



Investment Fund CBL Global Emerging Markets Bond Fund Annual Report 2020

Prepared in accordance with
FCMC Regulations on Preparation of
Annual Reports, Consolidated Annual Reports
and Semi-Annual Reports of Investment Fund
and Open Alternative Investment Fund and
International Financial Reporting Standards
adopted by the European Union

Riga, 2021

TABLE OF CONTENTS

Information on the investment fund	3
Investment management company report	4
Report on the Engagement Policy implementation	5
Statement of responsibility of the Board of the investment management company	6
Custodian report	7
Financial statements:	
Statement of assets and liabilities	8
Statement of income and expenses	9
Statement of changes in net assets	10
Statement of cash flows	11
Notes to the financial statements	12
Auditors' report	29

INFORMATION ON THE INVESTMENT FUND

Name of the Fund:	CBL Global Emerging Markets Bond Fund
Type of the Fund:	Investment fund
Classes:	- R Acc USD 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:	<i>Council of the investment management company :</i> Chairperson of the Council – Vladimirs Ivanovs, appointed on 10.08.2020 Chairperson of the Council – Juris Jākobsons, resigned on 10.08.2020 Deputy Chairperson of the Council – Vaidas Žagūnis, appointed on 10.08.2020 Member of the Council - Peter Meier, appointed on 30.09.2015 <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
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 REPORT

The investment fund "CBL Global Emerging Markets Bond Fund" (hereinafter - the Fund) is a debt security investment fund offering share certificates of two classes: R Acc USD and R Acc EUR (hedged). Investors have the opportunity to invest both in the euros, i.e. in R Acc EUR (hedged) class share certificates, and in the U.S. dollars, i.e. i.e. in R Acc USD class share certificates. The Fund manager is the investment management company CBL Asset Management, legal address Republikas laukums 2a, Riga, LV-1010, registered under No. 40003577500. The Investment Company's operating license is No. 06.03.07.098/367.

The Fund aims at achieving 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 in the Fund's policy during the reporting period.

In 2019, the net assets of the Fund decreased by 10.38% or EUR 3,000,281 and at the end of the reporting period amounted to EUR 25,899,698. As at 31 December 2020, gross assets amounted to EUR 26,171,323. The return of the Fund and its value are calculated for each sub-class individually. At the end of the reporting period the value of the unit of the CBL Global Emerging Markets Bond Fund R Acc USD class decreased by EUR 0.40 to EUR 9.11, while the value of the unit of the CBL Global Emerging Markets Bond Fund R Acc EUR (hedged) class increased by EUR 0.29 and reached EUR 11.78. In 2020, the return of the CBL Global Emerging Markets Bond Fund R Acc USD share class was -4.19% (negative) (in the euros according to the ECB exchange rates) and 4.67% (positive) in the Fund's base currency (USD) fixed by the financial markets at the end of the day. In 2020, the return of the CBL Global Emerging Markets Bond Fund R Acc EUR (hedged) share class was 2.52% (positive).

The year 2020 was very unusual in many areas, including financial markets. At the beginning of the year, thanks to US-China relations improving, the positive dynamics in global financial markets of 2019 continued, but, already in the second half of February, they experienced a sharp decline due to the uncontrolled spread of the COVID-19 pandemic in the world. Due to unprecedented global monetary and fiscal support as well as a vaccine developed at the end of the year, major global financial market indices closed this extraordinary year at historic highs. An almost identical scenario was also observed in emerging bond markets, where after a sharp decline in the spring, bonds showed a rapid recovery and were able to close the reporting period with growth above 6%.

By far the largest positive contribution to the Fund's performance came from the Latin American region, both among countries and companies. In the government bond segment, the Fund benefited from investments in Chilean securities with a higher duration as well as from investments in Argentina, where, after depreciating in the first months of the year, government Eurobonds were able to grow by more than 50% per month. At the same time, in the corporate bond segment, the Fund benefited from investments in Brazil. On the other hand, investments in the Baltics had a negative impact on the Fund's performance, as the value of Latvian national airline AirBaltic bonds could not recover to pre-pandemic levels. During the reporting period, the largest increase was in the European region (the Czech Republic as well as in a number of other countries), while among other regions it was in Brazil. The largest decreases were in Asia (India) and at the national level – in Chile. During the reporting period, we made several new investments, such as in Trinidad and Tobago, as well as in the banking sector of Uzbekistan. At the end of the reporting period, the Fund's average return in US dollar terms was 4.1%, average duration 4.0 and average credit rating at Ba2.

In the reporting period, a number of involvement measures were taken contacting the companies' management bodies, inter alia, addressing such issues as corporate governance, capital structure, strategy and environmental impact of their activities.

In the reporting period, the total management costs amounted to EUR 389,947, which did not exceed the maximum amount of 3.00% provided in the Fund's prospectus. In the reporting period, the investment management company fee of EUR 338,159, custodian fee - EUR 40,579 and other Fund management expenses - EUR 11,209. In 2020, the Fund's ongoing charge figure was 1.73% of the Fund's average net asset value.

As of the last day of the reporting year until the date of signing these financial statements there have been no significant events of material effect on the Fund's financial position.

The management team of IPAS CBL Asset Management closely follows developments both on domestic and global scale of such factors as stability of economic growth, monetary and fiscal policies of leading economies as well as potential inflationary and political risks, as they have a substantial impact on the economic and capital market dynamics of emerging markets. The instrument selection, regardless of the sector and the country will continue to be a decisive factor in the Fund's investment process.

For the Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Board

Andris Kotāns
Fund Manager

Edgars Lao
Fund Manager

Riga, 30 April 2021

* This document is signed electronically with a secure electronic signature and is time-stamped.

REPORT ON THE ENGAGEMENT POLICY IMPLEMENTATION

The Company is involved in managing the entities in which the Fund has invested by exercising its voting rights, particularly, where the Fund holds at least 5% of their total. The Fund Managers are responsible for the implementation of involvement measures and, during the reporting period, it was carried out with four issuers. The Fund Managers called on companies to improve disclosure practices important to investors, participate in the process of developing new terms of issue to ensure better investor protection as well as had in-depth discussions on financial position with entities affected by the economic consequences of the COVID-19 pandemic. In the reporting period, the largest involvement was in the European Lingerie Group bond restructuring process, during which discussions were held with the company's representatives, shareholders, potential investors and advisors involved in the restructuring, actively participating in the committee set up by the bondholders.

For the Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Board

Andris Kotāns
Fund Manager

Edgars Lao
Fund Manager

Riga, 30 April 2021

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STATEMENT OF RESPONSIBILITY OF THE BOARD OF THE INVESTMENT MANAGEMENT COMPANY

The Board of the Company is responsible for preparation of financial statements of the investment fund “CBL Global Emerging Markets Bond Fund” (hereinafter - the Fund).

The financial statements on pages 8 through 28 are prepared based on source documents and present fairly the financial position of the Fund as at 31 December 2020 and the results of its operations in 2020.

Financial statements mentioned above are prepared in accordance with the International Financial Reporting Standards adopted by the European Union, as required by the regulation of the Financial and Capital Market Commission (FCMC) On Preparation of Annual Reports, Consolidated Annual Reports and Semi-Annual Reports of Investment Fund and Open Alternative Investment Fund on a going concern basis. Appropriate accounting methods have been consistently applied in the reporting period, except for the changes made to the accounting policies with regard to interest income and revaluation results. Prudent and reasonable judgments and estimates have been made by the Management in the preparation of the financial statements.

The Board of the Company is responsible for the maintenance of proper accounting records, the safeguarding of CBL Global Emerging Markets Bond Fund assets and the prevention and detection of fraud and other irregularities. The Board is also responsible for ensuring compliance with the Law on Investment Management Companies, regulations of the Financial and Capital Market Commission (FCMC) and other laws and regulations of the Republic of Latvia.

For the Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Board

Riga, 30 April 2021

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Riga,

DATE: AS STATED IN THE TIME STAMP OF THE ELECTRONIC SIGNATURE

CUSTODIAN BANK REPORT

For the period from 1st January 2020 to 31st December 2020

To the holders of "CBL Global Emerging Markets Bond Fund"
Investment Fund Share Certificates

AS "Citadele banka", registered in the Register of Enterprises of the Republic of Latvia on June 30, 2010 with No. 40103303559, registered office: Republikas laukums 2a, Riga, hereby confirms the following:

- in accordance with the custody agreement concluded on 7th April 2017 (hereinafter - the Custody Agreement), AS "Citadele banka" (hereinafter the Custodian) performs custodian's duties for the investment fund "CBL Global Emerging Markets Bond Fund" (hereinafter - the Fund) established by IPAS "CBL Asset Management" (hereinafter - the Company);
- the Custodian performs the functions of the Fund's custodian pursuant to the law "On Investment Management Companies" and other laws and regulations applicable to the Custodian (hereinafter - the Law).

The Custodian is responsible for the performance of obligations set forth for it in the Law and in the Custody Agreement. The main duties of the Custodian include:

- holding the Fund's assets in accordance with the Law and the Custody Agreement;
- ensuring the maintenance of the Fund's accounts, receiving and executing the Company's orders, as well as settlement of the orders according to requirements of the Law and the Custody Agreement;
- ensuring that the value of Fund's net assets and Fund Share Certificates is estimated in accordance with requirements of the Law, Regulations of Financial and Capital Market Commission, Fund prospectus and the Fund Management Rules;
- ensuring that issue, sale or repurchase of the Fund Share Certificates is effected in compliance with requirements of the Law, Fund's prospectus and the Fund Management Rules.
- ensuring that Fund income is allocated in accordance with the Law, the Fund prospectus and the Fund Management Rules.

