



**Investment fund
“CBL US Leaders Equity Fund”**

**Semiannual report 2021
(non-audited)**
(for the six – month period ended 30 June 2021)

Riga, 2021

TABLE OF CONTENTS

Investment Fund information	3
Investment Management company's report	4
Financial Statements:	
Statement of assets and liabilities	5
Statement of income and expense	6
Statement of changes in net assets	7
Notes of Financial Statements	8

INVESTMENT FUND INFORMATION

Name of the fund:	"CBL US Leaders Equity Fund"
Type of fund:	Investment fund
Classes:	- <i>R Acc USD</i> <i>ISIN: LV0000401032</i> - <i>R Acc EUR (hedged)</i> <i>ISIN: LV0000400992</i>
Registration date:	22 December 2020
Fund number:	FL261
Name of the investment management company:	"CBL Asset Management" IPAS
Registered office:	Republikas laukums 2a, Rīga, LV-1010, Latvia
Registration number:	40003577500
License number:	06.03.07.098/367
Name of the custodian bank:	"Citadele banka" AS
Registered office:	Republikas laukums 2a, Rīga, LV-1010, Latvija
Registration number:	40103303559
Investment management company's Board and Council members and their positions:	<i>Council of the investment management company:</i> Chairperson of the Council – Vladimirs Ivanovs – appointed on 10.08.2020. Deputy Chairperson of the Council – Vaidas Žagūnis– appointed on 10.08.2020. Council Member – 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 - Zīgurds 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 management of Investment fund:	Council and Board members shall perform all duties specified in Latvian laws and Investment Management Company's Statutes.
Fund managers:	Andrejs Piļka – appointed on 10.11.2020. Igoris Lahtadirs – appointed on 10.11.2020.
Rights and responsibilities related to Fund management:	Fund managers shall perform all duties specified in Latvian laws, Investment Management Company's Statutes and Fund prospectus.
Auditor:	"KPMG Baltics" AS Vesetas iela 7 Rīga, LV-1013 Licence No. 55 Latvia

INVESTMENT MANAGEMENT COMPANY’S REPORT

The investment fund “CBL US Leaders Equity Fund” (hereinafter – the Fund) is the investment fund with two share 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. in R Acc USD class share certificates.

The manager of the investment fund “CBL US Leaders Equity Fund” (hereinafter the Fund) is investment management company CBL Asset Management, registered office Republikas laukums 2a, Riga, LV-1010 (hereinafter the Company). The Company was founded on 11 January 2002. The Company’s registration number is 40003577500. The Company’s operating license number is 06.03.07.098/367.

The Fund aims to achieve long-term capital appreciation by primarily investing in equity securities of the issuers whose main activity is carried out or whose headquarters are based in the United States of America and who are registered in the OECD countries without any industry limitations. The revenue of the Fund consists of appreciation of equity securities and dividend income.

The Fund started its operation on January 6, 2021. At the end of the reporting period the net assets of the Fund amounted to EUR 11,834,245 and as at 30 June 2021, gross assets amounted to EUR 11,985,165. 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 US Leaders Equity Fund” R Acc USD share class was EUR 9.33, while the value of the unit of the “CBL US Leaders Equity Fund” R Acc EUR (hedged) share class reached EUR 11.10. As at 30 June 2021 the return of the “CBL US Leaders Equity Fund” R Acc USD share class was 10.88% (positive), in the euros according to the ECB exchange rates and 10.90% (positive) in the Fund’s base currency (USD) fixed by the financial markets at the end of the day. The return of the “CBL US Leaders Equity Fund” R Acc EUR (hedged) share class was 11.00% (positive).

The first half of 2021 has been very positive for global stock markets. One of the main US stock market indices S&P 500 reached a new peak, rising by 15.24% in the first six months of the year. Investors’ optimism was boosted by the US government’s new fiscal stimulus, the launch of a mass vaccination program, and the rapid recovery of the global economy, which has led analysts to continuously improve their GDP growth forecasts. Along with the stock markets, commodities also experienced a strong rally, with the prices of many raw materials reaching multiple year highs. The economic restrictions imposed by global governments as a response to the spread of the coronavirus continue to have a negative impact on global supply chains. Rising commodity prices, as well as the possible shortage of goods that could occur as people start spending their savings, led economists to raise their inflation expectations significantly. Fears of a sharp rise in consumer prices quickly began to affect financial markets as well. Investors began to worry that the FRS would be forced to raise interest rates much earlier than previously expected in response to inflationary pressures. Low interest rates have been an important argument in favor of investing in equities last year, as investors were lacking the opportunity to have a desired return in low-risk bonds and therefore were eager to invest more in risk assets. This background caused some volatility on the stock markets, but failed to radically change the mood. At its meetings, the FRS has stated on several occasions that it will stick to the previous plan, will not make injudicious rate hikes and that its decisions will be based on the average inflation rate over the longer term rather than short-term jumps in consumer prices. Encouraging FRS comments and strong companies’ first quarter earnings quickly returned to optimism. The companies’ financial reports provided evidence of a rapid recovery momentum, and as a result analysts raised their profit estimates for both this year and the coming years. Significant improvements in forecasts increased the attractiveness of the stock market. Although the valuations of the US stock market generally are at historically high levels, the expected earnings growth is outpacing the performance of stock indices this year, making the market relatively “cheaper”.

During the reporting period, the largest positive contribution to the Fund’s results came from its investments in the technology, finance, consumer discretionary and healthcare sectors. The only sector that had a negative impact on the Fund’s performance in the first half of the year was communications services. Throughout the half-year, the managers actively adjusted the structure of the Fund’s portfolio to bring the fundamental and technical characteristics of the Fund’s investments in line with the topical trends in the financial markets. At the end of the period, the share of cash in the Fund was 1.82%.

In the reporting period, the total management amounted to EUR 69,198, which does not exceed the maximum amount of 4.00% specified in the Prospectus of the Fund. The remuneration of the investment management company amounted to EUR 60,263, the remuneration to the custodian bank was EUR 7,748, and other Fund management expenses – EUR 1,187.

Looking forward, current environment is favorable to global stock markets. The rapid economic recovery, significant improvements in corporate earnings, and the still accommodating fiscal and monetary conditions will continue to support global and US equities. However, the question of how sustainable growth will be and whether it will continue in all segments of the economy. At present, the risk of spreading the Delta variant of the coronavirus has increased, which may again disrupt companies and lead to new economic restrictions. Therefore, the management team of IPAS CBL Asset Management closely monitors and responds to developments in the financial markets by actively adjusting the Fund’s portfolio structure.

For the Board of the Investment Management Company

Kārlis Purgailis
Chairperson of the Board

Andrejs Piļka
Fund Manager

Igors Lahtadirs
Fund Manager

Riga, 30 July 2021

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

STATEMENT OF ASSETS AND LIABILITIES

	Notes	<u>30.06.2021</u>
Assets		
Due on demand from credit institutions	1	218,021
Financial assets at fair value through profit or loss:		
Equity instruments	2	11,767,144
Derivative financial instruments	3	-
Total assets		<u>11,985,165</u>
Liabilities		
Financial assets at fair value through profit or loss:		
Derivative financial instruments	3	(135,464)
Accrued expenses		(15,456)
Total liabilities		<u>(150,920)</u>
Net assets		<u>11,834,245</u>

The accompanying notes on pages 8 through 9 form an integral part of these financial statements.

For the Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Board

Riga, 30 July 2021

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STATEMENT OF INCOME AND EXPENSES

	06.01.2021- 30.06.2021
Income for the reporting period	
Dividend income	27,074
Total income	27,074
Expenses for the reporting period	
Remuneration to investment management company	(60,263)
Custodian Fee	(7,748)
Other Fund management expenses	(1,187)
Total expenses	9,198
Increase/(decrease) in investment value	
Realized (decrease) in investment value	(80,742)
Unrealized increase in investment value	1,106,145
Total increase in investments	1,025,403
Increase in net assets from investment	983,279

The accompanying notes on pages 8 through 9 form an integral part of these financial statements.

