

INVESTMENT FUND

“CBL Global Emerging Markets Bond Fund”

(previously - "Citadele Global Emerging Markets Bond Fund")

ANNUAL REPORT FOR 2014

(the 2nd financial year)

PREPARED IN ACCORDANCE WITH

**REGULATIONS ON THE PREPARATION OF THE FINANCIAL STATEMENTS OF INVESTMENT FUNDS PREPARED BY THE FCMC AND
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

AS ADOPTED BY THE EUROPEAN UNION

Riga, 2015

**IF “CBL Global Emerging Markets Bond Fund”
Annual Report for 2014
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IF "CBL Global Emerging Markets Bond Fund"
Annual Report for 2014
General information on the investment fund

Name of the fund:	"CBL Global Emerging Markets Bond Fund" (previously - "Citadele Global Emerging Markets Bond Fund")
Type of the fund:	Investment fund
Registration date:	23 May 2013 (re-registration date 30 March 2015)
Registration number:	FL130-06.03.04.098/41
Name of the investment management company:	"CBL Asset Management" IPAS
Registered office:	Republikas laukums 2a, Rīga, LV-1010, Latvia
Registration number:	40003577500
License number:	06.03.07.098/285
Name of the custodian bank:	"Citadele banka" AS
Registered office:	Republikas laukums 2a, Rīga, LV-1010, Latvia
Registration number:	40103303559
Investment management company's council members and their positions:	<p><i>Council of the investment management company:</i> Chairperson of the Council – Juris Jākobsons – appointed on 30.09.2010. Deputy Chairperson of the Council – Vladimirs Ivanovs – appointed on 01.11.2012. Member of the Council – Philip Nigel Allard – appointed on 01.11.2012 Member of the Council – Philip Nigel Allard – released on 25.06.2014 Member of the Council- Aldis Paegle – appointed on 04.07.2014.</p> <p><i>Board of the investment management company:</i> Chairperson of the Board – Uldis Upenieks – appointed on 01.11.2012. Member of the Board – Zigurds Vaikulis – appointed on 30.03.2007.</p>
The related rights and obligations of the management of the investment fund:	All the duties of the Council and Board members stated in the legislation of the Republic of Latvia and the Statutes of the investment management company
Investment fund managers:	Andris Kotāns – appointed on 15.03.2013. Edgars Lao – appointed on 15.03.2013.
The related rights and obligations of the management of the Fund:	All the duties of the Fund managers stated in the legislation of the Republic of Latvia, Statutes of the investment management company and Fund prospectus are performed by the Fund managers.
Auditor:	KPMG Baltics SIA Vesetas iela 7, Rīga Rīga, LV-1013 Licence No. 55 Latvia

IF "CBL Global Emerging Markets Bond Fund"
Annual Report for 2014
Investment management company's report

Investment fund "CBL Global Emerging Markets Bond Fund" (previously "Citadele Global Emerging Markets Bond Fund") (hereinafter - the Fund) is a debt security investment fund having EUR as base currency. The assets of the fund are managed by the asset management company "CBL Asset Management" having its registered office at Republikas laukums 2a, Riga, LV- 1010 and registration number 40003577500. The Company holds a licence No 06.03.07.098/285 for investment operations, last re-registered on 19 February 2014.

The Fund aims to achieve long-term capital appreciation by investing in the debt securities issued or guaranteed by central governments, municipalities, central banks, credit institutions and commercial companies of the developing countries. The investment portfolio of the Fund is diversified to include investments in different currencies, industries and countries, thereby achieving a higher protection against volatility of the Fund's asset value versus investments in single currency, industry or country securities. During the reporting period the Fund's policy has not changed.

As at the end of the reporting year the Fund's net assets amounted to EUR 10,979,782. During the year the value of the Fund's share decreased by 2 euro cents to EUR 10.07 at the end of the year. The return of the Fund in 2014 was EUR (-0.20%) and 0.50% in the fund's base currency - euros based on exchange rates fixed at financial markets at the end of each day.

2014 was generally a favourable period for emerging market debt, however at the end of the year markets corrected rapidly amid price decrease in raw materials, including oil price decrease by half. During the reporting period emerging market eurobonds showed an increase of 5-8%, while local currency bonds expressed in USD issued by emerging market governments lost 5-6% due to the strengthening of the USD. During the reporting period investments in the Indian debt market were the most profitable, mainly due to the favourable investment environment after parliamentary elections. However investments in the Russian market had negative effect on the Fund due to geopolitical risks which led to sanctions being imposed on Russia by the West, as well as the adverse effect of oil price decrease on the country's economy and value of the ruble.

During the reporting period the Fund's structure became more balanced and as at the year-end securities of the Fund were diversified among debt markets in 20 countries. The most significant changes were brought to Russia's and Brazil's exposures where during the reporting period investments were decreased by 10.18% and 8.50%, respectively, taking into account the adverse macroeconomic tendencies and growing political risks. However, new investments were made in Chile, Turkey, Georgia, Bulgaria and Croatia. Concerning industries, a partial rotation was made from the financial service providers to utilities. As at the end of the reporting period the total exposure of the Fund's investment to the local currency bond market was 15%. The average yield of debt securities included in the Fund until the maturity date was 5.4%, the average duration - 3.8 years and the weighted average credit rating was Baa3.

During the reporting period management costs amounted to EUR 187,995 or 1.72% of the average value of net assets during the reporting period, which does not exceed the maximum value of 4.00% provided in the Fund's prospectus.

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 a material effect on the Fund's financial position.

IPAS "CBL Asset Management" managers team closely monitors the developments both on the domestic and global scale, of such factors as sustainability of economic growth, monetary and fiscal policies of leading economies as well as potential inflationary and political risks in light of their material impact on the economic and capital market dynamics of the region. A critical selection of instruments will continue to play a decisive role in the process of the Fund's investments, irrespective of the industry or country.



 Uldis Upenieks
 Chairperson of the Board



 Andris Kotāns
 Member of the Investment
 Committee



 Edgars Lao
 Member of the Investment
 Committee

Riga, 24 April 2015

IF "CBL Global Emerging Markets Bond Fund"
Annual Report for 2014
Statement of responsibility of the Board of the investment management company

The Board of the investment management company (hereinafter - the Company) is responsible for the preparation of the financial statements of the investment fund CBL Global Emerging Markets Bond Fund (previously – "Citadele CBL Global Emerging Markets Bond Fund") (hereinafter - the Fund).

The financial statements on pages 7 to 28 are prepared based on source documents and present fairly the financial position of the Fund as at 31 December 2014 and the results of its operations for the respective periods then ended.

The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union, as set out in the Regulations of the Financial and Capital Market Commission (FCMC) on Annual Accounts of Investment Funds, on a going concern basis. Appropriate accounting methods have been consistently applied in the reporting period. Prudent and reasonable judgments and estimates have been made by the Management in the preparation of the financial statements.

The Board of the Company is responsible for the maintenance of proper accounting records, the safeguarding of the assets of "CBL Global Emerging Markets Bond Fund" (previously – "Citadele CBL Global Emerging Markets Bond Fund") and the prevention and detection of fraud and other irregularities in the Fund. The Board is also responsible for operating the Fund in compliance with the Law of the Republic of Latvia on Investment Management Companies, regulations of the Financial and Capital Market Commission (FCMC), and other laws and regulations of the Republic of Latvia.



