

**HARMONIZED COLLECTIVE INVESTMENT UNDERTAKING  
„DOVRE BALTIC SEA“  
REPORT FOR THE FIRST HALF OF 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 – 30 June 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](mailto:info@dovreforvaltning.no);

web page - [www.dovreforvaltning.no](http://www.dovreforvaltning.no)

3.4. operating license no. – VKĮ-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:**

	the beginning of the reporting period	At the end of the reporting period	A year ago	Two years ago
<b>Net asset value (NAV)</b>	22.084.073,33 NOK; 9.130.880,96 LTL	17.667.050,97 NOK; 7.304.618,89 LTL	2.021.357,15 NOK; 878.805,23 LTL	-
<b>Investment unit's (share's) value</b>	143,9942 NOK; 59,5358 LTL	145,0689 NOK; 59,9802 LTL	134,06 NOK; 58,29 LTL	-
<b>Current number of Fund units (shares)</b>	0,00	153.367,8038	15077,6663	-

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

	Number of investment units (shares)	Value
Distributed units	19.942,03	2.851.376,77 NOK; 1.178.930,24 LTL
Redeemed units	51.526,00	7.387.755,38 NOK; 3.054.541,34 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			179.716,71 NOK; 74.305,67 LTL	0,878%
<i>fixed fee</i>	Management fee - 1,75% of annual NAV		176.616,71 NOK; 73.023,94 LTL	0,182%
	Subscription fee - 0% of amount contributed by client, if it exceeds 100.000 NOK (or 50.000 LTL) In other cases - 1%.		3.100,00 NOK; 1.281,73 LTL	0,000%
<i>success fee</i>	-		-	
For custodian	0,17% of annual NAV, but not less than 200 LTL per month		17.156,99 NOK; 7.093,73 LTL	0,032%
For transactions	0,3% of a transaction value		8.399,23 NOK; 3.472,75 LTL	0,362%
Other expenses:			91,60 NOK; 37,87 LTL	0,000%
Other expenses to financial institutions	not more than 0,2 % of annual average NAV		91,60 NOK; 37,87 LTL	0,000%
Expenses included into Total Expense Ratio (TER)*			193.773,70 NOK; 80.117,67 LTL	0,947%
Total amount of expenses			205.272,93 NOK; 84.872,15 LTL	<b>1,003%</b>

\* 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.

#### 8. Remuneration to brokers:

Broker	Paid amount	Service
Swedbank	7.467,90 NOK; 3.087,68 LTL	brokerage
Orion Securities	931,33 NOK; 385,07 LTL	brokerage
<b>TOTAL:</b>	<b>8.399,23 NOK; 3.472,75 LTL</b>	

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

There are no such agreements.

#### 10. An example of deductions influence on investment returns.

Presented only in yearly reports.