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Kārlis Purgailis
Chairperson of the Board

Riga, 30 July 2021

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STATEMENT OF CHANGES IN NET ASSETS

"CBL US Leaders Equity Fund"	30.06.2021
Net assets at the beginning of the reporting period	-
Increase in net assets from investment	983,279
Transactions with share certificates and units	
Inflow from sale of share certificates and units	11,924,246
Outflow on redemption of share certificates and units	<u>(1,073,280)</u>
Increase in net assets from transactions with share certificates	10,850,966
Net asset increase in the reporting period	<u>11,834,245</u>
Net assets at the end of the reporting period	<u>11,834,245</u>
"CBL US Leaders Equity Fund" Class R Acc USD ISIN : LV0000401032	30.06.2021
Number of share certificates issued and units as at the beginning of the reporting period	-
Number of share certificates issued and units at the end of the reporting period	388,538
Net assets per share certificate as at the beginning of the reporting period	-
Net assets per share certificate as at the end of the reporting period	<u>9.33</u>
"CBL US Leaders Equity Fund" Class R Acc EUR (hedged) ISIN : LV0000400992	30.06.2021
Number of share certificates issued and units as at the beginning of the reporting period	-
Number of share certificates issued and units at the end of the reporting period	739,272
Net assets per share certificate as at the beginning of the reporting period	-
Net assets per share certificate as at the end of the reporting period	<u>11.10</u>

The accompanying notes on pages 8 through 9 form an integral part of these financial statements.

For the Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Board

Riga, 30 July 2021

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 DUE ON DEMAND FROM CREDIT INSTITUTIONS

	30.06.2021	% of the Fund's net assets 30.06.2021
Due on demand from credit institutions, AS Citadele Banka	218,021	1.84%
Total demand deposits with credit institutions	218,021	1.84%

NOTE 2 EQUITY INSTRUMENTS

All equity instruments are classified as financial assets at fair value through profit or loss. As at 30 June 2021, all equity instruments owned by the Fund were traded on regulated markets.

The following table presents the equity instruments broken down by the issuer's country of origin as at 30 June 2021:

Financial instrument	ISIN code	Currency	Amount	Acquisition value	Carrying amount 30.06.2021	% of the Fund's net assets 30.06.2021
Financial instruments traded on regulated markets				10,538,255	11,767,144	99.41%
Equity instruments of USA issuers:				10,121,593	11,312,470	95.57%
Fortinet Inc	US34959E1091	USD	1,530	193,350	307,996	2.60%
Arista Networks Inc	US0404131064	USD	931	238,494	283,554	2.40%
IDEXX Laboratories Inc	US45168D1046	USD	530	225,310	279,922	2.37%
NetApp Inc	US64110D1046	USD	3,952	220,670	271,825	2.30%
American Express Co	US0258161092	USD	1,933	258,139	268,935	2.27%
Bank of America Corp	US0605051046	USD	7,725	214,050	267,488	2.26%
Applied Materials Inc	US0382221051	USD	2,241	209,318	267,359	2.26%
Charles Schwab Corp/The	US8085131055	USD	4,300	247,968	263,232	2.22%
Paychex Inc	US7043261079	USD	2,920	219,624	263,105	2.22%
Intuitive Surgical Inc	US46120E6023	USD	338	249,747	260,761	2.20%
Old Dominion Freight Line Inc	US6795801009	USD	1,200	251,857	256,449	2.17%
KLA Corp	US4824801009	USD	936	232,720	254,368	2.15%
Eli Lilly & Co	US5324571083	USD	1,314	243,246	253,733	2.14%
Texas Instruments Inc	US8825081040	USD	1,572	223,598	253,539	2.14%
Robert Half International Inc	US7703231032	USD	3,386	211,089	253,352	2.14%
Home Depot Inc/The	US4370761029	USD	940	249,876	252,481	2.13%
Oracle Corp	US68389X1054	USD	3,799	243,993	249,537	2.11%
Alphabet Inc	US02079K1079	USD	117	246,720	246,694	2.08%
Lowe's Cos Inc	US5486611073	USD	1,501	217,804	245,321	2.07%
Maxim Integrated Products Inc	US57772K1016	USD	2,758	214,409	243,541	2.06%
Align Technology Inc	US0162551016	USD	475	223,924	243,416	2.06%
Intuit Inc	US4612021034	USD	583	185,219	240,549	2.03%
Apple Inc	US0378331005	USD	2,082	222,576	239,998	2.03%
NVR Inc	US62944T1051	USD	56	216,755	233,355	1.97%
Lam Research Corp	US5128071082	USD	428	192,053	233,207	1.97%
Zions Bancorp NA	US9897011071	USD	5,238	223,824	232,722	1.97%
Keysight Technologies Inc	US49338L1035	USD	1,785	215,980	231,296	1.95%
Visa Inc	US92826C8394	USD	1,165	209,575	229,804	1.94%
Ross Stores Inc	US7782961038	USD	2,200	217,479	228,608	1.93%
Regions Financial Corp	US7591EP1005	USD	13,155	214,532	222,608	1.88%
S&P Global Inc	US78409V1044	USD	642	180,820	221,345	1.87%
Microsoft Corp	US5949181045	USD	967	183,842	220,057	1.86%
CDW Corp/DE	US12514G1085	USD	1,489	177,974	219,265	1.85%
Aon PLC	IE00BLP1HW54	USD	1,086	194,956	218,041	1.84%
Waters Corp	US9418481035	USD	750	191,386	216,783	1.83%
Citizens Financial Group Inc	US1746101054	USD	5,586	187,655	215,232	1.82%
O'Reilly Automotive Inc	US67103H1077	USD	450	194,455	214,606	1.81%
Teradyne Inc	US8807701029	USD	1,896	213,324	213,100	1.80%
Mettler-Toledo International Inc	US5926881054	USD	179	182,423	207,904	1.76%
Etsy Inc	US29786A1060	USD	1,163	187,502	200,423	1.69%
Tractor Supply Co	US8923561067	USD	1,238	158,125	194,201	1.64%
TJX Cos Inc/The	US8725401090	USD	3,384	190,812	191,724	1.62%
Monster Beverage Corp	US61174X1090	USD	2,490	188,520	191,129	1.62%
Moody's Corp	US6153691059	USD	621	149,635	189,336	1.60%
Mastercard Inc	US57636Q1040	USD	615	176,216	189,070	1.60%
Western Union Co/The	US9598021098	USD	9,500	200,194	183,141	1.55%

