

## **INVESTMENT FUND CBL Eastern European Bond Fund**

### **SEMIANNUAL REPORT 2020 (NON-AUDITED) (for the six – month period ended 30 June 2020)**

**PREPARED IN ACCORDANCE WITH FCMC “NORMATIVE REGULATIONS ON PREPARATION OF ANNUAL REPORTS AND CONSOLIDATED ANNUAL REPORTS OF INVESTMENT FUND AND OPEN ALTERNATIVE INVESTMENT FUND” AND INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION**

Translation from Latvian original\*

**Riga, 2020**

\*This version of financial statements is a translation from the original, which was prepared in Latvian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of financial statements takes precedence over this translation.



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**INVESTMENT FUND INFORMATION**

|  |   |
|--|---|
| Name of the Fund:  | CBL Eastern European Bond Fund  |
| Type of the Fund:  | Investment fund   |
| Classes:   | -R Acc USD<br>ISIN: LV0000400125  |
|  | -R Acc EUR (hedged)<br>ISIN: LV0000400174   |
| Registration date of the Fund:   | 20 July 2009  |
| Number of the Fund:  | FL92  |
| Investment management company name:  | CBL Asset Management IPAS   |
| Investment management company's registered office:                             | Republikas laukums 2a, Rīga, LV-1010, Latvia  |
| Investment management company's registration number:                           | 40003577500   |
| Number of the license for investment management company operations:            | 06.03.07.098/367  |
| Name of the Fund's Custodian:  | Citadele banka AS   |
| Registered office of the Fund's Custodian:                                     | Republikas laukums 2a, Rīga, LV-1010, Latvia  |
| Registration number of the Fund's Custodian:                                   | 40103303559   |
| Investment management company's Council and Board members and their positions: | <p><i>Council of the investment management company:</i><br/> Chairperson of the Council – Juris Jākobsons – appointed on 11.10.2010<br/> Deputy Chairperson of the Council - Vladimirs Ivanovs - appointed on 06.11.2012<br/> Member of the Council - Peter Meier - appointed on 30.09.2015</p> <p><i>Board of the investment management company:</i><br/> Chairperson of the Board – Kārlis Purgailis - appointed on 08.09.2017<br/> Board Member - Zigurds Vaikulis - appointed on 19.04.2007<br/> Board Member - Andris Kotāns - appointed on 11.05.2015<br/> Board Member - Lolita Sičeva - appointed on 11.05.2015</p> |
| Rights and responsibilities related to investment fund management:             | The Council and the Board members shall perform all duties prescribed in laws and regulations of the Republic and in the Articles of Association of the investment management company   |
| Fund Managers:   | Andris Kotāns – appointed on 15.03.2013<br>Edgars Lao – appointed on 15.03.2013   |
| Rights and responsibilities related to the Fund's management:                  | The Fund Manager shall perform all duties prescribed in laws and regulations of the Republic of Latvia, in the Articles of Association of the investment management company and in the prospectus of the Fund   |
| Auditor:   | KPMG Baltics AS<br>Vesetas iela 7<br>Rīga, LV-1013<br>License No 55<br>Latvia   |

## IF CBL Eastern European Bond Fund Semiannual Report 2020

### INVESTMENT MANAGEMENT COMPANY'S REPORT

The investment fund "CBL Eastern European Bond Fund" (previously the sub-fund "CBL Eastern European Bond Fund - USD" of CBL Eastern European Fixed Income Funds) (hereinafter – the Fund) is a debt securities investment fund with two share classes: R Acc USD and R Acc EUR (hedged). The Fund manager is the investment management company CBL Asset Management, legal address Republikas laukums 2a, Riga, LV-1010, registered under No. 40003577500. The Investment Company's operating license is No. 06.03.07.098/367.

The Fund aims at achieving long-term capital appreciation by investing primarily in debt instruments and money market instruments issued or guaranteed by central governments, municipalities, central banks, credit institutions and commercial companies of the Eastern European countries as well as in fixed income funds and in ETFs traded on the regulated markets of the European Economic Area member states and OECD member states, without industry limitations. The investment portfolio of the Fund is diversified to include investments in different industries and countries, thereby achieving a higher protection against volatility of the Fund's asset value versus investments in a single industry or country financial instruments. There were no changes to the Fund's policy during the reporting period.