#### 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, %
<b>Equities</b>		ISIN									
Listed in the official (or equivalent) trading list											
KGHM Polska Miedz	PL	PLKGHM000017	PLN	2.300	46.255,89 NOK; 19.124,96 LTL	539.664,76 NOK; 223.129,79 LTL	575.654,54 NOK; 238.010,13 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00115%	3,25%
Bank Pekao	PL	PLPEKA000016	PLN	2.423	268.012,66 NOK; 110.812,51 LTL	798.031,27 NOK; 329.954,01 LTL	847.163,64 NOK; 350.268,28 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00092%	4,79%
PKN Orlen	PL	PLPKN0000018	PLN	12.500	31.423,84 NOK; 12.992,50 LTL	1.147.324,17 NOK; 474.372,65 LTL	1.030.701,88 NOK; 426.154,00 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00292%	5,82%
PKO Bank Polski	PL	PLPKO0000016	PLN	12.807	25.756,49 NOK; 10.649,28 LTL	912.344,94 NOK; 377.218,14 LTL	971.019,52 NOK; 401.477,73 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00102%	5,49%
Powszechny Zaklad Ubezpieczen	PL	PLPZU0000011	PLN	1.035	749.345,41 NOK; 309.824,35 LTL	890.535,67 NOK; 368.200,88 LTL	923.672,29 NOK; 381.901,55 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00120%	5,22%
Bank Zachodni WBK SA	PL	PLBZ00000044	PLN	515	45.261,39 NOK; 18.713,77 LTL	345.510,09 NOK; 142.854,60 LTL	382.184,26 NOK; 158.017,90 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00055%	2,16%
Polish Oil and Gas	PL	PLPGNIG00014	PLN	33.569	67.511,48 NOK; 27.913,29 LTL	393.878,59 NOK; 162.853,04 LTL	354.435,25 NOK; 146.544,80 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00057%	2,00%
TPSA Telekom. Polska	PL	PLTLKPL00017	PLN	25.797	876.789,03 NOK; 362.517,19 LTL	481.341,24 NOK; 199.015,35 LTL	503.245,77 NOK; 208.072,00 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00197%	2,84%
PGE Polska Grupa Energetyczna	PL	PLPGER000010	PLN	14.307	287.731,74 NOK; 118.965,57 LTL	467.466,55 NOK; 193.278,72 LTL	622.939,22 NOK; 257.560,45 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00077%	3,52%
Asseco Poland SA	PL	PLSOFTB00016	PLN	2.317	4.659,78 NOK; 1.926,63 LTL	210.782,30 NOK; 87.150,05 LTL	191.656,67 NOK; 79.242,37 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00279%	1,08%
Lubelski Wegiel Bogdanka S.A.	PL	PLLWBGD00016	PLN	1.267	146.515,53 NOK; 60.578,31 LTL	300.496,35 NOK; 124.243,22 LTL	304.497,49 NOK; 125.897,53 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00373%	1,72%
Silvano Fashion Group AS	EE	EE3100001751	EUR	6.351	73.191,24 NOK; 30.261,65 LTL	136.431,94 NOK; 56.409,15 LTL	107.135,01 NOK; 44.296,04 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,01612%	0,61%

Olympic Entertainment Group AS	EE	EE3100084021	EUR	34.794	-	553.055,85 NOK; 228.666,47 LTL	569.506,06 NOK; 235.467,98 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,02299%	3,22%
Tallink Grupp AS	EE	EE3100004466	EUR	21.052	105.483,01 NOK; 43.613,01 LTL	167.383,86 NOK; 69.206,53 LTL	133.611,82 NOK; 55.243,14 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,00312%	0,76%
Apranga APB	LT	LT0000102337	LTL	11.059	26.747,45 NOK; 11.059,00 LTL	231.986,79 NOK; 95.917,26 LTL	241.966,41 NOK; 100.043,43 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,02000%	1,37%
Pieno Zvaigzdes AB	LT	LT0000111676	LTL	5.152	12.460,70 NOK; 5.152,00 LTL	92.107,63 NOK; 38.082,82 LTL	82.606,65 NOK; 34.154,55 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,01038%	0,47%
Siauliu Bankas AB	LT	LT0000102253	LTL	107.092	259.014,17 NOK; 107.092,00 LTL	227.505,03 NOK; 94.064,23 LTL	254.882,38 NOK; 105.383,67 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,04284%	1,44%
TEO LT AB	LT	LT0000123911	LTL	36.523	88.335,03 NOK; 36.523,00 LTL	238.642,29 NOK; 98.669,04 LTL	237.902,48 NOK; 98.363,16 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,00470%	1,34%
Tallinna Kaubamaja AS	EE	EE0000001105	EUR	3.348	16.775,47 NOK; 6.935,98 LTL	157.394,43 NOK; 65.076,30 LTL	140.354,74 NOK; 58.031,07 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,00822%	0,79%
City Service AB	LT	LT0000127375	LTL	7.462	18.047,70 NOK; 7.462,00 LTL	116.050,60 NOK; 47.982,28 LTL	109.674,54 NOK; 45.346,04 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,02361%	0,62%
Premia Foods AS	EE	EE3100101031	EUR	19.547	81.618,39 NOK; 33.745,94 LTL	117.217,97 NOK; 48.464,94 LTL	106.756,86 NOK; 44.139,69 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,05053%	0,60%
Harju Elekter AS	EE	EE3100004250	EUR	1.163	6.798,54 NOK; 2.810,92 LTL	26.222,95 NOK; 10.842,14 LTL	26.417,19 NOK; 10.922,45 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,00668%	0,15%
Merko Ehitus AS	EE	EE3100098328	EUR	1.369	-	81.687,85 NOK; 33.774,66 LTL	82.085,38 NOK; 33.939,02 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,00773%	0,46%
Klaipėdos Nafta AB	LT	LT0000111650	LTL	34.420	83.248,68 NOK; 34.420,00 LTL	93.923,93 NOK; 38.833,79 LTL	83.357,90 NOK; 34.465,16 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,00904%	0,47%
Linas Agro Group AB	LT	LT0000128092	LTL	19.827	47.953,85 NOK; 19.827,00 LTL	119.072,53 NOK; 49.231,73 LTL	111.928,74 NOK; 46.278,06 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,01247%	0,63%
Vilkyskiu pienine AB	LT	LT0000127508	EUR	27.383	66.228,90 NOK; 27.383,00 LTL	353.827,65 NOK; 146.293,58 LTL	464.210,53 NOK; 191.932,49 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,22928%	2,62%
Bank Handlowy w Warszawie SA	PL	PLBH00000012	PLN	1.050	80.032,74 NOK; 33.090,34 LTL	222.629,95 NOK; 92.048,58 LTL	252.873,91 NOK; 104.553,25 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00080%	1,43%
TVN SA	PL	PLTVN0000017	PLN	5.100	72.822,86 NOK; 30.109,34 LTL	153.059,64 NOK; 63.284,04 LTL	158.979,48 NOK; 65.731,66 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00147%	0,90%
ING Bank Slaski SA	PL	PLBSK0000017	PLN	898	121.904,38 NOK; 50.402,58 LTL	215.492,21 NOK; 89.097,41 LTL	239.474,38 NOK; 99.013,08 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00069%	1,35%
Olainfarm	LV	LV0000100501	EUR	1.548	-	105.680,09 NOK; 43.694,49 LTL	100.057,54 NOK; 41.369,79 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,01615%	0,57%

