



ABLV

BANKING / INVESTMENTS \ ADVISORY

Open-end investment fund
ABLV Global Stock Index Fund

Subfund
ABLV Global USD Stock Index Fund

Annual report
for the year ended 31 December 2014

Together with independent auditors' report

Contents

General information	3
Investment management company report	4
Statement of responsibility of the board of the investment management company	5
Custodian bank report	6
Financial statements:	
Statement of assets and liabilities	7
Statement of income and expense	8
Statement of changes in net assets	9
Statement of cash flows	10
Notes	11
Independent auditors' report	26

General information

Name of the fund:	ABLV Global USD Stock Index Fund
Category of the fund:	Open-end investment fund with subfunds
Name of the subfund:	ABLV Global USD Stock Index Fund
Type of the fund:	Stock fund
Registration date of the subfund:	23 March 2007
Registration number of the fund:	06.03.05.263/33
Name of the investment management company:	ABLV Asset Management, IPAS
Registered office of the investment management company:	23 Elizabetes Street, Riga, LV-1010
Registered office of the investment management company:	40003814724
Licence number of the investment management company:	06.03.07.263/204
Date of the licence:	4 August 2006
Name of the custodian bank:	ABLV Bank, AS
Registered office of the custodian bank:	23 Elizabetes Street, Riga, LV-1010
Registration number of the custodian bank:	50003149401
Names and positions of council members, board members, and fund manager:	Council of the investment management company: Chairman of the Council - Ernests Bernis Deputy Chairman of the Council - Māris Kanneņieks Council Member - Vadims Reinfelds Board of the investment management company: Chairman of the Board - Leonīds Kiļs Deputy Chairman of the Board - Jevgenijs Gžibovskis Board Member - Sergejs Gačenko Fund Manager – Andrejs Pijka
Duties of the fund manager:	The fund manager operates the fund's property according to the company's Articles of Association and the Fund Management Regulations. The fund manager may be employed only by one investment management company and manage several funds of one investment management company.

Investment management company report

On 23 March 2007, open-end mutual fund ABLV Global Stock Index Fund was registered, and on 11 July 2007 it was reorganized into a fund with two subfunds – the ones in USD and in EUR. The subfund ABLV Global USD Stock Index Fund is a stock fund the investment currency of which is USD. In June 2013, the name of the subfund was changed from ABLV Global USD ETF Fund to ABLV Global USD Stock Index Fund (hereinafter referred to as the subfund).

ABLV Asset Management, IPAS (new name ABLV Asset Management, IPAS, was registered with the Register of Enterprises on 27.05.2011, hereinafter referred to as the company) was registered with the Republic of Latvia Register of Enterprises on 4 August 2006 under No. 40003814724, the licence for operations of investment management company No. 06.03.07.263/204, and it is located in Riga, at 23 Elizabetes Street.

The subfund's investment objective is achievement of the long-term capital growth. To achieve this objective, the subfund's assets are invested in the ETF securities that replicate the index structure of the stocks of commercial companies of developed countries and emerging countries which are traded on regulated markets.

The subfund's investment portfolio is diversified among investments in different countries and issuers, thus ensuring higher investment safety and protection against fluctuations of the subfund's assets value and against the risk of default on obligations.

The year 2014 was the eighth year of operations of the subfund ABLV Global USD Stock Index Fund. As at the end of December 2014, the subfund's net assets amounted to USD 12 434 477 (EUR 10 241 724), and annual return equalled -0.26%.

In 2014, global securities market demonstrated growth despite varying trends in particular segments. The market of emerging countries was the major disappointment once again. Markets of emerging countries were anticipated to outperform those of developed countries, given the substantial lagging behind of the former in 2013, but these expectations proved wrong. Price decrease in raw materials markets (first of all, in oil market) caused another strong decrease in rates of many countries' currencies against the US dollar, which actually determined the negative results of this market segment. European stock markets were falling behind as well, largely affected by geopolitics and sanction war of the USA and Europe against Russia. The US securities market ended the year 2014 with growth. The market was considerably supported by the US improving macroeconomic indicators and growing profits of the US companies, as well as soft rhetoric of the US Federal Reserve System representatives regarding the possibility of stricter monetary policy.

The minimum amount of investment in the subfund is USD 1 000.

The company performs regular analysis of current political and economic situation, as well as comparative analysis and technical analysis, analysis of various macroeconomic indicators, and summarizing analysis of recommendations given by the world's leading brokerage and analytics companies on different financial markets.

In order to regularly provide information on situation in the world's financial markets to current customers and prospective investors of ABLV Asset Management, IPAS, detailed monthly analysis of macroeconomic situation prepared by our chief analyst, as well as monthly comment of the subfund manager and overview of the market situation, subfund's performance, and actions taken by the subfund manager, are published at ABLV Bank, AS, home page www.ablv.com.

To ensure diversification and minimize risks, the company constantly pays great attention to risk management. The Investment Strategy Committee is established at the company, and it determines the company's investment strategy, risk limits, and financial markets on which transactions in financial instruments are performed. The members of the Investment Strategy Committee are ABLV Bank, AS, and the company's top specialists in financial markets.

From 15 January 2015, pursuant to decision of the board of ABLV Asset Management, IPAS, Andrejs Piļka was appointed the manager of the subfund ABLV Global USD Stock Index Fund.

The company will continue making every effort to efficiently manage the subfund's assets in order to increase the number of the subfund's investors and the subfund's net assets in 2015.

Management of ABLV Asset Management, IPAS, expresses gratitude to our customers for their loyalty and successful cooperation with us.

ABLV Asset Management, IPAS
Chairman of the Board

Leonīds Kijs
Riga, 14 April 2015

ABLV Asset Management, IPAS
Fund Manager

Andrejs Piļka

Statement of responsibility of the board of the investment management company

The board of the investment management company are responsible for the preparation of the financial statements of the subfund ABLV Global USD Stock Index Fund of the open-end investment fund ABLV Global Stock Index Fund.

The financial statements set out on pages 7 to 25 are prepared in accordance with the source documents and present fairly the financial position of the subfund as at 31 December 2014 and 2013 and the results of its operations for the years then ended.

The aforementioned financial statements are prepared on a going concern basis, applying laws of the Republic of Latvia, the Regulations of the Financial and Capital Market Commission on the Preparation of Reports of Investment Management Companies and on the Preparation of Annual Reports, Consolidated Annual Reports and Interim Reports of Investment Funds and Open-end Alternative Investment Funds, according to International Financial Reporting Standards as adopted by the European Union. Appropriate accounting policies have been applied on a consistent basis. Prudent and reasonable judgements and estimates have been made by the management in the preparation of the financial statements.