During the period from January 1st, 2020 to December 31st, 2020 according to the information provided to the Custodian by the Company:

- Issue, sale and repurchase of the Fund Share Certificates were effected in compliance with requirements of the Law, Fund prospectus and the Fund Management Rules;
- Fund assets were held in accordance with requirements of the Law and the Custody Agreement;
- the value of Fund's net assets was assessed in accordance with requirements of the Law, Regulations of Financial and Capital Market Commission, Fund prospectus and the Fund Management Rules;
- the Company's orders, as well as transactions executed with the Fund's assets were performed in accordance with the Law, Fund prospectus, the Fund Management Rules and the Custody Agreement.

Chairman of the Management Board

Johan Åkerblom

THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH SECURE ELECTRONIC SIGNATURE AND CONTAINS TIME STAMP

**AS "Citadele banka" | Registration Nr.40103303559
Republikas laukums 2A, Riga, Latvia, LV-1010 | +371 67010000 | citadele.lv**

STATEMENT OF ASSETS AND LIABILITIES

	Notes	<u>31.12.2020</u>	<u>31.12.2019</u>
Assets			
Due on demand from credit institutions	3	1,153,833	2,668,368
Financial assets at fair value through profit or loss:			
Debt instruments	4	24,501,412	26,184,809
Derivative financial instruments	5	<u>516,078</u>	<u>148,296</u>
Total assets		<u>26,171,323</u>	<u>29,001,473</u>
Liabilities			
Financial liabilities at fair value through profit or loss :			
Derivative financial instruments	5	(230,875)	(55,060)
Accrued expenses	6	<u>(40,750)</u>	<u>(46,434)</u>
Total liabilities		<u>(271,625)</u>	<u>(101,494)</u>
Net assets		<u>25,899,698</u>	<u>28,899,979</u>

The accompanying notes on pages 12 through 28 form an integral part of these financial statements.

For the Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Board

Riga, 30 April 2021

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STATEMENT OF INCOME AND EXPENSES

	Notes	2020	2019
Income for the reporting period			
Interest income	7	1,022,559	1,385,166
Other income		2,000	33,698
Total income		1,024,559	1,418,864
Expenses for the reporting period			
Remuneration to investment management company		(338,159)	(425,744)
Custodian Fee		(40,579)	(51,089)
Other Fund management expenses		(11,209)	(17,772)
Interest expenses		(213)	-
Total expenses		(390,160)	(494,605)
Increase/ (decrease) in investment value			
Realized increase/ (decrease)/increase in investment value	8	(502,108)	502,371
Unrealized increase in investment value	9	337,141	905,071
Total (decrease)/increase in investments		(164,967)	1,407,442
Foreign currency revaluation result		(802,478)	(667,732)
(Decrease)/increase in net assets from investment		(333,046)	1,663,969

The accompanying notes on pages 12 through 28 form an integral part of these financial statements.

For the Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Board

Riga, 30 April 2021

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STATEMENT OF CHANGES IN NET ASSETS

CBL Global Emerging Markets Bond Fund	2020	2019
Net assets at the beginning of the reporting period	28,899,979	26,033,503
(Decrease)/increase in net assets from investment Transactions with share certificates	(333,046)	1,663,969
Inflow from sale of share certificates	7,099,859	3,285,492
Outflow on redemption of share certificates	(9,767,094)	(2,082,985)
(Decrease)/increase in net assets from transactions with share certificates	(2,667,235)	1,202,507
Net asset (decrease)/increase in the reporting period	(3,000,281)	2,866,476
Net assets at the end of the reporting period	25,899,698	28,899,979

CBL Global Emerging Markets Bond Fund: Class R Acc USD ISIN : LV0000400968	31.12.2020.	31.12.2019.
Number of share certificates issued as at the beginning of the reporting period	403,288	366,599
Number of share certificates issued at the end of the reporting period	382,621	403,288
Net assets per share certificate as at the beginning of the reporting period	9.51	8.59
Net assets per share certificate as at the end of the reporting period	9.11	9.51

CBL Global Emerging Markets Bond Fund: Class R Acc EUR (hedged) ISIN : LV0000400828	31.12.2020.	31.12.2019.
Number of share certificates issued as at the beginning of the reporting period	2,181,735	2,103,071
Number of share certificates issued at the end of the reporting period	1,902,075	2,181,735
Net assets per share certificate as at the beginning of the reporting period	11.49	10.91
Net assets per share certificate as at the end of the reporting period	11.78	11.49

The accompanying notes on pages 12 through 28 form an integral part of these financial statements.

For the Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Board

Riga, 30 April 2021

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STATEMENT OF CASH FLOWS

	Notes	2020	2019
Cash flow from/to operating activities			
Interest income	10	1,036,876	1,216,860
Other income		2,000	33,698
Interest expenses		(213)	-
Investment management expenses		(395,029)	(485,969)
Acquisition of investments	10	(21,463,364)	(18,381,974)
Sale/ disposal of investments	10	21,145,167	19,457,838
Foreign currency revaluation and FX derivatives result		960,951	(1,856,158)
Increase/(decrease) in cash and cash equivalents from operating activities		1,286,388	(15,705)
Cash flow from/to financing activities			
Inflow from sale of share certificates and units		7,099,859	3,285,492
Outflow on redemption of share certificates and units		(9,767,094)	(2,082,985)
(Decrease)/increase in cash and cash equivalents from financing activities		(2,667,235)	1,202,507
(Decrease)/increase in cash and cash equivalents, net Cash and cash equivalents at the beginning of the reporting year		(1,380,847)	1,186,802
Foreign currency revaluation result		2,668,368	1,493,080
		(133,688)	(11,514)
Cash and cash equivalents at the end of the reporting year		1,153,833	2,668,368

The accompanying notes on pages 12 through 28 form an integral part of these financial statements.

For the Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Board

Riga, 30 April 2021

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

Name of the Fund:	CBL Global Emerging Markets Bond Fund (hereinafter - the Fund)
Type of the Fund:	Investment fund
Scope of the Fund:	Investments primarily in debt securities issued or guaranteed by the emerging countries' governments, local authorities, central banks, credit institutions and commercial undertakings. The Fund's investment portfolio is diversified between investments in different countries and sectors, with the aim of providing more protection against fluctuations in the value of the Fund's assets, compared with investments in securities of only one country or sector.
	The Fund's base currency is the U.S. dollar (USD).
Investment management company name:	IPAS CBL Asset Management (hereinafter - the Company) Republikas laukums 2a, Rīga, LV-1010, Latvia

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements of IF CBL Global Emerging Markets Bond Fund (hereinafter - the Fund) are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and as required by the Regulation of the Financial and Capital Market Commission (FCMC) *On Preparation of Annual Reports, Consolidated Annual Reports and Semi-Annual Reports of Investment Fund and Open Alternative Investment Fund*.

The financial statements are prepared on a historical cost basis and adjusted for the fair value of the financial instruments held for trading.

The monetary unit used in the financial statements is the euro (EUR), the official currency of the Republic of Latvia. The financial statements cover the period 1 January 2020 through 31 December 2020.

Functional and reporting currency

The functional currency of the Fund is the U.S. dollar, but complying with the FCMC requirements, the Fund also maintains accounts in the euros.

Significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires making of substantial assumptions. Moreover, when preparing the financial statements, the management of the Company has to make assumptions and judgments to apply the Fund's accounting policy. Preparation of financial statements in compliance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures in the financial statements at the date of financial statements as well as income and expenses recognized in the reporting period.

The most significant estimates and assumptions refer to the measurement of the fair value of financial assets.

Income and expense recognition

All interest income and expenses are recognized on an accrual basis.

For assets and liabilities at amortized cost, interest income and expenses are recognized in the statement of income and expenses, using the effective interest method. The effective interest rate is the rate that is used for the exact discounting of future cash flows of the financial instrument over the expected useful life of the financial asset or liability. For financial instruments at fair value through profit or loss, interest income is recognized on an accrual basis without applying the effective interest rate.

Remuneration for the Fund's management and Custodian fee is calculated as a certain part of the value of the Fund's assets, accrued on a daily basis but paid out on a monthly basis.

Two types of transactions with derivative financial instruments (DFI) are concluded at the expense of the Fund. The first type relates to the Fund's total assets aiming to hedge foreign currency risks or earn profit. In this case, all income or expenses from DFI are attributed to the Fund's total assets. The other type focuses on containing the volatility of the value of the unit of the R Acc EUR (hedged) class share certificates due to changing exchange rates between the currency of the share certificate class (EUR) and the Fund's base currency (USD). In this case, all income and expenses from DFI are attributed only to the Fund's assets which are attributable to the R Acc EUR (hedged) class share certificates.

Derivatives listed on stock exchanges or traded on other regulated markets are valued at a price for which the instrument can be sold (the last purchase price at the market close on the day of the calculation of the Fund's value).

Derivatives not publicly traded on stock exchanges or on other regulated markets are valued at their redemption price or at compensatory transaction price confirmed in writing by the transaction partner on the day of the calculation of the Fund's value or at a price that is calculated on the basis of the market price of the underlying asset. A compensatory transaction is a transaction that liquidates a derivative.

Foreign currency revaluation

Transactions in foreign currencies are revaluated into euro at the foreign exchange rate stated by the European Central Bank as at the transaction date. Monetary assets and liabilities denominated in foreign currencies are revaluated into euro according to the foreign exchange rate stated by the European Central Bank as at the end of the last day of the reporting period. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are revaluated into functional currency at the exchange rate at the date when the fair value was determined. The exchange rates (foreign currency units against the EUR) stated by the European Central Bank that were mainly applied when preparing the statement of assets and liabilities of the fund were as follows:

<u>Currency</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
USD	1.22710	1.12340

Cash and cash equivalents

Cash and cash equivalents comprise the Fund's current account balances and other short term high liquidity investments with original maturity of less than 3 months.