Uldis Upenieks
Chairperson of the Board

Riga
24 April 2015



CUSTODIAN BANK REPORT

For holders of IF "Citadele Global Emerging Markets Bond fund"
Investment fund applications

With this Citadele Bank JSC, which is registered in LR Enterprise register on June 30, 2010 with No. 40103303559 and located at 2a Republikas square, Riga, certifies, that:

According to the law "On investment companies" of Republic of Latvia, regulations of Financial and Capital Market Commission (FCMC), other requirements of LR legislation and contract with Custodian bank, which is concluded on the March 15, 2013, Citadele Bank JSC, (further in the text - Custodian) carries out functions of custodian bank for the IF "Citadele Global Emerging Markets Bond fund" (further in the text – Fund) founded by IPAS "CBL Asset Management";

Custodian is responsible for fulfilling of Custodian bank contract and requirements of LR legislation related to custodian banks. The main obligations of the Custodian are the following:

- to store assets of the Fund, as well as documents, which confirm title according to the requirements of LR legislation;
- to ensure maintenance of the Fund account, reception and execution of Company's orders, as well as performance of transactions according with requirements of LR legislation and current market practice;
- to ensure the Company with regular reports on assets of the Fund and its value (prices of the securities);
- to follow the correctness of the value of the Fund and its certificates set by the Company and its conformity with LR legislation acts;
- to follow the correctness and legal status of issuing, sales and repurchasing of investment certificates performed by the Company;

Issuing, sales and repurchasing of the investment certificates is performed according to the requirements of the law "On investment companies", fund prospect and Fund management regulations; Storage of the Fund assets is performed according to the requirements of the law "On investment companies" and Custodian bank contract;

Calculation of the net value of the Fund assets is performed according to the requirements of the law "On investment companies", regulations of Financial and Capital Market Commission (FCMC), Fund prospect and Fund management regulations;

Orders of the Company, as well as transactions with the assets of IF "Citadele Global Emerging Markets Bond fund" are performed according to the requirements of the law "On investment companies", Fund prospect and Fund management regulations and Custodian bank contract .

In the accounting period no mistakes and illegal matters were observed in performance of the Company with Fund assets. Citadele bank JSC is very satisfied with co-operation in performing of the functions of Custodian bank.




Guntis Belajskis
Chairman of the Board, p.p.

Riga, February 23, 2015

IF "CBL Global Emerging Markets Bond Fund"
Annual Report for 2014
Statement of financial position
(EUR)

Note		31.12.2014	31.12.2013
	Assets		
3	Demand deposits with credit institutions	1,034,013	715,814
	Financial assets held for trading		
4	<i>Debt securities and other fixed income securities</i>	9,965,742	8,311,721
5	<i>Investment certificates of investment funds and related bonds</i>	345,209	657,300
6	<i>Derivatives</i>	-	115,916
	Total assets	11,344,964	9,800,751
	Liabilities		
	Financial liabilities held for trading		
6	<i>Derivatives</i>	(348,064)	(11,569)
7	Accrued expenses	(17,118)	(13,452)
	Total liabilities	(365,182)	(25,021)
	Net assets	10,979,782	9,775,730

The accompanying notes on pages 11 to 28 form an integral part of these financial statements.




 Uldis Upenieks
 Chairperson of the Board

Riga
 24 April 2015

IF "CBL Global Emerging Markets Bond Fund"
Annual Report for 2014
Statement of comprehensive income
(EUR)

Note		<u>31.12.2014</u>	<u>31.12.2013</u>
	Income		
8	Interest income	525,346	307,417
	Dividend income	15,839	15,391
	Total income	<u>541,185</u>	<u>322,808</u>
	Expenses		
	Investment management company fee	(164,625)	(68,585)
	Remuneration to custodian bank	(19,755)	(8,230)
	Other fund management expenses	(3,615)	(3,711)
	Total expenses	<u>(187,995)</u>	<u>(80,526)</u>
	Decrease in investment value		
9	Realized (decrease)/increase in investment value	(181,525)	4,364
10	Unrealized (decrease) in investment value	(70,042)	(157,880)
	Total decrease in investment value	<u>(251,567)</u>	<u>(153,516)</u>
	Loss from revaluation of foreign exchange	(134,025)	(1,569)
	Comprehensive (losses)/income	<u>(32,402)</u>	<u>87,197</u>

The accompanying notes on pages 11 to 28 form an integral part of these financial statements.



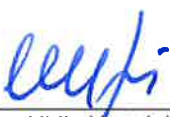
 Uldis Upenieks
 Chairperson of the Board

Riga
 24 April 2015

IF "CBL Global Emerging Markets Bond Fund"
Annual Report for 2014
Statement of changes in net assets
(EUR)

	<u>31.12.2014</u>	<u>31.12.2013</u>
Net assets as at the beginning of the period	9,775,730	-
Comprehensive (losses)/income	(32,402)	87,197
Transactions with investment certificates:		
<i>Inflow from sale of investment certificates</i>	2,071,037	9,945,579
<i>Outflow on redemption of investment certificates</i>	(834,583)	(257,046)
Net asset increase from transactions with investment certificates	1,236,454	9,688,533
Increase in net assets for the period	1,204,052	9,775,730
Net assets as at the end of the period	<u>10,979,782</u>	<u>9,775,730</u>
Issued investment certificates as at the beginning of the reporting period	968,677	-
Issued investment certificates as at the end of the reporting period	1,090,760	968,677
Net asset value per investment certificate as at the beginning of the reporting period	10.09	-
Net asset value per investment certificate as at the end of the reporting period	<u>10.07</u>	<u>10.09</u>

The accompanying notes on pages 11 to 28 form an integral part of these financial statements.




 Uldis Upenieks
 Chairperson of the Board

Riga
 24 April 2015

IF "CBL Global Emerging Markets Bond Fund"
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Statement of Cash Flows
(EUR)

	<u>2014</u>	<u>2013</u>
Interest income	517,560	147,497
Dividend income	15,839	15,391
Investment management expenses	(184,330)	(67,073)
Acquisition of financial assets	(5,753,911)	(9,669,272)
Disposal/sale of financial assets	5,167,524	418,680
Foreign currency translation result	(780,341)	196,570
Decrease in cash from operating activities	(1,017,659)	(8,958,207)
Inflow from sale of investment certificates	2,071,037	9,945,579
Outflow on redemption of investment certificates	(834,583)	(257,046)
Increase in cash from financing activities	1,236,454	9,688,533
Increase in cash	218,795	730,326
Cash at the beginning of the reporting period	715,814	-
Result of revaluation of cash denominated in foreign currency	99,404	(14,512)
Cash at the end of the reporting period	1,034,013	715,814

The accompanying notes on pages 11 to 28 form an integral part of these financial statements.


 Uldis Upenieks
 Chairperson of the Board

Riga
 24 April 2015

IF "CBL Global Emerging Markets Bond Fund"
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(EUR)

1. General information

Name of fund:	"CBL Global Emerging Markets Bond Fund" (previously „Citadele Global Emerging Markets Bond Fund")
Type of fund:	Investment fund
Fund's business activity:	Investing in issued or guaranteed government, municipality, central bank, credit institution and commercial company securities (bonds) of the developing countries. The investment portfolio of the Fund is diversified to include investments in different currencies, industries and countries, thereby achieving a higher protection against volatility of the Fund's asset value versus investments in single currency, industry or country securities.
Name of the investment management company:	IPAS "CBL Asset Management", (hereinafter - the Company) Republikas laukums 2a, Riga, LV-1010, Latvia

2. Summary of significant accounting policies

Basis of preparation

The financial statements of IF „CBL Global Emerging Markets Bond Fund" (previously „Citadele Global Emerging Markets Bond Fund") have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, as set out in the Regulations of the Financial and Capital Market Commission (hereinafter - FCMC) on Annual Accounts of Investment Funds.

The financial statements are prepared on a historical cost basis, except for the fair value basis for trading and available-for-sale financial instruments.

The functional and presentation currency in the financial statements is euro (EUR), the monetary unit of the Republic of Latvia. The financial statements cover the period from the 1 January 2014 to 31 December 2014.