During the first half of 2020, the amount of Fund's net assets increased by 39.16% (EUR 19,711,920), amounting to EUR 50,343,273. As at 30.06.2020, gross assets amounted to EUR 50,884,001. Return and value are being calculated for each investment class separately. The share value of the "CBL Eastern European Bond Fund" R Acc USD share class during the reporting period decreased by EUR 0.53 and at the end of the period it amounted to EUR 23.19; the share value of the "CBL Eastern European Bond Fund" R Acc EUR (hedged) share class during the reporting period decreased by EUR 0.7 and at the end of the period amounted to EUR 18.53. The R Acc USD share class's total return in the first half of 2020 was 2.23% in terms of euro, according to the ECB's rates, and -2.55% in terms of its base currency (USD) and market exchange rates. The R Acc EUR (hedged) share class's total return in the first half of 2020 was -3.64% in terms of euro.

2020 has so far been very unusual in many areas, including financial markets. At the beginning of the year, markets continued the positive dynamics of 2019, thanks to improved US-China relations. However, already in the second half of February financial markets fell sharply due to the COVID-19 outbreak, as the epicenter initially moved from China to Europe and later to the US, and government countermeasures made their impact on the real economy. Owing to unprecedented global monetary and fiscal support, financial markets have been able to reduce losses at a record pace since the end of March. An almost identical scenario was observed also in the Eastern European bond markets, where the market low was 12% below the level at the beginning of the year, but the market recovery was very rapid and losses were recovered by the end of the reporting period.

Russian debt market was the largest positive contributor to the Fund's performance, where gold mining companies performed well due to the rise in the price of the precious metal. This was followed by investments in Ukraine, which finally reached an agreement with the IMF on a USD 5 billion loan. During the reporting period, we made first-time investments in Serbian government Eurobonds thanks to attractive valuations, while fully exited from positions in Hungary and Uzbekistan. In addition, we significantly increased our investments in the Czech debt market from 6.95% to 11.61% of net assets, which at the end of the reporting period became the second largest country in the Fund. At the end of the reporting period, debt securities in the Fund were diversified among 19 countries. At the end of the reporting period, the Fund's average yield was 5.6% in USD, average duration 3.6 and average credit rating was Ba2 / BB.

In the reporting period, the total management costs amounted to EUR 302,000. The investment management company fee amounted to EUR 264,152, custodian fee - EUR 31,698, other management expenses - EUR 6,150.

During the period between the last day of the reporting year and the date of the approval of the annual report there have been no significant events that have material effect on the Fund's financial position and the interpretation of its results.

The management team of IPAS "CBL Asset Management" closely follows developments both locally and globally: in terms of sustainability of economic growth, monetary and fiscal policies of leading economies, as well as potential inflationary and political risks, as they have a substantial impact on the dynamics of Eastern European region's economy and capital market. Selective instrument selection, regardless of the sector and the country will continue to be a decisive factor in the Fund's investment process.

For the Board of IPAS:

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Kārlis Purgailis  
Chairperson of the Board

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Andris Kotāns  
Fund Manager

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Edgars Lao  
Fund Manager

Riga, 31 July 2020

**STATEMENT OF ASSETS AND LIABILITIES**

|  | Notes | <u>30.06.2020.</u>       | <u>31.12.2019.</u>       |
|--|-------|--------------------------|--------------------------|
| <b>Assets</b>  |       |                          |                          |
| Due on demand from credit institutions                             | 2     | 3,057,809                | 1,406,272                |
| <i>Financial assets at fair value through profit or loss:</i>      |       |                          |                          |
| Debt instruments   | 3     | 47,165,716               | 29,228,408               |
| Derivative financial instruments                                   | 4     | 660,476                  | 139,196                  |
| <b>Total assets</b>  |       | <b><u>50,884,001</u></b> | <b><u>30,773,876</u></b> |
| <b>Liabilities</b>   |       |                          |                          |
| <i>Financial liabilities at fair value through profit or loss:</i> |       |                          |                          |
| Derivative financial instruments                                   | 4     | (464,462)                | (92,264)                 |
| Accrued expenses   |       | (76,266)                 | (50,259)                 |
| <b>Total liabilities</b>   |       | <b><u>(540,728)</u></b>  | <b><u>(142,523)</u></b>  |
| <b>Net assets</b>  |       | <b><u>50,343,273</u></b> | <b><u>30,631,353</u></b> |

The accompanying notes on pages 8 to 10 form an integral part of these financial statements.

