

INVESTMENT FUND
“CBL Global Emerging Markets Bond Fund”
(previously “Citadele Global Emerging Markets Bond Fund”)

HALF-YEAR REPORT 2015 (UNAUDITED)

(at June 30th, 2015)

PREPARED IN ACCORDANCE WITH
FCMC REGULATIONS ON “ANNUAL ACCOUNTS OF
INVESTMENT FUNDS” AND
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION

Translation from Latvian original*

*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.

Riga, 2015

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IF “CBL Global Emerging Markets Bond Fund”

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Information on the investment fund

Name of fund:	„CBL Global Emerging Markets Bond Fund” (previously „CBL Global Emerging Markets Bond Fund”)
Type of fund:	Investment fund
Registration date of the fund:	23 May 2013 (date of re-registration 30 March 2015)
Number of the fund:	FL130-06.03.04.098/41
Name of the investment management company:	“CBL Asset Management” IPAS (previously “Citadele Asset Management” IPAS)
Registered office of the investment management company:	Republikas laukums 2a, Riga, LV-1010, Latvia
Registration number of the investment management company:	40003577500
Licence number of the investment management company:	06.03.07.098/367
Name of the custodian bank:	“Citadele banka” JSC
Registered office of the custodian bank:	Republikas laukums 2a, Riga, LV-1010, Latvia
Registration number of the investment management company:	40103303559
Names and positions of Council Members and Board Members of the investment management company::	<i>Council of the investment management company:</i> Chairman of the Council – Juris Jākobsons – appointed on 30.09.2010. Deputy Chairman of the Council – Vladimirs Ivanovs – appointed on 01.11.2012. Member of the Council – Aldis Paegle – appointed on 04.07.2014. <i>Board of the investment management company:</i> Chairman of the Board – Uldis Upenieks – appointed on 01.11.2012. Member of the Board – Zigurds Vaikulis – appointed on 30.03.2007. Member of the Board - Andris Kotans – appointed on 11.05.2015 Member of the Board - Lolita Siceva – appointed on 11.05.2015.
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 are performed by the Council and Board members.
Names of Fund Managers:	Andris Kotans – 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 Certified audit company licence No. 55 Vesetas street 7 LV-1013, Riga

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Investment management company report

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Investment fund “CBL Global Emerging Markets Bond Fund” (previously “Citadele Global Emerging Markets Bond Fund”) (hereinafter - the Fund) is a debt security investment fund and its base currency is EUR. The assets of the Fund are managed by the asset management company „CBL Asset Management” IPAS with registered office at Republikas laukums 2a, Riga, LV-1010 (hereinafter - the Company) and registration No. 40003577500. The Company holds license No. 06.03.07.098/367 authorizing provision of investment management services.

The Fund aims to achieve long-term capital appreciation by investing in 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 a single currency, industry or country securities. There were no changes to the Fund's policy during the reporting period.

During the reporting period the Fund's total assets increased by 78.28% to EUR 20,225,547, whereas the Fund's net assets increased by 81.83% or EUR 8,985,126 and totalled EUR 19,964,908 at the end of the first half of the year. Net assets increased predominantly due to an increase in assets under management and were supported further by positive investment return. During the reporting period the value of the Fund's share increased by EUR 0.18 (by EUR 0.19, given the foreign exchange rates fixed by the financial markets at the end of the day) to EUR 10.25 (to EUR 10.28). The return of the Fund over the reporting period was 1.79% (annualized 3.64%) or 1.88% (annualized 3.83%), given the foreign exchange rates fixed by the financial markets at the end of the day.

The first half of 2015 produced mixed performance in emerging markets – Eurobond markets grew 2-3%, while local currency bonds fell almost 5% in US dollar terms, as most of the emerging market local currencies depreciated against the dollar. The main positive contribution came from investments in Russia, as elevated geopolitical risk premium started to vanish, whilst the Fund's investments in local currency bonds brought losses.

During the reporting period we continued diversification by countries, and, as a result, allocation to India was reduced from 12.86% to 6.64% and to Russia from 10.18% to 5.90%. On the other hand, allocation to Turkey was increased from 3.18% to 6.33%. In addition, the Fund's investment geography was widened as we bought securities in Macedonia, Romania and Namibia; whereas we sold all investments in Thailand. At the end of the reporting period the Fund's assets were diversified among debt security markets in twenty-two countries. By the end of the reporting period exposure to local currency bond markets was reduced to 12.53%. Average yield to maturity of the securities in the Fund was 5.0%, average duration was 4.2 and the weighted average credit rating was Baa3. Cash balance at the end of the reporting period constituted 10.46% of the Fund's net asset value.