Grindeks AS	LV	LV0000100659	EUR	1.265	-	104.509,31 NOK; 43.210,42 LTL	72.680,33 NOK; 30.050,41 LTL		<a href="http://www.nasdaqomxbaltic.com">http://www.nasdaqomxbaltic.com</a>	0,00898%	0,41%
Grupa Lotos S.A	PL	PLLOTOS00025	PLN	2.828	170.623,90 NOK; 70.546,16 LTL	211.838,44 NOK; 87.586,72 LTL	210.436,14 NOK; 87.006,93 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00218%	1,19%
Synthos S.A	PL	PLDWORY00019	PLN	20.283	23.251,25 NOK; 9.613,46 LTL	211.853,12 NOK; 87.592,79 LTL	180.299,14 NOK; 74.546,48 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00153%	1,02%
Cyfrowy Polsat S.A	PL	PLCFRPT00013	PLN	10.486	277.105,04 NOK; 114.571,85 LTL	417.462,58 NOK; 172.604,08 LTL	471.331,62 NOK; 194.876,77 LTL		<a href="http://www.gpw.pl/">http://www.gpw.pl/</a>	0,00301%	2,66%
Total				488.837	4.180.906,51 NOK; 1.728.637,61 LTL	10.842.412,57 NOK; 4.482.903,90 LTL	11.145.699,76 NOK; 4.608.301,02 LTL				
Listed in the additional (or equivalent) trading list											
traded in other regulated markets											
newly issued securities											
<b>TOTAL EQUITIES</b>				<b>488.837</b>		<b>10.842.412,57 NOK; 4.482.903,90 LTL</b>	<b>11.145.699,76 NOK; 4.608.301,02 LTL</b>				<b>58,10%</b>
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											
<b>TOTAL (NON-EQUITY SECURITIES)</b>				<b>-</b>		<b>-</b>	<b>-</b>				
Units (shares) of collective investment undertakings											
Total				<b>-</b>		<b>-</b>	<b>-</b>				
Money market instruments											
Total				<b>-</b>			<b>-</b>				