For the Board of IPAS:

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Kārlis Purgailis  
Chairperson of the Board

Riga, 31 July 2020

**STATEMENT OF INCOME AND EXPENSE**

|  | <b>01.01.2020.-<br/>30.06.2020.</b> | <b>01.01.2019.-<br/>30.06.2019.</b> |
|--|-------------------------------------|-------------------------------------|
| <b>Income for the reporting period</b>                     |                                     |                                     |
| Interest income  | 805,172                             | 723,627                             |
| Other income   | 3,000                               | -                                   |
| <b>Total income</b>  | <b>808,172</b>                      | <b>723,627</b>                      |
| <br>   |                                     |                                     |
| <b>Expenses for the reporting period</b>                   |                                     |                                     |
| Remuneration to investment management company              | (264,152)                           | (211,476)                           |
| Custodian Fee  | (31,698)                            | (25,377)                            |
| Other Fund management expenses                             | (6,150)                             | (6,256)                             |
| <b>Total expenses</b>                                      | <b>(302,000)</b>                    | <b>(243,109)</b>                    |
| <br>   |                                     |                                     |
| <b>(Decrease)/ increase in investment value</b>            |                                     |                                     |
| Realized (decrease)/ increase in investment value          | (159,487)                           | 208,192                             |
| Unrealized (decrease)/ increase in investment value        | (981,252)                           | 785,754                             |
| <b>Total (decrease)/ increase in investments</b>           | <b>(1,140,739)</b>                  | <b>993,946</b>                      |
| <br>   |                                     |                                     |
| <b>(Decrease)/ increase in net assets from investments</b> | <b>(634,567)</b>                    | <b>1,474,464</b>                    |

The accompanying notes on pages 8 to 10 form an integral part of these financial statements.

For the Board of IPAS:

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Kārlis Purgailis  
Chairperson of the Board

Riga, 31 July 2020

STATEMENT OF CHANGES IN NET ASSETS

|   | <b>01.01.2020.-<br/>30.06.2020.</b> | <b>01.01.2019.-<br/>30.06.2019.</b> |
|---|-------------------------------------|-------------------------------------|
| <b>"CBL Eastern European Bond Fund"</b>   |                                     |                                     |
| Net assets at the beginning of the reporting period                             | 30,631,353                          | 28,784,829                          |
| (Decrease)/ increase in net assets from investment                              | (634,567)                           | 1,474,464                           |
| Transactions with share certificates  |                                     |                                     |
| <i>Inflow from subscription of share certificates</i>                           | 22,009,830                          | 1,520,282                           |
| <i>(Outflow) from redemption of share certificates</i>                          | (1,663,343)                         | (2,851,132)                         |
| Increase/ (decrease) in net assets from transactions with share certificates    | 20,346,487                          | (1,330,850)                         |
| Increase in net assets in the reporting period                                  | 19,711,920                          | 143,614                             |
| <b>Net assets as at the end of the reporting period</b>                         | <b>50,343,273</b>                   | <b>28,928,443</b>                   |
| <b>"CBL Eastern European Bond Fund" Class R Acc USD</b>                         |                                     |                                     |
| <b>ISIN : LV0000400968</b>  |                                     |                                     |
| Number of share certificates issued as at the beginning of the reporting period | 300,343                             | 356,182                             |
| Number of share certificates issued as at the end of the reporting period       | 288,457                             | 295,486                             |
| Net assets per share certificate as at the beginning of the reporting period    | 23.72                               | 21.15                               |
| <b>Net assets per share certificate as at the end of the reporting period</b>   | <b>23.19</b>                        | <b>22.65</b>                        |
| <b>"CBL Eastern European Bond Fund" Class R Acc EUR (hedged)</b>                |                                     |                                     |
| <b>ISIN : LV0000400828</b>  |                                     |                                     |
| Number of share certificates issued as at the beginning of the reporting period | 1,222,126                           | 1,180,217                           |
| Number of share certificates issued as at the end of the reporting period       | 2,355,553                           | 1,178,714                           |
| Net assets per share certificate as at the beginning of the reporting period    | 19.23                               | 18.01                               |
| <b>Net assets per share certificate as at the end of the reporting period</b>   | <b>18.53</b>                        | <b>18.87</b>                        |

The accompanying notes on pages 8 to 10 form an integral part of these financial statements.