Financial instruments

The Company recognizes a financial asset when, and only when, the Company becomes a party to the contract. Financial assets are classified as either measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss. The basis for classification is both business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. At acquisition the applicable classification is evaluated based on the guidelines established by the Company. To classify a financial asset to a particular category, the Company at inception determines whether the asset meets the relevant business model and contractual cash flow criteria. The business model is revealed through the activities of the Company. It stems from the Company's typical way of managing its financial assets in order to generate cash flows; thus, the assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur. In a stress case, if cash flows are recovered in a way that is different from the Company's expectations embedded in the business model, it does not give rise to a prior period error nor does it change the classification of the remaining financial assets held in that business model. However, for future acquisitions historical cash flows are considered and may give rise to changes in the business model.

All financial assets are recognized initially at fair value plus directly attributable transaction costs, except in the case of financial assets stated at fair value through profit or loss. All "regular way" purchases and sales of investments are recognized using settlement date accounting. The settlement date is the date when an asset is delivered to or by the Company. Settlement date accounting refers to the recognition of an asset on the day it is transferred to the Company and to the de-recognition of an asset, on the day that it is transferred by the Company.

Financial instruments at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income. Given the specifics of the Fund's activities, most of the financial assets are classified under this category as the Fund's business model is designed to increase the net asset value as a result of holding or trading of financial assets. For equity instruments that would otherwise be measured at fair value through profit or loss an irrevocable election at initial recognition on instrument-by-instrument basis is made to present subsequent changes in fair value in other comprehensive income. Also a financial asset or liability, at initial recognition, may be irrevocably designated as measured at fair value through profit or loss if doing so eliminates or significantly reduces "accounting mismatch" that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases, or when a group of financial liabilities or a group of financial assets and financial liabilities are managed and its performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the management.

Excluding interest on interest rate swaps, interest on financial assets measured at fair value through profit or loss is included in net interest income. Revaluation and trading gains or losses arising from changes in fair value of financial assets or financial liabilities that are measured at fair value through profit or loss, as well as interest on interest rate swaps, are recognized directly in the statement of income as net financial income. Such financial assets and liabilities are subsequently re-measured at fair value based on available market prices or broker quotes.

Included in this category are certain life insurance contract liabilities, which are managed and evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial assets and liabilities which are held for trading are measured at fair value through profit or loss. Financial assets and liabilities are held for trading if they are either acquired to generate profit from short-term fluctuations in price or dealer's margin or they are a part of the portfolio characterized by generating short-term profit. The Fund also has balances due on demand from credit institutions; however, given their structure and credit ratings, the expected credit loss allowances are not significant.

Derivative financial instruments

For the purposes of price risk management, the Fund can perform transactions in derivative financial instruments. For accounting purposes, all derivatives are classified as held for trading. Subsequent to initial recognition and measurement, the contracts are recognized at their fair value. The fair value of these contracts is recognized in the statement of assets and liabilities as derivative financial instruments. The notional value of these contracts is disclosed in the notes to the financial statements.

Profit or loss from changes in claims and liabilities that arise from the contracts are charged to the statement of income and expenses as the foreign currency revaluation result.

Recognition and derecognition

All purchases and sales of financial assets are recognized on the settlement date. Financial assets are derecognized when the contractual rights to receive cash flows from the financial asset expire or when the Company has transferred substantially all the risks and benefits incidental to ownership of an asset. Financial assets at fair value through profit or loss are initially recognized at fair value and all transaction costs are carried to the statement of income and expenses.

Other financial assets are initially recognized at fair value plus transaction costs.

Allowances for impairment of financial assets

The Company estimates expected credit losses (ECL). Requirements for ECL allowances apply to financial assets at amortized cost, but do not apply to financial assets at fair value through profit or loss. Impairment allowances are recognized based on forward-looking information, even if no credit loss event has occurred. The assessment considers a broad range of information, but as most of these types of exposures are assigned credit ratings, it relies heavily on external credit ratings and reported by rating agencies default rates derived by calculating multi-period rating transition matrices. If unavailable for evaluation purposes, external credit ratings may be substituted by internally calculated credit quality levels. Credit risk triggers (event of insolvency, any delay of payments, restructuring of debt) and

individual credit risk analysis of the issuer are also considered. The Group deems investment grade rated exposures as low credit risk, thus these are assumed not to have experienced a significant increase in credit risk. For non-investment grade exposures decrease in external credit rating by more than 3 notches since acquisition is deemed significant increase in credit risk. Expected credit losses are recognized based on the stage in which the exposure is allocated at the reporting date. 12-month ECL are recognized for Stage 1 exposures, where credit risk since initial recognition has not increased significantly. Lifetime ECL are recognized for Stage 2 exposures, whose credit risk has increased significantly since initial recognition, and Stage 3 exposures which are credit impaired. Stage 3 exposures, if any identified, would additionally be subjected to comprehensive evaluation, including comparison to market valuations for similar exposures, analysis of market depth of the respective security, past trading performance and all other available information.

Fair value of financial assets and liabilities

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an arm's length transaction between market participants at the measurement date in the principal market, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of liabilities reflects the risk of default.

When possible, the Company measures the fair value of the Fund's financial instruments using the price of the respective financial instrument quoted in an active market. A market is regarded active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Securities are revaluated based on the bid prices available from Bloomberg and NASDAQ OMX Riga financial information. Securities purchase and sales transactions are recognized at the settlement date. The acquisition cost is measured using the FIFO (*first in, first out*) method.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

As regards initial recognition, the best evidence of fair value is the transaction price, i.e., the fair value of remuneration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by the quoted market price of an identical asset or liability in an active market, nor by results of assessment methods that use only observable data, the financial instrument is initially carried at fair value which is adjusted to reflect the difference between the fair value at initial recognition and the transaction price. Later this difference is recognized in the profit or loss statement, taking into account the instrument's expected useful life, but no later than the time when the value may be fully justified by observable market data or when the transaction is completed.

Financial asset and financial liability portfolios that are exposed to market risk and credit risk, managed by the Fund based on the net exposure to either market risk or credit risk, are assessed taking into account the price which would be paid for the sale of the net long position (or paid to transfer net short position) for particular risks. These portfolio-level adjustments are allocated to individual assets and liabilities based on relative risk adjustments related to each of the individual instruments in the portfolio.

The description of the methods used in determining the fair value by 3 levels based on the level of the observable inputs used in the valuation techniques is provided below.

Level 1 represents financial instruments whose fair value is determined based on stock exchange prices quoted in an active market. This category generally includes shares, debt securities, short-term bonds and standardized derivatives whose value is assessed using stock exchange price quotes. Securities that are traded in active OTC markets are also included in this category.

Level 2 represents financial instruments whose fair value is determined by using available market data such as prices for similar financial instruments that have been traded in market transactions. This category generally includes less liquid debt securities and derivatives that are measured based on available market data. The price of less liquid debt securities is adjusted by the difference between the available yield rates.

Level 3 represents financial instruments whose fair value is determined using available market data and the Company's internal estimates.

The Company recognizes changes in the fair value hierarchy level for instruments at the end of the reporting period in which the changes have occurred. Compared to the previous year, there have been no changes in the fair value hierarchy.

Financial asset and financial liability portfolios that are exposed to market risk and credit risk, which for the Fund are managed by the Company, based on the net exposure to either market risk or credit risk, are assessed taking into account the price that would be paid for the sale of the net long position (or paid to transfer net short position) for particular risks. These portfolio-level adjustments are allocated to individual assets and liabilities based on relative risk adjustments related to each of the individual instruments in the portfolio.

Taxes

The Fund's income is subject to taxes in the country where it has been generated. The Fund is not subject to corporate income tax of the Republic of Latvia.

Changes in accounting policies

In light of the management opinion, in 2020 changes in the classification of certain items were made in the financial statements compared to those for 2019. The reclassification had no effect on the financial result. In the financial statements for 2019, the comparative figures for 2019 were classified according to the 2020 principles and are comparable. The current year's opening balance sheet before reclassification corresponds to the prior year's closing balance sheet.

Investment acquisition expenses and income from the sale of investments, as disclosed under unrealized increase in investment value in the statement of income and expenses for the year 2020, include also the effect of investments in derivatives that in turn had an impact on the reported foreign currency revaluation result.

Investment acquisition expenses and income from the sale of investments, as disclosed in the statement of cash flows for the year 2020, include also the effect of investments in derivatives. The foreign currency revaluation and FX derivatives result, as disclosed in the statement of cash flows for the year 2020, includes also the result of investments in derivative financial instruments.

New standards and interpretations

The following new standards, amendments and interpretations with effective date of 1 January 2020 were adopted for these financial statements without a material impact thereon.

Amendments to References to Conceptual Framework in IFRS Standards

Amendments to IFRS 3 – Definition of a Business

Amendments to IAS 1 and IAS 8 – Definition of Material

Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

The EU has issued a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2020, but that have not yet been endorsed by the EU. They have not been applied in preparing these financial statements. The Fund is not inclined towards their early adoption. The Company is in the process of evaluating the potential effect, if any, of the changes arising from these new standards and interpretations

IFRS 17 'Insurance contracts' effective for annual periods beginning on or after 1 January 2023 with earlier application permitted if both IFRS 15 and IFRS 9 have also been applied.

