

**INVESTMENT FUND**  
**“CBL Global Emerging Markets Bond Fund”**

**HALF-YEAR REPORT 2016 (UNAUDITED)**

(at June 30<sup>th</sup>, 2016)

PREPARED IN ACCORDANCE WITH

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

Translation from Latvian original\*

**Riga, 2016**

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

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Half-year report 2016  
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**IF “CBL Global Emerging Markets Bond Fund”  
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General information on the investment fund**

Name of the fund:	„CBL Global Emerging Markets Bond Fund”
Type of fund:	Investment fund
Registration date:	23 May 2013
Fund number:	FL130-06.03.04.098/41
Name of the investment management company:	“CBL Asset Management” IPAS
Registered office:	Republikas laukums 2a, Riga, LV-1010, Latvia
Registration number:	40003577500
Licence number:	06.03.07.098/367
Name of the custodian bank:	“Citadele banka” JSC
Registered office:	Republikas laukums 2a, Riga, LV-1010, Latvia
Registration number:	40103303559
Investment management company’s Board and 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.  Council Member – Aldis Paegle – appointed on 04.07.2014.  Council Member - Peter Meier – appointed on 30.09.2015</p> <p><i>Board of the investment management company:</i>  Chairperson of the Board – Uldis Upenieks – appointed on 01.11.2012.  Board Member – Zigurds Vaikulis – appointed on 30.03.2007.  Board Member - Andris Kotāns – appointed on 11.05.2015  Board Member - Lolita Sičeva – appointed on 11.05.2015.</p>
Rights and responsibilities related to management of Investment fund	Council and Board members shall perform all duties specified in Latvian laws and Investment Management Company's Statutes.
Managers:	Andris Kotāns – appointed on 15.03.2013. Edgars Lao – appointed on 15.03.2013.
Rights and responsibilities related to Fund management	Fund managers shall perform all duties specified in Latvian laws, Investment Management Company's Statutes and Fund prospectus.
Auditor:	“KPMG Baltics” SIA Vesetas iela 7, Riga Riga, LV-1013 Licence No. 55 Latvia

**IF “CBL Global Emerging Markets Bond Fund”**  
**Half-year report 2016**  
**Investment management company’s report**

Investment fund “CBL 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.

At the end of the reporting period, the net assets of the Fund amounted to EUR 19,057,253. As at 30.06.2016, gross assets amounted to EUR 19,326,374. The Fund's share value during the reporting period increased by 73 cents and at the end of the reporting period it amounted to EUR 10.65. The return of the Fund over the reporting period was 7.36% (annualized 15.30%) or 7.14% (annualized 14.84%), given the foreign exchange rates fixed by the financial markets at the end of the day.

Year 2016 set off on a negative side of the sentiment, as a result of a drop in commodities, rising concerns over the FED's potential policy measures, and China's growth potential. However, most of the markets regained their losses, as worries started to ease. During the first half of the year, emerging market eurobonds grew by almost 9%, while the local currency segment fared even better and managed to grow by almost 12%, in USD terms. In terms of regional performance, Latin America advanced the most as Brazil impeached its widely unpopular president Dilma Rousseff, forcing her to step down for a period of up to 180 days. Meanwhile, somewhat less positive contribution came from Middle East region, as issuers are still trying to adapt to new oil price reality.

During the reporting period, exposure to Chile was cut to 7.00% from 10.42% due to less attractive valuations, in our view. Moreover, we entirely sold out Fund's investments in Macedonia, China, and Peru. In turn, we increased Fund's exposure to South Africa from 2.84% to 5.77% and entered several new markets, namely, Argentina, Paraguay and Ukraine, where we see improvements in issuers' creditworthiness. At the end of the reporting period, Brazil had the largest exposure within the portfolio. The Fund also kept its exposure to local currency debt largely unchanged at 15%. The Fund had an average yield-to-maturity of 5.9%, an average duration of 3.4 and a weighted-average credit rating of Ba1.

During the reporting period management costs amounted to EUR 167,263 or 1.73% 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.

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Uldis Upenieks  
Chairperson of the Board

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Andris Kotāns  
Member of Investment Committee

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Edgars Lao  
Member of Investment Committee

Riga, 28 July 2016

**IF „CBL Global Emerging Markets Bond Fund”**  
**Half-year report 2016**  
**Statement of assets and liabilities**  
**(EUR)**

Note		<u>30.06.2016.</u>	<u>31.12.2015.</u>
	<b>Assets</b>		
1	Due on demand from credit institutions	1,562,713	1,808,425
	<i>Financial assets held for trading:</i>		
2	Debt securities and other fixed income securities	16,996,090	16,949,295
3	Investment securities of investment funds and similar securities	767,571	732,661
4	Derivatives	-	48,042
	<b>Total assets</b>	<u><b>19,326,374</b></u>	<u><b>19,538,423</b></u>
	<b>Liabilities</b>		
	<i>Financial liabilities held for trading:</i>		
4	Derivatives	(240,634)	(314,568)
	Accrued expenses	(28,487)	(31,809)
	<b>Total liabilities</b>	<u>(269,121)</u>	<u>(346,377)</u>
	<b>Net assets</b>	<u><b>19,057,253</b></u>	<u><b>19,192,046</b></u>

The accompanying notes on pages 8 to 11 form an integral part of these financial statements.

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 Uldis Upenieks  
 Chairperson of the Board

Riga, 28 July 2016

**IF „CBL Global Emerging Markets Bond Fund”**  
**Half-year report 2016**  
**Statement of income and expense (EUR)**

	<b>01.01.2016.- 30.06.2016.</b>	<b>01.01.2015.- 30.06.2015.</b>
<b>Reporting period income</b>		
Interest income	510,733	533,216
Dividend income	-	-
Other income	5,000	3,617
<b>Total income</b>	<b>515,733</b>	<b>536,833</b>
<b>Reporting period expenses</b>		
Remuneration to investment management company	(145,409)	(123,708)
Remuneration to custodian bank	(17,449)	(14,845)
Other fund management expenses	(4,405)	(2,985)
<b>Total expenses</b>	<b>(167,263)</b>	<b>(141,538)</b>
<b>Impairment of investment value</b>		
Realized increase/ (decrease) of investment value	327,027	(61,938)
Unrealised increase in investment value	694,327	44,185
<b>Total increase/ (decrease) in investment</b>	<b>1,021,354</b>	<b>(17,753)</b>
Loss from revaluation of foreign exchange	-	(141,190)
<b>Increase in net assets from investment</b>	<b>1,369,824</b>	<b>236,352</b>

The accompanying notes on pages 8 to 11 form an integral part of these financial statements.

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Uldis Upenieks  
Chairperson of the Board

Riga, 28 July 2016

**IF „CBL Global Emerging Markets Bond Fund”**  
**Half-year report 2016**  
**Statement of changes in net assets (EUR)**

	<b>01.01.2016.- 30.06.2016.</b>	<b>01.01.2015.- 30.06.2015.</b>
Net assets as at the beginning of the period	19,192,046	10,979,782
Increase in net assets from investment	1,369,824	236,352
Transactions with investment certificates:		
<i>Inflow from sale of investment certificates</i>	670,659	8,981,964
<i>(Outflow) on redemption of investment certificates</i>	<u>(2,175,276)</u>	<u>(233,190)</u>
Net (decrease)/ increase in assets from transactions with investment certificates	(1,504,617)	8,748,774
(Decrease)/ increase in net assets for the period	<u>(134,793)</u>	<u>8,985,126</u>
<b>Net assets as at the end of the period</b>	<b><u>19,057,253</u></b>	<b><u>19,964,908</u></b>
Issued investment certificates as at the beginning of the period	<u>1,933,897</u>	<u>1,090,760</u>
Issued investment certificates as at the end of the period	<u>1,789,894</u>	<u>1,947,929</u>
Net assets per investment certificate as at the beginning of the period	<u>9.92</u>	<u>10.07</u>
<b>Net assets per investment certificate as at the end of the period</b>	<b><u>10.65</u></b>	<b><u>10.25</u></b>

The accompanying notes on pages 8 to 11 form an integral part of these financial statements.

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 Uldis Upenieks  
 Chairperson of the Board

Riga, 28 July 2016

**IF „CBL Global Emerging Markets Bond Fund”**  
**Half-year report 2016**  
**Notes (EUR)**

**1. Due on demand from credit institutions**

	30.06.2016.	31.12.2015.	% from net assets 30.06.2016.
Balances due from credit institutions, JSC “Citadele banka”	1,562,713	1,808,425	8.20%
<b>Total demand deposits with credit institutions</b>	<b>1,562,713</b>	<b>1,808,425</b>	<b>8.20%</b>

For cash on demand the Fund receives interest income that is calculated at fixed rates.

**2. Debt securities and other securities with fixed income**

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

All fixed income securities are listed on regulated market stock exchanges, except for securities with a book value of EUR 375,880 (2015: EUR 373,196).

The following table presents debt securities classified by the issuer’s country of origin:

Financial instrument	ISIN code	Currency	Amount	Purchase value (EUR)	Carrying value as at 30.06.2016.	% from net assets 30.06.2016.
<b><u>Financial instruments traded in regulated markets</u></b>				<b>16,467,635</b>	<b>16,996,090</b>	<b>89.17%</b>
<b>Debt securities of Brazilian issuers:</b>				<b>1,636,055</b>	<b>1,700,276</b>	<b>8.92%</b>
JBS INVESTMENTS GMBH	USA29866AA70	USD	600	527,019	574,695	3.02%
SUZANO	USG8600UAA19	USD	600	564,837	572,184	3.00%
MARFRIG HOLDINGS EUROPE BV	USN54468AF52	USD	600	544,199	553,397	2.90%
<b>Debt securities of Chilean issuers:</b>				<b>1,284,883</b>	<b>1,334,632</b>	<b>7.00%</b>
CENCOSUD SA	USP2205JAE03	USD	700	658,930	692,140	3.63%
EMPRESA NACIONAL DE PETR	USP37110AF39	USD	650	625,953	642,492	3.37%
<b>Debt securities of Indonesian issuers:</b>				<b>1,213,586</b>	<b>1,308,765</b>	<b>6.86%</b>
PERTAMINA PERSERO PT	USY7138AAC46	USD	700	613,279	667,628	3.50%
REPUBLIC OF INDONESIA	XS1084368593	EUR	600	600,307	641,137	3.36%
<b>Debt securities of Russian issuers:</b>				<b>1,093,726</b>	<b>1,151,844</b>	<b>6.04%</b>
EVRAZ	XS1319822752	USD	500	464,741	505,395	2.65%
HOME CREDIT & FINANCE BANK OOO VIA EURASIA CAPITAL SA	XS0846652666	USD	500	454,633	453,327	2.38%
RZD CAPITAL LIMITED	XS0764253455	RUB	140	174,352	193,122	1.01%
<b>Debt securities of South African issuers:</b>				<b>1,055,738</b>	<b>1,099,121</b>	<b>5.77%</b>
SAPPI PAPIER	XS1117298676	EUR	500	475,107	506,572	2.66%
ESKOM HOLDINGS	XS0579851949	USD	350	308,842	316,938	1.66%
REPUBLIC OF SOUTH AFRICA	ZAG000024738	ZAR	4,500	271,789	275,611	1.45%
<b>Debt securities of Kazakh issuers:</b>				<b>1,069,654</b>	<b>1,045,596</b>	<b>5.49%</b>
NOSTRUM OIL	USN64884AA29	USD	700	594,647	565,267	2.97%
KAZAGRO NATL MGMT HLDNG	XS1070363343	EUR	40	475,007	480,329	2.52%
<b>Debt securities of Bulgarian issuers:</b>				<b>811,603</b>	<b>818,351</b>	<b>4.29%</b>
BULGARIAN ENERGY HLD	XS0989152573	EUR	400	401,896	409,818	2.15%



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Financial instrument	ISIN code	Currency	Amount	Purchase value (EUR)	Carrying value as at 30.06.2016.	% from net assets 30.06.2016.
VIVACOM	XS0994993037	EUR	400	409,707	408,533	2.14%
<b>Debt securities issued by international financial institutions:</b>				<b>554,210</b>	<b>584,354</b>	<b>3.06%</b>
EUROPEAN INVESTMENT BANK	XS0648456167	TRY	850	266,138	289,974	1.52%
EUROPEAN BK RECON & DEV	XS1090177442	IDR	2,200,000	147,625	151,312	0.79%
INTL FINANCE CORP	XS1055095290	BRL	100	140,447	143,068	0.75%
<b>Debt securities of Romanian issuers:</b>				<b>595,932</b>	<b>581,510</b>	<b>3.05%</b>
CABLE COMM SYST NV	XS0954673777	EUR	550	595,932	581,510	3.05%
<b>Debt securities of Azerbaijani issuers:</b>				<b>564,206</b>	<b>574,677</b>	<b>3.02%</b>
INTERNATIONAL BANK OF AZERBAIJAN	XS1076436218	USD	650	564,206	574,677	3.02%
<b>Debt securities of Namibian issuers:</b>				<b>590,498</b>	<b>573,669</b>	<b>3.01%</b>
REPUBLIC OF NAMIBIA	XS0686701953	USD	600	590,498	573,669	3.01%
<b>Debt securities of Bahraini issuers:</b>				<b>529,721</b>	<b>535,069</b>	<b>2.81%</b>
BATELCO INT FIN NO 1 LTD	XS0927183441	USD	600	529,721	535,069	2.81%
<b>Debt securities of Argentine issuers:</b>				<b>512,073</b>	<b>531,638</b>	<b>2.79%</b>
ARGENTINE REPUBLIC GOVERNMENT INTERNATIONAL BOND	USP04808AA23	USD	550	512,073	531,638	2.79%
<b>Debt securities of Vietnamese issuers:</b>				<b>483,720</b>	<b>511,357</b>	<b>2.68%</b>
SOCIALIST REP OF VIETNAM	USY9384RAA87	USD	550	483,720	511,357	2.68%
<b>Debt securities of Turkish issuers:</b>				<b>499,669</b>	<b>506,918</b>	<b>2.66%</b>
YASARHOLDING	XS1132450427	USD	525	499,669	506,918	2.66%
<b>Debt securities of Paraguayan issuers:</b>				<b>501,178</b>	<b>497,258</b>	<b>2.61%</b>
TELEFONICA CELULAR DEL PARAGUAY SA	USP90475AA57	USD	550	501,178	497,258	2.61%
<b>Debt securities of issuers from Sri Lanka:</b>				<b>474,075</b>	<b>490,910</b>	<b>2.58%</b>
NATIONAL SAVINGS BANK	USY62526AA99	USD	500	474,075	490,910	2.58%
<b>Debt securities of Ukrainian issuers:</b>				<b>464,531</b>	<b>487,868</b>	<b>2.56%</b>
UKREXIMBANK	XS1261825977	USD	550	464,531	487,868	2.56%
<b>Debt securities of Indian issuers:</b>				<b>348,737</b>	<b>447,952</b>	<b>2.35%</b>
VEDANTA RESOURCES PLC	USG9328DAG54	USD	600	348,737	447,952	2.35%
<b>Debt securities of Croatian issuers:</b>				<b>393,445</b>	<b>413,775</b>	<b>2.17%</b>
ZAGREBACKI HOLDING D00	XS0309688918	EUR	8	393,445	413,775	2.17%
<b>Debt securities of Latvian issuers:</b>				<b>400,200</b>	<b>406,566</b>	<b>2.13%</b>
AS ELKO GRUPA	LV0000801892	EUR	400	400,200	406,566	2.13%
<b>Debt securities of Polish issuers:</b>				<b>293,029</b>	<b>289,916</b>	<b>1.52%</b>
POLAND GOVERNMENT BOND	PL0000104543	PLN	650	158,498	158,473	0.83%

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Financial instrument	ISIN code	Currency	Amount	Purchase value (EUR)	Carrying value as at 30.06.2016.	% from net assets 30.06.2016.
POLAND GOVERNMENT BOND	PL0000106126	PLN	500	134,531	131,443	0.69%
<b>Debt securities of Hungarian issuers:</b>				<b>278,601</b>	<b>283,041</b>	<b>1.49%</b>
HUNGARY GOVERNMENT BOND	HU0000402953	HUF	8,500	278,601	283,041	1.49%
<b>Debt securities of Mexican issuers:</b>				<b>253,962</b>	<b>241,691</b>	<b>1.27%</b>
MEX BONDS DESARR FIX RT	MX0MGO0000F3	MXN	27,500	149,306	140,259	0.74%
MEX BONDS DESARR FIX RT	MX0MGO0000Q0	MXN	2,000	104,656	101,432	0.53%
<b>Debt securities of American issuers:</b>				<b>197,590</b>	<b>203,456</b>	<b>1.07%</b>
MORGAN STANLEY	US61747WAA71	BRL	700	197,590	203,456	1.07%
<b><u>Financial instruments not traded in regulated markets</u></b>				<b><u>367,013</u></b>	<b><u>375,880</u></b>	<b><u>1.97%</u></b>
<b>Debt securities of Estonian issuers:</b>				<b>367,013</b>	<b>375,880</b>	<b>1.97%</b>
CREDITSTAR GROUP	EE3300110683	EUR	375	367,013	375,880	1.97%
<b>Total debt securities and other fixed income securities</b>				<b><u>16,467,635</u></b>	<b><u>16,996,090</u></b>	<b><u>89.17%</u></b>

### 3. Investment certificates of investment funds and similar securities

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	Purchase value (EUR)	Carrying value as at 30.06.2016.	% from net assets 30.06.2016.
<b><u>Financial instruments not traded in regulated markets</u></b>				<b><u>734,355</u></b>	<b><u>767,571</u></b>	<b><u>4.03%</u></b>
<b>Securities of Luxembourgish issuers</b>				<b>734,355</b>	<b>767,571</b>	<b>4.03%</b>
SCHRODER ISF - ASIAN LC	LU0358730231	USD	6,750	734,355	767,571	4.03%
<b>Total investment certificates of investment funds and similar securities</b>				<b><u>734,355</u></b>	<b><u>767,571</u></b>	<b><u>4.03%</u></b>

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**Notes (EUR)**

#### 4. Derivatives

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

	30.06.2016.			31.12.2015.			% from net assets 30.06.2016.
	Nominal basic value	Fair value		Nominal basic value	Fair value		
		Assets	Liabilities		Assets	Liabilities	
Foreign exchange transactions							
Swaps	12,074,654	-	(235,018)	13,059,599	48,042	(314,568)	(1.23%)
Forwards	328,253	-	(5,616)	-	-	-	(0.03%)
<b>Total derivatives</b>	<b>12,402,907</b>	<b>-</b>	<b>(240,634)</b>	<b>13,059,599</b>	<b>48,042</b>	<b>(314,568)</b>	<b>(1.26%)</b>

All derivatives are concluded with "Citadele banka" JSC

#### 5. Dynamics of investment fund's performance

	30.06.2016.	31.12.2015	31.12.2014
<b>Net assets (EUR)</b>	<b>19,057,253</b>	<b>19,192,046</b>	<b>10,979,782</b>
Number of investment certificates	1,789,894	1,933,897	1,090,760
Investment fund share value (EUR)	10.65	9.92	10.07
Profitability of the investment fund **	15.30%	(1.49%)	(0.20%)
<b>Net assets (EUR)*</b>	<b>19,067,089</b>	<b>19,229,930</b>	<b>11,009,984</b>
Number of investment certificates	1,789,894	1,933,897	1,090,760
Investment fund share value (EUR)	10.65	9.94	10.09
Profitability of the investment fund **	14.84%	(1.49%)	0.50%

\* Net asset value is determined using exchange rates that are determined in financial markets at the end of the day.

\*\* Profitability is calculated, assuming that there are 365 days in the year.