

CBL European Leaders Equity Fund



January 2021

Investment Objective

ELEF investments are concentrated on equities with a long-term growth perspective. The Fund seeks to invest in a diversified portfolio of technically attractive European stocks with desirable fundamental characteristics, including robust earnings growth, strong financial position and profitability.

Investment Process

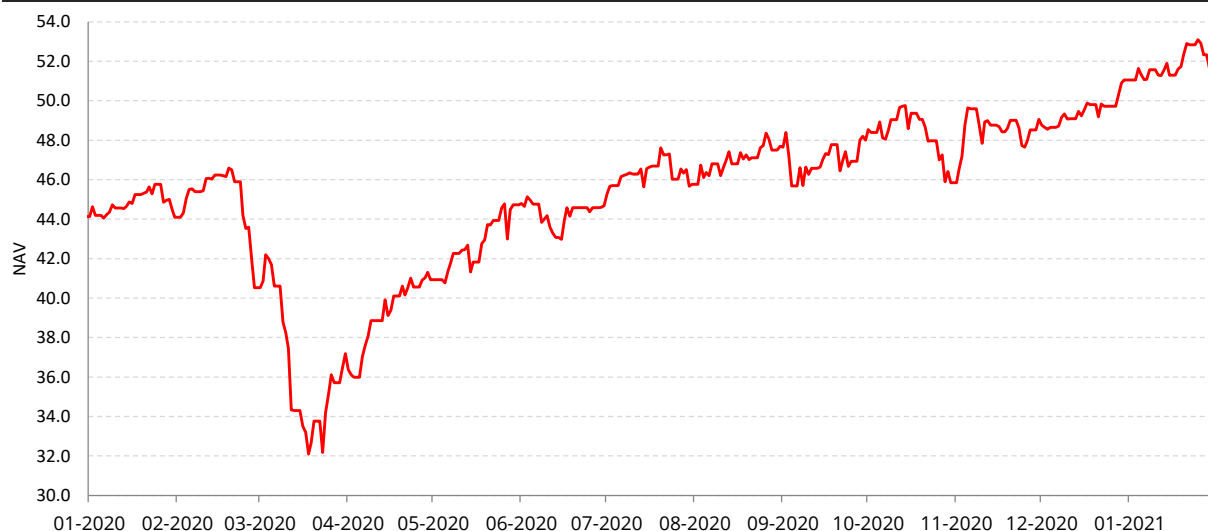
- Bottom-up individual stock selection
- Regular portfolio rebalancing
- Daily market monitoring
- Monthly result evaluation
- Country and industry diversification

Fund Overview

Management Company	CBL Asset Management
Fund Managers	Igor Lahtadir, CFA Andrejs Pilka
Custodian bank	Citadele banka
Inception Date*	24/08/2004
Fund Size	EUR 8.0 mln
Management Fee	1.4% p.a.
Front Load Fee	Up to 1.5%
Issue/redemption	Daily
Distribution Status	Accumulative
Legal Status	UCITS IV, Latvia
ISIN	LV0000400794
Bloomberg Code	CITBSEF LR

* The data before November 20, 2013 relates to „Citadele Baltic Sea Countries Equity Fund” (ISIN LT0000950008), which was fully transferred at par into newly established "CBL Baltic Sea Equity Fund" (ISIN LV0000400794) with the identical investment strategy. On 1 January, 2020 the Fund's name was changed to „CBL European Leaders Equity Fund” and the Fund's investment region was expanded to include all European countries.

Performance History



Total Return by Period

	YTD	1M	3M	6M	1Y	2Y	3Y	5Y	SI	2020	2019	2018
Fund	1.1%	1.1%	12.6%	12.8%	17.1%	-	-	-	15.5%	15.7%	-	-

Top 10 Holdings

	Weight
ASML Holding NV	2.9%
Evolution Gaming Group AB	2.7%
HelloFresh SE	2.7%
SOITEC	2.7%
Logitech International SA	2.6%
ASM International NV	2.5%
Sartorius Stedim Biotech	2.5%
VAT Group AG	2.5%
Neste Oyj	2.4%
BE Semiconductor Industries NV	2.3%
Total	25.7%