Amendments to IFRS 16 – COVID-19 Related Rent Concessions Covid-19

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

Amendments to IFRS 3 – References to Conceptual Framework in IFRS Standards

Amendments to 1. SGS – Classification of Liabilities as Current or Non-current

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2

NOTE 3 DUE ON DEMAND FROM CREDIT INSTITUTIONS

	31.12.2020	% of the Fund's net assets 31.12.2020	31.12.2019	% of the Fund's net assets 31.12.2019
Due on demand from credit institutions, AS Citadele Banka	1,153,833	4.46%	2,668,368	9.23%
Total demand deposits with credit institutions	1,153,833	4.46%	2,668,368	9.23%

NOT 4 DEBT INSTRUMENTS AND OTHER FIXED INCOME INSTRUMENTS

	31.12.2020	31.12.2019	Annual yield to maturity 31.12.2020	% of the Fund's net assets 31.12.2020
Debt instruments of credit institutions:	1,244,140	1,411,525	4.11%	4.80%
Debt instruments of credit institutions of non-OECD countries	1,244,140	1,411,525	4.11%	4.80%
Corporate debt instruments:	18,582,309	20,080,912	10.43%	71.75%
Corporate debt instruments of non-OECD countries	12,179,192	14,383,436	3.93%	47.03%
Corporate debt instruments of OECD countries	6,403,117	5,222,995	22.79%	24.72%
Latvian corporate debt instruments	-	474,481	0.00%	0.00%
Government debt instruments:	1,697,579	2,151,877	3.57%	6.55%
Government debt instruments of non-OECD countries	1,697,579	2,151,877	3.02%	6.55%
Financial institution debt instruments:	2,977,384	2,540,495	4.38%	11.50%
Debt instruments of financial institutions of non-OECD countries	539,944	768,036	1.60%	2.09%
Debt instruments of financial institutions of OECD countries	2,437,440	1,772,459	5.00%	9.41%
Total debt instruments and other fixed income instruments	24,501,412	26,184,809	8.90%	94.60%

All debt instruments and other fixed income instruments are classified as financial assets at fair value through profit or loss.

In 2020, all fixed income financial instruments held by the Fund are traded on regulated markets, except for not traded on regulated markets instruments worth EUR 432,902 (2019: EUR 455,818).

The following table presents the debt instruments broken down by the issuer's country of origin as at 31 December 2020:

Financial instrument	ISIN code	Currency	Nominal value	Acquisition value (EUR)	Carrying amount 31.12.2020	% of the Fund's net assets 31.12.2020
Financial instruments traded on regulated markets:				24,586,378	24,068,510	92.93%
Debt instruments of Mexican issuers:				2,847,936	2,772,104	10.70%
Credito Real SAB de CV SOFOM ER 5.0% 02/2027	XS2060698219	EUR	800,000	775,095	754,970	2.91%
Grupo KUO SAB De CV 5.75% 07/2027	USP4954BAF33	USD	850,000	745,050	746,777	2.88%
Cemex SAB de CV 7.75% 04/2026	USP2253TJK62	USD	800,000	736,608	696,980	2.70%
Total Play Telecomunicaciones SA de CV 7.5% 11/2025	USP9190NAB93	USD	700,000	591,183	573,377	2.21%
Debt instruments of Brazilian issuers::				2,279,543	2,252,717	8.69%
Adecoagro SA 6.0% 09/2027	USL00849AA47	USD	750,000	545,601	652,838	2.52%
MARB BondCo PLC 6.875% 01/2025	USG5825AAB82	USD	750,000	733,551	651,131	2.51%
Globo Comunicacao e Participacoes SA 4.843% 06/2025	USP47773AN93	USD	600,000	562,315	520,940	2.01%
Tupy Overseas SA 6.625% 07/2024	USL9326VAA46	USD	500,000	438,076	427,808	1.65%
Debt instruments of South African issuers:				2,192,243	2,087,629	8.06%
Sappi Papier Holding GmbH 3.125% 04/2026	XS1961852750	EUR	800,000	787,024	782,632	3.02%
SASOL Financing USA LLC 5.875% 03/2024	US80386WAA36	USD	800,000	728,193	703,569	2.72%
Stillwater Mining Co 7.125% 06/2025	USU85969AD24	USD	700,000	677,026	601,428	2.32%
Debt instruments of Indonesian issuers:				1,772,282	1,851,488	7.15%
Chandra Asri Petrochemical 4.95% 11/2024	USY7141GAA05	USD	900,000	722,623	740,426	2.86%
Indonesia 1.75% 04/2025	XS1810775145	EUR	600,000	616,347	639,573	2.47%
Listrindo Capital BV 4.95% 09/2026	USN5276YAD87	USD	550,000	433,312	471,489	1.82%
Debt instruments of Russian issuers:				1,603,486	1,539,003	5.94%
NLMK 4.5% 06/2023	XS1405775617	USD	900,000	820,862	785,037	3.03%
ALROSA Finance SA 3.1% 06/2027	XS2010030919	USD	900,000	782,624	753,966	2.91%
Debt instruments of Indian issuers:				1,180,502	1,240,172	4.79%
ONGC Videsh Vankorneft Pte Ltd 3.75% 07/2026	XS1457499645	USD	800,000	630,070	715,506	2.76%
JSW Steel Ltd 5.95% 04/2024	XS1981202861	USD	600,000	550,432	524,666	2.03%
Debt instruments of Lithuanian issuers:				1,072,404	1,130,922	4.37%
Maxima Grupe UAB 3.25% 09/2023	XS1878323499	EUR	600,000	612,079	630,339	2.43%
AUGA group AB 6.00% 12/2024	LT0000404238	EUR	500,000	460,325	500,583	1.94%
Debt instruments of Romanian issuers:				1,041,800	1,039,864	4.01%
Globalworth Real Estate Investments Ltd 3.0% 03/2025	XS1799975922	EUR	500,000	540,897	539,944	2.08%
RCS & RDS SA 2.5% 02/2025	XS2107451069	EUR	500,000	500,903	499,920	1.93%
Debt instruments of Hungarian issuers:				824,024	825,011	3.19%
MOL Hungarian Oil & Gas PLC 1.5% 10/2027	XS2232045463	EUR	800,000	824,024	825,011	3.19%
Debt instruments of Uzbek issuers:				767,523	764,663	2.95%
National Bank of Uzbekistan 4.85% 10/2025	XS2242418957	USD	900,000	767,523	764,663	2.95%
Debt instruments of Kazakh issuers:				796,858	757,013	2.92%
KazTransGas JSC 4.375% 09/2027	XS1682544157	USD	800,000	796,858	757,013	2.92%
Debt instruments of Colombian issuers:				750,466	749,153	2.89%
Ecopetrol SA 5.375% 06/2026	US279158AL39	USD	800,000	750,466	749,153	2.89%
Debt instruments of Paraguayan issuers:				812,952	745,653	2.88%
Telefonica Celular 5.875% 04/2027	USP90475AB31	USD	850,000	812,952	745,653	2.88%
Debt instruments of Dutch issuers:				728,784	743,084	2.87%
CTP BV 2.125% 10/2025	XS2238342484	EUR	700,000	728,784	743,084	2.87%
Debt instruments of Azerbaijani issuers:				711,872	699,249	2.70%
Southern Gas Corridor CJSC 6.875% 03/2026	XS1319820897	USD	700,000	711,872	699,249	2.70%
Debt instruments of issuers in Trinidad and Tobago:				768,046	694,898	2.68%
Trinidad Generation UnLtd 5.25% 11/2027	USP9400VAA90	USD	800,000	768,046	694,898	2.68%

Financial instrument	ISIN code	Currency	Nominal value	Acquisition value (EUR)	Carrying amount 31.12.2020	% of the Fund's net assets 31.12.2020
Debt instruments of Ukrainian issuers:				625,517	623,102	2.41%
Metinvest BV 5.625% 06/2025	XS2056722734	EUR	600,000	625,517	623,102	2.41%
Debt instruments of Turkish issuers:				553,547	549,747	2.12%
Turkiye Sise ve Cam Fabrikalari AS 6.95% 03/2026	XS1961010987	USD	600,000	553,547	549,747	2.12%
Debt instruments of Czech issuers:				523,907	539,798	2.08%
PPF Telecom Group BV 3.5% 05/2024	XS2176872849	EUR	500,000	523,907	539,798	2.08%
Debt instruments of Peruvian issuers:				536,915	527,170	2.04%
Camposol SA 6% 02/2027	USP19189AE26	USD	600,000	536,915	527,170	2.04%
Debt instruments of Norwegian issuers:				497,481	506,484	1.96%
B2Holding ASA 6.35% 05/2024	NO0010852742	EUR	500,000	497,481	506,484	1.96%
Debt instruments of Georgian issuers:				480,838	479,477	1.85%
BGEO Group JSC 6% 07/2023	XS1405775880	USD	550,000	480,838	479,477	1.85%
Debt instruments of Argentinian issuers:				466,085	358,757	1.39%
Argentine Republic Government International Bond 0.125% 07/2030	XS2177363665	EUR	970,000	466,085	358,757	1.39%
Debt instruments of Danish issuers:				350,273	351,774	1.36%
Idavang A/S 7.25% 11/2025	DK0030472618	EUR	350,000	350,273	351,774	1.36%
Debt instruments of Swedish issuers:				401,094	239,578	0.93%
European Lingerie Group AB 7.75% 02/2021	SE0010831792	EUR	400,000	401,094	239,578	0.93%
Financial instruments not traded on regulated markets:				450,000	432,902	1.67%
Debt instruments of Estonian issuers:				450,000	432,902	1.67%
Mainor Ulemiste 5.5% 04/2023	EE3300111343	EUR	450,000	450,000	432,902	1.67%
Total debt instruments and other fixed income instruments:				25,036,378	24,501,412	94.60%

Nākam The following table presents the debt instruments broken down by the issuer's country of origin as at 31 December 2019:

Financial instrument	ISIN code	Currency	Nominal value	Acquisition value (EUR)	Carrying amount 31.12.2019	% of the Fund's net assets 31.12.2019
Financial instruments traded on regulated markets:				24,996,732	25,728,991	89.02%
Debt instruments of Mexican issuers:				2,697,823	2,780,949	9.63%
Nemak SAB de CV 3.25% 03/2024	XS1533916299	EUR	750,000	777,790	785,032	2.72%
El Puerto de Liverpool SAB de CV 3.95% 20/2024	USP3691NBE96	USD	800,000	755,054	738,384	2.55%
Credito Real SAB de CV SOFOM ER 5.0% 02/2027	XS2060698219	EUR	600,000	599,860	637,521	2.21%
Grupo KUO SAB De CV 5.75% 07/2027	USP4954BAF33	USD	650,000	565,119	620,012	2.15%
Debt instruments of Indian issuers:				2,289,341	2,519,709	8.71%
ONGC Videsh Vankorneft Pte Ltd 3.75% 07/2026	XS1457499645	USD	1,000,000	787,587	925,821	3.19%
Bharti Airtel 5.35% 05/2024	USN1384FAB15	USD	900,000	767,845	854,483	2.96%
JSW Steel Ltd 5.95% 04/2024	XS1981202861	USD	800,000	733,909	739,405	2.56%
Debt instruments of Brazilian issuers:				2,202,089	2,221,143	7.68%
Globo Comunicacao e Participacoes SA 4.875% 04/2022	USP47773AL38	USD	1,000,000	937,348	933,708	3.23%
MARB BondCo PLC 6.875% 01/2025	USG5825AAB82	USD	750,000	733,551	729,362	2.52%
Marfrig 8% 08/2023	USN54468AF52	USD	600,000	531,190	558,073	1.93%
Debt instruments of Indonesian issuers:				1,999,395	2,209,300	7.64%
Chandra Asri Petrochemical 4.95% 11/2024	USY7141GAA05	USD	900,000	713,591	792,384	2.74%
Listrindo Capital BV 4.95% 09/2026	USN5276YAD87	USD	850,000	669,457	780,159	2.70%
Indonesia 1.75% 04/2025	XS1810775145	EUR	600,000	616,347	636,757	2.20%

Financial instrument	ISIN code	Currency	Nominal value	Acquisition value (EUR)	Carrying amount 31.12.2019	% of the Fund's net assets 31.12.2019
Debt instruments of South African issuers:				1,832,112	1,922,630	6.65%
SASOL Financing USA LLC 5.875% 03/2024	US80386WAA36	USD	1,150,000	1,034,925	1,123,382	3.88%
Sappi Papier Holding GmbH 3.125% 04/2026	XS1961852750	EUR	800,000	797,187	799,248	2.77%
Debt instruments of Russian issuers:				1,684,027	1,860,888	6.44%
NLMK 4.5% 06/2023	XS1405775617	USD	700,000	639,421	659,352	2.28%
Rusal Capital 4.85% 02/2023	XS1759468967	USD	700,000	581,226	647,885	2.24%
PhosAgro 3.949% 04/2023	XS1752568144	USD	600,000	463,380	553,651	1.92%
Debt instruments of Romanian issuers:				1,305,486	1,337,882	4.63%
Globalworth Real Estate Investments Ltd 3.0% 03/2025	XS1799975922	EUR	700,000	739,217	768,036	2.66%
Digi Communications 5% 10/2023	XS1405770576	EUR	550,000	566,269	569,846	1.97%
Debt instruments of Lithuanian issuers:				1,109,842	1,175,221	4.06%
Maxima Grupe UAB 3.25% 09/2023	XS1878323499	EUR	650,000	649,517	691,638	2.39%
AUGA group AB 6.00% 12/2024	LT0000404238	EUR	500,000	460,325	483,583	1.67%
Debt instruments of Colombian issuers:				1,036,841	1,028,485	3.56%
Colombia 3.875% 03/2026	XS1385239006	EUR	850,000	1,036,841	1,028,485	3.56%
Debt instruments of Chilean issuers:				1,032,242	1,015,992	3.52%
ENAP 3.75% 08/2026	USP37110AK24	USD	1,100,000	1,032,242	1,015,992	3.52%
Debt instruments of Guatemalan issuers:				767,860	751,312	2.60%
Comunicaciones Celulares SA Via Comcel Trust 6.875% 02/2024	USG2300TAA00	USD	800,000	767,860	751,312	2.60%
Debt instruments of Peruvian issuers:				683,135	736,991	2.55%
SAN Miguel Industrias Pet SA 4.50% 09/2022	USP84523AB85	USD	800,000	683,135	736,991	2.55%
Debt instruments of Georgian issuers:				658,890	718,773	2.49%
BGEO Group JSC 6% 07/2023	XS1405775880	USD	750,000	658,890	718,773	2.49%
Debt instruments of Panamanian issuers:				668,802	692,752	2.40%
Global Bank Corp 4.5% 10/2021	USP47718AC86	USD	750,000	668,802	692,752	2.40%
Debt instruments of Ukrainian issuers:				632,838	689,019	2.38%
Ukraine Railways Via Rail Capital Markets PLC 8.25% 07/2024	XS1843433472	USD	700,000	632,838	689,019	2.38%
Debt instruments of Norwegian issuers:				700,499	679,120	2.35%
B2Holding ASA 6.35% 05/2024	NO0010852742	EUR	700,000	700,499	679,120	2.35%
Debt instruments of Paraguayan issuers:				631,703	625,947	2.17%
Telefonica Celular 5.875% 04/2027	USP90475AB31	USD	650,000	631,703	625,947	2.17%
Debt instruments of Malaysian issuers:				569,117	574,689	1.99%
Press Metal Labuan Ltd 4.80% 11/2022	XS1704655635	USD	650,000	569,117	574,689	1.99%
Debt instruments of Turkish issuers:				546,267	524,996	1.82%
Arcelik 3.875% 09/2021	XS1109959467	USD	500,000	546,267	524,996	1.82%
Debt instruments of Argentinian issuers:				630,722	486,635	1.68%
Argentine Republic Government 5.0 % 01/2027	XS1503160498	EUR	1,000,000	630,722	486,635	1.68%
Debt instruments of Latvian issuers:				451,295	474,481	1.64%
Air Baltic Corp AS 6.75% 07/2024	XS1843432821	EUR	450,000	451,295	474,481	1.64%
Debt instruments of Swedish issuers:				401,094	363,358	1.26%
European Lingerie Group AB 7.75% 02/2021	SE0010831792	EUR	400,000	401,094	363,358	1.26%
Debt instruments of Kazakh issuers:				465,312	338,719	1.17%
Nostrum Oil & Gas 7.00% 02/2025	USN64884AD67	USD	800,000	465,312	338,719	1.17%
Financial instruments not traded on regulated markets:				450,000	455,818	1.58%
Debt instruments of Estonian issuers:				450,000	455,818	1.58%
Mainor Ulemiste 5.5% 04/2023	EE3300111343	EUR	450 000	450,000	455,818	1.58%
Total debt instruments and other fixed income instruments:				25,446,732	26,184,809	90.60%

NOTE 5 DERIVATIVE FINANCIAL INSTRUMENTS

The following table presents the notional amount and fair value of currency swaps as at 31 December 2020. The notional amount of foreign exchange transactions is determined in accordance with the claims arising from these transactions.

	31.12.2020			% of the Fund's net assets 31.12.2020*
	Notional amount	Fair value		
		Assets	Liabilities	
Foreign currency exchange transactions				
Swaps	32,496,246	516,078	(230,875)	1.10%
Total derivative financial instruments	32,496,246	516,078	(230,875)	1.10%

* Net carrying amount of derivative asset and liability is disclosed as percentage of the Fund's net assets

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

The following table presents the notional amount and fair value of currency swaps as at 31 December 2019. The notional amount of foreign exchange transactions is determined in accordance with the claims arising from these transactions.

	31.12.2019			% of the Fund's net assets 31.12.2019*
	Notional amount	Fair value		
		Assets	Liabilities	
Foreign currency exchange transactions				
Swaps	36,229,382	148,296	(55,060)	0.32%
Total derivative financial instruments	36,229,382	148,296	(55,060)	0.32%

*Net carrying amount of derivative asset and liability is disclosed as percentage of the Fund's net assets

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

NOTE 6 ACCRUED EXPENSES

	2020	2019
Accrued expenses for investment management company fees	(32,840)	(37,915)
Accrued expenses for custodian fees	(3,941)	(4,550)
Accrued expenses for professional services	(3,969)	(3,969)
Total accrued expenses	(40,750)	(46,434)

NOTE 7 INTEREST INCOME

	2020	2019
From debt instruments and other fixed income instruments at fair value through profit or loss	1,022,559	1,385,166
Total interest income	1,022,559	1,385,166

NOTE 8 REALIZED INCREASE/ (DECREASE) IN INVESTMENT VALUE

	2020	2019
Proceeds from sale of investments in the reporting period*	21,436,022	18,297,178
Cost of investments sold during the reporting period	(21,985,879)	(18,058,335)
Change in sold investments recognized in prior reporting years	47,749	263,528
Total realized (decrease)/increase in investment value	(502,108)	502,371

* Proceeds from sales (disposal) of investments in the reporting period are recognized based on the exchange rate effective at the security acquisition date.

NOTE 9 UNREALIZED INCREASE/ (DECREASE) IN INVESTMENT VALUE

	2020	2019
From debt securities and other fixed income instruments	51,938	811,835
From derivative financial instruments*	285,203	93,236
Total unrealized increase in investment value	337,141	905,071

* Annual Report 2020 discloses unrealized increase in investment value from derivative financial instruments.

NOTE 10 CHANGES IN INVESTMENTS

The following table shows the changes in investments in 2020:

	31.12.2019	Increase during the reporting period	Decrease during the reporting period*	Fair value revaluation result and interest income recognized	31.12.2020
Financial assets at fair value through profit or loss:					
<i>Debt instruments and other fixed income instruments</i>	26,184,809	21,011,981	(22,182,043)	(513,335)	24,501,412
<i>Derivative financial instruments, net</i>	93,236	451,383	-	(259,416)	285,203
Total investments	26,278,045	21,463,364	(22,182,043)	(772,751)	24,786,615

* Annual Report 2020 includes increase/decrease in investments in derivative financial instruments during the reporting year.