Financial instrument	ISIN code	Currency	Amount	Acquisition value	Carrying amount 30.06.2021	% of the Fund's net assets 30.06.2021
Autodesk Inc	US0527691069	USD	703	175,070	172,928	1.46%
United Parcel Service Inc	US9113121068	USD	850	149,015	148,678	1.26%
Automatic Data Processing Inc	US0530151036	USD	760	105,770	126,752	1.07%
Equity instruments of Switzerland issuers:				214,840	244,169	2.06%
Garmin Ltd	CH0114405324	USD	2,012	214,840	244,169	2.06%
Equity instruments of Ireland issuers:				201,822	210,505	1.78%
Allegion PLC	IE00BFRT3W74	USD	1,800	201,822	210,505	1.78%
Total equity instruments:				10,538,255	11,767,144	99.41%

NOTE 3 DERIVATIVE FINANCIAL INSTRUMENTS

The following table presents the notional amount and fair value of currency swaps as at 30 July 2021. The notional amount of foreign exchange transactions is determined in accordance with the claims arising from these transactions.

	30.06.2021			% of the Fund's net assets 30.06.2021*
	Notional amount	Fair value		
		Assets	Liabilities	
Swaps	8,232,548	-	(135,464)	(1.14%)
Total derivative financial instruments	8,232,548	-	(135,464)	(1.14%)

* 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 4 PERFORMANCE DYNAMICS OF THE INVESTMENT FUND

"CBL US Leaders Equity Fund" Class R Acc USD	30.06.2021
Net assets (EUR)	3,624,783
Number of share certificates	388,538
Value of the unit of the Fund (EUR)	9.33
Fund return*	10.88%
Net assets (USD)**	4,307,692
Number of share certificates	388,538
Value of the unit of the Fund (USD)	11.09
Fund return*	10.90%

"CBL US Leaders Equity Fund" Class R Acc EUR (hedged)	30.06.2021
Net assets (EUR)	8,209,458
Number of share certificates	739,272
Value of the unit of the Fund (EUR)	11.10
Fund return*	11.00%

The total assets of CBL US Leaders Equity Fund consist of the total net assets of both classes in the Fund's measurement currency; when translating the total assets of CBL US Leaders Equity 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.

* 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.