

# CBL Eastern European Bond Fund



**Class R Acc USD**  
**Class R Acc EUR (hedged)**

**March 2026**

## Investment Objective

To achieve long-term capital growth by investing in short-term and long-term debt securities issued or guaranteed by the governments, municipalities, central banks, credit institutions and corporations of Eastern European countries.

## Investment Process

- Focus on bottom-up credit selection
- Country, industry and issuer diversification
- Flexibility to evaluate any investment opportunity
- ESG risk integration into fundamental analysis

## Ratings and Awards

Morningstar Rating™  
(primary sh. class R Acc USD)



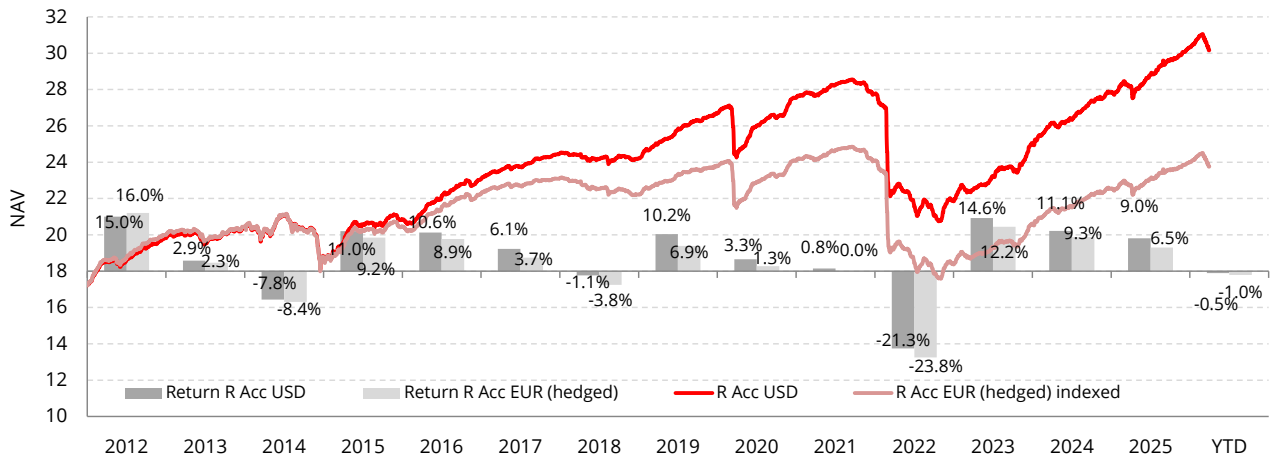
## Fund Overview

Management Company	CBL Asset Management
Fund Managers	Edgars Lao, CFA Artis Mezis
Custodian bank	Citadele banka
Inception Date	12/03/2003
Fund Size	USD 30.4 mln
Management Fee	1.00% p.a.
Front Load Fee	0%*
Issue/redemption	Daily
Distribution Status	Accumulative
Legal Status	UCITS IV, Latvia

\* CBL Asset Management does not charge any entry fees, but the person selling you the Fund may apply their own fees. In case of buying the Fund units outside of Citadele group, please check the pricelist beforehand.

	Class R Acc USD	Class R Acc EUR (H)
ISIN	LV0000400125	LV0000400174
Bloomberg Code	PAREUB LR	PAREUBA LR
Base Currency	USD	EUR
Share Class Size	2.4 mln	24.4 mln

## Performance History



## Total Return by Period

	YTD	1M	3M	6M	1Y	2Y	3Y	5Y	SI*	2025	2024	2023
Class R Acc USD	-0.5%	-2.9%	-0.5%	2.0%	7.1%	7.4%	10.3%	1.8%	4.9%	9.0%	11.1%	14.6%
Class R Acc EUR (hedged)	-1.0%	-3.1%	-1.0%	0.9%	4.6%	5.2%	8.1%	-0.3%	3.0%	6.5%	9.3%	12.2%

\* Class R Acc EUR (hedged) investment policy changed to a bond-only from a balanced one in January 2012

## Top 10 Holdings

	Coupon	Maturity	Weight
Bank Gospodarstwa Krajowego	4.375%	13-Mar-39	4.5%
Globalworth	6.250%	31-Mar-30	4.2%
Supernova Invest	5.000%	24-Jun-30	3.9%
Nova Ljubljanska Banka	6.500%	26-Nov-30	3.9%
Graanul Invest	8.500%	15-Oct-29	3.8%
Globe Trade Centre	6.500%	15-Oct-30	3.8%
B2 Impact	5.276%	18-Jan-31	3.8%
Romgaz	4.625%	4-Nov-31	3.8%
CTP	4.250%	10-Mar-35	3.6%
CPI Property Group	6.000%	27-Jan-32	3.6%
<b>Total</b>			<b>38.9%</b>

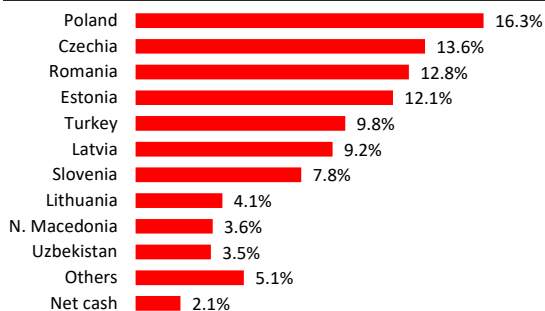
## Portfolio Statistics

Yield-to-Worst (after hedge to USD)	8.4%
Modified Duration	4.2
Average Credit Rating	Ba2
Number of Holdings	44
Average Security Weight	2.2%

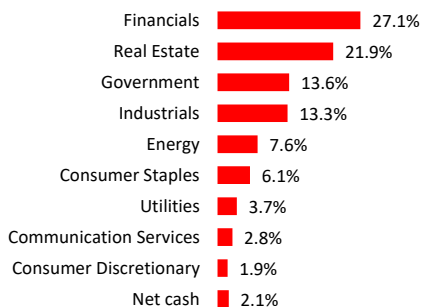
## Performance Statistics (3Y)

	R Acc USD	R Acc EUR (H)
Volatility (St. Dev., %)	3.9%	3.8%
Sharpe Ratio	1.6	1.4
Sortino Ratio	2.9	2.5
Value-at-Risk (30d / 99%)	2.3%	2.6%

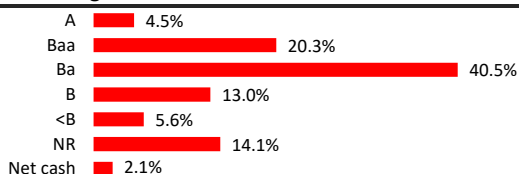
## Country Breakdown



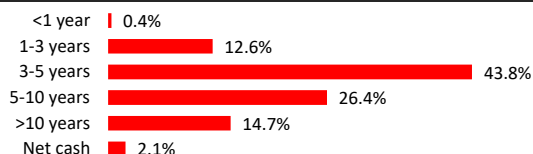
## Sector Breakdown



## Credit Rating Breakdown



## Maturity Breakdown



## Events of the Month

- Amid the escalation of the conflict involving Iran, the Eastern European Eurobond market recorded its worst monthly performance since mid-2022, declining by 3.3%. The Fund demonstrated greater resilience to global market volatility, limiting its decline to less than 3%. As a result, since the beginning of 2026, the Fund has outperformed the broader market by 0.8pp;
- Primary issuance activity in the region remained very limited during the period due to heightened geopolitical uncertainty surrounding the war in Iran. Only three Eurobond issuers accessed the market, raising less than EUR 1 billion in total. The government of Bosnia and Herzegovina's Serb Republic placed EUR 500mn bond for 5 years at 6.25% and the issue was well received, including participation from U.S. institutional investors, following the lifting of sanctions on a former president in October, as total demand exceed EUR 1bn. In Poland, the state-owned Orlen taped its outstanding bond with a maturity in 2035 by borrowing additional \$250mn at a yield of 5.461%. Finally, Turkey's Halkbank sold \$210mn of subordinated perpetual AT1 Eurobonds at a yield of 8.3%;
- In March, primary bond market activity in the Baltics was concentrated in Estonia, with total issuance close to EUR 80mn. The highlight came from Apollo Group, which raised EUR 50mn through a 5-year unsecured bond at a 7% coupon, attracting strong demand from more than 4,500 investors. Real estate developers also tapped the market: Volta Skai's third tranche was upsized to EUR 5mn from EUR 3.5mn, offering an 8.5% yield, while Invego Group raised EUR 8mn, doubling its initial offer at a 9.5% coupon for a 4-year bond. In the banking sector, Coop Pank issued a EUR 15mn Tier 2 bond, placed locally within Estonia;
- Both equity and fixed income markets experienced broad-based sell-offs amid rapidly escalating geopolitical tensions in the Middle East, which significantly impacted oil, gas, and other commodity markets. Brent crude oil exhibited substantial volatility, ultimately closing March strongly at nearly USD 120 per barrel. Meanwhile, major equity indices declined, with the S&P 500 and STOXX 600 falling by 5.0% and 8.0%, respectively. Rising energy-driven inflation concerns pushed US Treasury yields higher across the curve, with the 2-year and 10-year yields increasing by approximately 40 basis points to 3.8% and 4.3%, respectively. Similarly, the 10-year German Bund yield rose by around 35 basis points, ending the month at 3.0%.

## Contributors and Detractors

- + The Fund gained from its exposure to less liquid Baltic corporate bonds, followed by an underweight to Ukraine;
- Among the weakest performing bonds within the portfolio were interest rate-sensitive real estate bonds as well as long-term Romanian sovereign bonds.

## Outlook and Strategy

Despite elevated political uncertainty and heightened volatility across global capital markets this year, Eastern European bond markets have been relatively resilient. Market yields have increased by only around 0.4pp since the beginning of the year and currently stand at approximately 6.9%. Against this backdrop, our Fund continues to offer a yield exceeding the market average by more than 1pp, leaving it well positioned for the current market environment.

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