Functional and Presentation Currency

Due to the change of the official currency of Latvia, from 1 January 2014 the functional and presentation currency of the Fund is euro which replaced the national currency of Latvia, the lats. Comparative financial information of previous periods presented in lats, were translated into euros using the official exchange rate of LVL 0.702804 to EUR 1. As the Latvian lat was previously pegged to the euro at the same exchange rate, the change in the functional and presentation currency had no effect on the Fund's financial position, financial performance or cash flows. The opening balances as at 1 January 2014 agree with the published prior period closing balances after conversion from lats to euro.

Critical accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS as adopted by EU requires the use of certain critical accounting estimates. It also requires investment management company's management to make assumptions and exercise its judgement in the process of applying the Fund's accounting policies. IFRS as adopted by EU requires that in preparing the financial statements, the management makes estimates and assumptions that affect the reported amounts of assets and liabilities and required disclosure at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant areas of estimation used in the preparation of the accompanying financial statements relate primarily to valuation of financial instruments. For more information on uncertainties see Note 13.

Income and expense recognition

All significant interest income and expenses are disclosed on an accrual basis.

Interest income and expenses are recognized in the comprehensive income statement based on the actual interest rate of on the asset/liability. Interest income and expenses include discount or premium amortization or other difference between the book value of an interest bearing instrument and its value on the maturity date calculated based on the effective interest rate method.

Dividend income is recognised at the moment of receipt. In some situations dividend income can be recognized when share price decreases after the issuer's announcement on payment of dividends.

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(EUR)

Remuneration to investment management company of the Fund and the custodian bank is calculated at a fixed rate of the Fund's assets and is accrued daily, but paid out once a month.

Foreign currency revaluation

Foreign currency transactions are translated into euros at the official exchange rate set by the Bank of Latvia at the beginning of the transaction date. All monetary assets and liabilities denominated in foreign currencies are translated to euros according to the exchange rate of the European Central Bank on the last day of the reporting year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value in the foreign currency are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Any gain or loss resulting from exchange rates fluctuations is included in the statement of comprehensive income as gain or loss from the revaluation of foreign currency positions.

The exchange rates established by the European Central Bank (foreign currency unit to EUR) and mainly applied when preparing the statement financial position of the Fund can be specified as follows:

<u>Currency</u>	<u>31.12.2014</u>	<u>31.12.2013</u>
BRL	3.2207	3.2510
IDR	15 076.1000	16769.7000
HUF	315.5400	299.0655
MXN	17.8679	-
PLN	4.2732	4.1586
RUR	72.3370	45.0515
SEK	9.3930	8.9988
TRY	2.8320	-
USD	1.2141	1.3647
ZAR	14.0353	14.1981
LVL	-	0.702804

Cash

Cash comprises Fund's demand deposits with credit institutions.

Financial Instruments

Financial instruments are classified at the following categories: through profit or loss and loans and receivables. The classification depends on the purpose of financial instrument acquisition. The management determines classification of financial instruments at the moment of their initial recognition.

Financial assets and liabilities at fair value through profit or loss

Financial instruments at fair value through profit or loss include financial assets held for trading, as well as derivatives. All financial assets at fair value through profit and loss, belonging to the Fund, are classified as financial assets held for trading.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets. Loans and receivables include deposits with credit institutions. Deposits with credit institutions are carried at amortized cost, using effective interest rate less provisions for impairment, if applicable.

Impairment provisions are created when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of receivables. The amount of provisions for impairment is the difference between the amortized cost and the recoverable amount.

Investments in securities

All investments in securities are classified as held-for-trading securities, i.e. securities are acquired for generating a profit from shortterm fluctuations in price or dealer's margin.

Held for trading securities are recognised at fair value based on available market prices. The result of re-measuring trading securities at fair value is included in the comprehensive income statement as increase/ (decrease) in investment.

IF "CBL Global Emerging Markets Bond Fund"
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(EUR)

Securities are revaluated on the basis of Bloomberg's available financial information on the bid prices of securities. Unlisted securities are evaluated on the basis of the custodian bank's information on transactions, but in case such information is not available, respective securities are evaluated at their amortised cost. Securities purchase and sale transactions are recognised on the date of settlements. The cost of securities sold is defined using FIFO (first in, first out) method.

Derivatives

For currency risk management purposes, the Fund is involved in forward foreign exchange transactions - forwards and swaps. For the accounting purposes, all derivatives are classified as held-for-trading and accounted as follows.

Subsequent to initial recognition and measurement, outstanding forward foreign exchange contracts are carried in the statement of financial position at their fair value. The fair value of these instruments is recognised in the statement of financial position under "Derivatives". The notional amounts of these instruments are reported in the notes of the financial statements.

Gains or losses from changes in assets and liabilities arising on forward foreign exchange contracts are recognised in the statement of comprehensive income as foreign currency revaluation result.

Fair value of financial assets and liabilities

The fair value of financial assets and liabilities represents the amount at which an asset could be exchanged or a liability settled on an arm's length basis. The fair value of liabilities represent default risk.

When available, the Fund measures the fair value of an instrument using quoted prices in an active market for that instrument. Market is considered active if transactions with assets or liabilities occur often enough and in the sufficient amount to be able to obtain information on the prices.

If a price quoted in active market is not available, the Fund applies valuation methods in which there are observable market data used as much as possible but unobservable input data usage is reduced to minimum. The selected valuation method includes all factors that would be considered by the market participants when determining the transaction price.

During the initial recognition the best evidence of fair value of a financial instrument is the transaction price, i.e. fair value of price received or paid. If the Fund determines that the fair value as at the initial recognition differs from the transaction price and fair value cannot be confirmed by identical quoted price of asset or liabilities in active market or valuation methods using only observable data, results, financial instrument is initially assessed in the fair value that is adjusted to represent difference between the fair value as at the date of initial recognition and transaction price. Later this difference is recognized in the profit or loss considering the expected period of use but not later than as at the date when the value can be completely based on observable market data or the transaction is completed.

SFPS states the hierarchy of valuation techniques based on if the technique employs market data that can be monitored or market data that cannot be monitored. The Fund classifies financial assets using valuation techniques listed in the 1st, 2nd and 3rd category of this hierarchy.

Portfolios of financial assets and financial liabilities exposed to market risk and credit risk managed by the Fund on the basis of net exposure either to market risk or credit risk are evaluated considering price that would be paid to sell the net long position (or paid to transfer the net short position) for certain risks. These adjustments on the portfolio level are attributed to certain assets and liabilities on the basis of relative risk adjustments as regards each separate instrument in the portfolio.

Taxes

The Fund's income is subject to income tax in the country of its origin. The Fund's income is exempt from income taxes. The Fund is not a Latvian corporate income tax payer.

Change in accounting policies

The Fund has applied the accounting policies described in Note 2 to all reporting periods.

The Fund has adopted the following new standards and amendments to standards, including the consequent amendments in other standards the initial application date of which was 1 January 2014, and concluded that the amendments do not refer to the Fund:

- (i) IFRS 10 "Consolidated financial statements" (2011)
- (ii) IFRS 11 Joint Arrangements
- (iii) IFRS 12 Disclosure of interests in other entities;

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- (iv) Amendments to IAS 32 as regards Offsetting Financial Assets and Financial Liabilities
(v) Amendments to IAS 36 as regards disclosures about recoverable amount of non-financial assets
(vi) Amendments to IAS 39 as regards renewal of financial instruments and continuing of hedge accounting.

New Standards and Interpretations

Several new standards, amendments to standards and interpretations effective after 1 January 2014 that have not been applied to these financial statements. Standards and interpretations application of which will not affect the financial statements are listed below.

- (i) IAS 19 Employee Benefits (effective for annual periods beginning on or after 01 February 2015)
(ii) IFRIC 21 Levies (effective for annual periods beginning on or after 17 June 2014).
(iii) Annual amendments to IFRS.