** Decrease during the reporting period is carried at the exchange rate at the date of sale of investments. This position includes proceeds from sales and disposal of investments and the coupons received.

The following table shows the changes in investments in 2019:

	31.12.2018	Increase during the reporting period	Decrease during the reporting period*	Fair value revaluation result and interest income recognized	31.12.2019
Financial assets at fair value through profit or loss:					
<i>Debt instruments and other fixed income instruments</i>	23,838,854	18,087,751	(18,602,034)	2,860,238	26,184,809
<i>Share certificates of investment funds and similar securities</i>	775,676	294,223	(1,148,496)	78,597	-
<i>Derivative financial instruments, net</i>	(36,621)	-	(924,168)	1,054,025	93,236
Total investments	24,577,909	18,381,974	(20,674,698)	3,992,860	26,278,045

*Annual Report 2019 shows increase/decrease in investments in derivative financial instruments during the reporting year.

** Decrease during the reporting period is carried at the exchange rate at the date of sale of investments. This position includes proceeds from sales and disposal of investments and the coupons received.

NOTE 11 PLEDGED ASSETS

In the reporting period, the Fund has neither issued any assurances or guarantees nor has it pledged or encumbered any assets.

NOTE 12 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The following table analyzes the estimated fair value of financial instruments at the end of the reporting period by levels of the fair value hierarchy under which the fair value assessment has been categorized.

2020	Level 1:	Level 2:	Level 3:	Total
Financial assets				
Financial assets at fair value through profit or loss:				
Debt instruments and other fixed income instruments	10,207,727	14,293,685	-	24,501,412
Derivative financial instruments, net	-	516,078	-	516,078
	10,207,727	14,809,763	-	25,017,490
Financial liabilities				
Financial instruments at fair value through profit or loss		(230,875)		(230,875)
	10,207,727	14,578,888	-	24,786,615

During 2020, securities with an asset value of EUR 6,140,225 were reclassified and transferred from Level 1 to Level 2.

2019	Level 1:	Level 2:	Level 3:	Total
Financial assets				
Financial assets at fair value through profit or loss:				
Debt instruments and other fixed income instruments	24,323,977	1,860,832	-	26,184,809
Derivative financial instruments, net	-	148,296	-	148,296
	24,323,977	2,009,128	-	26,333,105
Financial liabilities				
Financial instruments at fair value through profit or loss				
		(55,060)		(55,060)
	24,323,977	1,954,068	-	26,278,045

In 2020 and 2019, the Fund did not hold any financial instruments of Level 3 under the fair value assessment hierarchy. The following table presents the valuation methods used to arrive at the fair values of Level 2 as well as the significant unobservable inputs:

Type	Valuation method	Significant unobservable data	Relation between relevant unobservable data and fair value measurement
Financial assets at fair value through profit or loss:			
Debt instruments and other fixed income instruments	Financial market quotes	Not used	Not used
Derivative financial instruments	Financial market quotes	Not used	Not used

NOTE 13 RISK MANAGEMENT

Investment process risk can be defined as a probability of undesirable outcome that may materialize in a given market economy in a given period. Risk management is described as risk identification, measurement and its possible prevention. The investment process can be affected by the exchange rate risk, interest rate risk, risk of price changes as well as credit risk, liquidity risk and other risks, including operational risk. The investment strategy of the Fund is aimed at minimizing the aforementioned risks, however, the Company cannot guarantee that these risks can be completely avoided in the future.

Risk management framework

Risk identification and measurement is a responsibility of an independent unit - the Risk Management Department, which develops and presents the information on risk profile to the Fund manager. The Fund manager, however, can make certain decisions on the necessity to reduce existing or potential risks.

Risk measurement process employs models that are developed by the company, are based on historical data and are adjusted according to the economic situation. Certain models are also used to predict the financial risk factor changes under both normal and exceptional financial market circumstances.

The Manager of Investment Fund follows risk diversification and hedging principles whose objective is to reduce the investment risk that are developed in accordance with the Management Policy. When making investments on the Fund's account, the Company obtains sufficient information on potential or acquired investment objects as well as supervises financial and economic position of issuers of the securities in which the Fund's property has been or is to be invested.

When developing the Fund's investment strategy and setting risk limits, the Company performs an analysis of the Fund's distribution of investments by maturity, geographic location and currency assessing the risk level for each of these factors. The Company acts in strict compliance with the Prospectus of the Fund, Fund Management Regulations as well as regulations and restrictions prescribed in laws and regulations of the Republic of Latvia.

Market risk

Market risk is the probability that the Fund's value may decrease when any of the market factors changes, for example, in case of changes in interest rates (interest rate risk), prices of securities (price risk), foreign currency exchange rates (foreign currency risk) or other market risk factors. The assessment of each of these market risk sources is provided below, however, they cannot be fully diversified.

Interest rate risk

Securities price risk for fixed income securities (bonds) largely depends on market interest rate fluctuations and changes in the issuer credit quality. Market interest rate changes affect the attractiveness of securities in the most direct manner, as substantially it is an alternative source of interest income. If market interest rates are growing, the prices of fixed income securities fall and vice versa. On the other hand, the increase (decrease) in market interest rates have a positive (negative) effect on the coupon rates of fixed income securities with a variable interest rate (when the coupon is fixed as a base rate - such as Euribor or Libor plus an additional margin). After revaluation (moment starting from which a new interest rate will be applied) the coupon yield for such financial instruments increases (decreases), resulting in increase (decrease) of the interest income.

The tables below show the effects of changes in certain currency market interest rates on the value of a particular Fund, where the interest income changes are calculated for one year. Changes in the real value of the Fund may differ from estimates and the difference may be material.

Changes in the market value of fixed income financial instruments and interest income (2020, EUR)

Currency	Changes in the base rates, bp	Changes in the annual interest income	Changes in market value	Impact of the base rate changes on the total portfolio value
EUR	100	6,215	(433,555)	(427,340)
USD	100	-	(642,519)	(642,519)
Total		6,215	(1,076,074)	(1,069,859)

Changes in the market value of fixed income financial instruments and interest income (2019, EUR)

Currency	Changes in the base rates, bp	Changes in the annual interest income	Changes in market value	Impact of the base rate changes on the total portfolio value
EUR	100	8,831	(1,426,158)	(1,417,327)
USD	100	-	(2,277,356)	(2,277,356)
Total		8,831	(3,703,514)	(3,694,683)

Changes in the market value of fixed income financial instruments and interest income (2020, % of net assets)

Currency	Changes in the base rates, bp	Changes in the annual interest income	Changes in market value	Impact of the base rate changes on the total portfolio value
EUR	100	0.02%	-1.67%	-1.65%
USD	100	-	-2.48%	-2.48%
Total		0.02%	-4.15%	-4.13%

Changes in the market value of fixed income financial instruments and interest income (2019, % of net assets)

Currency	Changes in the base rates, bp	Changes in the annual interest income	Changes in market value	Impact of the base rate changes on the total portfolio value
EUR	100	0.03%	-4.93%	-4.90%
USD	100	-	-7.88%	-7.88%
Total		0.03%	-12.81%	-12.78%

Changes in the market value of fixed income financial instruments and interest income (2020, EUR)

Currency	Changes in the base rates, bp	Changes in the annual interest income	Changes in market value	Impact of the base rate changes on the total portfolio value
EUR	-100	(6,215)	433,555	427,340
USD	-100	-	642,519	642,519
Total		(6,215)	1,076,074	1,069,859

Changes in the market value of fixed income financial instruments and interest income (2019, EUR)

Currency	Changes in the base rates, bp	Changes in the annual interest income	Changes in market value	Impact of the base rate changes on the total portfolio value
EUR	-100	(8,831)	1,426,158	1,417,327
USD	-100	-	2,277,356	2,277,356
Total		(8,831)	3,703,514	3,694,683

Changes in the market value of fixed income financial instruments and interest income (2020, % of net assets)

Currency	Changes in the base rates, bp	Changes in the annual interest income	Changes in market value	Impact of the base rate changes on the total portfolio value
EUR	-100	-0.02%	1.67%	1.65%
USD	-100	-	2.48%	2.48%
Total		-0.02%	4.15%	4.13%

Changes in the market value of fixed income financial instruments and interest income (2019, % of net assets)

Currency	Changes in the base rates, bp	Changes in the annual interest income	Changes in market value	Impact of the base rate changes on the total portfolio value
EUR	-100	-0.03%	4.93%	4.90%
USD	-100	-	7.88%	7.88%
Total		-0.03%	12.81%	12.78%

Foreign currency risk

Foreign currency risk arises when the nominal currency of securities and other financial instruments in the Fund differs from the Fund's currency. Exchange rate fluctuations may cause profit or loss depending on the direction of exchange rate fluctuations and the currency's position in the Fund. Foreign currency risk of the Fund is effectively managed by concluding forward and/or swap transactions.