The board of the investment management company are responsible for the maintenance of proper accounting records, the safeguarding of the subfund's assets, and the prevention and detection of fraud and other irregularities in the subfund. They are also responsible for operating the subfund in compliance with the Law of the Republic of Latvia on Investment Management Companies, FCMC regulations, and other laws of the Republic of Latvia.

ABLV Asset Management, IPAS
Chairman of the Board

Leonīds Kijs



Riga, 14 April 2015

Custodian bank report

To the investors of
the subfund ABLV Global USD Stock Index Fund of
the open-end investment fund ABLV Global Stock Index Fund

ABLV Bank, AS, registered with the Republic of Latvia Enterprise Register on 17 September 1993 under No 50003149401, located in Riga, 23 Elizabetes Street, hereby confirms and attests that:

According to the Law of the Republic of Latvia on Investment Management Companies, FCMC regulations, other requirements of Latvian laws, and the Custodian Bank Agreement signed on 2 March 2007, ABLV Bank, AS (hereinafter – the custodian bank) acts as the custodian bank for the subfund ABLV Global USD Stock Index Fund established by ABLV Asset Management, IPAS.

The custodian bank is responsible for the compliance with the requirements of Latvian laws applicable to custodian banks and the execution of the Custodian Bank Agreement.

The key duties of the custodian bank are as follows:

- To keep the subfund's property held in the account according to the conditions of the Custodian Bank Agreement;
- To service the subfund's account and execute the orders given by the company in respect of the subfund's property held in the account according to the Custodian Bank Agreement;
- To control that the subfund's investment certificates are issued, sold and redeemed and the subfund's share value is calculated following the procedure prescribed by laws, the fund's Prospectus, and the Fund Management Regulations;
- To submit to the company the list of persons authorised by the custodian bank to accept orders at the effectiveness date of the Custodian Bank Agreement;
- To ensure the execution of other duties provided for custodian banks by laws and regulations.

The investment certificates are issued, sold and redeemed pursuant to the requirements of the Law on Investment Management Companies, the fund's Prospectus, and the Fund Management Regulations.

The subfund's property is kept in accordance with the requirements of the Law on Investment Management Companies and the Custodian Bank Agreement.

The net asset value is calculated according to the requirements of the Law on Investment Management Companies, FCMC regulations, the fund's Prospectus, and the Fund Management Regulations.

The company's orders and transactions involving the property of the subfund ABLV Global USD Stock Index Fund of the open-end investment fund ABLV Global Stock Index Fund are in compliance with the requirements of the Law on Investment Management Companies, the fund's Prospectus, the Fund Management Regulations, and the Custodian Bank Agreement.

In the reporting period, there were no errors or illegalities observed in the company's operations involving the subfund's property.

Custodian bank ABLV Bank, AS
Chairman of the Board

Ernests Bernis



Riga, 14 April 2015

Statement of assets and liabilities

			EUR	
Assets	Notes	31/12/2014	31/12/2013	
Demand deposits with credit institutions	4	2,614,770	1,339,772	
Financial assets at fair value through profit or loss		7,649,608	8,388,844	
Shares and other non-fixed income securities	5	7,649,608	8,388,844	
Total assets		10,264,378	9,728,616	
Liabilities				
Accrued expense	6	(22,654)	(21,198)	
Total liabilities		(22,654)	(21,198)	
Net assets		10,241,724	9,707,418	

ABLV Asset Management, IPAS
Chairman of the Board

Leonīds Kijs



ABLV Asset Management, IPAS
Fund Manager

Andrejs Pijka



Riga, 14 April 2015

Statement of income and expense

		EUR	
Income	Notes	01/01/2014- 31/12/2014	01/01/2013- 31/12/2013
Dividends		223,027	144,153
Total		223,027	144,153
Expense			
Remuneration to investment management company		(202,469)	(198,572)
Remuneration to custodian bank		(25,309)	(24,822)
Other fund management expense		(2,258)	(2,100)
Other expense		-	(107)
Total		(230,036)	(225,601)
Increase in investment value			
Realised increase in investment value	7	664,155	589,376
Unrealised increase/ (decrease) in investment value	8	587,129	(36,801)
Taxes and duties		(52,595)	(41,172)
Increase in net assets from investment		1,191,680	429,955

ABLV Asset Management, IPAS
 Chairman of the Board

Leonīds Kijs

ABLV Asset Management, IPAS
 Fund Manager

Andrejs Pijka

Riga, 14 April 2015

Statement of changes in net assets

Item	EUR	
	01/01/2014- 31/12/2014	01/01/2013- 31/12/2013
Net assets at the beginning of the year	9,707,418	8,562,369
Increase in net assets from investment	1,191,680	429,955
Transactions with investment certificates		
Inflow from sale of investment certificates	2,308,988	3,307,517
(Outflow) of redemption of investment certificates	(2,966,362)	(2,592,423)
Total result of transactions with investment certificates	(657,374)	715,094
Increase in net assets for the year	534,306	1,145,049
Net assets at the end of the year	10,241,724	9,707,418
Issued investment certificates at the beginning of the year	1,138,978	1,053,163
Issued investment certificates at the end of the year	1,071,861	1,138,978
Net assets per investment certificate at the beginning of the year	8.52	8.13
Net assets per investment certificate at the end of the year	9.56	8.52

ABLV Asset Management, IPAS
 Chairman of the Board

Leonīds Kijs

ABLV Asset Management, IPAS
 Fund Manager

Andrejs Piļka

Rīga, 14 April 2015

Statement of cash flows

Item	EUR	
	01/01/2014- 31/12/2014	01/01/2013- 31/12/2013
Dividends received	223,095	134,912
Investment management (expense)	(230,624)	(221,750)
(Acquisition) of financial assets	(13,951,427)	(27,689,935)
Disposal of financial assets	15,743,550	26,782,789
Increase/ (decrease) in cash and cash equivalents from operating activities	1,784,594	(993,984)
Inflow from sale of investment certificates	2,308,988	3,307,517
(Outflow) of redemption of investment certificates	(2,966,362)	(2,592,423)
(Decrease)/ increase in cash and cash equivalents from financing activities	(657,374)	715,094
Increase/ (decrease) in cash and cash equivalents for the year	1,127,220	(278,890)
Taxes and duties	(52,597)	(14,993)
Cash and cash equivalents at the beginning of the year	1,339,772	1,542,585
Net foreign exchange difference	200,375	91,069
Cash and cash equivalents at the end of the year	2,614,770	1,339,772

ABLV Asset Management, IPAS
 Chairman of the Board

Leonīds Kijs

ABLV Asset Management, IPAS
 Fund Manager

Andrejs Piļka

Riga, 14 April 2015

Note 1

General information

The subfund ABLV Global USD Stock Index Fund of the open-end investment fund ABLV Global Stock Index Fund is a stock fund registered on 23 March 2007. The registered office of the investment management company is at 23 Elizabetes Street, Riga, LV-1010, Latvia.

The fund's business activity includes investments in ETF securities, which replicate the structure of indexes of emerging and developed countries commercial companies' stocks traded on regulated markets.

The following abbreviations are used in the notes to the financial statements: International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Accounting Standards Board (IASB), International Financial Reporting Interpretations Committee (IFRIC), Financial and Capital Market Commission (FCMC), European Monetary Union (EMU), European Union (EU), Organisation for Economic Cooperation and Development (OECD), and ABLV Asset Management, IPAS (company).

Note 2

Principal accounting policies

Basis of Preparation

These financial statements are based on the accounting records made pursuant to the legislative requirements and prepared in conformity with International Financial Reporting Standards and IFRIC Interpretations as adopted by the European Union, on a going concern basis.

These records are prepared under the historical cost convention, except for financial assets and liabilities which are reported at fair value.

During the year ended 31 December 2014, the subfund consistently applied accounting policies in line with those disclosed in the prior-year financial statements, except for the changes listed below.

The subfund's functional currency is USD. The monetary unit used in the financial statements is the euro (EUR), the monetary unit of the Republic of Latvia. These financial statements are reported in EUR, unless otherwise stated. Information given herein in brackets represents comparative figures for the year ended 31 December 2013, unless otherwise stated.

Adoption of New and/ or Changed IFRSs and IFRIC Interpretations in the Reporting Year

During the year, the subfund has adopted the following IFRS amendments:

- IAS 27 *Separate Financial Statements* (Amended)
- IAS 28 *Investments in Associates and Joint Ventures* (Amended)
- IAS 32 *Financial Instruments: Presentation* (Amended) - *Offsetting Financial Assets and Financial Liabilities*
- IAS 36 *Impairment of Assets* (Amended) – *Recoverable Amount Disclosures for Non-Financial Assets*
- IAS 39 *Financial Instruments* (Amended): *Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting*
- IFRS 10 *Consolidated Financial Statements*, IAS 27 *Separate Financial Statements*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosures of Interests in Other Entities*
- IFRS 10, IFRS 12 and IAS 27 - *Investment Entities* (Amended)

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the subfund, its impact is described below.

Amendment to IAS 27 *Separate Financial Statements*

As a result of the new standards IFRS 10, IFRS 11 and IFRS 12, this standard was amended to contain accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The implementation of this amendment had no impact on the financial statements of the subfund.

Amendment to IAS 28 *Investments in Associates and Joint Ventures*

As a result of the new standards IFRS 11 and IFRS 12, this standard was renamed and addresses the application of the equity method to investments in joint ventures in addition to associates. This amendment had no impact on the financial statements of the subfund.

Amendment to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

These amendments are effective for financial years beginning on or after 1 January 2014. This amendment clarifies the meaning of “currently has a legally enforceable right to set-off” and also clarifies the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. This amendment had no impact on the financial statements of the subfund.

Amendment to IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets

This amendment adds a few additional disclosure requirements about the fair value measurement when the recoverable amount is based on fair value less costs of disposal and removes an unintended consequence of IFRS 13 to IAS 36 disclosures. The amendment did not have any impact on the financial position or performance of the subfund.

Amendment to IAS 39 Financial Instruments: Recognition and Measurement

The amendment provides relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendment did not have any impact on the financial position or performance of the subfund, since it does not apply hedge accounting.

IFRS 10 Consolidated Financial Statements

IFRS 10 establishes a single control model that applies to all entities, including special purpose entities. IFRS 10 replaces the part of IAS 27 *Consolidated and Separate Financial Statements* related to consolidated financial statements and replaces SIC 12 *Consolidation – Special Purpose Entities*.

IFRS 11 Joint Arrangements

IFRS 11 eliminates proportionate consolidation of jointly controlled entities. Under IFRS 11, jointly controlled entities, if classified as joint ventures (a newly defined term), must be accounted for using the equity method. Additionally, jointly controlled assets and operations are joint operations under IFRS 11, and the accounting for those arrangements will generally be consistent with today’s accounting. That is, the entity will continue to recognise its relative share of assets, liabilities, revenues and expenses. The implementation of this amendment had no impact on the financial statements of the subfund, since it has no joint ventures.

IFRS 12 Disclosures of Interests in Other Entities

IFRS 12 combines the disclosure requirements for an entity’s interests in subsidiaries, joint arrangements, investments in associates and structured entities into one comprehensive disclosure standard. A number of new disclosures are also required such as disclosing the judgments made to determine control over another entity. The amendment did not have any impact on the financial position or performance of the subfund.

Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities

The amendments apply to entities that qualify as investment entities. The amendments provide an exception to the consolidation requirements of IFRS 10 by requiring investment entities to measure their subsidiaries at fair value through profit or loss, rather than consolidate them. The implementation of this amendment had no impact on the financial statements of the subfund.

IFRIC Interpretation 21 *Levies* (effective for financial years beginning on or after 17 June 2014). This interpretation addresses the accounting for levies imposed by governments. Liability to pay a levy is recognised in the financial statements when the activity that triggers the payment of the levy occurs.

Standards Issued but not yet Effective

Standards issued but not yet effective or not endorsed by the EU and not early adopted

The subfund has not applied the following IFRS and IFRIC interpretations that have been issued as of the date of authorisation of these financial statements for issue, but which are not yet effective:

IAS 1 Presentation of Financial Statements: Disclosure Initiative (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU). The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible assets (Amendment): Clarification of Acceptable Methods of Depreciation and Amortisation

The amendment is effective for annual periods beginning on or after 1 January 2016. The amendment provides additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated. It is clarified that a revenue-based method is not considered to be an appropriate manifestation of consumption.

Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture: Bearer Plants (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU). Bearer plants will now be within the scope of IAS 16 *Property, Plant and Equipment* and will be subject to all of the requirements therein. The implementation of this amendment will have no impact on the financial statements of the subfund, as the subfund does not have bearer plants.

Amendments to IAS 19 *Employee Benefits* (effective for financial years beginning on or after 1 February 2015). The amendments address accounting for the employee contributions to a defined benefit plan. Since the subfund's employees do not make such contributions, the implementation of this amendment will not have any impact on the financial statements of the subfund.