Portfolio Statistics

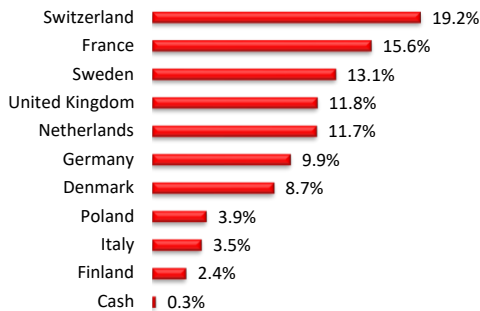
Number of Holdings	51
Average Security Weight	2.1%
Median P/E	46.6
Median P/B	9.6
Weighted Average Dividend Yield	0.8%

Performance Statistics (3Y)**

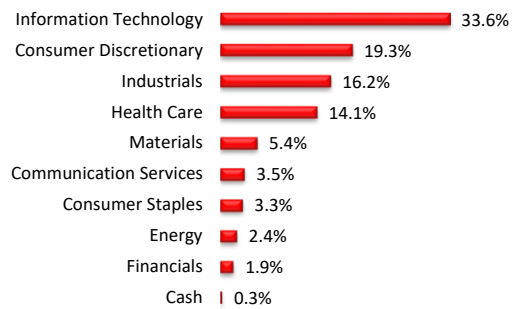
Volatility (St. Dev., %)	16.9%
Sharpe Ratio	1.0
Sortino Ratio	1.6
Value-at-Risk (30d / 95%)	9.4%

** Strategy simulation data is used for calculation.

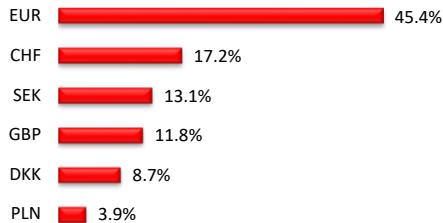
Country Breakdown



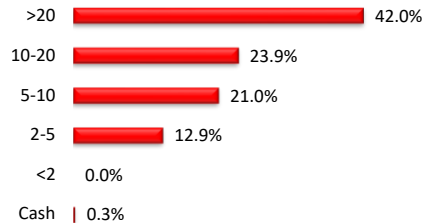
Sector Breakdown



Currency Breakdown



Market Capitalization Breakdown, bn EUR



Events of the Month

- Global equity markets enjoyed strong start of the year, but gave up their gains by the end of the month. In January, S&P500 index lost 1.1% in USD and European STOXX600 retreated by 0.8% in EUR terms. It should be noted that the European single currency depreciated by 1.5% against the US dollar over the month.
- The optimism on the global bourses was supported by the successful rollout of vaccinations and the expectations of further fiscal stimulus, especially in the US. The administration of newly elected president Joe Biden proposed fresh economic rescue package worth \$1.9tn, which comes on top of the bi-partisan \$900bn plan that was agreed in late December. It is estimated that the macroeconomic impact of these stimulus measures could reach 10% of the country's GDP.
- On the other hand, as the month progressed we witnessed rising concerns about delays in supply of COVID-19 vaccines in Europe, as well as no visible signs that quarantine restrictions will be eased any time soon. On the contrary, even a more infectious virus strain was discovered, adding to worries that the global economic recovery might take longer than expected.
- Meanwhile, the flow of macro data in the Old Continent was contrasting. While the actual 4Q GDP results from the Eurozone countries were better than expected, the region's leading indicators deteriorated. Thus, according to preliminary estimates, key sentiment indicator retreated to 47.5 point in January, pointing to a third successive monthly decline in business activity.
- Despite lackluster market results, the Fund gained 1.1% in January. The Fund benefitted from successful stock selection in Industrials and Health Care sectors, as well as higher weight of Information Technology stocks which on aggregate outperformed the broad market.

Contributors and Detractors

+ In January, the Fund benefitted from strong performance of Industrial, Health Care, and Information Technology sectors. Among individual stocks, the most noticeable results were attributed to Dutch semi-conductor stocks ASML International (+15.4%) and BE Semiconductor Industries (+12.4%), which were followed by French Health Care name Sartorius Stedim Biotech (+15.7%).
- On the other hand, Consumer Staples sector contributed negatively to results in January, as Danish beverage producer Royal Unibrew (-12.2%) lagged behind the market.

Portfolio Positioning

- We executed several trades in January, rebalancing the portfolio in line with the most topical technical and fundamental trends.

Outlook and Strategy

The valuations of the global equity market look stretched, which increases the likelihood of a technical correction occurring at some point. However, we believe that the combination of ultra-supportive monetary and fiscal policy, generally successful vaccination rollout, and attractive earnings growth profile should drive risk assets higher in the longer term.

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