During the reporting period management costs amounted to EUR 142,755 or 1.74% of the average value of net assets, 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 half-year report there have been no significant events that have material effect on the Fund's financial position.

Members of „CBL Asset Management” IPAS management team closely monitor the developments both on 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 Kotans
Member of the Investment
Committee

Edgars Lao
Member of the Investment
Committee

Riga, 24 August 2015

IF “CBL Global Emerging Markets Bond Fund”
Half-year report 2015
Statement of financial position
(EUR)

Note		<u>30.06.2015.</u>	<u>31.12.2014.</u>
	Assets		
1	Demand deposits with credit institutions	2,097,598	1,034,013
	Financial assets held for trading		
2	<i>Debt securities and other fixed income securities</i>	17,271,322	9,965,742
	<i>Investment certificates of investment funds and related</i>		
3	<i>bonds</i>	603,973	345,209
4	<i>Derivatives</i>	252,654	-
	Total assets	<u>20,225,547</u>	<u>11,344,964</u>
	Liabilities		
	Financial liabilities held for trading		
4	<i>Derivatives</i>	230,174	345,209
	Accrued liabilities	(30,465)	(17,118)
	Total liabilities	<u>260,639</u>	<u>(365,182)</u>
	Net assets	<u>19,964,908</u>	<u>10,979,782</u>

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

Uldis Upenieks
Chairman of the Board

Riga, 28 August 2015

IF “CBL Global Emerging Markets Bond Fund”
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Statement of comprehensive income
(EUR)

	01.01.2015.- 30.06.2015.	01.01.2014.- 30.06.2014.
Income		
Interest income	533,216	71,792
Dividend income	-	15,839
Other income	3,617	15,839
Total income	536,833	87,631
Expenses		
Investment management company fee	(123,708)	(80,152)
Custodian bank fee	(14,845)	(9,618)
Other fund management expenses	(2,985)	(2,019)
Total expenses	(141,538)	(91,789)
(Decrease)/increase in investment value		
Realised (decrease) /increase in investment value	(61,938)	190,622
Unrealised increase in investment value	44,185	258,475
Total (decrease)/ increase in investment value	(17,753)	449,097
Foreign currency revaluation gain	(141,190)	1,891
Total comprehensive income	236,352	446,830

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

Uldis Upenieks
Chairman of the Board

Riga, 28 August 2015

IF “CBL Global Emerging Markets Bond Fund”
Half-year report 2015
Statement of changes in net assets
(EUR)

	<u>01.01.2015.- 30.06.2015.</u>	<u>01.01.2014.- 30.06.2014.</u>
Net assets as at the beginning of the period	10,979,782	9,775,730
Total comprehensive income	236,352	446,830
Transactions with investment certificates:		
Inflow from sale of investment certificates	8,981,964	1,352,774
Outflow on redemption of investment certificates	<u>(233,190)</u>	<u>(284,001)</u>
Increase in net assets from transactions with investment certificates	8,748,774	1,068,773
Increase in net assets for the reporting period	<u>8,985,126</u>	<u>1,515,603</u>
Net assets as at the end of the reporting period	<u>19,964,908</u>	<u>11,291,333</u>
Issued investment certificates as at the beginning of the reporting period	<u>1,090,760</u>	<u>968,677</u>
Issued investment certificates as at the end of the reporting period	<u>1,947,929</u>	<u>1,074,310</u>
Net asset value per investment certificate as at the beginning of the reporting period	<u>10.07</u>	<u>10.09</u>
Net asset value per investment certificate as at the end of the reporting period	<u>10.25</u>	<u>10.51</u>

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

Uldis Upenieks
Chairman of the Board

Riga, 28 August 2015

IF "CBL Global Emerging Markets Bond Fund"

Half-year report 2015

Notes
(EUR)**1. Demand deposits with credit institutions**

	30.06.2015.	31.12.2014.	% no Fonda neto aktiviem 30.06.2015.
Demand deposits with credit institutions, JSC Citadele banka	2,097,598	1,034,013	10.51%
Total demand deposits with credit institutions	2,097,598	1,034,013	10.51%

The Fund receives interest on demand deposits at fixed rates.

2. Debt securities and other fixed income securities

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

All fixed income securities are listed, except for securities with the book value EUR 419,784 (2014: EUR 202,022).

The table below presents debt securities by the issuer's country of residence as at 30 June 2015:

Financial instrument	ISIN	Currency	Amount	Acquisition value (EUR)	Carrying amount (EUR) as at 30.06.2015.	% of Fund's net assets as at 30.06.2015.
Financial instruments traded on regulated markets				16,017,288	16,851,538	84.41%
Indonesian issuers:				1,617,247	1,659,055	8.31%
INDOSAT	USN44519AA99	USD	700	640,424	667,746	3.34%
REPUBLIC OF INDONESIA	USY20721BH19	USD	650	689,117	630,730	3.16%
BANK RAKYAT	XS0901040476	USD	400	287,706	360,579	1.81%
Brazilian issuers:				1,400,234	1,507,031	7.55%
BNDES	USP14486AD93	USD	600	492,189	572,714	2.87%
MARFRIG HOLDING EUROPE BV	USN54468AA65	USD	450	424,484	407,495	2.04%
BANCO DAYCOVAL	XS1046809171	USD	400	313,113	375,648	1.88%
FED REPUBLIC OF BRAZIL	US105756BJ84	BRL	500	170,448	151,174	0.76%
Chilean issuers:				1,214,759	1,369,009	6.87%
BANCO DEL ESTADO DE CHILE	US05968AAA43	USD	750	611,349	696,077	3.50%
CENCOSUD	USP2205JAE03	USD	700	603,410	672,932	3.37%
Indian issuer bonds:				1,166,212	1,326,260	6.64%
ICICI BANK	USY3860XAC75	USD	600	540,628	598,170	3.00%
AXIS BANK	US05463EAB48	USD	400	324,648	383,742	1.92%
VEDANTA	USG9328DAF71	USD	375	300,936	344,348	1.72%
Turkish issuer bonds:				1,268,581	1,262,946	6.33%
ARCELIK	XS1109959467	EUR	650	664,184	668,109	3.35%
EXPORT CREDIT BANK OF TURKEY	XS0774764152	USD	625	604,397	594,837	2.98%
Russian issuers:				1,066,093	1,177,142	5.90%
POLYUS GOLD	XS0922301717	USD	550	390,638	465,385	2.33%
RUSSIAN RAILWAYS	XS0919581982	EUR	500	449,967	434,330	2.18%
EDC	XS0918604496	USD	350	225,488	277,427	1.39%
Mexican issuers:				890,644	947,303	4.74%
PETROLEOS MEXICANOS	US71654QAW24	USD	650	589,605	659,066	3.30%
MEXICAN BONOS	MX0MGO0000F3	MXN	27,500	169,021	169,837	0.85%
MEXICAN BONOS	MX0MGO0000Q0	MXN	20,000	132,018	118,400	0.59%
Bulgarian issuer bonds:				658,608	655,560	3.28%

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Notes
(EUR)

BULGARIAN ENERGY HOLDING EAD	XS0989152573	EUR	650	658,608	655,560	3.28%
South African Republic issuer bonds:				604,374	648,093	3.25%
REPUBLIC OF SOUTH AFRICA	ZAG000024738	ZAR	4,500	335,032	333,604	1.67%
ESKOM HOLDINGS	XS0579851949	USD	350	269,342	314,489	1.58%
International financial institution issued bonds:				663,124	630,257	3.16%
EUROPEAN INVESTMENT BANK	XS0648456167	TRY	850	308,303	302,837	1.52%
INTERNATIONAL FINANCE CORP	XS1055095290	BRL	500	163,069	143,459	0.72%
EUROPEAN BANK FOR RECONSTRUCTION & DEVELOPMENT	XS0586901042	IDR	1,500,000	99,759	102,311	0.51%
EUROPEAN BANK FOR RECONSTRUCTION & DEVELOPMENT	XS1090177442	IDR	1,250,000	91,993	81,650	0.41%
Kazakhstani issuer bonds:				537,489	603,814	3.02%
NOSTRUM OIL & GAS	USN64884AA29	USD	700	537,489	603,814	3.02%
Makedonian issuer bonds:				612,609	596,548	2.99%
FYR MACEDONIA	XS1087984164	EUR	600	612,609	596,548	2.99%
Peruvian issuer bonds:				515,868	584,962	2.93%
BANCO INTERNACIONAL DEL PERU	USP1342SAC00	USD	600	515,868	584,962	2.93%
Romanian issuers:				611,630	581,510	2.91%
RCS & RDS	XS0954673777	EUR	550	611,630	581,510	2.91%
Namibian issuer bonds:				622,068	579,515	2.90%
REPUBLIC OF NAMIBIA	XS0686701953	USD	600	622,068	579,515	2.90%
Georgian issuer bonds:				535,284	575,619	2.88%
BANK OF GEORGIA	XS0783935561	USD	600	535,284	575,619	2.88%
Austrian issuer bonds:				607,781	561,273	2.81%
JBS INVESTMENTS GMBH	USA29866AB53	USD	600	607,781	561,273	2.81%
United Arab Emirates issuer bonds:						2.18%
DUBAI ELECTRICITY & WATER	XS0551313686	USD	400	352,199	435,380	2.18%
Vietnamese issuer bonds:				328,507	405,131	2.03%
SOCIALIST REP OF VIETNAM	USY9374MAF06	USD	400	328,507	405,131	2.03%
Polish issuer bonds:				316,506	309,992	1.55%
POLAND GOVERNMENT BOND	PL0000104543	PLN	650	169,676	171,828	0.86%
POLAND GOVERNMENT BOND	PL0000106126	PLN	500	146,830	138,164	0.69%
Croatian issuer bonds:				246,284	250,588	1.26%
ZAGREBACKI HOLDING	XS0309688918	EUR	5	246,284	250,588	1.26%
Hungarian issuer bonds:				181,187	184,550	0.92%
HUNGARY GOVERNMENT BOND	HU0000402037	HUF	50,000	181,187	184,550	0.92%
Regulētos tirgos netirgotie finanšu instrumenti				415,948	419,784	2.10%
Estonian issuer bonds:				415,948	419,784	2.10%
CREDITSTAR GROUP	EE3300110683	EUR	425	415,948	419,784	2.10%
Total debt securities and other fixed income securities				16,433,236	17,271,322	86.51%

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Notes
(EUR)

3. Investment certificates of investment funds and related bonds

All investment fund investment certificates are classified as securities held for trading.

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 (EUR) as at 30.06.2015	% of Fund's net assets 30.06.2015
Financial instruments not traded on regulated markets				527,480	603,973	3.03%
Luxembourg issuer bonds:				527,480	603,973	3.03%
SCHRODER ISF - ASIAN LC	LU0358730231	USD	5,500	527,480	603,973	3.03%
Total investment certificates of investment funds and related bonds				527,480	603,973	3.03%

4. Derivatives

The following table presents the notional amounts and fair values of foreign exchange contracts. The notional amounts of foreign exchange contracts represent the amounts receivable under these contracts. The notional amounts of other financial instruments represent the value of the underlying assets.

	30.06.2015.			31.12.2014.			% of Fund's net assets as at 30.06.2015.
	Notional amount	Fair value		Notional amount	Fair value		
		Assets	Liabilities		Assets	Liabilities	
Foreign exchange contracts:							
Swaps	13,440,681	252,655	(225,890)	8,991,338	-	(347,835)	0.13%
Forwards	210,611	-	(4,284)	82,244	-	(229)	(0.02%)
Total foreign exchange contracts	13,651,292	252,655	(230,175)	9,073,582	-	(348,064)	0.11%

All contracts are concluded with “Citadele banka” JSC

5. Dynamics of net asset value

	30.06.2015.	31.12.2014
Net assets (EUR)		
Number of investment certificates	19,964,908	10,979,782
Value of investment fund's shares (EUR)	1,947,929	1,090,760
Performance on investment fund's shares*	10.25	10.07
	3.64%	(0.20%)
Net assets (EUR)**		
Number of investment certificates	20,015,915	11,009,984
Value of investment fund's shares (EUR)	1,947,929	1,090,760
Performance on investment fund's shares*	10.28	10.09
Performance on investment fund's shares*	3.83%	0.50%

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

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