For the Board of IPAS:

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Kārlis Purgailis  
Chairperson of the Board

Riga, 31 July 2020

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 DUE ON DEMAND FROM CREDIT INSTITUTIONS

|   | 30.06.2020.      | % from net assets as at 30.06.2020. | 31.12.2019.      | % from net assets as at 31.12.2019. |
|---|------------------|-------------------------------------|------------------|-------------------------------------|
| Due on demand from credit institutions, AS Citadele banka | 3,057,809        | 6.07%                               | 1,406,272        | 4.59%                               |
| <b>Total demand deposits with credit institutions</b>     | <b>3,057,809</b> | <b>6.07%</b>                        | <b>1,406,272</b> | <b>4.59%</b>                        |

NOTE 2 DEBT INSTRUMENTS AND OTHER FIXED INCOME SECURITIES

All debt instruments and other fixed income instruments are classified as financial assets at fair value through profit or loss. All fixed income securities held by the fund are traded on regulated markets, except for not traded on regulated markets the fixed income securities worth EUR 1,888,664. The following table presents the debt instruments distribution of by the issuer's country of origin:

| Financial instrument                                      | ISIN code    | Currency | Nominal amount | Acquisition value (EUR) | Carrying value (EUR) 30.06.2020. | % of the Fund's net assets 30.06.2020. |
|---|--------------|----------|----------------|-------------------------|----------------------------------|--|
| <b>Financial instruments traded on regulated markets:</b> |              |          |                | <b>45,259,283</b>       | <b>45,277,052</b>                | <b>89.93%</b>                          |
| <b>Debt instruments of Russian issuers:</b>               |              |          |                | <b>6,105,731</b>        | <b>6,450,609</b>                 | <b>12.81%</b>                          |
| Rusal Capital 4.85% 02/2023                               | XS1759468967 | USD      | 1,700,000      | 1,456,857               | 1,557,028                        | 3.09%                                  |
| Petropavlovsk Ltd 8.125% 11/2022                          | XS1711554102 | USD      | 1,600,000      | 1,373,198               | 1,502,257                        | 2.98%                                  |
| Karlou BV 7.75% 06/2024                                   | XS2008618501 | USD      | 1,500,000      | 1,366,485               | 1,378,148                        | 2.74%                                  |
| NLMK 4.5% 06/2023   | XS1405775617 | USD      | 1,400,000      | 1,230,687               | 1,327,368                        | 2.64%                                  |
| Novolipetsk Steel Via Steel Funding DAC 4.7% 05/2026      | XS1843435337 | USD      | 700,000        | 678,504                 | 685,808                          | 1.36%                                  |
| <b>Debt instruments of Czech Republic issuers:</b>        |              |          |                | <b>5,851,019</b>        | <b>5,840,301</b>                 | <b>11.61%</b>                          |
| CEZ AS 3.0% 06/2028                                       | XS0940293763 | EUR      | 2,000,000      | 2,307,045               | 2,303,731                        | 4.58%                                  |
| EP Infrastructure AS 1.698% 07/2026                       | XS2034622048 | EUR      | 1,800,000      | 1,791,837               | 1,800,034                        | 3.58%                                  |
| PPF Telecom Group BV 3.5% 05/2024                         | XS2176872849 | EUR      | 1,700,000      | 1,752,137               | 1,736,536                        | 3.45%                                  |
| <b>Debt instruments of Ukraine issuers:</b>               |              |          |                | <b>4,781,020</b>        | <b>4,588,835</b>                 | <b>9.11%</b>                           |
| Metinvest BV 5.625% 06/2025                               | XS2056722734 | EUR      | 1,900,000      | 1,673,411               | 1,711,326                        | 3.40%                                  |
| Ukraine 6.75% 06/2026                                     | XS2015264778 | EUR      | 1,200,000      | 1,320,340               | 1,219,031                        | 2.42%                                  |
| Dtek Renewables Finance BV 8.5% 11/2024                   | XS2069980246 | EUR      | 1,250,000      | 1,223,853               | 1,087,097                        | 2.16%                                  |
| Kernel Holding 8.75% 01/2022                              | XS1533923238 | USD      | 600,000        | 563,416                 | 571,381                          | 1.13%                                  |
| <b>Debt instruments of Lithuania issuers:</b>             |              |          |                | <b>3,549,453</b>        | <b>3,671,397</b>                 | <b>7.29%</b>                           |
| Maxima Grupe UAB 3.25% 09/2023                            | XS1878323499 | EUR      | 1,700,000      | 1,720,216               | 1,747,532                        | 3.47%                                  |
