

CBL European Leaders Equity Fund



March 2025

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)

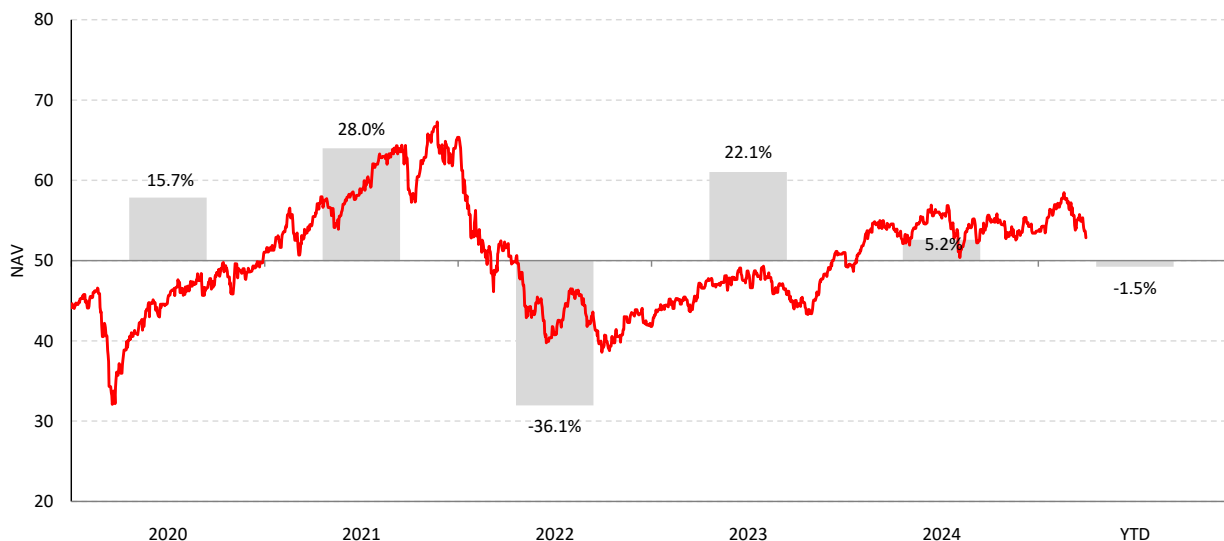
* The data before November 20, 2013 relates to „Citadele Baltic Sea Countries Equity Fund“ (ISIN LT0000950008), which was fully transferred at par into newly established "CBL Baltic Sea Equity Fund" (ISIN LV0000400794) with the identical investment strategy. On 1 January, 2020 the Fund's name was changed 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 10.6 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	2024	2023	2022
Fund	-1.5%	-6.2%	-1.5%	-4.6%	-3.1%	5.8%	0.7%	7.3%	3.5%	5.2%	22.1%	-36.1%

Top 10 Holdings

	Weight
Kongsberg Gruppen ASA	4.0%
GEA Group AG	3.5%
Deutsche Boerse AG	3.4%
Safran SA	3.1%
SAP AG	3.1%
Nemetschek SE	3.1%
Scout24 SE	3.0%
Euronext NV	2.8%
CD Projekt SA	2.7%
Fortnox AB	2.7%
Total	31.4%

Portfolio Statistics

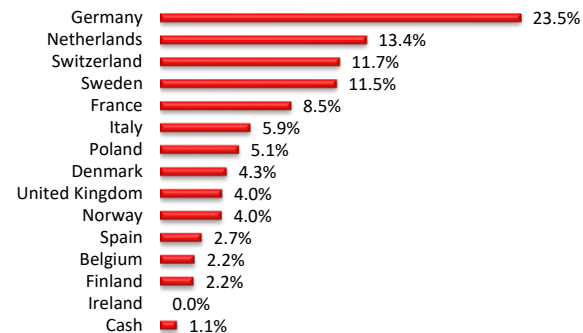
Number of Holdings	42
Average Security Weight	2.4%
Median P/E	27.8
Median P/B	6.8
Weighted Average Dividend Yield	1.4%

Performance Statistics (3Y)**

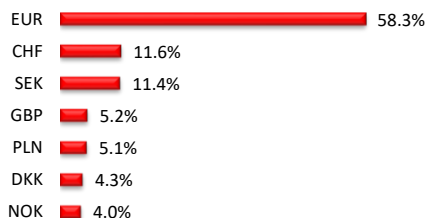
Volatility (St. Dev., %)	18.5%
Sharpe Ratio	0.1
Sortino Ratio	0.0
Value-at-Risk (30d / 99%)	14.7%

** Strategy simulation data is used for calculation.

Country Breakdown



Currency Breakdown



Events of the Month

- Equity markets fell in March, global financial markets experienced significant volatility, primarily driven by escalating trade tensions resulting from the announcement of new tariffs by the U.S. President Donald Trump, geopolitical uncertainties, and heightened fears of a global trade war. The S&P 500, the main U.S. stock index, declined by 5.67%, weighed down by ongoing trade policy uncertainty. European equities also retreated following two consecutive months of strong performance, with the Stoxx 600 falling 3.84% as the early-year rally lost momentum.
- March saw a significant escalation in global trade tensions, fueled by a wave of new tariffs and mounting geopolitical frictions. The United States introduced sweeping trade barriers, maintaining a 25% tariff on imports from Canada and Mexico, while applying a reduced 10% rate specifically to Canadian energy products. However, imports compliant with the United States–Mexico–Canada Agreement (USMCA) remain exempt. In a swift response, Canada imposed retaliatory tariffs on \$30 billion worth of American goods, targeting a broad range of products including orange juice, peanut butter, wine, spirits, beer, coffee, appliances, apparel, footwear, motorcycles, cosmetics, and paper products. At the same time, US intensified its economic standoff with China, doubling tariffs from 10% to 20% on more than \$200 billion in Chinese imports—marking a pivotal moment in the ongoing U.S.–China trade war. China retaliated with 15% tariffs on critical U.S. exports such as soybeans, pork, beef, and fruit, further widening the rift between the world's two largest economies.
- On the macroeconomic front, the Federal Reserve held the federal funds rate steady at 4.25%–4.50% during its March 2025 meeting, maintaining the pause in its rate-cut cycle that began in January and in line with market expectations. Policymakers acknowledged growing uncertainty around the economic outlook but reaffirmed their projection of approximately 50 basis points in rate cuts this year. The Fed also indicated it would slow the pace of balance sheet reduction to help ease upward pressure on interest rates. Meanwhile, in Europe, the European Central Bank lowered its three key interest rates by 25 basis points, as expected, bringing the deposit rate down to 2.50%.
- In the U.S., the annual inflation rate rose by 0.2% month-over-month (MoM) in February, coming in slightly below the consensus estimate of 0.3%. On a year-over-year (YoY) basis, inflation eased to 2.8%, down from 3.0% in January. In Europe, February's consumer price index (CPI) increased by 2.3% YoY, just below the expected 2.4%, and edging closer to the European Central Bank's 2% target—reinforcing the view that inflationary pressures are gradually receding across the region.
- In March, the Fund declined by 6.21%, underperforming the broader market. This was largely due to its low exposure to the Financial sector, which had good performance last month.

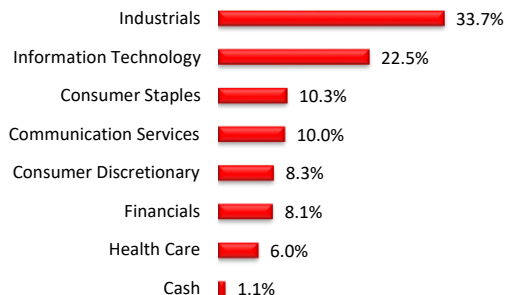
Contributors and Detractors

- In March, the largest positive contribution to the Fund's results came from Financial sector. Among individual securities, the Fund's positions in Fortnox AB (+30%), Kongsberg Gruppen ASA (+16%) and Euronext NV (+9%) were among the most successful investments last month.
- The largest negative contribution came from the Consumer discretionary sector.

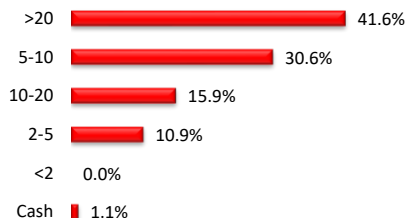
Outlook and Strategy

European macroeconomic conditions remain solid. In addition, Germany's newly announced €500 billion spending package focused on military and infrastructure investment is expected to further support growth across European industries. However, we anticipate continued elevated market volatility, driven primarily by political uncertainty—most notably the potential impact of U.S. import tariffs. These tariffs present a risk to both economic growth and corporate earnings. That said, we see room for negotiation, as historical precedent suggests that trade disputes often lead to more measured outcomes, ultimately resulting in a more moderate economic impact.

Sector Breakdown



Market Capitalization Breakdown, bn EUR



Portfolio Positioning

- In March, we adjusted the Fund's portfolio by increasing position in Industrial sector.

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Signatory of:



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