

INVESTMENT FUND
CBL Global Emerging Markets Bond Fund

SEMIANNUAL REPORT 2019 (NON-AUDITED)
(for the six – month period ended 30 June 2019)

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, 2019

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

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INVESTMENT FUND INFORMATION

Name of the Fund:	CBL Global Emerging Markets Bond Fund
Type of the Fund:	Investment fund
Classes:	- R Acc USD (<i>since 1 January 2018</i>) ISIN: LV0000400968
	- R Acc EUR (hedged) ISIN: LV0000400828
Registration date of the Fund:	23 May 2013 (re-registered on 30 March 2015)
Number of the Fund:	FL130
Investment management company name:	CBL Asset Management IPAS
Investment management company's registered office:	Republikas laukums 2a, Riga, LV-1010, Latvia
Investment management company's registration number:	40003577500
Number of the license for investment management company operations:	06.03.07.098/367
Name of the Fund's Custodian:	Citadele banka AS
Registered office of the Fund's Custodian:	Republikas laukums 2a, Riga, LV-1010, Latvia
Registration number of the Fund's Custodian:	40103303559
Investment management company's Council and Board members and their positions:	<p><i>Council of the investment management company:</i> Chairperson of the Council – Juris Jākobsons – appointed on 11.10.2010 Deputy Chairperson of the Council - Vladimirs Ivanovs - appointed on 06.11.2012 Member of the Council - Peter Meier - appointed on 30.09.2015</p> <p><i>Board of the investment management company:</i> Chairperson of the Board – Kārlis Purgailis - appointed on 08.09.2017 Board Member - Zigurds Vaikulis - appointed on 19.04.2007 Board Member - Andris Kotāns - appointed on 11.05.2015 Board Member - Lolita Sičeva - appointed on 11.05.2015</p>
Rights and responsibilities related to investment fund management:	The Council and the Board members shall perform all duties prescribed in laws and regulations of the Republic and in the Articles of Association of the investment management company
Fund Managers:	Andris Kotāns – appointed on 15.03.2013 Edgars Lao – appointed on 15.03.2013
Rights and responsibilities related to the Fund's management:	The Fund Manager shall perform all duties prescribed in laws and regulations of the Republic of Latvia, in the Articles of Association of the investment management company and in the prospectus of the Fund
Auditor:	KPMG Baltics SIA Vesetas iela 7 Riga, LV-1013 License No 55 Latvia



INVESTMENT MANAGEMENT COMPANY'S REPORT

The Investment fund "CBL Global Emerging Markets Bond Fund" (hereinafter - the Fund) is a debt security investment fund and, after the amendments were made to the Fund's framework documents, effective from 01/01/2018, has two share classes: R Acc USD and R Acc EUR (hedged). 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 and registration No. 40003577500. The Investment Company's operating license is 06.03.07.098/367.

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.

As at the end of the reporting period, the amount of Fund's net assets amounted to EUR 28,522,110. As at 30.06.2019, gross assets amounted to EUR 28,614,065. Return and value are being calculated for each investment class separately. The share value of the "CBL Global Emerging Markets Bond Fund" R Acc USD share class during the reporting period increased by EUR 0.60 and at the end of the period it amounted to EUR 9.19; the share value of the "CBL Global Emerging Markets Bond Fund" R Acc EUR (hedged) share class during the reporting period increased by EUR 0.51 and at the end of the period amounted to EUR 11.42. "CBL Global Emerging Markets Bond Fund" R Acc USD share class's total return in the first half of 2019 was 6.98% in terms of euro, according to the ECB's rates, and 6.30% in terms of its base currency (USD) and market exchange rates. "CBL Global Emerging Markets Bond Fund" R Acc EUR (hedged) share class's total return in the first half of 2019 was 4.67% in terms of euro

The first half of 2019 was a very successful one in the financial markets. Global equity markets closed the reporting period near all-time highs, while long-term UST yields dropped to the lowest level since autumn 2016. Investors' favourable view towards risk and lower risk-free bond yields made a perfect environment for emerging market bonds; as a result, during the reporting period, the Fund's USD share class increased by 6.3%. An important part in this market development was due to unexpected change in the rhetoric of Jerome Powell, Chair of the Federal Reserve of the United States. At the end of 2018, he saw the need to continue with a hawkish monetary policy, while at the beginning of this year he suggested the need for a dovish monetary policy. Lower global economic growth and tensions in trade relations were cited as the main reasons for the decision.

Region-wise, the main positive contribution came from Latin America. Amidst several names, it is worth to mention Argentina, as early in the year the state reassured it will stick to its IMF programme. As the time passed by, however, asset prices began to react increasingly on the news of the forecasted outcome of the upcoming Presidential elections in October. Meanwhile, towards the end of the spring, all of the local assets in Mexico suffered steep losses, as the President of the United States threatened to impose tariffs for all incoming goods from the neighbouring state, unless it steps up the effort to stop illegal migration. Several weeks later a deal was reached, and it was evident by every segment of local asset classes. On the other hand, at the beginning of the year, tensions were increasing in Venezuela between current regime leaders and self-proclaimed interim president Juan Guaido, at times risking military escalation.

The main positive contribution came from investments in emerging Europe's debt securities, which is also the Fund's largest market. It was followed by Latin America and Asia. During the reporting period, for the very first time we made investments in Malaysia, as we bought Eurobonds of the local aluminium producer Press Metal; meanwhile, we locked in our profit in Belarus, as we believe the potential risk-reward relation has lost its appeal. Main increase in exposure was in both Georgia and Indonesia; on the other hand, apart from Belarus, Paraguay was also cut to zero, as a result of a Call option being exercised by a local company. Furthermore, we significantly decreased Fund's exposure to the Turkish market (elaveted political risks), Estonia (as we opted not to extend particular Eurobonds) and Brazil (several of the names lost their appeal; however, after the reporting period, we increased the exposure back to the levels at the beginning of the year). At the end of the reporting period, the Fund's investments were diversified among 23 countries. The Fund's yield-to-maturity, in USD terms, decreased by 1.6pp to 5.7%, weighted average duration remained unchanged at 3.6, as did the weighted average credit rating of Ba1, the highest speculative grade credit rating.

In the reporting period, the total management costs amounted to EUR 236,725.. In the reporting period, the investment management company fee amounted to EUR 205,673, custodian fee - EUR 24,681, other management expenses - EUR 6,371.

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.

For the Board of IPAS:

Kārlis Purgailis
Chairperson of the Board

Andris Kotāns
Fund Manager

Edgars Lao
Fund Manager

Riga, 31 July 2019



STATEMENT OF ASSETS AND LIABILITIES

	Notes	<u>30.06.2019.</u>	<u>31.12.2018.</u>
Assets			
Due on demand from credit institutions	1	2,997,365	1,493,080
Financial assets at fair value through profit or loss:			
Debt instruments	2	24,689,456	23,838,854
Share certificates of investment funds and similar securities	3	817,014	775,676
Derivative financial instruments	4	110,230	155,390
Total assets		<u>28,614,065</u>	<u>26,263,000</u>
Liabilities			
Financial liabilities at fair value through profit or loss:			
Derivative financial instruments	4	(53,655)	(192,011)
Accrued expenses		(38,300)	(37,486)
Total liabilities		<u>(91,955)</u>	<u>(229,497)</u>
Net assets		<u>28,522,110</u>	<u>26,033,503</u>

The accompanying notes on pages 8 to 10 form an integral part of these financial statements.
For the Board of IPAS:

Kārlis Purgailis
Chairperson of the Board

Riga, 31 July 2019



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STATEMENT OF INCOME AND EXPENSE

	<u>01.01.2019.- 30.06.2019.</u>	<u>01.01.2018.- 30.06.2018.</u>
Income for the reporting period		
Interest income	713,391	853,994
Total income	713,391	853,994
Expenses for the reporting period		
Remuneration to investment management company	(205,673)	(172,204)
Custodian Fee	(24,681)	(20,665)
Other Fund management expenses	(6,371)	(4,404)
Total expenses	(236,725)	(197,273)
Increase/(decrease) in investment value		
Realized increase in investment value	145,656	61,117
Unrealized increase/(decrease) in investment value	757,665	(1,355,521)
Total increase/(decrease) in investments	903,321	(1,294,404)
Increase/(decrease) in net assets from investments	1,379,987	(637,683)

The accompanying notes on pages 8 to 10 form an integral part of these financial statements.
For the Board of IPAS:

Kārlis Purgailis
Chairperson of the Board

Riga, 31 July 2019

STATEMENT OF CHANGES IN NET ASSETS

	01.01.2019.- 30.06.2019.	01.01.2018.- 30.06.2018.
<i>"CBL Global Emerging Markets Bond Fund"</i>		
Net assets at the beginning of the reporting period	26,033,503	20,800,324
Increase/(decrease) in net assets from investment	1,379,987	(637,683)
Transactions with share certificates		
<i>Inflow from subscription of share certificates</i>	<i>2,023,584</i>	<i>5,378,249</i>
<i>(Outflow) from redemption of share certificates</i>	<i>(914,964)</i>	<i>(511,289)</i>
Increase in net assets from transactions with share certificates	1,108,620	4,866,960
Increase in net assets in the reporting period	2,488,607	4,229,277
Net assets as at the end of the reporting period	28,522,110	25,029,601
 <i>"CBL Global Emerging Markets Bond Fund" Class R Acc USD</i> <i>ISIN : LV0000400968</i>		
Number of share certificates issued as at the beginning of the reporting period	366,599	-
Number of share certificates issued as at the end of the reporting period	421,123	326,684
Net assets per share certificate as at the beginning of the reporting period	8.59	-
Net assets pershare certificate as at the end of the reporting period	9.19	8.40
 <i>"CBL Global Emerging Markets Bond Fund" Class R Acc EUR (hedged)</i> <i>ISIN : LV0000400828</i>		
Number of share certificates issued as at the beginning of the reporting period	2,103,071	1,819,677
Number of share certificates issued as at the end of the reporting period	2,158,678	2,015,292
Net assets per share certificate as at the beginning of the reporting period	10.91	11.43
Net assets pershare certificate as at the end of the reporting period	11.42	11.06

The accompanying notes on pages 8 to 10 form an integral part of these financial statements.
For the Board of IPAS:

Kārlis Purgailis
Chairperson of the Board

Riga, 31 July 2019

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 DUE ON DEMAND FROM CREDIT INSTITUTIONS

	30.06.2019.	% from net assets as at 30.06.2019.	31.12.2018.	% from net assets as at 31.12.2018.
Due on demand from credit institutions, AS Citadele banka	2,997,365	10.51%	1,493,080	5.74%
Total demand deposits with credit institutions	2,997,365	10.51%	1,493,080	5.74%

NOTE 2 DEBT INSTRUMENTS AND OTHER FIXED INCOME SECURITIES

All debt instruments and other fixed income instruments are classified as financial assets at fair value through profit or loss. All fixed income securities held by the fund are traded on regulated markets, except for not traded on regulated markets the fixed income securities worth EUR 455,820. The following table presents the debt instruments distribution of by the issuer's country of origin:

Financial instrument	ISIN code	Currency	Nominal amount	Acquisition value (EUR)	Carrying value (EUR) 30.06.2019.	% of the Fund's net assets 30.06.2019.
Financial instruments traded on regulated markets:				23,450,008	24,233,636	84.96%
Debt instruments of Indian issuers:				2,289,341	2,468,862	8.65%
ONGC Videsh Vankorneft Pte Ltd 3.75% 07/2026	XS1457499645	USD	1000000	787,587	896,790	3.14%
Bharti Airtel 5.35% 05/2024	USN1384FAB15	USD	900000	767,845	839,819	2.94%
JSW Steel Ltd 5.95% 04/2024	XS1981202861	USD	800000	733,909	732,253	2.57%
Debt instruments of Indonesian issuers:				1,999,395	2,130,055	7.47%
Chandra Asri Petrochemical 4.95% 11/2024	USY7141GAA05	USD	900000	713,591	754,774	2.65%
Listrindo Capital BV 4.95% 09/2026	USN5276YAD87	USD	850000	669,457	750,655	2.63%
Indonesia 1.75% 04/2025	XS1810775145	EUR	600000	616,347	624,626	2.19%
Debt instruments of Russian issuers:				1,968,378	2,084,429	7.31%
NLMK 4.5% 06/2023	XS1405775617	USD	700000	639,421	631,049	2.21%
Rusal Capital 4.85% 02/2023	XS1759468967	USD	700000	581,226	623,531	2.19%
PhosAgro 3.949% 04/2023	XS1752568144	USD	600000	463,380	533,785	1.87%
Rushydro Capital Markets DAC 8.975% 01/2022	XS1912654677	RUB	20000000	284,351	296,064	1.04%
Debt instruments of Mexican issuers:				1,886,741	1,939,864	6.80%
Nemak SAB de CV 3.25% 03/2024	XS1533916299	EUR	750000	777,790	781,679	2.74%
Grupo KUO SAB De CV 5.75% 07/2027	USP4954BAF33	USD	650000	565,119	588,258	2.06%
Credito Real SAB de CV SOFOM ER	USP32457AA44	USD	600000	543,832	569,927	2.00%
Debt instruments of South African issuers:				1,694,742	1,807,039	6.34%
SASOL Financing USA LLC 5.875% 03/2024	US80386WAA36	USD	900000	786,712	864,093	3.03%
Sappi Papier Holding GmbH 3.125% 04/2026	XS1961852750	EUR	600000	605,851	620,934	2.18%
South Africa 7.25% 01/2020	ZAG000024738	ZAR	5000000	302,179	322,012	1.13%
Debt instruments of Brazilian issuers:				1,497,243	1,518,878	5.33%
JBS 7.25% 04/2024	USA29866AB53	USD	600000	520,931	554,964	1.95%
Marfrig 8% 08/2023	USN54468AF52	USD	600000	531,190	551,024	1.93%
Brazilian Government International Bond 10.25% 01/2028	US105756BN96	BRL	1500000	445,122	412,890	1.45%
Debt instruments of Romanian issuers:				1,305,486	1,320,272	4.63%
Globalworth Real Estate Investments Ltd 3.0% 03/2025	XS1799975922	EUR	700000	739,217	746,580	2.62%
Digi Communications 5% 10/2023	XS1405770576	EUR	550000	566,269	573,692	2.01%
Debt instruments of Georgian issuers:				1,209,381	1,248,624	4.38%
BGEO Group JSC 6% 07/2023	XS1405775880	USD	750000	658,890	679,110	2.38%
Silknet JSC 11.0% 04/2024	XS1843443430	USD	600000	550,491	569,514	2.00%
Debt instruments of Turkish issuers:				1,224,051	1,205,419	4.22%
Turkey 6.0% 03/2027	US900123CL22	USD	800000	677,784	680,199	2.38%
Arcelik 3.875% 09/2021	XS1109959467	EUR	500000	546,267	525,220	1.84%
Debt instruments issued by international financial institutions:				923,129	956,267	3.35%
IBRD 5.25% 10/2019	XS1503155068	MXN	10000000	422,277	469,971	1.65%
EIB 6.95% 02/2020	XS1180306216	IDR	4080000000	259,141	260,094	0.91%
IBRD 4.75% 01/2021	XS1757831216	COP	800000000	241,711	226,202	0.79%
Debt instruments of Kazakh issuers:				892,579	892,810	3.13%
Nostrum Oil & Gas 7.00% 02/2025	USN64884AD67	USD	800000	465,312	462,120	1.62%
Halyk Savings Bank of Kazakhstan JSC 5.5% 12/2022	XS0867478124	USD	476206	427,267	430,690	1.51%
Debt instruments of Swedish issuers:				902,778	893,544	3.13%
DDM Debt AB 9.25% 04/2022	SE0012454940	EUR	500000	501,684	513,578	1.80%
European Lingerie Group AB 7.75% 02/2021	SE0010831792	EUR	400000	401,094	379,966	1.33%
Debt instruments of Norwegian issuers:				750,534	753,248	2.64%
B2Holding ASA 6.35% 05/2024	NO0010852742	EUR	750000	750,534	753,248	2.64%

Financial instrument	ISIN code	Currency	Nominal amount	Acquisition value (EUR)	Carrying value (EUR) 30.06.2019.	% of the Fund's net assets 30.06.2019.
Debt instruments of Peruvian issuers:				683,135	721,961	2.53%
SAN Miguel Industrias Pet SA 4.50% 09/2022	USP84523AB85	USD	800000	683,135	721,961	2.53%
Debt instruments of Ukrainian issuers:				693,261	716,553	2.51%
Kernel Holding 8.75% 01/2022	XS1533923238	USD	750000	693,261	716,553	2.51%
Debt instruments of Panamanian issuers:				668,802	682,203	2.39%
Global Bank Corp 4.5% 10/2021	USP47718AC86	USD	750000	668,802	682,203	2.39%
Debt instruments of Lithuanian issuers:				649,517	681,078	2.39%
Maxima Grupe UAB 3.25% 09/2023	XS1878323499	EUR	650000	649,517	681,078	2.39%
Debt instruments of Chilean issuers:				592,042	660,708	2.32%
Cencosud SA 5.15% 02/2025	USP2205JAK62	USD	700000	592,042	660,708	2.32%
Debt instruments of Malasian issuers:				569,117	567,025	1.99%
Press Metal Labuan Ltd 4.80% 11/2022	XS1704655635	USD	650000	569,117	567,025	1.99%
Debt instruments of Polish issuers:				444,635	436,388	1.53%
Poland 3.25% 07/2025	PL0000108197	PLN	1200000	297,805	308,724	1.08%
Poland 5.25% 10/2020	PL0000106126	PLN	500000	146,830	127,664	0.45%
Debt instruments of Argentinian issuers:				396,558	373,670	1.31%
Argentine Republic Government 5.0 % 01/2027	XS1503160498	EUR	500000	396,558	373,670	1.31%
Debt instruments of USA issuers:				209,163	174,739	0.61%
Morgan Stanley 11.50% 10/2020	US61747WAA71	BRL	700000	209,163	174,739	0.61%
Financial instruments not traded on regulated markets:				450,000	455,820	1.60%
Debt instruments of Estonian issuers:				450,000	455,820	1.60%
Mainor Ulemiste 5.5% 04/2023	EE3300111343	EUR	450,000	450,000	455,820	1.60%
Total debt instruments and other fixed income instruments:				23,900,008	24,689,456	86.56%

NOTE 3 SHARE CERTIFICATES OF INVESTMENT FUNDS AND SIMILAR CERTIFICATES

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

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

Financial instrument	ISIN code	Currency	Amount	Acquisition value (EUR)	Carrying value (EUR) 30.06.2019.	% of the Fund's net assets 30.06.2019..
Financial instruments not traded on regulated markets:				728,164	817,014	2.86%
Securities of Luxembourgian issuers:				728,164	817,014	2.86%
Schroder International Selection Fund - Asian Local Currency	LU0358730231	USD	6600	728,164	817,014	2.86%
Total share certificates of investment funds and similar securities:				728,164	817,014	2.86%

NOTE 4 DERIVATIVE FINANCIAL INSTRUMENTS

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

	30.06.2019.			% of the Fund's net assets 30.06.2019.	31.12.2018.			% of the Fund's net assets 30.12.2018.
	Notional amount	Fair value			Notional amount	Fair value		
		Assets	Liabilities			Assets	Liabilities	
Foreign currency Exchange transactions (swaps)	35,375,355	110,230	(53,655)	0.20%	31,501,091	155,390	(192,011)	(0.14%)
Total derivative financial instruments	35,375,355	110,230	(53,655)	0.20%	31,501,091	155,390	(192,011)	(0.14%)

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

NOTE 5 PERFORMANCE DYNAMICS OF THE INVESTMENT FUND

"CBL Global Emerging Markets Bond Fund" Class R Acc USD	30.06.2019.	31.12.2018
Net assets (EUR)	3,871,743	3,150,523
Number of share certificates	421,123	366,599
Value of the unit of the investment fund (EUR)	9.19	8.59
Profitability of the investment fund*	6.98%	3.02%
Net assets (USD)**	4,406,044	3,607,348
Number of share certificates	421,123	366,599
Value of the unit of the investment fund (USD)	10.46	9.84
Profitability of the investment fund*	6.30%	(1.60%)

"CBL Global Emerging Markets Bond Fund" Class R Acc EUR (hedged)	30.06.2019.	31.12.2018.	31.12.2017.	31.12.2016.
Net assets (EUR)	24,650,356	22,947,788	20,800,324	19,588,069
Number of share certificates	2,158,678	2,103,071	1,819,677	1,783,899
Value of the unit of the investment fund (EUR)	11.42	10.91	11.43	10.98
Profitability of the investment fund**	4.67%	(4.55%)	4.10%	10.66%
Net assets (EUR)*	24,650,356	22,947,788	20,766,672	19,612,792
Number of share certificates	2,158,678	2,103,071	1,819,677	1,783,899
Value of the unit of the investment fund (EUR)	11.42	10.91	11.41	10.99
Profitability of the investment fund**	4.67%	(4.38%)	3.82%	10.53%

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

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

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