| Ignitis Grupe UAB 2% 05/2030                              | XS2177349912 | EUR      | 1200000        | 1,184,782               | 1,221,998                        | 2.43%                                  |
| AUGA group AB 6.00% 12/2024                               | LT0000404238 | EUR      | 700000         | 644,455                 | 701,867                          | 1.39%                                  |
| <b>Debt instruments of Turkey issuers:</b>                |              |          |                | <b>3,358,646</b>        | <b>3,529,415</b>                 | <b>7.00%</b>                           |
| Arcelik 5% 04/2023  | XS0910932788 | USD      | 2,000,000      | 1,727,524               | 1,784,896                        | 3.54%                                  |
| Turk Telekomunikasyon AS 4.875% 06/2024                   | XS1028951264 | USD      | 1,000,000      | 780,215                 | 881,612                          | 1.75%                                  |
| Turk Telekomunikasyon AS 6.875% 02/2025                   | XS1955059420 | USD      | 900,000        | 850,907                 | 862,907                          | 1.71%                                  |
| <b>Debt instruments of Kazakhstan issuers:</b>            |              |          |                | <b>3,245,370</b>        | <b>3,388,155</b>                 | <b>6.73%</b>                           |
| KazTransGas JSC 4.375% 09/2027                            | XS1682544157 | USD      | 1,774,000      | 1,547,665               | 1,718,748                        | 3.41%                                  |
| Halyk Savings Bank of Kazakhstan JSC 5.5% 12/2022         | XS0867478124 | USD      | 1,831,562      | 1,697,705               | 1,669,407                        | 3.32%                                  |
| <b>Debt instruments of Poland issuers:</b>                |              |          |                | <b>2,658,811</b>        | <b>2,676,382</b>                 | <b>5.31%</b>                           |
| Tauron Polska Energia SA 2.375% 05/07/2027                | XS1577960203 | EUR      | 1,500,000      | 1,525,374               | 1,536,608                        | 3.05%                                  |
| PKO Bank 4.63% 09/2022                                    | XS0783934085 | USD      | 1,200,000      | 1,133,437               | 1,139,774                        | 2.26%                                  |
| <b>Debt instruments issued by Georgia institutions:</b>   |              |          |                | <b>2,094,977</b>        | <b>2,054,113</b>                 | <b>4.08%</b>                           |
| BGEO Group JSC 6% 07/2023                                 | XS1405775880 | USD      | 1,295,000      | 1,181,917               | 1,152,613                        | 2.29%                                  |
| Georgian Oil and Gas Corp JSC 6.75% 04/2021               | XS1319820384 | USD      | 1,000,000      | 913,060                 | 901,500                          | 1.79%                                  |
| <b>Debt instruments of Serbia issuers:</b>                |              |          |                | <b>1,740,590</b>        | <b>1,731,342</b>                 | <b>3.44%</b>                           |
| Serbia International Bond 3.125% 05/2027                  | XS2170186923 | EUR      | 1,650,000      | 1,740,590               | 1,731,342                        | 3.44%                                  |
| <b>Debt instruments of Romania issuers:</b>               |              |          |                | <b>1,608,763</b>        | <b>1,516,296</b>                 | <b>3.01%</b>                           |
| Globalworth Real Estate Investments Ltd 3.0% 03/2025      | XS1799975922 | EUR      | 1,500,000      | 1,608,763               | 1,516,296                        | 3.01%                                  |
| <b>Debt instruments of Azerbaijan issuers:</b>            |              |          |                | <b>1,438,361</b>        | <b>1,459,302</b>                 | <b>2.90%</b>                           |
| Southern Gas Corridor CJSC 6.875% 03/2026                 | XS1319820897 | USD      | 1,400,000      | 1,438,361               | 1,459,302                        | 2.90%                                  |
| <b>Debt instruments of Belarus issuers:</b>               |              |          |                | <b>1,449,746</b>        | <b>1,370,513</b>                 | <b>2.72%</b>                           |
| Eurotorg 8.75% 10/2022                                    | XS1577952010 | USD      | 1,500,000      | 1,449,746               | 1,370,513                        | 2.72%                                  |
| <b>Debt instruments of Moldova issuers:</b>               |              |          |                | <b>1,300,442</b>        | <b>1,337,114</b>                 | <b>2.66%</b>                           |
| Aragvi Finance International DAC 12.0% 04/2024            | XS1960552823 | USD      | 1,400,000      | 1,300,442               | 1,337,114                        | 2.66%                                  |