Deposits with credit institutions (Swedbank)											
Swedbank Lithuania	LT		NOK			1.004.025,09 NOK; 415.124,21 LTL	0,81%		2014.07.04		
Swedbank Lithuania	LT		NOK			1.004.018,30 NOK; 415.121,41 LTL	0,82%		2014.07.25		
Swedbank, Norge	NO		NOK			2.777.192,70 NOK; 1.148.258,09 LTL	2%		2014.12.31		
Total						<b>4.785.236,09 NOK; 1.978.503,71 LTL</b>					<b>27,04%</b>
Derivatives											
Total						-					
<b>Cash</b>											
"Swedbank", AB	LT		NOK			1.619.042,42 NOK; 669.409,28 LTL	-				
<b>TOTAL (CASH)</b>						<b>1.619.042,42 NOK; 669.409,28 LTL</b>					<b>9,15%</b>
Other instruments unforeseen in the Law of CUI article 57 part1		Brief description				Total value	Purpose				
Payables						-16.601,32 NOK; -6.863,98 LTL					
Receivables						162.200,38 NOK; 67.063,37 LTL					
<b>TOTAL (OTHER)</b>						<b>145.599,06 NOK; 60.199,39 LTL</b>					<b>0,82%</b>
<b>TOTAL</b>						<b>17.695.577,33 NOK; 7.316.413,40 LTL</b>					<b>100%</b>

*CUI (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, %
<b>According to investment objects</b>				
Equities	11.145.699,76 NOK; 4.608.301,02 LTL	62,99%	9.242.634,34 NOK; 3.776.540,39 LTL	41,79%
Debt securities	-	-	-	-
Term-deposits	4.785.236,09 NOK; 1.978.503,71 LTL	27,04%	6.628.570,27 NOK; 2.708.433,81 LTL	29,97%
<b>Total</b>	<b>15.930.935,85 NOK; 6.586.804,74 LTL</b>	<b>90,03%</b>	<b>15.871.204,61 NOK; 6.484.974,20 LTL</b>	<b>71,76%</b>
<b>According to sectors</b>				
Energy	2.606.367,88 NOK; 1.077.628,86 LTL	14,73%	2.169.278,77 NOK; 886.367,31 LTL	9,81%
Materials	755.953,68 NOK; 312.556,61 LTL	4,27%	552.750,00 NOK; 225.853,65 LTL	2,50%
Industrials	82.085,38 NOK; 33.939,02 LTL	0,46%	83.293,10 NOK; 34.033,56 LTL	0,38%
Casual consumer discretionary	1.682.530,40 NOK; 695.659,02 LTL	9,51%	1.366.536,02 NOK; 558.366,62 LTL	6,18%
Consumer discretionary	905.857,52 NOK; 374.535,85 LTL	5,12%	732.484,36 NOK; 299.293,11 LTL	3,31%
Healthcare	172.737,87 NOK; 71.420,20 LTL	0,98%	-	-
Financials	3.980.944,92 NOK; 1.645.961,49 LTL	22,50%	3.780.501,92 NOK; 1.544.713,08 LTL	17,09%
Information Technology	218.073,86 NOK; 90.164,82 LTL	1,23%	111.497,72 NOK; 45.557,97 LTL	0,50%
Telecommunication services	741.148,25 NOK; 306.435,16 LTL	4,19%	446.292,45 NOK; 182.355,10 LTL	2,02%
<b>Total</b>	<b>11.145.699,76 NOK; 4.608.301,02 LTL</b>	<b>62,99%</b>	<b>9.242.634,34 NOK; 3.776.540,39 LTL</b>	<b>41,79%</b>
<b>According to geographical area</b>				
Poland	8.220.565,20 NOK; 3.398.874,89 LTL	46,46%	6.482.214,77 NOK; 2.648.632,96 LTL	29,31%
Lithuania	1.586.529,63 NOK; 655.966,54 LTL	8,97%	1.460.653,95 NOK; 596.823,20 LTL	6,60%
Latvia	172.737,87 NOK; 71.420,20 LTL	0,98%	-	-
Estonia	1.165.867,06 NOK; 482.039,39 LTL	6,59%	1.299.765,62 NOK; 531.084,23 LTL	5,88%
<b>Total</b>	<b>11.145.699,76 NOK; 4.608.301,02 LTL</b>	<b>62,99%</b>	<b>9.242.634,34 NOK; 3.776.540,39 LTL</b>	<b>41,79%</b>

**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.**

-

**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 first half of 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.**

Stock markets in the Baltic countries and Poland had a difficult year. The major contribution was made by the Ukrainian crisis, which has discouraged foreign investors. Warsaw, Tallinn and Riga Stock Exchanges fell by ~ 2.5 percent this year. The exception is the Vilnius Stock Exchange, which has increased. Weak trend was mainly driven by the crisis in Ukraine, also the Polish pension system restructuring had a negative impact. Under the new rules, the pension funds had to reduce equity positions.

## V. INVESTMENT RETURNS AND RISK INDICATORS

This information is not provided in half-year reports.

## 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.		2014.06.30	2013.06.30
<b>A.</b>	<b>ASSETS</b>	<b>17.712.178,65 NOK; 7.323.277,38 LTL</b>	<b>2.024.242,94 NOK; 880.059,86 LTL</b>
I.	CASH	1.619.042,42 NOK; 669.409,28 LTL	2.024.242,94 NOK; 880.059,86 LTL
II.	TERM DEPOSITS	4.785.236,09 NOK; 1.978.503,71 LTL	-
III.	MONEY MARKET INSTRUMENTS	-	-
IV.	TRANSFERABLE SECURITIES	11.145.699,76 NOK; 4.608.301,02 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	11.145.699,76 NOK; 4.608.301,02 LTL	-
IV.3.	Units and shares of other collective investment undertakings	-	-
V.	RECEIVABLE ACCOUNTS	162.200,38 NOK; 67.063,37 LTL	-
V.1.	Receivables from sales of investment	-	-
V.2.	Other receivables	162.200,38 NOK; 67.063,37 LTL	-
VI.	INVESTMENTS AND OTHER ASSETS	-	-
<b>B.</b>	<b>LIABILITIES</b>	<b>45.127,68 NOK; 18.658,49 LTL</b>	<b>2.024.242,94 NOK; 880.059,86 LTL</b>
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	28.526,36 NOK; 11.794,51 LTL	2.885,79 NOK; 1.254,63 LTL
V.	Other payables and liabilities	16.601,32 NOK; 6.863,98 LTL	-
<b>C.</b>	<b>NET ASSETS (A-B)</b>	<b>17.667.050,97 NOK; 7.304.618,89 LTL</b>	<b>2.021.357,15 NOK; 878.805,23 LTL</b>

### 23.2. Statement of changes in net assets:

No.		Financial year 2013	Financial year 2012
<b>I.</b>	<b>NET ASSET VALUE AT THE BEGINNING OF THE PERIOD</b>	<b>22.084.073,33 NOK; 9.130.880,96 LTL</b>	<b>0,00 NOK; 0,00 LTL</b>
<b>II.</b>	<b>INCREASES IN NET ASSET VALUE</b>		
II.1.	Contributions from Fund participants	2.851.376,77 NOK; 1.178.930,24 LTL	1.405.570,14 NOK; 646.473,66 LTL
II.2.	Amounts received from other funds	-	-
II.3.	Margin	-	-
II.4.	Interest income	42.103,85 NOK; 17.408,26 LTL	-
II.5.	Dividends	264.422,19 NOK; 109.328,00 LTL	-
II.6.	Gains from change in value of investments and sales	519.947,00 NOK; 214.977,29 LTL	634.939,80 NOK; 276.046,43 LTL
II.7.	Gains from changes in foreign exchange rates	5.738,97 NOK; 2.372,83 LTL	1.623,42 NOK; 705,80 LTL
II.8.	Gains from derivative transactions	-	-
II.9.	Other increase in net asset value	-	-
	<b>TOTAL INCREASE:</b>	<b>3.683.588,78 NOK; 1.523.016,62 LTL</b>	<b>2.042.133,36 NOK; 923.225,89 LTL</b>
<b>III.</b>	<b>DECREASE IN NET ASSET VALUE</b>		
III.1.	Payments to Fund participants	7.387.755,38 NOK; 3.054.541,34 LTL	-

III.2.	Payments to other funds	-	-
III.3.	Losses from change in value of investments and sales	330.314,82 NOK; 136.571,96 LTL	-
III.4.	Losses from changes in foreign exchange rates	177.174,81 NOK; 73.254,70 LTL	-
III.5.	Losses from derivative transactions	-	-
III.6.	Management costs:	205.272,93 NOK; 84.872,15 LTL	20.776,21 NOK; 9.032,66 LTL
III.6.1.	Remuneration to the management company	179.716,71 NOK; 74.305,67 LTL	6.577,13 NOK; 2.859,47 LTL
III.6.2.	Remuneration to the custodian	17.156,99 NOK; 7.093,73 LTL	1.138,66 NOK; 495,04 LTL
III.6.3.	Remuneration to brokers	8.399,23 NOK; 3.472,75 LTL	13.060,42 NOK; 5.678,15 LTL
III.6.4.	Audit costs	-	-
III.6.5.	Other costs (e-banking costs)	-	-
III.7.	Other loss in net asset value	93,19 NOK; 38,53 LTL	-
III.8.	Cost reimbursement (-)	-	-
III.9.	Distribution of profit	-	-
	<b>TOTAL DECREASE:</b>	<b>8.100.611,13 NOK; 3.349.240,15 LTL</b>	<b>20.776,21 NOK; 9.032,66 LTL</b>
<b>IV.</b>	<b>NET ASSET VALUE IN THE END OF THE PERIOD</b>	<b>17.667.050,97 NOK; 7.304.618,89 LTL</b>	<b>2.021.357,15 NOK; 914.193,23 LTL</b>

### 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 – 30 June 2014.

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 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.

The corresponding proportions are reflected in the choice of the benchmark:

<b>Benchmark component parts</b>	<b>Index name</b>
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.

## **ACCOUNTING POLICY**

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

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

#### Functional and presentation currency

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

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

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

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

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

#### Investment valuation methods:

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

*Derivative financial instruments* are valued: According to the latest market value of a similar instrument. Assessment of these instruments is based on information from the financial markets. Forward and swap

transactions are valued using the following formula: Value of a derivative financial instrument = payables from derivative financial instrument (current value) - (minus) receivables from the derivative financial instrument (current value).

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

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

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

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

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

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

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

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

Rules for determining the price of fund units – The net asset value of the Fund and the price of Fund units is determined daily. The net asset value is determined using the methods described in methodology for calculating net asset value. The price of Fund units is determined by 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**

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

<b>I.</b>	<b>Income from investment activities</b>	
1.	<i>Income on interest</i>	42.103,85 NOK; 17.203,63 LTL
2.	<i>Realized gains on investments in:</i>	215.239,54 NOK; 87.946,88 LTL
2.1.	equity securities	215.239,54 NOK; 87.946,88 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>	67.378,99 NOK; 27.531,06 LTL
3.1.	equity securities	67.378,99 NOK; 27.531,06 LTL
3.2.	government's non-equity securities	-
3.3.	companies' non-equity securities	-
3.4.	financial instruments	-
3.5.	derivative financial instruments	-
3.6.	other collective investment undertakings units	-
3.7.	other	-
	<b>Total income</b>	<b>324.722,38 NOK; 115.477,93 LTL</b>
<b>II.</b>	<b>Costs</b>	
1.	<i>Operating expenses:</i>	205.366,12 NOK; 83.628,29 LTL
1.1.	deductions for management	176.616,71 NOK; 73.023,94 LTL
1.2.	deductions for custodian	17.156,99 NOK; 7.093,73 LTL
1.3.	payments to intermediaries	8.399,23 NOK; 3.472,75 LTL
1.4.	payments for audit	-
1.5.	other deductions and expenses	93,19 NOK; 37,87 LTL
2.	<i>Other expenses (distribution fee)</i>	3.100,00 NOK; 1.281,73 LTL
	<b>Total costs</b>	<b>205.366,12 NOK; 84.910,02 LTL</b>
<b>III.</b>	<b>Net income</b>	<b>119.356,26 NOK; 30.567,91 LTL</b>
<b>IV.</b>	<b>Payments (dividends) to unit holders</b>	-
<b>V.</b>	<b>Reinvested earnings</b>	-

**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.**

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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 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.**

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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.).**

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

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**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:

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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:

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### **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.