3. Demand deposits with credit institutions

	% of Fund's net assets		
	31.12.2014	31.12.2013	31.12.2014
Demand deposits with credit institutions AS "Citadele banka"	1,034,013	715,814	9.42%
Total demand deposits with credit institutions	1,034,013	715,814	9.42%

The Fund receives interest on demand deposits at fixed rates.

4. Debt securities and other fixed income securities

	31.12.2014	31.12.2013	Annual yield till maturity 31.12.2014	% of Fund's net assets 31.12.2014
Credit institution bonds:	3,534,158	3,331,930	4.74%	32.19%
Non - OECD region credit institution bonds	3,111,617	3,078,699	4.88%	28.34%
OECD region credit institution bonds	422,541	253,231	3.70%	3.85%
Corporate bonds:	4,552,763	3,479,484	6.26%	41.46%
Non - OECD region corporate bonds	3,432,250	3,107,468	6.97%	31.25%
OECD region corporate bonds	1,120,513	372,016	4.09%	10.21%
Government bonds:	1,241,221	1,098,135	5.27%	11.30%
Non - OECD region government bonds	762,717	938,216	19.90%	6.94%
OECD region government bonds	478,504	159,919	3.27%	4.36%
Financial institution bonds:	637,600	402,172	8.87%	5.81%
Non - OECD region financial institution bonds	435,578	200,150	6.50%	3.97%
OECD region financial institution bonds	202,022	202,022	13.97%	1.84%
Total debt securities and other fixed income securities	9,965,742	8,311,721	5.76%	90.76%

All debt securities and other securities are classified as held for trading securities.

All fixed income securities are listed, except for securities with the carrying amount EUR 202,022 (see Note 13).

IF "CBL Global Emerging Markets Bond Fund"
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(EUR)

The table below presents debt securities by the issuer's country of residence:

Financial instrument	ISIN code	Currency	Amount	Cost (EUR)	Carrying amount as at 31.12.2014	% of Fund's net assets 31.12.2014
Financial instruments traded on regulated markets				9,255,754	9,763,720	88.92%
Indian issuer bonds:				1,273,291	1,412,029	12.87%
NTPC	XS0648477593	USD	400	325,465	370,684	3.38%
ICICI BANK	USY3860XAC75	USD	400	322,242	366,638	3.34%
AXIS BANK	US05463EAB48	USD	400	324,648	355,263	3.24%
VEDANTA	USG9328DAF71	USD	375	300,936	319,444	2.91%
Russian issuers:				1,191,629	1,118,015	10.19%
ALFA BANK	XS0832412505	USD	350	289,141	252,842	2.30%
POLYUS GOLD	XS0922301717	USD	350	217,160	244,975	2.23%
SEVERSTAL	XS0841671000	USD	350	225,487	242,141	2.21%
RUSSIAN RAILWAYS	XS0919581982	EUR	250	234,353	190,708	1.74%
EDC	XS0918604496	USD	350	225,488	187,349	1.71%
Brazilian issuers:				881,458	933,451	8.49%
BNDES	USP14486AD93	USD	500	397,897	435,091	3.95%
BANCO DAYCOVAL	XS1046809171	USD	400	313,113	332,431	3.03%
BRAZIL	US105756BJ84	BRL	500	170,448	165,929	1.51%
Chilean issuers:				687,231	772,922	7.03%
BANCO DEL ESTADO DE CHILE	US05968AAA43	USD	500	374,597	422,541	3.84%
CENCOSUD	USP2205JAE03	USD	400	312,634	350,381	3.19%
Indonesian issuers:				634,553	686,202	6.25%
INDOSAT	USN44519AA99	USD	400	346,847	357,142	3.25%
BANK RAKYAT	XS0901040476	USD	400	287,706	329,060	3.00%
Mexican issuers:				549,730	589,882	5.38%
PETROLEOS MEXICANOS	US71654QAW24	USD	450	380,709	421,237	3.84%
MEXICAN BONOS	MX0MGO0000F3	MXN	27,500	169,021	168,645	1.54%
South African Republic issuer bonds:				486,903	514,663	4.68%
ESKOM HOLDINGS	XS0579851949	USD	350	269,342	295,716	2.69%
SOUTH AFRICA	ZAG000024738	ZAR	3,000	217,561	218,947	1.99%
International financial institution issued bonds:				424,579	435,578	3.97%
EUROPEAN INVESTMENT BANK	XS0648456167	TRY	450	153,330	169,662	1.55%
INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	XS0893981851	COP	45	171,490	160,196	1.46%
EUROPEAN BANK FOR RECONSTRUCTION & DEVELOPMENT	XS0586901042	IDR	1,500,000	99,759	105,720	0.96%
UAE issuer bonds:				352,199	401,933	3.66%
DUBAI ELECTRICITY & WATER	XS0551313686	USD	400	352,199	401,933	3.66%
Vietnamese issuer bonds:				328,507	377,841	3.44%
VIETNAM	USY9374MAF06	USD	400	328,507	377,841	3.44%
Peruvian issuer bonds:				302,829	358,289	3.26%
BANCO INTERNACIONAL DEL PERU	USP1342SAC00	USD	400	302,829	358,289	3.26%
Turkish issuer bonds:				354,290	348,895	3.18%
ARCELIK AS	XS1109959467	EUR	350	354,290	348,895	3.18%
Georgian issuer bonds:				344,717	348,309	3.17%
BANK OF GEORGIA	XS0783935561	USD	400	344,717	348,309	3.17%

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Financial instrument	ISIN code	Currency	Amount	Cost (EUR)	Carrying amount as at 31.12.2014	% of Fund's net assets 31.12.2014
Thai issuer bonds:				291,759	333,694	3.04%
BANGKOK BANK PCL/HONG KONG	USY0606WBT63	USD	400	291,759	333,694	3.04%
Bulgarian issuer bonds:				300,582	293,846	2.68%
BULGARIAN ENERGY HOLDING EAD	XS0989152573	EUR	300	300,582	293,846	2.68%
Kazakhstani issuer bonds:				293,069	291,430	2.65%
NOSTRUM OIL & GAS	USN64884AA29	USD	400	293,069	291,430	2.65%
Croatian issuer bonds:				246,284	236,882	2.16%
ZAGREBACKI HOLDING	XS0309688918	EUR	5	246,284	236,882	2.16%
Polish issuer bonds:				169,676	167,373	1.52%
POLAND GOVERNMENT BOND	PL0000104543	PLN	650	169,676	167,373	1.52%
Hungarian issuer bonds:				142,468	142,486	1.30%
HUNGARY	HU0000402037	HUF	40,000	142,468	142,486	1.30%
<u>Financial instruments not traded on regulated markets</u>				<u>200,000</u>	<u>202,022</u>	<u>1.84%</u>
Estonian issuer bonds:				200,000	202,022	1.84%
CREDITSTAR GROUP	EE3300110436	EUR	200	200,000	202,022	1.84%
Total debt securities and other fixed income securities				9,455,754	9,965,742	90.76%

5. Investment certificates of investment funds and related bonds

	% of Fund's net assets		
	31.12.2014	31.12.2013	31.12.2014
Investment certificates of investment funds	345,209	657,300	3.14%
OECD region investment certificates of investment funds	345,209	657,300	3.14%
Total investment certificates of investment funds	345,209	657,300	3.14%

All investment fund investment certificates are classified as securities held for trading. As at 31 December 2014 all the Fund's investment certificates with the value EUR 345,209 are not sold on regulated markets whose net asset values are provided by the quotation manager on daily basis.