| Financial instrument  | ISIN code    | Currency | Nominal amount | Acquisition value (EUR) | Carrying value (EUR) | % of the Fund's net assets |
|---|--------------|----------|----------------|-------------------------|----------------------|----------------------------|
|   |              |          |                |                         | 30.06.2020.          | 30.06.2020.                |
| <b>Debt instruments of Croatian issuers:</b>                      |              |          |                | <b>1,290,711</b>        | <b>1,256,876</b>     | <b>2.50%</b>               |
| Hrvatska Elektroprivreda 5.875% 10/2022                           | XS1309493630 | USD      | 1,300,000      | 1,290,711               | 1,256,876            | 2.50%                      |
| <b>Debt instruments of Norway issuers:</b>                        |              |          |                | <b>1,237,042</b>        | <b>1,082,276</b>     | <b>2.15%</b>               |
| B2Holding ASA 6.35% 05/2024                                       | NO0010852742 | EUR      | 1,250,000      | 1,237,042               | 1,082,276            | 2.15%                      |
| <b>Debt instruments of Estonia issuers:</b>                       |              |          |                | <b>1 036 840</b>        | <b>1 029 930</b>     | <b>2.05%</b>               |
| B2Holding ASA 6.35% 05/2024                                       | NO0010852742 | EUR      | 1,250,000      | 1,237,042               | 1,082,276            | 2.15%                      |
| <b>Debt instruments of Latvia issuers:</b>                        |              |          |                | <b>1,022,199</b>        | <b>961,298</b>       | <b>1.91%</b>               |
| Air Baltic Corp AS 6.75% 07/2024                                  | XS1843432821 | EUR      | 1,100,000      | 1,022,199               | 961,298              | 1.91%                      |
| <b>Debt instruments of Bulgaria issuers:</b>                      |              |          |                | <b>887,636</b>          | <b>901,531</b>       | <b>1.79%</b>               |
| Bulgarian Energy Holding 4.875% 08/2021                           | XS1405778041 | EUR      | 850,000        | 887,636                 | 901,531              | 1.79%                      |
| <b>Debt instruments of Sweden issuers:</b>                        |              |          |                | <b>601,926</b>          | <b>431,367</b>       | <b>0.86%</b>               |
| European Lingerie Group AB 7.75% 02/2021                          | SE0010831792 | EUR      | 600,000        | 601,926                 | 431,367              | 0.86%                      |
| <b>Financial instruments not traded on regulated markets:</b>     |              |          |                | <b>1,960,589</b>        | <b>1,888,664</b>     | <b>3.76%</b>               |
| <b>Debt instruments of Azerbaijan issuers:</b>                    |              |          |                | <b>960,299</b>          | <b>949,054</b>       | <b>1.89%</b>               |
| Republic of Azerbaijan International Bond 5.125% 09/2029          | XS1678623064 | USD      | 1,000,000      | 960,299                 | 949,054              | 1.89%                      |
| <b>Debt instruments of Estonian issuers:</b>                      |              |          |                | <b>1,000,290</b>        | <b>939,610</b>       | <b>1.87%</b>               |
| Mainor Ulemiste 5.5% 04/2023                                      | EE3300111343 | EUR      | 600,000        | 600,000                 | 543,921              | 1.08%                      |
| Nortal AS 4.75% 05/2024   | FI4000383930 | EUR      | 400,000        | 400,290                 | 395,689              | 0.79%                      |
| <b>Total debt instruments and other fixed income instruments:</b> |              |          |                | <b>47,219,872</b>       | <b>47,165,716</b>    | <b>93.69%</b>              |

