



ABLV

BANKING / INVESTMENTS \ ADVISORY

Open-end investment fund  
ABLV European Corporate EUR Bond Fund

unaudited report for the period  
from 6 June 2013 to 30 June 2013

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## General information

Name of the fund:	ABLV European Corporate EUR Bond Fund
Category of the fund:	Open-end investment fund
Type of the fund:	Bond fund
Registration date of the fund:	16 May 2013
Number of the fund:	FL129-02.01.02.263/108
Name of the investment manager:	ABLV Asset Management, IPAS
Registered office of the investment manager:	Elizabetes iela 23, Riga, LV-1010
Registration number of the investment manager:	40003814724
Licence number of the investment manager:	06.03.07.263/204
Date of the licence:	04 August 2006
Name of the custodian bank:	ABLV Bank, AS
Registered office of the custodian bank:	Elizabetes iela 23, Riga, LV-1010
Registration number of the custodian bank:	50003149401
Names and positions of council members, board members of the investment manager, and fund manager: Sergejs Gačenko	<p>Council of the investment manager:</p> <p>Chairman of the Council - Ernests Bernis Deputy Chairman of the Council - Māris Kanneņieks Council Member - Vadims Reinfelds</p> <p>Board of the investment manager:</p> <p>Chairman of the Board - Leonīds Kijs Deputy Chairman of the Board - Jevgenijs Gžibovskis Board Member - Vadims Burcevs</p> <p>Fund Manager - Sergejs Gačenko</p>
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 manager and manage several funds of one investment manager.

## Report of the Investment Management Company

On 6 June 2013, the open-end investment fund ABLV European Corporate EUR Bond Fund (hereinafter referred to as the Fund) commenced its operations as a corporate bond fund with the investment currency EUR.

ABLV Asset Management, IPAS (ABLV Asset Management, IPAS new name 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, licence for investment management activities No 06.03.07.263/204, and it is located in Riga, at Elizabetes iela 23.

The Corporate Bond Fund with moderate investment strategy and balanced risk level is established with the aim of achieving long-term capital growth. For this purpose, the Fund's assets are invested in debt securities issued or guaranteed by commercial companies or credit institutions registered in European countries.

The year 2013 is the first year of operations of ABLV European Corporate EUR Bond Fund. As at the end of June 2013, the Fund's net assets amounted to EUR 4,262,699 (LVL 2,995,842), and its yield since the Fund establishment was - 6.79%, average term to maturity was 3.5 years, average weighted rating of the investment portfolio was BB, and yield to maturity was 4.56%.

The minimum amount of investment in the Fund is EUR 1,000.

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

In order to regularly provide information on situation in the world financial markets to current and prospective customers of ABLV Asset Management, IPAS, detailed monthly analysis of macroeconomic situation prepared by our chief analyst is published at ABLV Bank, AS home page [www.ablv.com](http://www.ablv.com). Whereas the customers who invested in funds managed by ABLV Asset Management, IPAS each month are sent comments of the funds' manager, containing information on market situation, funds' performance and actions taken by the fund manager.

To ensure diversification and minimize risks, the company constantly pays great attention to risk management issues. The company has established an Investment Strategy Committee, which determines the company's investment strategy, risk limits and financial markets where 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.

The company will continue its efforts to efficiently manage the Fund's assets in order to increase the number of the Fund's investors and net assets in 2013.

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**

ABLV Asset Management, IPAS  
Fund Manager

**Sergejs Gačenko**

Riga, 30 July 2013

## Statement of assets and liabilities

		LVL
<b>Assets</b>	Notes	30.06.2013
Demand deposits with credit institutions	2	1,791,095
Financial assets at fair value through profit or loss		1,207,422
Debt securities and other fixed income securities	3	1,207,422
<b>Total assets</b>		<b>2,998,517</b>
<b>Liabilities</b>		
Accrued expense		(2,675)
<b>Total liabilities</b>		<b>(2,675)</b>
<b>Net assets</b>		<b>2,995,842</b>

ABLV Asset Management, IPAS  
Chairman of the Board

**Leonīds Kijs**

ABLV Asset Management, IPAS  
Fund Manager

**Sergejs Gačenko**

Riga, 30 July 2013

## Statement of income and expense

	LVL
	06.06.2013- 30.06.2013
<b>Income</b>	
Interest revenue	2,866
<b>Total</b>	<b>2,866</b>
<b>Expense</b>	
Remuneration to investment manager	(2,075)
Remuneration to custodian bank	(415)
Other fund management expense	(185)
Other expense	(387)
<b>Total</b>	<b>(3,062)</b>
<b>Decrease in investment value</b>	
Unrealised decrease in investment value	(15,577)
<b>Decrease in net assets from investment</b>	<b>(15,773)</b>

ABLV Asset Management, IPAS  
Chairman of the Board

**Leonīds Kiļs**

ABLV Asset Management, IPAS  
Fund Manager

**Sergejs Gačenko**

Riga, 30 July 2013

## Statement of changes in net assets

	LVL
Item	06.06.2013- 30.06.2013
<b>Net assets at the beginning of the period</b>	-
Decrease in net assets from investment	(15,773)
Transactions with investment certificates	
Inflow from sale of investment certificates	3,011,615
<b>Total result of transactions with investment certificates</b>	<b>3,011,615</b>
<b>Increase in net assets for the period</b>	<b>2,995,842</b>
<b>Net assets at the end of the period</b>	<b>2,995,842</b>
Issued investment certificates at the beginning of the period	-
Issued investment certificates at the end of the period	428,533
Net assets per investment certificate at the beginning of the period	-
Net assets per investment certificate at the end of the period	6.99

ABLV Asset Management, IPAS  
Chairman of the Board

**Leonīds Kijs**

ABLV Asset Management, IPAS  
Fund Manager

**Sergejs Gačenko**

Riga, 30 July 2013

## Note 1

### General information

The open-end investment fund ABLV European Corporate EUR Bond Fund is a corporate bond fund registered on 16 May 2013. The registered address of its investment manager is Elizabetes iela 23, Riga, LV-1010, Latvia.

