



ABLV

BANKING / INVESTMENTS \ ADVISORY

Open-end investment fund
ABLV European Corporate EUR Bond Fund

unaudited report for the period
from 1 January 2015 to 30 June 2015

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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
Fund registration date:	16.05.2013
Registration number of the fund:	FL129-02.01.02.263/108
Name of the investment management company:	ABLV Asset Management, IPAS
Registered office of the investment management company:	23 Elizabetes Street, Riga, LV-1010
Registration number of the investment management company:	40003814724
Licence number of the investment management company:	06.03.07.263/204
Date of the licence:	04.08.2006
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:	<p>Council of the investment management company:</p> <p>Chairman of the Council - Ernests Bernis Deputy Chairman of the Council - Māris Kannenieks Council Member - Vadims Reinfelds</p> <p>Board of the investment management company:</p> <p>Chairman of the Board - Leonīds Kijs Deputy Chairman of the Board - Jevgenijs Gžibovskis Board Member - Sergejs Gačenko</p> <p>Fund Manager - Sergejs Gačenko</p>
Duties of the fund manager:	The fund manager manages 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 16 May 2013, open-end investment fund ABLV European Corporate EUR Bond Fund (hereinafter referred to as the fund) was registered as a corporate bond fund the investment currency of which is EUR.

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 fund's investment objective is achievement of the long-term capital growth. To achieve this objective, the assets are invested in debt securities issued or guaranteed by commercial companies or credit institutions registered in European countries.

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

The year 2015 is the third year of operations of ABLV European Corporate EUR Bond Fund. As at 30 June 2015, the fund's net assets amounted to EUR 8 226 538, semiannual return equalled 1.27%, whereas average term to maturity of the fund's investments was 5.2 years, average weighted rating of the investment portfolio was BB, and yield to maturity was equal to 4.19%.

In the first half of 2015, situation in different segments of the global bond market was affected by various factors. Stabilization of raw materials prices, implementation of new stimulation programme of the European Central Bank, and low interest rates policy in many developed countries caused increase in prices of high-yield bonds and corporate bonds of emerging markets. Whereas the segment of corporate bonds with investment credit rating and long maturity experienced the pressure because of growing yields and declining prices of the US long-term government bonds, given the expectations of beginning cycle of the US dollar base interest rate increase. European corporate bonds were under additional pressure because of the topicality regained by problems related to Greek debt and situation in the national economy, which affected the increase of credit risk premiums on the bonds.

Due to following moderately conservative strategy, preferring the bonds that have high coupon rate and relatively short maturity, which are far less sensitive to possible negative market moods, the fund ABLV European Corporate EUR Bond Fund demonstrated positive return in H1 2015.

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 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 existing 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, fund's performance, and actions taken by the fund manager, are published at ABLV Bank, AS, website 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.

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

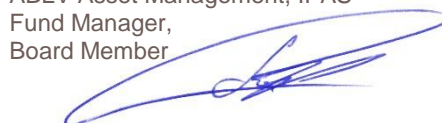
Management of ABLV Asset Management, IPAS, expresses gratitude to our customers for their loyalty and successful cooperation with us.

ABLV Asset Management, IPAS
Deputy Chairman of the Board



Jevgenijs Gžibovskis

ABLV Asset Management, IPAS
Fund Manager,
Board Member



Sergejs Gačenko

Riga, 30 July 2015

Statement of assets and liabilities

		EUR	
	Notes	30.06.2015	31.12.2014
Assets			
Demand deposits with credit institutions	2	290,634	2,283,496
Financial assets at fair value through profit or loss	3	7,945,767	8,016,024
Debt securities and other fixed income securities	3	7,945,767	8,016,024
Total assets		8,236,401	10,299,520
Liabilities			
Accrued expense		(9,863)	(11,410)
Total liabilities		(9,863)	(11,410)
Net assets		8,226,538	10,288,110

ABLV Asset Management, IPAS
Deputy Chairman of the Board

Jevgenijs Gžibovskis

ABLV Asset Management, IPAS
Fund Manager,
Board Member

Sergejs Gačenko

Riga, 30 July 2015

Statement of income and expense

	EUR	
	01.01.2015- 30.06.2015	01.01.2014- 30.06.2014
Income		
Interest revenue	210,778	188,905
Other income	-	800
Total	210,778	189,705
Expense		
Remuneration to investment management company	(49,533)	(33,873)
Remuneration to custodian bank	(9,907)	(6,775)
Other fund management expense	(1,120)	(1,120)
Interest expense	(71)	-
Total	(60,631)	(41,768)
Increase in investment value		
Realised increase in investment value	103,817	70,748
Unrealised (decrease)/increase in investment value	(87,192)	86,534
Taxes and duties	-	(809)
Increase in net assets from investment	166,772	304,410