The following table shows the breakdown of the Fund's assets and liabilities by currency profile as at 31 December 2020:

	USD	EUR	Total
Assets			
Due on demand from credit institutions	1,046,616	107,217	1,153,833
Financial instruments at fair value through profit or loss:			
Debt instruments and other fixed income instruments	15,532,961	8,968,451	24,501,412
Derivative financial instruments	(21,775,022)	22,291,100	516,078
Total assets	(5,195,445)	31,366,768	26,171,323
Liabilities			
Financial instruments at fair value through profit or loss:			
Derivative financial instruments	8,570,349	(8,801,224)	(230,875)
Accrued expenses	-	(40,750)	(40,750)
Total liabilities	8,570,349	(8,841,974)	(271,625)
Net assets	3,374,904	22,524,794	25,899,698
<i>Net long/(short) position</i>	<i>13.03%</i>	<i>86.97%</i>	<i>100.00%</i>

The following table shows the breakdown of the Fund's assets and liabilities by currency profile as at 31 December 2019:

	USD	EUR	Total
Assets			
Due on demand from credit institutions	1,581,926	1,086,442	2,668,368
Financial instruments at fair value through profit or loss:			
Debt instruments and other fixed income instruments	16,800,255	9,384,554	26,184,809
Derivative financial instruments	(24,756,758)	24,905,054	148,296
Total assets	(6,374,577)	35,376,050	29,001,473
Liabilities			
Financial instruments at fair value through profit or loss:			
Derivative financial instruments	10,163,401	(10,218,461)	(55,060)
Accrued expenses	-	(46,434)	(46,434)
Total liabilities	10,163,401	(10,264,895)	(101,494)
Net assets	3,788,824	25,111,155	28,899,979
<i>Net long/(short) position</i>	<i>13.11%</i>	<i>86.89%</i>	<i>100.00%</i>

The effect of exchange rate fluctuations on the notional value of the Fund is disclosed in the table below. Exchange rate changes represent one year standard deviation of the particular rate.

Effect of exchange rate fluctuations (2020)				Effect of exchange rate fluctuations (2019)			
Currency	Share in the Fund (% of net assets)	Change in the exchange rate against USD	Impact on the Fund's value	Currency	Share in the Fund (% of net assets)	Change in the exchange rate against USD	Impact on the Fund's value
USD	13.03%	0.00%	0.00%	USD	13.11%	0.00%	0.00%
EUR	86.97%	7.57%	6.59%	EUR	86.89%	5.01%	4.35%
Total	100.00%		6.59%	Total	100.00%		4.35%

The effect of exchange rate fluctuations on the value of the CBL Global Emerging Markets Bond Fund (Class R Acc EUR (hedged)) is disclosed in the table below. Exchange rate changes represent one year standard deviation of the particular rate.

Effect of exchange rate fluctuations (2020)				Effect of exchange rate fluctuations (2019)			
Currency	Share in the Fund (% of net assets)	Change in the exchange rate against USD	Impact on the Fund's value	Currency	Share in the Fund (% of net assets)	Change in the exchange rate against USD	Impact on the Fund's value
USD	11.28%	0.00%	0.00%	USD	11.37%	0.00%	0.00%
EUR	75.26%	7.57%	5.70%	EUR	75.36%	5.01%	3.77%
Total	86.54%		5.70%	Total	86.73%		3.77%

The effect of exchange rate fluctuations on the value of the CBL Global Emerging Markets Bond Fund (Class R Acc USD) is disclosed in the table below. Exchange rate changes represent one year standard deviation of the particular rate.

Effect of exchange rate fluctuations (2020)				Effect of exchange rate fluctuations (2019)			
Currency	Share in the Fund (% of net assets)	Change in the exchange rate against USD	Impact on the Fund's value	Currency	Share in the Fund (% of net assets)	Change in the exchange rate against USD	Impact on the Fund's value
USD	1.75%	0.00%	0.00%	USD	1.74%	0.00%	0.00%
EUR	11.71%	7.57%	0.89%	EUR	11.53%	5.01%	0.58%
Total	13.46%		0.89%	Total	13.27%		0.58%

Credit risk

Credit risk refers to the probability that the value of the Fund may decrease if the Fund's counterparty or the issuer of debt securities is unable or refuses to meet the obligations. Consequently, only safe counterparties with a good reputation are selected when performing transactions with the Fund's assets. The Fund manager regularly monitors the solvency of the Fund's counterparties, analyzes their credit rating, financial situation and information in mass media. The Fund's asset credit quality is managed based on the international rating agencies Standard & Poor's, Moody's and Fitch credit ratings. In addition, issuers' financial statements, financial position and future prospects are also analyzed. The table shows the classification of debt securities issuers and credit institutions in which the Fund has deposits by credit ratings according to the following classification:

- High-quality financial instruments: MA - AA- (Standard & Poor's); Aaa - Aa3 (Moody's Investors Service); AAA - AA- (Fitch);
- Investment grade financial instruments: A+ - BBB- (Standard & Poor's); A1 - Baa3 (Moody's Investors Service); A+ - BBB- (Fitch);
- High risk financial instruments: BB+ - BB- (Standard & Poor's); Ba1 - Ba3 (Moody's Investors Service); BB+ - BB- (Fitch);
- Speculative financial instruments: B+ - C (Standard & Poor's); B1 - C (Moody's Investors Service); B+ - C (Fitch).

The following table shows the breakdown of the Fund's assets by credit ratings as at 31 December 2020:

	Investment					Total
	High-quality financial instruments	grade financial instruments	Higher risk financial instruments	Speculative financial instruments	No rating	
Due on demand from credit institutions	-	1,153,833	-	-	-	1,153,833
Financial instruments at fair value through profit or loss:						
Debt instruments and other fixed income instruments	-	6,508,287	13,356,901	3,111,387	1,524,837	24,501,412
Derivative financial instruments	-	285,203	-	-	-	285,203
Total investments	-	7,947,323	13,356,901	3,111,387	1,524,837	25,940,448

The following table shows the breakdown of the Fund's assets by credit ratings as at 31 December 2019:

	Investment					Total
	High-quality financial instruments	grade financial instruments	Higher risk financial instruments	Speculative financial instruments	No rating	
Due on demand from credit institutions	-	-	2,668,368	-	-	2,668,368
Financial instruments at fair value through profit or loss:						
Debt instruments and other fixed income instruments	-	8,142,612	12,753,525	3,985,913	1,302,759	26,184,809
Derivative financial instruments	-	-	93,236	-	-	93,236
Total investments	-	8,142,612	15,515,129	3,985,913	1,302,759	28,946,413

Concentration risk

The business sector of the issuer and its geographical position are additional credit risk factors that can influence both the price of the securities issued and the issuer's solvency. Therefore it is important to identify concentration risk - i.e., the extent to which the Fund's value depends on changes in certain regions and/or sectors. Geographical distribution of credit risk concentration (based on the country whose position most affects the issuer's solvency) and distribution across sectors are presented in the tables below.

The following table shows the geographical profile of the Fund's assets and liabilities as at 31 December 2020.

	Latvia	Other OECD countries	Non-OECD countries	Total
Assets				
Due on demand from credit institutions	1,153,833	-	-	1,153,833
Financial instruments at fair value through profit or loss:				
Debt instruments and other fixed income instruments	-	8,840,557	15,660,855	24,501,412
Derivative financial instruments	516,078	-	-	516,078
Total assets	1,669,911	8,840,557	15,660,855	26,171,323
Liabilities				
Derivative financial instruments	(230,875)	-	-	(230,875)
Accrued expenses	(40,750)	-	-	(40,750)
Total liabilities	(271,625)	-	-	(271,625)
Net assets	1,398,286	8,840,557	15,660,855	25,899,698

The following table shows the geographical profile of the Fund's assets and liabilities as at 31 December 2019.

	Latvia	Other OECD countries	Non-OECD countries	Total
Assets				
Due on demand from credit institutions	2,668,368	-	-	2,668,368
Financial instruments at fair value through profit or loss:				
Debt instruments and other fixed income instruments	474,481	6,995,454	18,714,874	26,184,809
Derivative financial instruments	148,296	-	-	148,296
Total assets	3,291,145	6,995,454	18,714,874	29,001,473
Liabilities				
Derivative financial instruments	(55,060)	-	-	(55,060)
Accrued expenses	(46,434)	-	-	(46,434)
Total liabilities	(101,494)	-	-	(101,494)
Net assets	3,189,651	6,995,454	18,714,874	28,899,979

The following table shows the breakdown of the Fund's net assets by countries:

Country	Carrying amount	Carrying amount	% of the Fund's net assets
	31.12.2020	31.12.2019	31.12.2020
Mexico	2,772,104	2,780,949	10.70%
Brazil	2,252,717	2,221,143	8.69%
South Africa	2,087,629	1,922,630	8.06%
Indonesia	1,851,488	2,209,300	7.15%
Russia	1,539,003	1,860,888	5.94%
Latvia	1,398,286	3,189,651	5.40%
India	1,240,172	2,519,709	4.79%
Lithuania	1,130,922	1,175,221	4.37%
Romania	1,039,864	1,337,882	4.01%
Hungary	825,011	-	3.19%
Uzbekistan	764,663	-	2.95%
Kazakhstan	757,013	338,719	2.92%
Colombia	749,153	1,028,485	2.89%
Paraguay	745,653	625,947	2.88%
Netherlands	743,084	-	2.87%
Azerbaijan	699,249	-	2.70%
Trinidad and Tobago	694,898	-	2.68%
Ukraine	623,102	689,019	2.41%
Turkey	549,747	524,996	2.12%
Czech Republic	539,798	-	2.08%
Peru	527,170	736,991	2.04%
Norway	506,484	679,120	1.96%
Georgia	479,477	718,773	1.85%
Estonia	432,902	455,818	1.67%
Argentina	358,757	486,635	1.39%
Denmark	351,774	-	1.36%
Sweden	239,578	363,358	0.93%
Chile	-	1,015,992	0.00%
Guatemala	-	751,312	0.00%
Panamas	-	692,752	0.00%
Malaysia	-	574,689	0.00%
Total	25,899,698	28,899,979	100.00%

The following table shows the breakdown of the Fund's net assets by sectors:

Sector	Carrying amount 31.12.2020	Carrying amount 31.12.2019	% of the Fund's net assets 31.12.2020
Commodities	6,211,806	5,889,996	23.99%
Financial services	4,221,524	2,540,495	16.30%
Consumer staples	3,313,835	2,462,656	12.79%
Energy	3,046,683	2,280,532	11.76%
Telecommunications services	2,358,748	2,801,588	9.11%
Government	1,697,579	2,151,877	6.55%
Manufacturing	1,296,524	2,520,503	5.01%
Consumption services	1,188,326	3,345,478	4.59%
Utilities	1,166,387	780,159	4.50%
Commercial banks	-	1,411,525	0.00%
Other	1,398,286	2,715,170	5.40%
Total	25,899,698	28,899,979	100.00%

Liquidity risk

Liquidity risk can occur if the Fund has difficulty in meeting its financial obligations. The Fund Manager strives to maintain such asset structure which ensures a possibility of selling securities in due time and with no significant losses.