The following table presents investment fund investment certificates and similar securities by the country of issuer's origin:

Financial instrument	ISIN code	Currency	Amount	Cost (EUR)	Carrying amount as at 31.12.2014	% of Fund's net assets 31.12.2014
<u>Financial instruments not traded on regulated markets</u>				<u>296,095</u>	<u>345,209</u>	<u>3.14%</u>
Luxembourg issuer bonds:				296,095	345,209	3.14%
SCHRODER INTERNATIONAL SELECTION FUND - ASIAN LOCAL CURRENCY	LU0358730231	USD	3,427	296,095	345,209	3.14%
Total investment certificates of investment funds and related bonds				296,095	345,209	3.14%

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6. Derivatives

The table below presents notional amounts and fair value of swaps. Notional amount of swaps is determined according to the requirements resulting from these swaps.

requirements resulting from these swaps.

	31.12.2014			31.12.2013			% of Fund's net assets as at 31.12.2014
	Fair value		Notional amount	Fair value			
	Fair value	Assets		Assets	Liabilities		
Foreign currency exchange Swaps	8,991,338	- (347,835)	8,031,270	115,916	(11,569)	-3.17%	
Forward currency exchange agreements	82,244	- (229)	-	-	-	0.00%	
Total embedded derivatives	9,073,582	- (348,064)	8,031,270	115,916	(11,569)	-3.17%	

All derivatives are concluded with AS Citadele Banka.

7. Accrued expenses

	2014	2013
Accrued commission fees payable to investment management company	(14,391)	(11,471)
Accrued commission fees payable to custodian bank	(1,727)	(1,376)
Accrued fees payable for professional services	(1,000)	(605)
Total accrued liabilities	(17,118)	(13,452)

8. Interest income

	2014	2013
From demand deposits with credit institutions	4,402	2,295
From debt securities and other fixed income securities	520,944	305,122
Total interest income	525,346	307,417

9. Realized (decrease)/ increase in investments

	2014	2013
Proceeds from sales of investments in the reporting period	5,039,868	411,543
Amortized cost of investments sold during the reporting period	(5,386,435)	(407,179)
Increase in disposed investment recognized in prior reporting periods	165,042	-
Total realised (decrease)/ increase in investment value	(181,525)	4,364

10. Unrealized losses

	2014	2013
From debt securities and other fixed income securities	(78,779)	(109,457)
From investment certificates of investment funds and related bonds	8,737	(48,423)
Total unrealised losses	(70,042)	(157,880)

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11. Changes in investments during the reporting period

The table below presents change in investments during 2014:

	31.12.2013	Increase during the reporting period	Decrease during the reporting period	Foreign exchange revaluation result	Fair value revaluation result	31.12.2014
Financial assets held for trading						
<i>Debt securities and other fixed income securities</i>	8,311,721	5,320,598	(4,883,525)	947,592	269,356	9,965,742
<i>Investment certificates of investment funds and related bonds</i>	657,300	433,313	(797,154)	51,729	21	345,209
<i>Net derivative financial instruments</i>	104,347	-	-	(452,411)	-	(348,064)
Total investments	9,073,368	5,753,911	(5,680,679)	546,910	269,377	9,962,887

The table below presents change in investments during 2013:

	26.03.2013 (incorporati on)	Increase during the reporting period	Decrease during the reporting period	Foreign exchange revaluation result	Fair value revaluation result	31.12.2013
Financial assets held for trading						
<i>Debt securities and other fixed income securities</i>	-	8,963,549	(563,881)	(287,972)	200,025	8,311,721
<i>Investment certificates of investment funds and related bonds</i>	-	705,723	-	-	(48,423)	657,300
<i>Net derivative financial instruments</i>	-	-	-	104,347	-	104,347
Total investments	-	9,669,272	(563,881)	(183,625)	151,602	9,073,368

12. Pledged assets

During the reporting period, no guarantees or collaterals have been issued by the Fund, neither has it pledged or otherwise caused any encumbrance or lien on its assets.

13. Fair values of financial assets and liabilities

Table below analyses financial instruments at fair value as at the end of the reporting period by levels in the fair value hierarchy according to which the fair value assessment has been categorized.

2014	1 st level	2 nd level	3 rd level	Total
Financial assets				
Financial instruments held for trading				
<i>Debt securities and other fixed income securities</i>	9,763,720	-	202,022	9,965,742
<i>Investment certificates of investment funds and related bonds</i>	345,209	-	-	345,209
	10,108,929	-	202,022	10,310,951

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Financial liabilities

Financial instruments at fair value
through profit or loss

-	(348,064)	-	(348,064)
10,108,929	(348,064)	202,022	9,962,887

2013**Financial assets**

Financial instruments held for trading

*Debt securities and other fixed
income securities*

8,109,699	-	202,022	8,311,721
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*Investment certificates of investment
funds and related bonds*

657,300	-	-	657,300
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Derivatives

-	115,916	-	115,916
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8,766,999	115,916	202,022	9,084,937
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Financial liabilities

Financial instruments at fair value
through profit or loss

-	(11,569)	-	(11,569)
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8,766,999	104,347	202,022	9,073,368
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The table below shows comparison of opening and closing balances of 3rd level fair value assessment in the hierarchy.

EUR	Financial instruments held for trading	Total
Balance as at 1 January 2014	202,022	202,022
Total profit or loss:		
in the profit or loss	-	-
Acquisitions	-	-
Settlements	-	-
Balance as at 31 December 2014	202,022	202,022

EUR	Financial instruments held for trading	Total
Balance as at 25 June 2013	-	-
Total profit or loss:		
in the profit or loss	202,022	202,022
Acquisitions	-	-
Settlements	-	-
Balance as at 31 December 2013	202,022	202,022

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The table below shows valuation methods applied to assess fair value of Level 2 and Level 3, as well as the most significant unobservable data:

Type	Valuation technique	Significant unobservable data	Relation between significant unobservable data and fair value assessment
Financial instruments held for trading (debt securities and other securities with fixed income) - Level 2	Discounted cash flows method	Not applicable	Not applicable
Financial instruments held Discounted cash flow method for trading (debt securities and other securities with fixed income)- Level 3	Discounted cash flows method	Discount rate	Estimated fair value would increase (decrease), if: - Discount rate were lower (higher);

If at the end of the reporting period any of the significant unobservable input data used in valuation of fair value of financial instruments held for trading would change but other input data would not change, these changes would have the following impact:

	Impact on profit and loss	
	Increase	(Decrease)
31 December 2014		
Discount rate (2% change)	1,725	(1,152)
31 December 2013		
Discount rate (2% change)	5,346	(5,346)

14. Risk management

Investment process risk can be defined as probability of undesirable result occurrence that might materialize in the certain market economy in the certain time period. Risk management is characterized as risk identification, measurement and its possible assessment. Investment process may be impacted by currency exchange rate risk, interest rate risk, price change risk, as well as a result of liquidity and other - including operational risks. The investment strategy of the Fund is aimed at minimising the above mentioned risks, however, the Company cannot guarantee that these risks can be completely avoided in the future.

Risk management structure

Risk identification and measurement are the responsibility of an independent unit - the Risk Management Division which prepares and presents information about risks to the Fund Manager. Fund Manager decides specifically whether it would be necessary to minimise risks.

The risk measurement process employs several models based on historical data and adjusted to consider for the current economic situation. Specific models are used to forecast changes in risk factors in ordinary and extraordinary market situations.

To mitigate the investment risks, the Fund Manager follows the risk diversification and hedging principles to reduce investment risks developed in line with the management policy. The Management of the Fund acquires sufficient information on potential or current investment objects, as well as supervises financial and economic position of issuers of the securities in which the Fund's property has been or is to be invested.

The Company, when developing the strategy of the Fund and stating risk limits, performs the analysis of the Fund's investments by maturity, geographic placement, currency profile and assesses the risks inherent to each of the above factors. The Fund Manager acts in strict compliance with the Prospectus of the Fund, Fund Management Regulations, as well as regulations and restrictions imposed by legislation of the Republic of Latvia.

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Market risk

Market risk is a risk that the Fund's value will reduce as a result of changes in any of the following market factors: securities prices (equity price risk), exchange rates (currency risk), interest rates (interest rate risk) etc. Evaluated below are the sources of market risk, however they cannot be eliminated completely.

Interest rate risk

The price risk related to fixed income securities (bonds) is to a great extent dependent on fluctuations of market interest rates and changes in the issuer's credit quality. Market interest rate fluctuations affect the attractiveness of securities, as, in fact, it is an alternative source of interest income. With market interest rates growing, the prices of fixed income securities are decreasing, and vice versa. Meanwhile, the increase (decrease) in market interest rates produces a positive (negative) effect on coupon rates of fixed income securities bearing interest at floating rates (when the coupon is fixed as a base rate, like Euribor or Libor, plus a margin). After the revaluation (i.e. when a new interest rate is adopted), the coupon rate of such securities increases (decreases), which results in a respective increase (decrease) in interest income.

The tables below show a potential effect of changes in market interest rates in certain currencies on the Fund's value. Interest income changes are calculated on an annual basis. The actual changes of the Fund's value may differ from the below calculations and the difference might be significant.

Changes in fixed income securities' prices and interest income (year 2014, EUR)				
Currency	Changes in base rates, bp	Changes in interest income	Changes in market value	Total effect of base rate changes
EUR	100	-	(50 260)	(50 260)
IDR	100	-	(1 022)	(1 022)
ZAR	100	-	(8 898)	(8 898)
BRL	100	-	-	-
MXN	100	-	(4 084)	(4 084)
PLN	100	-	(4 017)	(4 017)
HUF	100	-	(3 376)	(3 376)
USD	100	-	(306 949)	(306 949)
COP	100	-	(236)	(236)
TRY	100	-	(4 710)	(4 710)
Total		-	(383 552)	(383 552)

Changes in fixed income securities' prices and interest income (year 2013, EUR)				
Currency	Changes in base rates, bp	Changes in interest income	Changes in market value	Total effect of base rate changes
EUR	100	-	(18 506)	(18 506)
IDR	100	-	(3 928)	(3 928)
ZAR	100	-	(5 646)	(5 646)
BRL	100	-	(1 902)	(1 902)
RUB	100	-	(1 262)	(1 262)
PLN	100	-	(3 318)	(3 318)
HUF	100	-	(2 309)	(2 309)
USD	100	-	(280 682)	(280 682)
Total		-	(317 553)	(317 553)

Changes in fixed income securities' prices and interest income (year 2014, % of net assets)				
Currency	Changes in base rates, bp	Changes in interest income	Changes in market value	Total effect of base rate changes
EUR	100	-	-0.46%	-0.46%
IDR	100	-	-0.01%	-0.01%
ZAR	100	-	-0.08%	-0.08%
BRL	100	-	0.00%	0.00%
MXN	100	-	-0.04%	-0.04%
PLN	100	-	-0.04%	-0.04%
HUF	100	-	-0.03%	-0.03%
USD	100	-	-2.79%	-2.79%
COP	100	-	0.00%	0.00%
TRY	100	-	-0.04%	-0.04%
Total		-	-3.49%	-3.49%

Changes in fixed income securities' prices and interest income (year 2013, % of net assets)				
Currency	Changes in base rates, bp	Changes in interest income	Changes in market value	Total effect of base rate changes
EUR	100	-	-0.19%	-0.19%
IDR	100	-	-0.04%	-0.04%
ZAR	100	-	-0.06%	-0.06%
BRL	100	-	-0.02%	-0.02%
RUB	100	-	-0.01%	-0.01%
PLN	100	-	-0.03%	-0.03%
HUF	100	-	-0.02%	-0.02%
USD	100	-	-2.89%	-2.89%
Total		-	-3.26%	-3.26%

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Changes in fixed income securities' prices and interest income (year 2014, EUR)				
Currency	Changes in base rates, bp	Changes in interest income	Changes in market value	Total effect of base rate changes
EUR	-100	-	(50 260)	(50 260)
IDR	-100	-	(1 022)	(1 022)
ZAR	-100	-	(8 898)	(8 898)
BRL	-100	-	-	-
MXN	-100	-	(4 084)	(4 084)
PLN	-100	-	(4 017)	(4 017)
HUF	-100	-	(3 376)	(3 376)
USD	-100	-	(306 949)	(306 949)
COP	-100	-	(236)	(236)
TRY	-100	-	(4 710)	(4 710)
Total		-	(383 552)	(383 552)

Changes in fixed income securities' prices and interest income (year 2013, EUR)				
Currency	Changes in base rates, bp	Changes in interest income	Changes in market value	Total effect of base rate changes
EUR	-100	-	(18 506)	(18 506)
IDR	-100	-	(3 928)	(3 928)
ZAR	-100	-	(5 646)	(5 646)
BRL	-100	-	(1 902)	(1 902)
RUB	-100	-	(1 262)	(1 262)
PLN	-100	-	(3 318)	(3 318)
HUF	-100	-	(2 309)	(2 309)
USD	-100	-	(280 682)	(280 682)
Total		-	(317 553)	(317 553)

Changes in fixed income securities' prices and interest income (year 2014, % of net assets)				
Currency	Changes in base rates, bp	Changes in interest income	Changes in market value	Total effect of base rate changes
EUR	-100	-	0.46%	0.46%
IDR	-100	-	0.01%	0.01%
ZAR	-100	-	0.08%	0.08%
BRL	-100	-	0.00%	0.00%
MXN	-100	-	0.04%	0.04%
PLN	-100	-	0.04%	0.04%
HUF	-100	-	0.03%	0.03%
USD	-100	-	2.79%	2.79%
COP	-100	-	0.00%	0.00%
TRY	-100	-	0.04%	0.04%
Total		-	3.49%	3.49%

Changes in fixed income securities' prices and interest income (year 2013, % of net assets)				
Currency	Changes in base rates, bp	Changes in interest income	Changes in market value	Total effect of base rate changes
EUR	-100	-	0.19%	0.19%
IDR	-100	-	0.04%	0.04%
ZAR	-100	-	0.06%	0.06%
BRL	-100	-	0.02%	0.02%
RUB	-100	-	0.01%	0.01%
PLN	-100	-	0.03%	0.03%
HUF	-100	-	0.02%	0.02%
USD	-100	-	2.89%	2.89%
Total		-	3.26%	3.26%

Currency risk

Currency risk arises when the nominal value of Fund's securities or other instruments differs from the Fund's currency. Exchange rate fluctuations may result in a gain or loss, depending on the trend of the fluctuations and the Fund's currency position. The Fund's exposure to currency risk is managed effectively by entering into currency forward and swap transactions.

Table below shows the Fund's assets and liabilities by currencies as at 31 December 2014:

	USD	EUR	Other currencies	Total
Assets				
Demand deposits with credit institutions	416,626	617,387	-	1,034,013
Financial assets held for trading				
Debt securities and other fixed income securities	7,394,431	1,272,353	1,298,958	9,965,742
Investment certificates of investment funds and related bonds	345,209	-	-	345,209
Total assets	8,156,266	1,889 740	1,298,958	11,344,964

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Liabilities

Financial liabilities held for trading				
<i>Derivatives</i>	(9,117,797)	8,769,733	-	(348,064)
Accrued expenses		(17,118)	-	(17,118)
Total liabilities	(9,117,797)	8,752,615	-	(365,182)
Net assets	(961,531)	10,642,355	1,298,958	10,979,782

Net long/(short) position (-8.76%) 96.93% 11.83% 100.00%

As at 31 December 2014 all other currencies are as follows: TRY-169,662 EUR, PLN-167,373 EUR, HUF-142,486 EUR, ZAR-218,947 EUR, IDR-105,720 EUR, COP-160,196 EUR, MXN-168,645 EUR, BRL-165,929 EUR.