Amendments to IAS 27 *Equity Method in Separate Financial Statements* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU). The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

IFRS 9 *Financial Instruments* (effective for financial years beginning on or after 1 January 2018, once endorsed by the EU). IFRS 9 will eventually replace IAS 39. The IASB has issued the first three parts of the standard, establishing a new classification and measurement framework for financial assets, requirements on the accounting for financial liabilities and hedge accounting.

Amendments to IFRS 10, IFRS 12 and IAS 28 - *Investment Entities: Applying the Consolidation Exception* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU). The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities.

Amendments to IFRS 10 and IAS 28 – *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU). The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business and partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

IFRS 11 *Joint Arrangements (Amendment): Accounting for Acquisitions of Interests in Joint Operations* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU). IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business in accordance with IFRS and specifies the appropriate accounting treatment for such acquisitions.

IFRS 14 *Regulatory Deferral Accounts* (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU). It is an interim standard that provides first-time adopters of IFRS with relief from derecognising rate-regulated assets and liabilities until a comprehensive project on accounting for such assets and liabilities is completed by the IASB.

IFRS 15 *Revenue from Contracts with Customers* (effective for financial years beginning on or after 1 January 2017, once endorsed by the EU). IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates.

In December 2013 the IASB issued the Annual Improvements to IFRSs 2011 – 2013 Cycle, which is a collection of amendments to the following IFRSs (effective for financial years beginning on or after 1 January 2015, once endorsed by the EU):

- IFRS 1 *First-time Adoption of IFRS*;
- IFRS 3 *Business Combinations*;
- IFRS 13 *Fair Value Measurement*;
- IAS 40 *Investment Property*.

In December 2013 the IASB issued the Annual Improvements to IFRSs 2010 – 2012 Cycle (effective for financial years beginning on or after 1 February 2015, once endorsed by the EU):

- IFRS 2 *Share-based Payment*;
- IFRS 3 *Business Combinations*;
- IFRS 8 *Operating Segments*;
- IFRS 13 *Fair Value Measurement*;
- IAS 16 *Property, Plant and Equipment*;
- IAS 24 *Related Party Disclosures*;
- IAS 38 *Intangible Assets*.

In September 2014 the IASB issued the Annual Improvements to IFRSs 2012 – 2014 Cycle (effective for financial years beginning on or after 1 January 2016, once endorsed by the EU):

- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operation*;
- IFRS 7 *Financial Instruments: Disclosures*;
- IAS 19 *Employee Benefits*;
- IAS 34 *Interim Financial Reporting*.

The subfund is in the process of assessing the impact of the amended standards on the financial position or performance of the subfund.

The subfund plans to adopt the above mentioned standards and interpretations on their effectiveness date provided they are endorsed by the EU.

Significant Accounting Estimates and Assumptions

The preparation of financial statements in accordance with IFRS as adopted by the EU requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events occur which cause the assumptions used in arriving at the estimates to change. Such estimates and assumptions are based on most reliable information available to the management in respect to specific events and actions. The effect of any changes in estimates will be recorded in the financial statements when determinable. The significant areas of estimation and assumptions relate to determining the fair value of financial assets.

Revenue and Expense Recognition

All major revenue and expense items are recognised on an accrual basis. Interest revenue is recognised in the period when earned using the effective interest rate. Interest revenue and expense also include amortisation of any discount or premium. Dividend revenue is recognised when received.

The difference between the acquisition price and the value of a financial instrument (hereinafter – a 'Day 1' profit or loss) is not recognised in the statement of income and expense at the acquisition date. The 'Day 1' profit or loss from transactions is recognised on an individual basis. The difference is either recognised in the statement of income and expense during the term of the transaction, or deferred and recognised only when the fair value of the financial instrument may be determined using observable data, or recognised in the statement of income and expense upon derecognition of a financial instrument. The financial instrument is subsequently stated at fair value adjusted by the deferred 'Day 1' profit or loss. Fair value changes are recognised in the statement of income and expense without making adjustments to the deferred 'Day 1' profit or loss.

Foreign Currency Translation

The subfund's functional currency is USD but, according to the FCMC requirements, the fund ensures accounting also in EUR. These financial statements are prepared based on transaction accounting in EUR. Income or expense resulting from changes in exchange rates is included in the statement of income and expense of the reporting period. Income or expense in foreign currencies is translated into EUR at the exchange rate set by the ECB (the Bank of Latvia by 31 December 2013 (inclusive)) at the date of recognition of the respective items, while REUTERS exchange rates are applied to the foreign currencies having no EUR foreign exchange reference rates published by the ECB.

Cash and Cash Equivalents

Cash and cash equivalents comprise subfund's demand deposits with credit institutions and term deposits with credit institutions with a contractual original maturity of three months or less. Cash and cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of essential change in value.

Recognition and Derecognition of Financial Assets and Liabilities

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the subfund; or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the subfund; or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

The fund recognises financial assets and liabilities in its statement of assets and liabilities when, and only when, the fund becomes a party to the contractual provisions of the instrument.

A financial asset is derecognised only when the contractual rights to receive cash flows from the asset have expired, or the subfund has transferred the financial asset and substantially all the risks and rewards of the asset to the counterparty.

A financial liability is derecognised only when the obligation under the liability is discharged according to the contract or cancelled or expires.

All purchases and sales of financial assets are recognised and derecognised on the settlement date. The acquisition value of securities is determined on a weighed average cost basis.

Fair Value of Financial Assets and Liabilities

Fair value is the amount for which an asset could be exchanged or a liability settled between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction. The best evidence of fair value of financial assets and liabilities is quoted prices in an active market. If the market for a financial asset or liability is inactive, fair value is established by using a valuation technique, including discounted cash flow analysis, recent transactions that are substantially the same, as well as management estimates and assumptions.

Financial Instruments

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are fixed income held-for-trading securities, i.e., securities acquired for generating a profit from short-term fluctuations in price.

Securities are initially stated at fair value, including transaction costs, and further marked-to-market on the basis of quoted market prices. Any gain or loss resulting from revaluation of securities at fair value as well as any gain or loss resulting from disposal of the above securities is included in the statement of income and expense.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables comprise balances due from credit institutions. Those are carried at amortised cost using the effective interest method.

An impairment allowance is established when there is objective evidence that the subfund will not be able to collect all amounts due according to the original terms. The amount of the allowance is the difference between the amortised cost and the recoverable amount.

Taxes

The subfund's income is subject to income taxes in the country of its origin. Basically, the subfund's income is exempt from income taxes. The subfund is not a Latvian corporate income tax payer, and upon redemption of the subfund's investment certificates, no income taxes are charged on increases in value.

Note 3

Risk management

Risks are inherent in the investment process and risk management is one of the fund's strategic values, which is based on the confidence that efficient risk management is critical for the success of the fund. Managing risks permits keeping the fund's exposure at a level meeting its willingness and ability to undertake risks.

The key investment risks are market risk (price risk and interest rate risk), liquidity risk, credit risk, legal risk, strategic risk, information risk, foreign investment risk, and other business-related risks. Considering that the company makes investments only in the subfund's base currency (USD), there is no exposure to currency risk.

The company acts in strict compliance with the provisions and restrictions of the prospectuses, agreements, and Latvian laws, as well as assesses the compliance of the investments made on an ongoing basis.

To minimise the investment risks, the subfund is managed following the risk diversification and hedging principles. The company applies qualitative and quantitative assessments to manage financial risks. According to the qualitative assessment, investments are made in assets corresponding to certain parameters. In planning investments, the company takes into consideration investment safety in each particular country and particular financial instruments and term deposits with banks, i.e., analyses credit ratings granted to the respective country, bank or company. In developing the investment strategy and stating limits, the company performs an analysis of the subfund's investments by maturity, geographical placements, currency profile, industry, etc., assessing the risks inherent in each of the above factors. Meanwhile, the quantitative assessment is expressed as limits set for specific investment types, countries and regions, industries, specific issuers and counterparties.

In developing the investment strategy and stating limits, the company performs an analysis of the subfund's investments by maturity, geographical placements, currency profile, industry, etc., assessing the risks inherent in each of the above factors.

When investments are made abroad, particular attention is paid to expected investment-related currency fluctuations against the subfund's base currency. For risk mitigation purposes, the company performs:

- Country assessment according to international rating agencies scale;
- Assessment of the political situation in the country;
- Assessment of the economic situation in the country.

In spite of the fact that the company makes investments only in the subfund's base currency, currency risk should also be considered. As a rule, MSCI indexes, which are indexes underlying ETFs, reflect the changes in equity prices in the currency of a respective country. Therefore, the ETF dynamics and the underlying index dynamics may differ significantly in the event of changes in the rate of the base currency against the rate of the respective country's currency. This risk is mitigated following the investment diversification principle.

The investment strategy of the subfund is aimed at minimising the aforementioned risks to the maximum extent possible; however, the company cannot guarantee that these risks can be completely avoided in the future.

Note 4

Demand deposits with credit institutions

	31/12/2014		31/12/2013	
	Carrying amount	Carrying amount to subfund's assets	Carrying amount	Carrying amount to subfund's assets
Demand deposits with credit institutions	EUR	%	EUR	%
Demand deposits with ABLV Bank, AS	2,614,770	25.47	1,339,772	13.77
Total demand deposits with credit institutions	2,614,770	25.47	1,339,772	13.77

As at 31 December 2014 and 2013, demand deposits with credit institutions were neither past due nor impaired.

Note 5

Financial assets at fair value through profit or loss

All shares and other non-fixed income securities are classified as financial assets at fair value through profit or loss. All securities are quoted and traded on a regulated market (on an exchange).

Shares and other non-fixed income securities by country profile and issuers as at 31 December 2014:

Issuer	Amount	Acquisition value	Carrying amount	Carrying amount
	number	EUR	EUR	to fund's assets (%)
USA	22,107	2,051,738	2,302,177	22.43
iShares MSCI Emerging Markets IndexFund	38	1,284	1,218	0.01
iShares S&P Latin America 40 IndexFund	158	4,908	4,150	0.04
Powershares QQQ	10,561	731,893	897,881	8.75
SPDR DJIA TRUST	3,300	421,313	483,706	4.71
SPDR Trust Series 1	2,595	441,970	439,319	4.28
VANGUARD TOTAL STOCK MKT ETF	5,455	450,370	475,903	4.64

Table (cont'd)

Issuer	Amount number	Acquisition value EUR	Carrying amount EUR	Carrying amount to fund's assets (%)
UAE	203	6,914	6,561	0.06
iShares MSCI Emerging Markets IndexFund	203	6,914	6,561	0.06
Bermuda	21	1,839	1,932	0.02
SPDR Trust Series 1	1	181	179	0.00
VANGUARD TOTAL STOCK MKT ETF	20	1,658	1,753	0.02
Brazil	26,908	971,278	793,680	7.73
iShares MSCI Brazil Index Fund	18,500	702,403	556,783	5.43
iShares MSCI Emerging Markets IndexFund	2,711	92,353	87,636	0.85
iShares S&P Latin America 40 IndexFund	5,697	176,522	149,261	1.45
Czech Republic	73	2,469	2,343	0.02
iShares MSCI Emerging Markets IndexFund	73	2,469	2,343	0.02
Chile	1,525	48,516	42,483	0.41
iShares MSCI Emerging Markets IndexFund	415	14,125	13,403	0.13
iShares S&P Latin America 40 IndexFund	1,110	34,391	29,080	0.28
South Africa	2,248	76,550	72,640	0.71
iShares MSCI Emerging Markets IndexFund	2,248	76,550	72,640	0.71
Egypt	41	1,383	1,312	0.01
iShares MSCI Emerging Markets IndexFund	41	1,383	1,312	0.01
Philippines	509	20,213	19,024	0.19
ISHARES MSCI ASIA EX-JAPAN	144	7,768	7,214	0.07
iShares MSCI Emerging Markets IndexFund	365	12,445	11,810	0.12
Greece	171	5,828	5,530	0.05
iShares MSCI Emerging Markets IndexFund	171	5,828	5,530	0.05
Hong Kong	32,867	678,629	681,153	6.64
iShares FTSE/Xinhua China 25 IndexFund	2,897	89,915	99,070	0.97
ISHARES MSCI ASIA EX-JAPAN	1,647	88,988	82,647	0.81
iShares MSCI Emerging Markets IndexFund	1,421	48,399	45,927	0.45
iShares MSCI Hong Kong Index Fund	26,594	447,097	449,483	4.38
ISHARES MSCI SINGAPORE	301	3,457	3,236	0.03
SPDR Trust Series 1	3	451	449	0.00
VANGUARD TOTAL STOCK MKT ETF	4	322	341	0.00
India	2,974	118,076	111,128	1.08
ISHARES MSCI ASIA EX-JAPAN	842	45,477	42,237	0.41
iShares MSCI Emerging Markets IndexFund	2,132	72,599	68,891	0.67
Indonesia	1,101	43,681	41,113	0.40
ISHARES MSCI ASIA EX-JAPAN	309	16,716	15,525	0.15
iShares MSCI Emerging Markets IndexFund	792	26,965	25,588	0.25
Israel	34	2,363	2,899	0.03
Powershares QQQ	34	2,363	2,899	0.03
Ireland	115	10,590	11,553	0.11
Powershares QQQ	50	3,430	4,208	0.04
SPDR Trust Series 1	21	3,521	3,499	0.03
VANGUARD TOTAL STOCK MKT ETF	44	3,639	3,846	0.04
Japan	10,800	421,213	438,102	4.27
WISDOMTREE JAPAN HEDGED EQ	10,800	421,213	438,102	4.27
Cayman Islands	1	46	49	0.00
VANGUARD TOTAL STOCK MKT ETF	1	46	49	0.00
Canada	2	184	195	0.00
VANGUARD TOTAL STOCK MKT ETF	2	184	195	0.00

Table (cont'd)

Issuer	Amount number	Acquisition value EUR	Carrying amount EUR	Carrying amount to fund's assets (%)
Qatar	258	8,791	8,342	0.08
iShares MSCI Emerging Markets IndexFund	258	8,791	8,342	0.08
Cyprus	162	3,213	1,954	0.02
Market Vectors Russia ETF	162	3,213	1,954	0.02
Colombia	503	16,287	14,588	0.14
iShares MSCI Emerging Markets IndexFund	232	7,902	7,498	0.07
iShares S&P Latin America 40 IndexFund	271	8,385	7,090	0.07
Republic of Korea (South Korea)	16,070	736,615	683,378	6.66
ISHARES MSCI ASIA EX-JAPAN	1,656	89,480	83,103	0.81
iShares MSCI Emerging Markets IndexFund	4,214	143,518	136,188	1.33
ISHARES MSCI SOUTH KOREA INDEX FUND	10,200	503,617	464,087	4.52
Russia	8,347	181,664	123,924	1.20
iShares MSCI Emerging Markets IndexFund	1,157	39,411	37,398	0.36
Market Vectors Russia ETF	7,190	142,253	86,526	0.84
China	19,085	649,225	676,771	6.59
iShares FTSE/Xinhua China 25 IndexFund	12,603	391,171	431,001	4.20
ISHARES MSCI ASIA EX-JAPAN	1,763	95,232	88,446	0.86
iShares MSCI Emerging Markets IndexFund	4,434	151,025	143,311	1.40
ISHARES MSCI SINGAPORE	138	1,582	1,481	0.01
Powershares QQQ	147	10,215	12,532	0.12
UK	318	12,134	11,486	0.12
Market Vectors Russia ETF	225	4,447	2,705	0.03
Powershares QQQ	65	4,498	5,518	0.05
SPDR Trust Series 1	10	1,715	1,705	0.02
VANGUARD TOTAL STOCK MKT ETF	18	1,474	1,558	0.02
Luxembourg	22	443	270	0.00
Market Vectors Russia ETF	22	443	270	0.00
Macao	1,406	23,631	23,757	0.23
iShares MSCI Hong Kong Index Fund	1,406	23,631	23,757	0.23
Malaysia	1,461	57,978	54,569	0.53
ISHARES MSCI ASIA EX-JAPAN	411	22,222	20,639	0.20
iShares MSCI Emerging Markets IndexFund	1,050	35,756	33,930	0.33
Malta	15	494	469	0.00
iShares MSCI Emerging Markets IndexFund	15	494	469	0.00
Mexico	13,911	656,395	577,974	5.64
iShares MSCI Emerging Markets IndexFund	1,479	50,375	47,802	0.47
iShares MSCI Mexico Investable Market Index Fund	9,000	499,677	440,252	4.29
iShares S&P Latin America 40 IndexFund	3,432	106,343	89,920	0.88
Netherlands	465	12,537	10,398	0.11
Market Vectors Russia ETF	400	7,914	4,813	0.05
Powershares QQQ	59	4,116	5,050	0.05
VANGUARD TOTAL STOCK MKT ETF	6	507	535	0.01
Other countries	152	7,167	6,733	0.07
ISHARES MSCI ASIA EX-JAPAN	91	4,916	4,566	0.05
iShares MSCI Emerging Markets IndexFund	58	1,975	1,875	0.02
VANGUARD TOTAL STOCK MKT ETF	3	276	292	0.00
Peru	434	13,750	11,985	0.12
iShares MSCI Emerging Markets IndexFund	102	3,457	3,281	0.03
iShares S&P Latin America 40 IndexFund	332	10,293	8,704	0.09

Table (cont'd)

Issuer	Amount	Acquisition value	Carrying amount	Carrying amount
	number	EUR	EUR	to fund's assets (%)
Poland	487	16,594	15,746	0.15
iShares MSCI Emerging Markets IndexFund	487	16,594	15,746	0.15
Singapore	15,172	201,361	189,558	1.85
ISHARES MSCI ASIA EX-JAPAN	544	29,400	27,305	0.27
ISHARES MSCI SINGAPORE	14,560	166,933	156,267	1.52
Powershares QQQ	59	4,116	5,050	0.05
SPDR Trust Series 1	3	451	449	0.00
VANGUARD TOTAL STOCK MKT ETF	6	461	487	0.01
Spain	9	296	281	0.00
iShares MSCI Emerging Markets IndexFund	9	296	281	0.00
Switzerland	63	6,497	6,958	0.07
Powershares QQQ	24	1,677	2,057	0.02
SPDR Trust Series 1	18	3,069	3,051	0.03
VANGUARD TOTAL STOCK MKT ETF	21	1,751	1,850	0.02
Taiwan	41,498	676,539	640,118	6.24
ISHARES MSCI ASIA EX-JAPAN	1,411	76,255	70,820	0.69
iShares MSCI Emerging Markets IndexFund	3,587	122,183	115,942	1.13
iShares MSCI Taiwan Index Fund	36,500	478,101	453,356	4.42
Thailand	992	39,392	37,073	0.36
ISHARES MSCI ASIA EX-JAPAN	281	15,192	14,109	0.14
iShares MSCI Emerging Markets IndexFund	711	24,200	22,964	0.22
Turkey	542	18,471	17,527	0.17
iShares MSCI Emerging Markets IndexFund	542	18,471	17,527	0.17
Ukraine	3	99	94	0.00
iShares MSCI Emerging Markets IndexFund	3	99	94	0.00
Hungary	55	1,877	1,781	0.02
iShares MSCI Emerging Markets IndexFund	55	1,877	1,781	0.02
Total shares and other non-fixed income securities		7,802,960	7,649,608	74.53

Shares and other non-fixed income securities by geographical area:

Geographical area	31/12/2014		31/12/2013	
	Carrying amount	Carrying amount to	Carrying amount	Carrying amount to
	EUR	subfund's assets %	EUR	subfund's assets %
OECD countries	4,071,695	39.67	5,885,040	60.49
Other countries	3,516,101	34.25	1,097,137	11.28
Other EU Member States	31,356	0.31	898,231	5.23
EMU countries	30,456	0.30	508,436	9.23
Total shares and other non-fixed income securities	7,649,608	74.53	8,388,844	86.23

No payments for securities were past due in the reporting period.

Note 6

Accrued expense

EUR		
Item	31.12.2014	31.12.2013
Accrued commission fees payable to investment management company	18,130	17,068
Accrued fees payable for professional services	1,960	1,961
Accrued commission fees payable to custodian bank	2,266	2,133
Accrued payments to stock exchange	298	36
Total accrued expense	22,654	21,198

Note 7

Realised investment value

EUR		
Item	01/01/2014- 31/12/2014	01/01/2013- 31/12/2013
Income from sale of investments	15,743,550	26,782,788
(Acquisition) value of investments sold	(15,079,395)	(26,193,412)
Total realised increase in investment value	664,155	589,376

Note 8

Unrealised investment value

EUR		
Item	01/01/2014- 31/12/2014	01/01/2013- 31/12/2013
Revaluation of financial assets at fair value through profit or loss	(626,434)	292,790
Currency exchange difference	1,213,563	(329,591)
Total unrealised increase/ (decrease) in investment value	587,129	(36,801)

Note 9

Change in investment assets during the reporting year

Changes in the investment portfolio in 2014:

EUR						
Item	01/01/2014	Increase for the reporting year	Decrease for the reporting year	Fair value revaluation result	Foreign currency translation result	31/12/2014
Financial assets at fair value through profit or loss	8,388,844	14,615,582	(15,743,550)	(626,434)	1,015,166	7,649,608
Total assets	8,388,844	14,615,582	(15,743,550)	(626,434)	1,015,166	7,649,608

Changes in the investment portfolio in 2013:

EUR

Item	01/01/2013	Increase for the reporting year	Decrease for the reporting year	Fair value revaluation result	Foreign currency translation result	31/12/2013
Financial assets at fair value through profit or loss	7,021,005	28,279,311	(26,782,789)	292,790	(421,473)	8,388,844
Total assets	7,021,005	28,279,311	(26,782,789)	292,790	(421,473)	8,388,844

Note 10

Credit risk

Credit risk is a risk that the subfund's value will decrease from counterparty's or issuer's non-performance or default.

Considering that the subfund makes investments chiefly in ETFs that reflect the fund index dynamics for certain countries and regions, thereby achieving the maximum diversification, credit risk associated with investments is low.

Assets and liabilities by geographical area as at 31 December 2014:

EUR

Assets	Latvia	EMU countries	EU Member States	OECD countries	Other countries	Total
Demand deposits with credit institutions	2,614,770	-	-	-	-	2,614,770
Financial assets at fair value through profit or loss	-	30,456	31,356	4,071,695	3,516,101	7,649,608
Total assets	2,614,770	30,456	31,356	4,071,695	3,516,101	10,264,378
Liabilities						
Accrued expense	(22,654)	-	-	-	-	(22,654)
Total liabilities	(22,654)	-	-	-	-	(22,654)
Net assets, total	2,592,116	30,456	31,356	4,071,695	3,516,101	10,241,724

Assets and liabilities by geographical area as at 31 December 2013:

EUR

Assets	Latvia	EMU countries	EU Member States	OECD countries	Other countries	Total
Demand deposits with credit institutions	1,339,772	-	-	-	-	1,339,772
Financial assets at fair value through profit or loss	-	508,436	898,231	5,885,040	1,097,137	8,388,844
Total assets	1,339,772	508,436	898,231	5,885,040	1,097,137	9,728,616
Liabilities						
Accrued expense	(21,198)	-	-	-	-	(21,198)
Total liabilities	(21,198)	-	-	-	-	(21,198)
Net assets, total	1,318,574	508,436	898,231	5,885,040	1,097,137	9,707,418

Breakdown of shares and other non-fixed income securities by industry profile:

Industry	31/12/2014		31/12/2013	
	Carrying amount	Carrying amount to subfund's assets	Carrying amount	Carrying amount to subfund's assets
	EUR	%	EUR	%
Information and communication services	2,156,875	21.02	1,931,528	19.85
Finance	1,889,120	18.41	1,746,980	17.96
Production of consumer goods	1,838,473	17.91	2,389,840	24.57
Mining	584,555	5.69	443,302	4.56
Manufacturing	401,780	3.91	943,295	9.70
Energy	398,989	3.89	696,451	7.16
Utilities	208,459	2.03	188,723	1.94
Other industries	171,357	1.67	48,725	0.49
Total debt securities and other fixed income securities	7,649,608	74.53	8,388,844	86.23

The maximum exposure to credit risk is assessed without taking into account collateral and other credit enhancements.

Analysis of the subfund's maximum credit risk exposure:

Assets	31/12/2014		31/12/2013	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
	EUR			
Demand deposits with credit institutions	2,614,770	2,614,770	1,339,772	1,339,772
Financial assets at fair value through profit or loss	7,649,608	7,649,608	8,388,844	8,388,844
Total assets	10,264,378	10,264,378	9,728,616	9,728,616

Note 11

Financial risks

Liquidity risk

Liquidity risk is the risk that the fund will sustain a loss if subfund's assets cannot be realised at minimal expense within a certain period of time.

Liquidity risk is minimised by holding part of the subfund's assets as cash and short-term debt securities as well as high-quality, highly liquid securities, ensuring the adequate diversification of the investments and fixing maturity dates within a wide maturity range, analysing the data regarding the plans changed by the participants and related cash flows as well as forecasting the fund's participants and cash flows.

Assets and liabilities by maturity profile as at 31 December 2014:

	EUR		
Assets	Up to 1 month	1 - 12 months	Total
Demand deposits with credit institutions	2,614,770	-	2,614,770
Financial assets at fair value through profit or loss	7,649,608	-	7,649,608
Total assets	10,264,378	-	10,264,378
Liabilities			
Accrued expense	(20,396)	(2,258)	(22,654)
Total liabilities	(20,396)	(2,258)	(22,654)
Net assets	10,243,982	(2,258)	10,241,724

Assets and liabilities by maturity profile as at 31 December 2013:

	EUR		
Assets	Up to 1 month	1 - 12 months	Total
Demand deposits with credit institutions	1,339,772	-	1,339,772
Financial assets at fair value through profit or loss	8,388,844	-	8,388,844
Total assets	9,728,616	-	9,728,616
Liabilities			
Accrued expense	(19,201)	(1,997)	(21,198)
Total liabilities	(19,201)	(1,997)	(21,198)
Net assets	9,709,415	(1,997)	9,707,418

Price risk

Price risk is a risk of potential loss due to adverse changes in the market prices of financial instruments. There exist two types of price risk: systematic and specific risk.

Systematic risk represents changes in stock indexes of a respective country, while specific risk demonstrates potential changes in the individual issuer's financial position. Considering that the Stock Index subfund hedges its market risk by making investments in various index funds traded on US and European stock exchanges, specific risk is minimised, whereas the exposure to systematic risk still remains. Systematic risk is managed by conducting a fundamental analysis of the countries and regions selected for investing, based on the forecasts regarding the global economic development. This risk is assessed by calculating the volatility of the subfund's market prices. Although the historical performance does not always provide a sound basis for forecasting future income, it still demonstrates the potential volatility of the subfund's prices. As a rule, the higher price volatility, the higher investor risk. The lowest potential yield due to price volatility is calculated as a deviation from the 2014 yield subject to the 95% confidence level, i.e., that is the probability that the subfund's yield cannot be below the lowest level assuming a normal distribution of the market price volatility.

Analysis of volatility of the subfund's market prices:

	31/12/2014	31/12/2013
	%	%
Annual volatility	11.03	10.15
Annual yield	(0.26)	10.24
Lowest potential yield subject to the 95% confidence level	(18.39)	(6.45)

The annual volatility is calculated by extrapolating the daily yield volatility estimated for the previous year. The daily yield volatility is determined as the standard deviation from the natural logarithms of the daily yield for the reporting year.

The annual yield is computed as the relative difference in the subfund's prices at the year end against the previous reporting date.

The lowest potential yield subject to the 95% confidence level is determined on the basis of a normal distribution assumption where the average expected value is the estimated annual yield, while the standard deviation is the estimated annual volatility.

Note 12

Information on holders of investment certificates

The proportion of investment certificates held by related parties of the company:

Item	31/12/2014		31/12/2013	
	Number of certificates	% of total certificates	Number of certificates	% of total certificates
Investment certificates held by related parties	25,298	2.36%	24,443	2.15%
Investment certificates held by other persons	1,046,563	97.64%	1,114,535	97.85%
Investment certificates issued as at the year end	1,071,861	100.00%	1,138,978	100.00%

Note 13

Related party disclosures

The majority of the subfund's investments are acquired with the mediation of the custodian bank ABLV Bank, AS. ABLV Bank, AS also receives remuneration as the custodian bank, as disclosed in the statement of income and expense. In addition, the subfund's cash is held with ABLV Bank, AS (see Note 4).

The remuneration paid to the investment management company during the reporting year is disclosed in the statement of income and expense.

During the reporting year, related parties acquired 6,433 (273) investment certificates and sold 5,578 (68,898) investment certificates of the subfund.

Note 14

Pledged assets

During the reporting year, no guarantees or collateral have been issued by the subfund, neither has it pledged or otherwise caused any encumbrance or lien on its assets.

Note 15

Fair value

Fair value of financial instruments, such as financial assets at fair value through profit or loss, is mostly defined based on quoted prices in an active market. Where such price is not observable, the respective instruments are valued based on observable prices in a market, where no active trading is done. For financial assets which are not quoted in the market and for which no quoted prices for similar assets in active markets are available, the fair value is estimated based on valuation models which are based on the assumptions and estimates regarding the potential future financials of the investment property, and the industry and geographical area risks in which the respective investment property operates. For other assets and liabilities for which fair value is disclosed and which have short maturities (less than three months), it is assumed that the fair value approximates to their carrying amount. This assumption also applies to demand deposits with credit institutions.

Hierarchy of input data for determining the fair value of assets and liabilities

The following hierarchy of three levels of input data is used for determining and disclosing the fair value of assets and liabilities:

- Level 1: Quoted prices in active markets;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable;
- Level 3: Other techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The subfund's assets according to the hierarchy of input data for determining the fair value:

	EUR	
	31/12/2014	31/12/2013
Financial assets	Level 1	Level 1
Demand deposits with credit institutions	2,614,770	1,339,772
Financial assets at fair value through profit or loss	7,649,608	8,388,844
Total financial assets	10,264,378	9,728,616

Note 16

Dynamics of performance

Dynamics of investment subfund's annual performance*:

Item	31/12/2014	31/12/2013
Net assets (EUR)	10,241,724	9,707,418
Number of investment certificates	1,071,861	1,138,978
Value of investment fund's investment certificates (EUR)	9.56	8.52
Net assets (USD)	12,434,477	13,247,402
Number of investment certificates	1,071,861	1,138,978
Value of investment fund's investment certificates (USD)	11.60	11.63
Annual performance on investment subfund's investment certificates (USD)	(0.26%)	10.24%

* -Performance is calculated as the value of the subfund's share at the end of the year to its value at the beginning of the year. This ratio is expressed as annual percentage raised to the power, where the dividend is 365, but the divisor is the number of days of the reporting period.

Note 17

Events after reporting date

As of the last day of the reporting year until the date of approval of these financial statements there have been no significant events that could produce a material effect on the subfund's performance for the year.



Building a better
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INDEPENDENT AUDITORS' REPORT

To the shareholders of AIF ABLV Global USD Stock Index Fund

Report on the financial statements

We have audited the accompanying financial statements of AIF ABLV Global USD Stock Index Fund (the "Fund"), set out on pages 7 through 25 of the accompanying 2014 Annual Report, which comprise the statement of assets and liabilities as at 31 December 2014, and the statement of income and expense, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

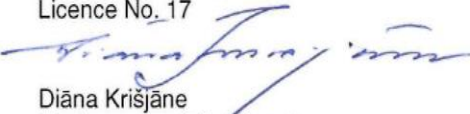
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of AIF ABLV Global USD Stock Index Fund as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

Furthermore, we have read the investment management company report for the year ended 31 December 2014 (set out on page 4 of the accompanying 2014 Annual Report) and have not noted any material inconsistencies between the financial information included in it and the financial statements for the year ended 31 December 2014.

SIA Ernst & Young Baltic
Licence No. 17


Diāna Krisjāne
Chairperson of the Board
Latvian Certified Auditor
Certificate No. 124

Rīga, 14 April 2015