The following table shows the maturity profile of the Fund's assets and liabilities as at 31 December 2020:

	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	More than 5 years and indefinite	Total
Assets							
Due on demand from credit institutions	1,153,833	-	-	-	-	-	1,153,833
Financial instruments at fair value:							
Debt instruments and other fixed income instruments	-	239,578	-	-	10,632,705	13,629,129	24,501,412
Derivative financial instruments	195,493	320,585	-	-	-	-	516,078
Total assets	1,349,326	560,163	-	-	10,632,705	13,629,129	26,171,323
Liabilities							
Financial instruments at fair value:							
Debt instruments and other fixed income instruments	(201,686)	(29,189)	-	-	-	-	(230,875)
Accrued expenses	(36,781)	-	(3,969)	-	-	-	(40,750)
Total liabilities	(238,467)	(29,189)	(3,969)	-	-	-	(271,625)
Net assets	1,110,859	530,974	(3,969)	-	10,632,705	13,629,129	25,899,698
<i>Net position, %</i>	<i>4.30%</i>	<i>2.05%</i>	<i>(0.02%)</i>	<i>-</i>	<i>41.05%</i>	<i>52.62%</i>	<i>100.00%</i>

The following table shows the maturity profile of the Fund's assets and liabilities as at 31 December 2019:

	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	More than 5 years and indefinite	Total
Assets							
Due on demand from credit institutions	2,668,368	-	-	-	-	-	2,668,368
Financial instruments at fair value:							
Debt instruments and other fixed income instruments	-	-	-	-	16,792,115	9,392,694	26,184,809
Derivative financial instruments	38,491	109,805	-	-	-	-	148,296
Total assets	2,706,859	109,805	-	-	16,792,115	9,392,694	29,001,473
Liabilities							
Financial instruments at fair value:							
Debt instruments and other fixed income instruments	(28,641)	(26,419)	-	-	-	-	(55,060)
Accrued expenses	(42,465)	-	(3,969)	-	-	-	(46,434)
Total liabilities	(71,106)	(26,419)	(3,969)	-	-	-	(101,494)
Net assets	2,635,753	83,386	(3,969)	-	16,792,115	9,392,694	28,899,979
<i>Net position, %</i>	<i>9.13%</i>	<i>0.29%</i>	<i>(0.01%)</i>	<i>-</i>	<i>58.09%</i>	<i>32.50%</i>	<i>100.00%</i>

NOTE 14 INFORMATION ON THE FUND'S SHARE CERTIFICATE HOLDERS

The following tables show the proportion of the share certificates held by the Citadele group and the Company's related parties who have a significant influence in the Company as well as the proportion of the share certificates held by the Fund's related parties and other investors in the total number of the share certificates issued:

	% of the total number		% of the total number	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
IF CBL Global Emerging Markets Bond Fund: Class R Acc EUR (hedged)				
Share certificates held by related parties	230,271	234,096	12.11%	10.73%
Share certificates held by third parties	1,671,804	1,947,639	87.89%	89.27%
Number of share certificates at the end of the reporting period	1,902,075	2,181,735	100.00%	100.00%
IF CBL Global Emerging Markets Bond Fund: Class R Acc USD				
Share certificates held by related parties	15,718	14,440	4.11%	3.58%
Share certificates held by third parties	366,903	388,848	95.89%	96.42%
Number of share certificates at the end of the reporting period	382,621	403,288	100.00%	100.00%

NOTE 15 RELATED PARTY TRANSACTIONS

The majority of the Fund's investments are acquired through the custodian bank. AS Citadele Banka receives a custodian fee, which is disclosed in the statement of income and expenses; the cash of the Fund is also placed with AS Citadele Banka (see Note 3). Besides, all the derivative financial instruments are concluded with AS Citadele Banka (see Note 5).

In the reporting period, the related parties made transactions with the Fund's share certificates (see Note 14). In 2020, the related parties bought 18,183 and sold 16,905 share certificates of CBL Global Emerging Markets Bond Fund (Class R Acc USD) and bought 13,627 and sold 15,538 share certificates of CBL Global Emerging Markets Bond Fund (Class R Acc EUR (hedged)). Purchase and re-selling transactions of the Fund's share certificates are calculated taking into account only the share certificates held by those related parties which have been classified as related parties of the Fund in 2020 and 2019.

In the reporting period, the Fund had no investments in debt securities issued by the custodian and investment funds which are managed by the associated investment management company.

NOTE 16 PERFORMANCE DYNAMICS OF THE INVESTMENT FUND

CBL Global Emerging Markets Bond Fund: Class R Acc USD	31.12.2020	31.12.2019	31.12.2018
Net assets (EUR)	3,486,342	3,833,606	3,150,523
Number of share certificates	382,621	403,288	366,599
Value of the unit of the investment fund (EUR)	9.11	9.51	8.59
IF return *	(4.19%)	10.71%	3.02%
Net assets (USD)**	4,278,090	4,306,673	3,607,348
Number of share certificates	382,621	403,288	366,599
Value of the unit of the investment fund (USD)	11.18	10.68	9.84
IF return *	4.67%	8.54%	(1.60%)
CBL Global Emerging Markets Bond Fund: Class R Acc EUR (hedged)	31.12.2020	31.12.2019	31.12.2018
Net assets (EUR)	22,413,360	25,066,373	22,947,788
Number of share certificates	1,902,075	2,181,735	2,103,071
Value of the unit of the investment fund (EUR)	11.78	11.49	10.91
IF return *	2.52%	5.32%	(4.55%)

The total assets of CBL Global Emerging Markets Bond Fund consist of the total net assets of both classes in the Fund's measurement currency; when revaluating the total assets of CBL Global Emerging Markets Bond Fund at the exchange rate published by the European Central Bank, an exchange rate difference between the total amounts of both classes arises which leads to the difference from the net assets presented elsewhere in the financial statements.

The return of CBL Global Emerging Markets Bond Fund: Class R Acc EUR (hedged) of the previous reporting periods refers to the fund CBL Global Emerging Markets Bond Fund.

* Return is calculated, assuming there are 365 days in a year.

** Net asset value in USD is established using exchange rates fixed by the financial markets at the end of the day.

NOTE 17 EVENTS AFTER THE END OF THE REPORTING PERIOD

As of the last day of the reporting year until the date of signing these financial statements there have been no significant events of material impact on the financial position of the Fund.



KPMG Baltics AS
Vesetas iela 7,
Rīga, LV-1013
Latvia

Phone +371 67038000
Fax +371 67038002
kpmg.com/lv

Independent Auditors' Report

To the shareholders of investment fund 'CBL Global Emerging Markets Bond Fund'

Report on the audit of financial statements

Our opinion on the financial statements

We have audited the financial statements of investment fund 'CBL Global Emerging Markets Bond Fund' ("the Fund") managed by IPAS 'CBL Asset Management' ("the Asset Manager") as set out on pages 8 to 28 of the accompanying Annual Report. The accompanying financial statements include:

- Overview of assets and liabilities as at 31 December 2020,
- Report on income and expenses for the year then ended,
- Statement of changes to net assets for the year then ended,
- Statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of investment fund 'CBL Global Emerging Markets Bond Fund' as at 31 December 2020, and of its financial performance and changes in net assets and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing (hereinafter – ISAs) adopted in the Republic of Latvia. Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Financial Statements* section of our report.

We are independent of the Fund and the Fund Manager in accordance with the Code of Ethics for Professional Accountants (IESBA Code) by the International Ethics Standards Board for Accountants and the independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on Other Information

The management of the Asset Manager is responsible for the other information. The other information comprises:

- Information about the investment fund, as set out on page 3 of the accompanying Annual Report,



*Translation from Latvian
In case of discrepancies, the text in Latvian
prevails.*

- Investment Management Companies Report, as set out on page 4 of the accompanying Annual Report.
- Report on the implementation of the engagement policy, presented on page 5 of the accompanying Annual Report
- Statement of responsibility of the board of the Asset Manager, as set out on page 6 of the accompanying Annual Report.
- Custodian Bank Report, as set out on page 7 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia related to Other Information* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the Fund Manager and Fund and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia, our responsibility is to express an opinion on whether the Asset Manager's Report is prepared in accordance with the requirements of Regulation No. 181 'Regulation on the preparation of annual reports, consolidated annual reports and interim reports of an investment fund and open alternative investment fund' issued by the Financial and Capital Market Commission ("Regulation No. 181").

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information presented in the Asset Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Asset Manager's Report has been prepared in accordance with the requirements of Regulation No. 181 of the Financial and Capital Market Commission of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable,



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matters related to going concern and using the going concern basis of accounting unless Fund Manager management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Asset Manager's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund Manager to cease Fund to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.



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We communicate with those charged with governance of the Fund and the Asset Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Baltics AS

Licence No. 55

Rainers Vilāns
Certified Auditor of Latvia
Certificate No.200
Partner pp KPMG Baltics AS
Riga, Latvia
30 April 2021

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails