CBL European Leaders Equity Fund

CBL ASSET MANAGEMENT

March 2024

Investment Objective

ELEF investments are concentrated on equities with a long-term growth perspective. The Fund seeks to invest in a diversified portfolio of technically attractive European stocks with desirable fundamental characteristics, including robust earnings growth, strong financial position and profitability.

Investment Process

- Bottom-up individual stock selection
- Regular portfolio rebalancing
- Daily market monitoring
- Country and industry diversification
- Promotes investments with a beneficial impact on environmental and social characteristics (as defined in Article 8 of the SFDR)

Fund Overview

Management Company	CBL Asset Management
Fund Managers	Andrejs Pilka
	Edgars Lao, CFA
Custodian bank	Citadele banka
Inception Date*	24/08/2004
Fund Size	EUR 9.7 mln
Management Fee	1.4% p.a.
Front Load Fee	0%**
Issue/redemption	Daily
Distribution Status	Accumulative
Legal Status	UCITS IV, Latvia
ISIN	LV0000400794
Bloomberg Code	CITBSEF LR

* The data before November 20, 2013 relates to „Citadele Baltic Sea Countries Equity Fund" (ISIN LT0000950008), which was fully transferred at par into newly established "CBL Baltic Sea Equity Fund" (ISIN LV0000400794) with the identical investment strategy. On 1 January, 2020 the Fund's name was changed to „CBL European Leaders Equity Fund" and the Fund's investment region was expanded to include all European countries.

** 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.

Performance History

Total Return by Period

	YTD	1M	3M	6M	1Y	2Y	3Y	5Y	SI	2023	2022	2021
Fund	6.9%	0.2%	6.9%	21.1%	15.6%	2.7%	-0.1%	-	5.1%	22.1%	-36.1%	28.0%

Top 10 Holdings

	Weight
Novo Nordisk A/S	3.5%
Industria de Diseno Textil SA	3.5%
ASML Holding NV	3.5%
SAP AG	3.4%
Nemetschek SE	3.2%
ASM International NV	3.2%
VAT Group AG	3.1%
Wolters Kluwer NV	3.1%
Partners Group Holding AG	3.0%
ABB Ltd	2.9%
Total	**32.4%**

Portfolio Statistics

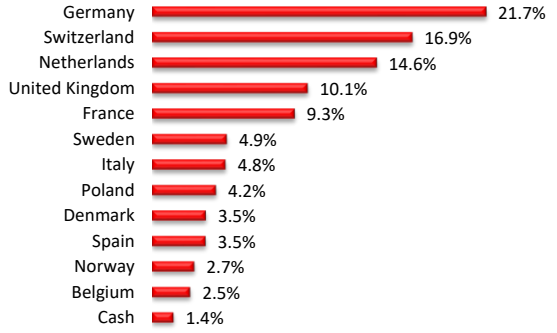
Number of Holdings	40
Average Security Weight	2.5%
Median P/E	34.2
Median P/B	8.2
Weighted Average Dividend Yield	1.3%

Performance Statistics (3Y)**

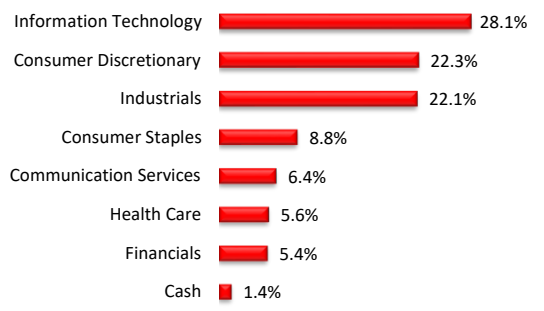
Volatility (St. Dev., %)	21.2%
Sharpe Ratio	0.1
Sortino Ratio	0.0
Value-at-Risk (30d / 95%)	11.0%

** Strategy simulation data is used for calculation.

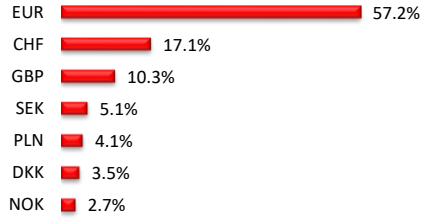
Country Breakdown



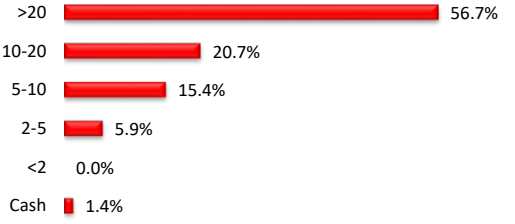
Sector Breakdown



Currency Breakdown



Market Capitalization Breakdown, bn EUR



Events of the Month

• In March, global stock markets continued to grow and ended the first quarter on a very positive note. The main US index S&P 500 increased by 3.2% in March, outpacing the growth of the tech-heavy Nasdaq 100, which saw a 1.2% increase in the last month. Consequently, returns for the first quarter stood at 10.5% and 8.7% respectively. European broad market index Stoxx Europe 600 demonstrated a 7.8% return last quarter fueled by a 4.1% increase in March. Despite rather impressive jump of 3.4% in March, Emerging markets lagged behind global equities in Q1, delivering only 4.8% return.

• In the US, the Federal Reserve (FED) left its benchmark interest rate unchanged for the fifth consecutive meeting. The reasoning for the caution to start rate cuts could be explained by hotter than expected economic data. Data reported in March indicates that February's inflation of 3.2% year-on-year had a slight uptick from the 3.1% rise in January, which is above the Fed's goal to lower inflation to its 2% target. In Europe, the ECB also kept rates unchanged despite cooling inflation and downward revisions for inflation expectations to 2.3% in 2024, 2.0% in 2025, and 1.9% in 2026.

• Overall, the economic data published in March was largely supportive. The final reading on US GDP for Q4 of last year came in at 3.4%, above the estimated 3.2%, which represents the sixth straight quarter that GDP has come in above 2.0%, suggesting a healthy growth of the economy. Economists expect similar growth to continue in Q1 as well. In the Eurozone, the fourth-quarter GDP growth rate over the previous quarter was flat, which is encouraging given that a quarter ago growth was negative.

• The Fund increased by 0.2% in March and 6.9% in Q1, which is close to the broad market result.

Contributors and Detractors

+ In March, the largest positive contribution to the Fund's results came from consumer discretionary and industrial sector. Among individual securities, the Fund's positions in Inditex (+13%), CTS Eventim (+13%) and Kongsberg Group (+9%) were among the most successful investments last month.

- The largest negative contribution came from technology sector.

Portfolio Positioning

• In March we adjusted the portfolio structure by reducing selectively our technology sector exposure and strengthening our position in consumer discretionary and industrial sector.

Outlook and Strategy

March witnessed another surge in equities. While this places market valuations above historical average levels, the underlying strength of the economy provides a sturdy foundation for ongoing growth. Moreover, indications suggest that rate cuts may be imminent for both the US and Eurozone, potentially occurring as early as June or July. Notably, market sentiments are aligning closely with central bank projections.

In light of these developments, our emphasis on higher growth stocks positions us well to capitalize on forthcoming shifts in central bank policies. We maintain an optimistic outlook regarding the opportunities that lie ahead and stand ready to adjust our portfolio strategically to maximize returns.

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Signatory of:
PRI Principles for Responsible Investment

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