The Fund's business includes investments in debt securities issued or guaranteed by commercial companies or credit institutions registered in European countries.

The Fund's financial statements have been prepared in accordance with the laws of the Republic of Latvia and the Regulations of the Financial and Capital Market Commission on the Preparation of Reports of Investment Funds, on a going concern basis. Appropriate accounting policies have been applied on a consistent basis in the reporting period. Prudent and reasonable judgements have been made by the management in the preparation of the financial statements.

The Fund's functional currency is EUR. The monetary unit used in the financial statements is lat (LVL), the monetary unit of the Republic of Latvia. These financial statements have been prepared in lats, unless otherwise stated.

Assets and liabilities denominated in foreign currencies are translated into lats at the official exchange rate of the bank of Latvia at the reporting date (lats per foreign currency unit):

Reporting date	EUR
30 June 2013	0.702804

The following abbreviations are used in the notes to the financial statements: Financial and Capital Market Commission (FCMC), European Monetary Union (EMU), European Union (EU), Organisation for Economic Cooperation and Development (OECD), Republic of Latvia (RL), ABLV Asset Management, IPAS (the Company), open-end investment fund (AIF).

## Note 2

### Demand deposits with credit institutions

	30.06.2013	
	Carrying amount	Carrying amount to fund's assets
<b>Demand deposits with credit institutions</b>	LVL	%
Demand deposits with ABLV Bank, AS	1,791,095	59.73
<b>Total demand deposits with credit institutions</b>	<b>1,791,095</b>	<b>59.73</b>

## Note 3

### Debt securities and other fixed income securities

All debt securities and other fixed income securities are classified as financial assets at fair value through profit or loss. All securities are listed on the regulated market (stock exchange). All securities are traded over-the-counter.



Financial assets at fair value through profit or loss by geographical placement:

Geographical placement	30.06.2013	
	Carrying amount	Carrying amount to fund's assets
	LVL	%
EMU countries	762,026	25.41
Other countries	225,535	7.53
OECD countries	112,851	3.76
Other EU Member States	107,010	3.57
<b>Total debt securities and other fixed income securities</b>	<b>1,207,422</b>	<b>40.27</b>

Debt securities and other fixed income securities by country profile and issuers:

fixed income securities traded on regulated markets as at 30 June 2013:

Issuer	Amount number	Acquisition value	Carrying amount	Carrying amount to fund's assets
		LVL	LVL	(%)
<b>USD</b>	<b>150</b>	<b>113,327</b>	<b>112,851</b>	<b>3.76</b>
GOODYEAR TIRE AND RUBBER CO	150	113,327	112,851	3.76
<b>Brazil</b>	<b>150</b>	<b>112,262</b>	<b>112,706</b>	<b>3.76</b>
TELEMAR NORTE LESTE SA	150	112,262	112,706	3.76
<b>Czech Republic</b>	<b>150</b>	<b>105,552</b>	<b>107,010</b>	<b>3.57</b>
EP ENERGY AS	150	105,552	107,010	3.57
<b>France</b>	<b>150</b>	<b>116,226</b>	<b>113,221</b>	<b>3.78</b>
REXEL SA	150	116,226	113,221	3.78
<b>Croatia</b>	<b>150</b>	<b>113,581</b>	<b>112,829</b>	<b>3.76</b>
AGROKOR DD	150	113,581	112,829	3.76
<b>Italy</b>	<b>150</b>	<b>110,165</b>	<b>111,759</b>	<b>3.73</b>
FIAT SPA	150	110,165	111,759	3.73
<b>Finland</b>	<b>300</b>	<b>220,330</b>	<b>221,873</b>	<b>7.40</b>
NOKIA OYJ	150	111,219	112,650	3.76
STORA ENSO OYJ	150	109,111	109,223	3.64
<b>Germany</b>	<b>302</b>	<b>314,124</b>	<b>315,173</b>	<b>10.51</b>
COMMERZBANK AG	150	109,960	110,779	3.69
HEIDELBERGCEMENT AG	2	90,310	88,406	2.95
KABEL DEUTSCHLAND HOLDING AG	150	113,854	115,988	3.87
<b>Total financial instruments traded on regulated markets</b>		<b>1,205,567</b>	<b>1,207,422</b>	<b>40.27</b>

## Note 4

### Dynamics of Fund's performance

The following table demonstrates the dynamics of the Fund's performance – the yield of the investment fund\*:

Item	30.06.2013
Net assets (LVL)	2,995,842
Number of investment certificates	428,533
<b>Value of investment fund's shares (LVL)</b>	<b>6.99</b>

  

Net assets (EUR)	4,262,699
Number of investment certificates	428,533
<b>Value of investment fund's shares (EUR)</b>	<b>9.95</b>

  

Item	06.06.2013- 30.06.2013
Annual performance of investment fund's shares (%)	-6.79

\* Performance is calculated as the ratio of the value of the Fund's share at the end of the reporting period against its value at the beginning of the reporting period. This ratio is expressed as annual percentage raised to the power, where the dividend is 365 and the divisor is the number of days in the reporting period.

## Note 5

### Events after reporting date

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