### NOTE 3 DERIVATIVE FINANCIAL INSTRUMENTS

The following table presents the notional amount and fair value of currency swaps. The notional amount of foreign exchange transactions is determined in accordance with the requirements arising from these transactions.

|  | 30.06.2020.       |                |                  | % of the Fund's net assets 30.06.2020. | 31.12.2019.       |                |                 | % of the Fund's net assets 30.12.2019. |
|--|-------------------|----------------|------------------|--|-------------------|----------------|-----------------|--|
|  | Notional amount   | Fair value     |                  |  | Notional amount   | Fair value     |                 |  |
|  |                   | Assets         | Liabilities      |  |                   | Assets         | Liabilities     |  |
| Foreign currency Exchange transactions (swaps) | 44,861,560        | 434,024        | (225,470)        | 0.41%                                  | 38,005,903        | 138,532        | (91,285)        | 0.15%                                  |
| Non-exchange traded (forwards)                 | 24,219,441        | 226,452        | (238,992)        | (0.02%)                                | 533,915           | 664            | (979)           | (0.00%)                                |
| <b>Total derivative financial instruments</b>  | <b>69,081,001</b> | <b>660,476</b> | <b>(464,462)</b> | <b>0.39%</b>                           | <b>38,539,818</b> | <b>139,196</b> | <b>(92,264)</b> | <b>(0.15%)</b>                         |

All derivative financial instruments are EUR and USD swaps concluded with AS Citadele Banka.

### NOTE 4 PERFORMANCE DYNAMICS OF THE INVESTMENT FUND

| "CBL Eastern European Bond Fund" Class R Acc USD | 30.06.2020.      | 31.12.2019.      | 31.12.2018.      | 31.12.2017.       |
|--|------------------|------------------|------------------|-------------------|
| <b>Net assets (EUR)</b>                          | <b>6,688,992</b> | <b>7,124,184</b> | <b>7,531,567</b> | <b>9,983,212</b>  |
| Number of share certificates                     | 288,457          | 300,343          | 356,182          | 488,880           |
| Value of the unit of the investment fund (EUR)   | 23.19            | 23.72            | 21.15            | 20.42             |
| Profitability of the investment fund*            | (2.23%)          | 12.15%           | 3.57%            | (6.76%)           |
| <b>Net assets (USD)**</b>                        | <b>7,490,334</b> | <b>8,003,308</b> | <b>8,623,645</b> | <b>11,972,866</b> |
| Number of share certificates                     | 288,457          | 300,343          | 356,182          | 488,880           |
| Value of the unit of the investment fund (USD)   | 25.97            | 26.65            | 24.21            | 24.49             |
| Profitability of the investment fund*            | (2.55%)          | 10.08%           | (1.14%)          | 6.11%             |

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| <b>"CBL Eastern European Bond Fund" Class R Acc<br/>EUR (hedged)</b> | <b>30.06.2020.</b> | <b>31.12.2019.</b> | <b>31.12.2018.</b> | <b>31.12.2017.</b> |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Net assets (EUR)</b>  | <b>43,654,297</b>  | <b>23,507,176</b>  | <b>21,253,257</b>  | <b>19,191,715</b>  |
| Number of share certificates   | 2,355,553          | 1,222,126          | 1,180,217          | 1,022,346          |
| Value of the unit of the investment fund (EUR)                       | 18.53              | 19.23              | 18.01              | 18.77              |
| Profitability of the investment fund**                               | (3.64%)            | 6.77%              | (4.05%)            | 4.28%              |

"CBL Eastern European Bond Fund" R Acc EUR (hedged) share class performance dynamics and profitability of the investment fund for the previous periods refer to the CBL Eastern European Bond Fund.

\* The net asset value in EUR is determined using the foreign exchange rates prevailing on the financial markets at the end of the day.

\*\* Yield is calculated as the change in the value of the Fund unit over the reporting period in relation to its value at the beginning of the period. The profitability of the semi-annual report is presented in absolute terms. The Fund's annual performance is expressed as a multiple of 365 times the number of days in the period.