Table below shows the Fund's assets and liabilities by currencies as at 31 December 2013:

	LVL	USD	EUR	Other currencies	Total
Assets					
Demand deposits with credit institutions	-	61,201	654,613	-	715,814
Financial assets held for trading					
<i>Debt securities and other fixed income securities</i>	-	6,897,828	700,633	713,260	8,311,721
<i>Investment certificates of investment funds and related bonds</i>	-	-	657,300	-	657,300
<i>Derivatives</i>	-	(5,745,740)	5,861,656	-	115,916
Total assets	-	1,213,289	7,874,202	713,260	9,800,751
Liabilities					
Financial liabilities held for trading					
<i>Derivatives</i>	-	(2,181,184)	2,169,615	-	(11,569)
Accrued expenses	(605)	-	(12,847)	-	(13,452)
Total liabilities	(605)	(2,181,184)	2,156,768	-	(25,021)
Net assets	(605)	(967,895)	10,030,970	713,260	9,775,730
<i>Net long/(short) position</i>	<i>(0.01%)</i>	<i>-9.90%</i>	<i>102.61%</i>	<i>7.30%</i>	<i>100.00%</i>

Effect of the currency exchange rate changes on the Fund's value is represented in the tables below. Changes in exchange rates are annualised standard deviation of a respective rate.

Effect of currency exchange rate (2014)				Effect of currency exchange rate (2013)			
Currency	Density in Fund (% of net assets)	Exchange rate against EUR	Effect on Fund value	Currency	Density in Fund (% of net assets)	Exchange rate against EUR	Effect on Fund value
EUR	96.93%	0.00%	0.00%	EUR	102.61%	0.00%	0.00%
IDR	0.96%	10.03%	0.10%	IDR	2.05%	13.67%	0.28%
ZAR	1.99%	11.23%	0.22%	ZAR	1.26%	13.20%	0.17%
BRL	1.51%	14.42%	0.22%	BRL	1.20%	13.31%	0.16%
MXN	1.54%	8.59%	0.13%	RUB	1.16%	7.85%	0.09%
PLN	1.52%	5.34%	0.08%	PLN	0.89%	6.39%	0.06%
HUF	1.30%	7.12%	0.09%	HUF	0.74%	7.97%	0.06%
USD	-8.76%	6.27%	-0.55%	USD	-9.90%	7.38%	-0.73%
COP	1.46%	11.25%	0.16%	LVL	-0.01%	0.00%	0.00%
TRY	1.55%	11.04%	0.17%	Total	100.00%		0.09%
Total	100.00%		0.62%				

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Credit risk

Credit risk is a risk that the Fund's value will decrease from counterparty's or issuer's non-performance or default. Only safe and reliable counterparties are selected for transactions involving the Fund's assets. The Fund Manager monitors the solvency position of the counterparties on a regular basis, analyses their credit rating and financial position, as well as mass media information.

Credit quality of the Fund's assets is managed on the basis of the credit ratings granted by the international rating agencies Standard & Poor's, Moody's, and Fitch. In addition, a detailed analysis is performed on the issuer's financial statements, financial position and future prospects.

The table below shows the issuers of securities and credit institutions in which the Fund has deposits by credit ratings according to the following specification:

- High quality investment financial instruments: AAA – AA- (Standard & Poor's); Aaa – Aa3 (Moody's Investors Service); AAA - AA- (Fitch);
- Investment category financial instruments: A+ - BBB- (Standard & Poor's); A1 – Baa3 (Moody's Investors Service); A+ - BBB- (Fitch);
- High return financial instruments: BB+ - BB- (Standard & Poor's); Ba1 - Ba3 (Moody's Investors Service); BB+ - BB- (Fitch);
- Speculative financial instruments: B+ - C (Standard & Poor's); B1 - C (Moody's Investors Service); B+ - C (Fitch).

The table below shows the Fund's assets by credit ratings as at 31 December 2014:

	Investment category financial instruments:	High return financial instruments:	High quality investment financial instruments:	Speculative financial instruments:	Not rated	Total
Demand deposits with credit institutions	-	-	-	1,034,013	-	1,034,013
Financial assets held for trading						
<i>Debt securities and other fixed income securities</i>	5,323,445	3,053,844	858,119	528,312	202,022	9,965,742
<i>Investment certificates of investment funds and related bonds</i>	-	-	-	-	345,209	345,209
<i>Derivatives</i>	-	-	-	(348,064)	-	(348,064)
Total investments	5,323,445	3,053,844	858,119	1,214,261	547,231	10,996,900

The table below shows the Fund's assets by credit ratings as at 31 December 2013:

	Investment category financial instruments:	High return financial instruments:	High quality investment financial instruments:	Speculative financial instruments:	Not rated	Total
Demand deposits with credit institutions	-	-	-	715,814	-	715,814
Financial assets held for trading						
<i>Debt securities and other fixed income securities</i>	5,586,199	1,975,067	200,150	348,283	202,022	8,311,721
<i>Investment fund certificates and other fixed income securities</i>	-	-	-	-	657,300	657,300
<i>Derivatives</i>	-	-	-	104,347	-	104,347
Total investments	5,586,199	1,975,067	200,150	1,168,444	859,322	9,789,182

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Risk concentration

The issuer's industry and geographic position are additional credit risk factors, which can affect the price of issued security or the issuer's solvency. Therefore, it is vital to identify concentration risk, i.e. to which extent the Fund's value depends on changes in the specific regions or industries. Credit risk concentration by geographic profile (based on the country most affecting the issuer's solvency) and industry profile is presented in the table below.

Table below shows the Fund's assets and liabilities by geographic profile as at 31 December 2014:

	Latvia	OECD region countries	Other Non - OECD region countries	Total
Assets				
Demand deposits with credit institutions	1,034,013	-	-	1,034,013
Financial assets held for trading				
<i>Debt securities and other fixed income securities</i>	-	2,223,580	7,742,162	9,965,742
<i>Investment fund certificates and other fixed income securities</i>	-	345,209	-	345,209
Total assets	1,034,013	2,568,789	7,742,162	11,344,964
Liabilities				
Derivatives	(348,064)	-	-	(348,064)
Accrued expenses	(17,118)	-	-	(17,118)
Total liabilities	(365,182)	-	-	(365,182)
Net assets	668,831	2,568,789	7,742,162	10,979,782

Table below shows the Fund's assets and liabilities by geographic profile as at 31 December 2013:

	Latvia	OECD region countries	Other Non - OECD region countries	Total
Assets				
Demand deposits with credit institutions	715,814	-	-	715,814
Financial assets held for trading				
<i>Debt securities and other fixed income securities</i>	-	987,188	7,324,533	8,311,721
<i>Investment fund certificates and other fixed income securities</i>	-	657,300	-	657,300
<i>Derivatives</i>	115,916	-	-	115,916
Total assets	831,730	1,644,488	7,324,533	9,800,751
Liabilities				
Derivatives	(11,569)	-	-	(11,569)
Accrued expenses	(13,452)	-	-	(13,452)
Total liabilities	(25,021)	-	-	(25,021)
Net assets	806,709	1,644,488	7,324,533	9,775,730

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Table below shows the Fund's net assets and liabilities by countries:

Country	Carrying amount as at 31.12.2014	Carrying amount as at 31.12.2013	% of Fund's net assets 31.12.2014
India	1,412,029	1,138,943	12.86%
Russia	1,118,015	1,825,387	10.19%
Brazil	933,451	1,371,344	8.50%
Chile	772,922	-	7.04%
Indonesia	686,202	277,735	6.25%
Latvia	668,831	806,709	6.09%
Mexico	589,882	372,016	5.37%
South African Republic	514,663	383,222	4.69%
International financial institution	435,578	200,150	3.97%
United Arab Emirates	401,933	345,539	3.66%
Vietnam	377,841	324,358	3.44%
Peru	358,289	301,115	3.26%
Turkey	348,895	-	3.18%
Georgia	348,309	-	3.17%
Luxembourg	345,209	-	3.14%
Thailand	333,694	289,950	3.04%
Bulgaria	293,846	-	2.68%
Kazakhstan	291,430	235,251	2.65%
Croatia	236,882	-	2.16%
Estonia	202,022	202,022	1.84%
Poland	167,373	87,132	1.52%
Hungary	142,486	72,787	1.30%
Slovenia	-	253,231	0.00%
Ireland	-	657,300	0.00%
Columbia	-	316,387	0.00%
Qatar	-	315,152	0.00%
Total	10,979,782	9,775,730	100.00%

The following table shows the Fund's securities portfolio by industry profile:

Sector	Carrying amount as at 31.12.2014	Carrying amount as at 31.12.2013	% of Fund's net assets 31.12.2014
Commercial banks	3,534,158	2,763,618	32.18%
Public utilities	1,599,061	606,033	14.56%
Government	1,241,221	1,098,135	11.30%
Energy resources	900,016	849,488	8.20%
Raw materials	806,560	638,654	7.35%
Telecommunication services	357,142	575,526	3.25%
Consumer goods	350,381	289,557	3.19%
Consumer services	348,895	-	3.18%
Financial services	637,600	1,245,330	5.81%
Logistics	190,708	245,380	1.74%
Total	9,965,742	8,311,721	90.76%

Liquidity risk

Liquidity risk is a risk that the Fund will have difficulties in meeting its financial obligations. The Fund Manager maintains such asset structure which would ensure a possibility of selling securities in due time and with no significant losses.

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Table below shows the Fund's assets and liabilities by maturity profile as at 31 December 2014:

	To 1 month	1 - 3 months	3 - 6 months	6 - 12 months	From 1 to 5 years	More than 5 years and no maturity	Total
Assets							
Demand deposits with credit institutions	1,034,013	-	-	-	-	-	1,034,013
Financial assets held for trading							
<i>Debt securities and other fixed income securities</i>	-	-	202,022	-	-	9,763,720	9,965,742
<i>Investment fund investment certificates and other fixed income securities</i>	-	-	-	-	-	345,209	345,209
Total assets	1,034,013	-	202,022	-	-	10,108,929	11,344,964
Liabilities							
Financial liabilities held for trading							
<i>Derivatives</i>	(73,622)	(222,810)	(46,833)	(4,799)	-	-	(348,064)
Accrued expenses	(16,118)	-	(1,000)	-	-	-	(17,118)
Total liabilities	(89,740)	(222,810)	(47,833)	(4,799)	-	-	(365,182)
Net assets	944,273	(222,810)	154,189	(4,799)	-	10,108,929	10,979,782
<i>Net position as % of net assets</i>	8.60%	-2.03%	1.40%	-0.04%	0.00%	92.07%	100.00%

Table below shows the Fund's assets and liabilities by maturity profile as at 31 December 2013:

	To 1 month	1 - 3 months	3 - 6 months	6 - 12 months	From 1 to 5 years	More than 5 years and no maturity	Total
Assets							
Demand deposits with credit institutions	715,814	-	-	-	-	-	715,814
Financial assets held for trading							
<i>Debt securities and other fixed income securities</i>	-	-	-	-	4,026,685	4,285,036	8,311,721
<i>Investment fund investment certificates and other fixed income securities</i>	-	-	-	-	-	657,300	657,300
<i>Derivatives</i>	-	65,087	-	50,829	-	-	115,916
Total assets	715,814	65,087	-	50,829	4,026,685	4,942,336	9,800,751
Liabilities							
Financial liabilities held for trading							
<i>Derivatives</i>	-	-	-	(11,569)	-	-	(11,569)
Accrued expenses	(12,847)	-	(605)	-	-	-	(13,452)
Total liabilities	(12,847)	-	(605)	(11,569)	-	-	(25,021)

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Net assets	702,967	65,087	(605)	39,260	4,026,685	4,942,336	9,775,730
<i>Net position as % of net assets</i>	<i>7.19%</i>	<i>0.67%</i>	<i>(0.01%)</i>	<i>0.40%</i>	<i>41.20%</i>	<i>50.56%</i>	<i>100.00%</i>

15. Information on holders of investment certificates

The table below specifies the proportion of investment certificates held by related parties out of total investment certificates issued:

	31.12.2014	31.12.2013	% of total certificates as at 31.12.2014
Investment certificates held by the shareholder (AS Citadele Banka)	450,000	450,000	41.26%
Investment certificates held by other persons	640,760	518,677	58.74%
Issued investment certificates as at the end of the reporting period	1,090,760	968,677	100.00%

16. Related party transactions

The majority of the Fund's investments are acquired with the mediation of the custodian bank. AS Citadele Banka receives remuneration also as the custodian bank, as disclosed in the statement of comprehensive income (see also Note 7), as well as Citadele banka AS is holding the Fund's resources (see Note 3). All derivatives are concluded with AS Citadele Banka. (see Note 6).

The remuneration paid to the investment company during the reporting period is disclosed in the statement of comprehensive income (see also Note 7).

During the reporting year the related parties of the Fund made no transactions with the Fund's investment certificates. The Fund's investment certificates purchase and sale back transactions are calculated taking into account only the investment certificates held by those related parties, who have been classified as the Fund's related parties both as of 31 December 2014 and 31 December 2013.

During the reporting year the Fund had not invested in bonds issued by the investment management company.

17. Dynamics of net asset value

	31.12.2014	31.12.2013
Net assets (EUR)	10,979,782	9,775,730
Number of investment certificates	1,090,760	968,677
Value of investment fund's shares (EUR)	10.07	10.09
Performance of the investment fund*	(-0.20%)	1.75%
Net assets (EUR)**	11,009,984	9,723,210
Number of investment certificates	1,090,760	968,677
Value of investment fund's shares (EUR)	10.09	10.04
Performance of the investment fund*	0.50%	0.77%

* Performance is calculated supposing that a year consists of 365 days.

** The net asset value in euro is determined, based on exchange rates fixed at financial markets at the end of each day.

18. Subsequent events

On 30 March 2015 IPAS „CBL Asset Management“ changed the title of its investment fund from "Citadele Global Emerging Markets Bond Fund" to "CBL Global Emerging Markets Bond Fund".



Independent Auditors' Report

To the shareholders of Investment fund “CBL Global Emerging Markets Bond Fund”

Report on the Financial Statements

We have audited the accompanying separate financial statements of Investment fund “CBL Global Emerging Markets Bond Fund” (“the Fund”), which is managed by the investment management company “CBL Asset Management” (“the Manager”). These financial statements comprise the separate statement of financial position as at 31 December 2014, the separate statements of comprehensive income, changes in net assets and cash flows for the year ended 31 December 2014, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 28.

Management's Responsibility for the Financial Statements

Management of investment managing company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 our 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, we consider internal controls relevant to the Fund'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 Fund's internal controls. An audit also includes evaluating the appropriateness of accounting principles 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 opinion.



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Investment fund "CBL Global Emerging Markets Bond Fund" as at 31 December 2014 and of its financial performance and its cash flows for the year ended 31 December 2014 in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

In addition, our responsibility is to assess whether the accounting information included in the investment management company's report, as set out on page 4, the preparation of which is the responsibility of management, is consistent with the financial statements. Our work with respect to the investment management company's report was limited to the aforementioned scope and did not include a review of any information other than drawn from the financial statements of the Fund. In our opinion, the investment management company's report is consistent with the financial statements.

KPMG Baltics SIA
Licence No 55

Ondrej Fikrle
Partner pp. KPMG Baltics SIA
Riga, Latvia
24 April 2015

Inga Lipšāne
Sworn Auditor
Certificate No. 112

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails.