

CBL European Leaders Equity Fund



August 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)

* 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.

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 10.3 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

Performance History



Total Return by Period

	YTD	1M	3M	6M	1Y	2Y	3Y	5Y	SI	2023	2022	2021
Fund	8.2%	2.4%	1.2%	1.4%	17.1%	13.3%	-4.5%	-	4.9%	22.1%	-36.1%	28.0%

Top 10 Holdings

	Weight
Kongsberg Gruppen ASA	3.9%
Novo Nordisk A/S	3.5%
Industria de Diseno Textil SA	3.5%
SAP AG	3.5%
ABB Ltd	3.3%
ASM International NV	3.2%
Wolters Kluwer NV	3.1%
ASML Holding NV	3.0%
Lotus Bakeries NV	3.0%
Nemetschek SE	2.9%
Total	32.8%

Portfolio Statistics

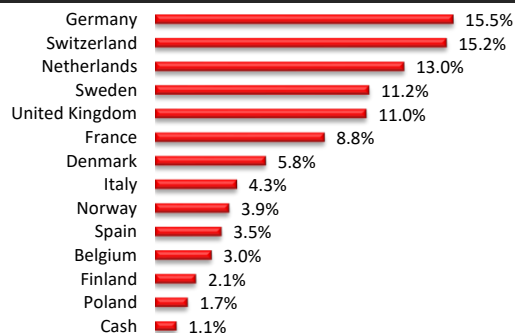
Number of Holdings	40
Average Security Weight	2.5%
Median P/E	32.1
Median P/B	8.0
Weighted Average Dividend Yield	1.3%

Performance Statistics (3Y)**

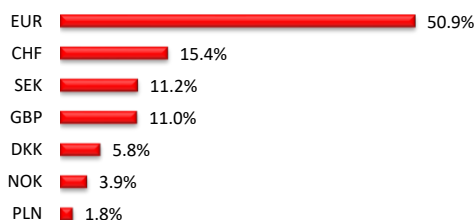
Volatility (St. Dev., %)	21.1%
Sharpe Ratio	-0.1
Sortino Ratio	-0.2
Value-at-Risk (30d / 95%)	11.0%

** Strategy simulation data is used for calculation.

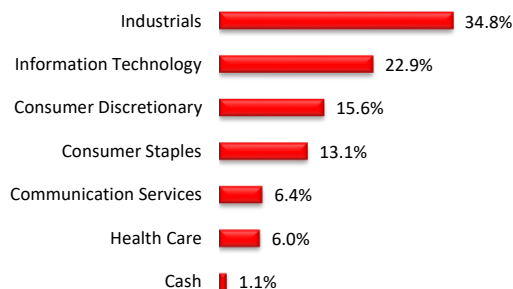
Country Breakdown



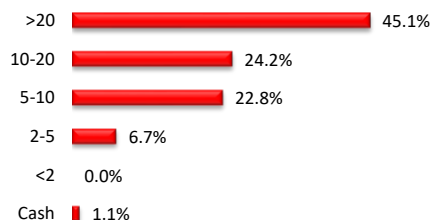
Currency Breakdown



Sector Breakdown



Market Capitalization Breakdown, bn EUR



Events of the Month

- August remained a turbulent month for global markets as some economic factors led to a market correction. However, after a rocky start, stock markets steadily recovered in the latter half of the month, with a late rebound helping to close August in the green zone. The main US stock market index S&P 500 rose by 2.43%, while the European Stoxx Europe 600 broad market index gained 1.57%.
- The volatility in early August was partly driven by the Bank of Japan's decision to increase its policy rate by 25 basis points, along with comments from Governor Ueda that signaled a shift in policy direction. This prompted an abrupt unwinding of carry trade positions, causing the yen to strengthen. As a result, investors who had borrowed in yen to invest in higher-yielding assets abroad saw reduced profitability, leading many to unwind their carry trades rapidly. This shift triggered sharp declines in global asset prices and heightened market volatility.
- Both U.S. and European corporations have completed the release of their Q2 reports. In summary, both regions surpassed analyst expectations, with U.S. earnings exceeding projections by 5.19% and European earnings by 4.36%. Additionally, both markets reported positive revenue surprises, coming in just below 1%. These results indicate that the robust stock market growth is underpinned by strong corporate fundamentals.
- The European Central Bank (ECB) left interest rates unchanged this month; however, the market is highly confident that a rate cut will continue in September. Similarly, the Federal Reserve maintained its key interest rates. In a recent meeting, Fed Chair Jerome Powell stated that "the time has come for policy to adjust," further reinforcing market expectations for an initial rate cut at the Fed's next meeting.
- In late August, the core Personal Consumption Expenditures (PCE) price index, the Federal Reserve's preferred measure of inflation, came in slightly below consensus, with a year-over-year increase of 2.6% in July. Meanwhile, the Consumer Price Index (CPI) in the eurozone slowed to 2.2% in August, down from 2.6% in July, marking its lowest level in three years. Core CPI edged down to 2.8% from 2.9%. This softer-than-expected inflation data has further strengthened market confidence that both the Federal Reserve and the ECB will be cutting interest rates in the coming month.
- The Fund increased by 2.41% in August, significantly above the broad market result. This strong performance was driven by effective sector allocation.

Contributors and Detractors

+ In August, the largest positive contribution to the Fund's results came from the Consumer discretionary and Industrial sectors. Among individual securities, the Fund's positions in Ferrari NV (+18%), Next PLC (+15%) and Lotus Bakeries NV (+13%) were among the most successful investments last month.

- The largest negative contribution came from the Information technology sector.

Outlook and Strategy

Despite August's market volatility, macroeconomic conditions remain positive, and improving inflation data is likely to lead to considerable monetary policy easing. Corporate fundamentals continue to improve further supporting equities. While we anticipate some ongoing volatility in the near term, we expect equity prices to rise further in the following months.

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