ABLV Asset Management, IPAS
Deputy Chairman of the Board



Jevgenijs Gžibovskis

ABLV Asset Management, IPAS
Fund Manager,
Board Member



Sergejs Gačenko

Riga, 30 July 2015

Statement of changes in net assets

Item	EUR	
	01.01.2015- 30.06.2015	01.01.2014- 30.06.2014
Net assets at the beginning of the reporting period	10,288,110	6,325,532
Increase in net assets from investment	166,772	304,410
Transactions with investment certificates		
Inflow from sale of investment certificates	51,509	918,172
(Outflow) of redemption of investment certificates	(2,279,853)	(114,055)
Total result of transactions with investment certificates	(2,228,344)	804,117
(Decrease)/increase in net assets for the reporting period	(2,061,572)	1,108,527
Net assets at the end of the reporting period	8,226,538	7,434,059
Issued investment certificates at the beginning of the reporting period	960,337	609,956
Issued investment certificates at the end of the reporting period	758,261	684,849
Net assets per investment certificate at the beginning of the reporting period	10.71	10.37
Net assets per investment certificate at the end of the reporting period	10.85	10.86

ABLV Asset Management, IPAS
Deputy Chairman of the Board

Jevgenijs Gžibovskis

ABLV Asset Management, IPAS
Fund Manager,
Board Member

Sergejs Gačenko

Riga, 30 July 2015

Note 1

General information

The open-end investment fund ABLV European Corporate EUR Bond Fund is a bond fund registered on 16 May 2013. 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 debt securities issued or guaranteed by commercial companies or credit institutions registered in European countries.

The fund's financial statements are prepared on a going concern basis, in accordance with the laws of the Republic of Latvia and the Regulations of the Financial and Capital Market Commission on the Preparation of Annual Reports, Consolidated Annual Reports and Interim Reports of Investment Funds and Open-end Alternative Investment Funds. 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 fund's investment currency is EUR. 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 euro, unless otherwise stated. Information given herein represents comparative figures for the year 2014, unless otherwise stated.

The information on principal accounting policies and risk management can be found in the fund's Annual Report 2014 available at the website <https://www.ablv.com/en/about/financial-reports/funds>. The accounting policies applied to preparation of financial statements for 2015 are in line with those applied to preparation of financial statements for the previous periods. Since 31 December 2014, there have been no material changes in risk management.

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), and ABLV Asset Management, IPAS (company).

Note 2

Demand deposits with credit institutions

	30.06.2015		31.12.2014	
	Carrying amount	Carrying amount to fund's assets	Carrying amount	Carrying amount to fund's assets
	EUR	%	EUR	%
Demand deposits with credit institutions				
Demand deposits with ABLV Bank, AS	290,634	3.53	2,283,496	22.17
Total demand deposits with credit institutions	290,634	3.53	2,283,496	22.17

Note 3

Financial assets at fair value through profit or loss

All debt securities and other fixed income securities are classified as financial assets at fair value through profit or loss. All securities are quoted on a regulated market (on an exchange). All securities, except for debt securities of ABLV Bank, AS, are traded over-the-counter. Debt securities of ABLV Bank, AS are traded on a regulated market (on an exchange).

Debt securities and other fixed income securities by geographical area:

Geographical area	30.06.2015		31.12.2014	
	Carrying amount	Carrying amount to fund's assets	Carrying amount	Carrying amount to fund's assets
	EUR	%	EUR	%
EMU countries	4,582,790	55.64	5,981,089	58.07
Other EU member states	1,881,831	22.85	1,082,407	10.51
Other countries	744,146	9.03	430,429	4.18
OECD countries	564,470	6.86	353,777	3.44
Latvia	172,530	2.09	168,322	1.63
Total	7,945,767	96.47	8,016,024	77.83

Debt securities and other fixed income securities traded on regulated markets by country profile and issuers as at 30 June 2015:

Issuer	Amount	Acquisition value	Carrying amount	Carrying amount to fund's assets
	Total face value	EUR	EUR	(%)
Brazil		93,000	102,940	1.25
PETROLEO BRASILEIRO SA	100,000	93,000	102,940	1.25
Bulgaria		301,830	303,646	3.69
BULGARIAN ENERGY HOLDING EAD	150,000	148,830	151,374	1.84
VIVACOM	150,000	153,000	152,272	1.85
Czech Republic		330,750	332,688	4.04
CE ENERGY AS	100,000	102,000	105,954	1.29
EP ENERGY AS	200,000	228,750	226,734	2.75
France		1,220,714	1,200,416	14.58
BNP PARIBAS SA	150,000	147,297	142,204	1.73
CEGEDIM SA	150,000	160,225	163,516	1.99
CROWN INTERNATIONAL HOLDINGS	150,000	157,875	155,465	1.89
ELIOR FINANCE AND CO SCA	130,000	142,187	141,542	1.72
LOXAM SAS	100,000	105,230	102,100	1.24
PARTS HOLDINGS FRANCE SAS	100,000	100,950	106,442	1.29
SPCM SA	200,000	202,750	188,835	2.29
TEREOS UCA	200,000	204,200	200,312	2.43
Croatia		110,250	112,937	1.37
AGROKOR DD	100,000	110,250	112,937	1.37
India		148,125	153,564	1.86
SAMVARDHANA MOTHERSON GLOBAL	150,000	148,125	153,564	1.86
Italy		817,615	813,358	9.88
FINMECCANICA SPA	200,000	217,500	217,411	2.64
ITALCEMENTI SPA	250,000	293,200	286,259	3.48
WIND TELECOMUNICAZIONI SPA	300,000	306,915	309,688	3.76

Table (cont'd)

Issuer	Amount	Acquisition value	Carrying amount	Carrying amount
	Total face value	EUR	EUR	to fund's assets (%)
Russia		503,900	487,642	5.92
ABH FINANCIAL LTD	250,000	252,775	251,224	3.05
GAZPROMBANK OAO	250,000	251,125	236,418	2.87
Latvia		162,603	172,530	2.09
ABLV BANK, AS	200,000	162,603	172,530	2.09
UK		969,770	973,648	11.81
ALIZE MIDCO LTD	100,000	103,500	104,659	1.27
CNH INDUSTRIAL NV	150,000	150,675	151,138	1.83
FIAT CHRYSLER AUTOMOBILES NV	200,000	221,700	218,670	2.65
INTERNATIONAL PERSONAL FINANCE PLC	150,000	152,250	152,527	1.85
SILK BIDCO AS	100,000	105,500	105,572	1.28
TESCO PLC	250,000	236,145	241,082	2.93
Luxembourg		251,899	247,940	3.01
ARCELORMITTAL	250,000	251,899	247,940	3.01
Netherlands		442,136	446,429	5.42
ABN AMRO BANK N.V.	200,000	262,886	269,285	3.27
OWENS - ILLINOIS GROUP INC	150,000	179,250	177,144	2.15
Romania		152,970	158,913	1.93
CABLE COMMUNICATIONS SYSTEMS NV	150,000	152,970	158,913	1.93
Slovakia		198,200	184,105	2.24
EUSTREAM AS	200,000	198,200	184,105	2.24
Spain		574,095	562,878	6.84
CAMPOFRIO FOOD GROUP SA	150,000	153,000	149,500	1.82
GESTAMP AUTOMOCION SA	150,000	160,125	157,209	1.91
GRUPO ANTOLIN IRAUSA SA	250,000	260,970	256,169	3.11
Turkey		552,667	564,471	6.85
ARCELIK AS	150,000	148,950	154,192	1.87
TURKIYE GARANTI BANKASI AS	200,000	203,900	209,051	2.54
TURKIYE VAKIFLAR BANKASI TAO	200,000	199,817	201,228	2.44
Germany		1,147,386	1,127,662	13.69
COMMERZBANK AG	200,000	245,200	243,537	2.96
DEUTSCHE BANK AG	200,000	201,300	189,835	2.30
HP PELZER HOLDING GMBH	100,000	108,880	110,954	1.35
PHOENIX PHARMAHANDEL GMBH AND CO	200,000	197,400	202,865	2.46
THYSSENKRUPP AG	250,000	249,481	236,630	2.87
UNITYMEDIA KABELBW GMBH	150,000	145,125	143,841	1.75
Total		7,977,910	7,945,767	96.47

Note 4

Dynamics of fund performance

Dynamics of investment fund's annual performance*:

Item	30.06.2015	31.12.2014
Net assets (EUR)	8,226,538	10,288,110
Number of investment certificates	758,261	960,337
Value of investment fund's investment certificates (EUR)	10.85	10.71
	01.01.2015- 30.06.2015	01.01.2015- 30.06.2015
Annual performance on investment fund's investment certificates (EUR)	1.27%	4.67%

* - Performance is calculated as the value of the fund's share at the end of the reporting period to 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, but the divisor is the number of days of 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.