATION

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

-

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

I, Fund's "Dovre Baltic Sea" accountant Solveiga Brazauskaitė 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

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

Solveiga Brazauskaitė, tel. +37052683460, fax. +37052683463, sb@dovreforvaltning.no.

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

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