



ABLV

BANKING / INVESTMENTS \ ADVISORY

Open-end investment fund
ABLV US Industry USD Equity Fund

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

Contents

General information	3
Investment management company report	4
Financial statements:	
Statement of assets and liabilities	5
Statement of income and expense	6
Statement of changes in net assets	7
Notes	8

General information

Name of the fund:	ABLV US Industry USD Equity Fund
Category of the fund:	Open-end investment fund
Type of the fund:	Stock fund
Fund registration date:	11.09.2013
Number of the fund:	FL132-02.01.02.263/204
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 Kiļs Deputy Chairman of the Board - Jevgenijs Gžibovskis Board Member - Sergejs Gačenko</p> <p>Fund Manager - Oļegs Rusnaks</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 11 September 2013, open-end investment fund ABLV US Industry USD Equity Fund (hereinafter referred to as the fund) was registered as a stock fund the investment currency of which is USD.

ABLV Asset Management, IPAS (new name of IPAS AB.LV Asset Management 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 the ETF securities that replicate the index structure of the stocks of commercial companies operating in different economy sectors which are traded on regulated markets of the USA.

The fund's investment portfolio is diversified among investments in different sectors of economy and 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 US Industry USD Equity Fund. As at 30 June 2015, the fund's net assets amounted to USD 5 325 530 (EUR 4 759 612), and semiannual return equalled 0.94%.

In H1 2015, the US securities market demonstrated neutral dynamics. Reserved background was ensured by expectations of the US Federal Reserve System (FRS) to begin the cycle of strengthening the monetary conditions and by decreasing pace of the US companies' profit growth. Given the improvement of macroeconomic indicators, especially in Q2, the stocks of companies representing the consumer, financial, and high technology sectors of the US economy demonstrated outperforming dynamics. Continued decrease in raw materials prices affected the stocks of the companies operating in respective sectors, which underperformed the market. The companies of industrial sector demonstrated the same dynamics, since their profit was negatively affected by strengthening of the US dollar.

The minimum amount of investment in the fund 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 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

Oļegs Rusnaks

Riga, 30 July 2015

Statement of assets and liabilities

		EUR	
	Notes	30.06.2015	31.12.2014
Assets			
Demand deposits with credit institutions	2	71,051	1,357,159
Financial assets at fair value through profit or loss	3	4,696,689	3,534,288
Shares and other non-fixed income securities	3	4,696,689	3,534,288
Total assets		4,767,740	4,891,447
Liabilities			
Accrued expense		(8,128)	(9,556)
Total liabilities		(8,128)	(9,556)
Net assets		4,759,612	4,881,891

ABLV Asset Management, IPAS
Deputy Chairman of the Board

Jevgenijs Gžibovskis



ABLV Asset Management, IPAS
Fund Manager

Oļegs Rusnaks



Riga, 30 July 2015

Statement of income and expense

	EUR	
	01.01.2015- 30.06.2015	01.01.2014- 30.06.2014
Income		
Dividends	35,596	12,820
Total	35,596	12,820
Expense		
Remuneration to investment management company	(39,876)	(20,047)
Remuneration to custodian bank	(5,317)	(2,673)
Other fund management expense	(1,074)	(1,119)
Total	(46,267)	(23,839)
Increase in investment value		
Realised increase in investment value	238,313	97,745
Unrealised increase in investment value	309,251	53,470
Taxes and duties	(11,457)	(3,846)
Increase in net assets from investment	525,436	136,350

ABLV Asset Management, IPAS
Deputy Chairman of the Board

Jevgenijs Gžibovskis



ABLV Asset Management, IPAS
Fund Manager

Oļegs Rusnaks



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	4,881,891	1,932,249
Increase in net assets from investment	525,436	136,350
Transactions with investment certificates		
Inflow from sale of investment certificates	602,783	1,072,221
Outflow of redemption of investment certificates	(1,250,498)	-
Total result of transactions with investment certificates	(647,715)	1,072,221
(Decrease)/increase in net assets for the reporting period	(122,279)	1,208,571
Net assets at the end of the reporting period	4,759,612	3,140,820
Issued investment certificates at the beginning of the reporting period	536,177	255,120
Issued investment certificates at the end of the reporting period	477,269	398,038
Net assets per investment certificate at the beginning of the reporting period	9.11	7.57
Net assets per investment certificate at the end of the reporting period	9.97	7.89

ABLV Asset Management, IPAS
Deputy Chairman of the Board

Jevgenijs Gžibovskis

ABLV Asset Management, IPAS
Fund Manager

Oļegs Rusnaks

Riga, 30 July 2015

Note 1

General information

The open-end investment fund ABLV US Industry USD Equity Fund is a stock fund registered on 11 September 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 the ETF securities that replicate the index structure of the stocks of commercial companies operating in different economy sectors which are traded on regulated markets of the USA.

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 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 euro, unless otherwise stated. Information given herein represents comparative figures for the year 2014, unless otherwise stated.

Income or expense in foreign currencies is translated into EUR at the exchange rate set by the ECB at the date of recognition of the respective items.

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 EUR	Carrying amount to fund's assets %	Carrying amount EUR	Carrying amount to fund's assets %
Demand deposits with credit institutions				
Demand deposits with ABLV Bank, AS	71,051	1.49	1,357,159	27.75
Total demand deposits with credit institutions	71,051	1.49	1,357,159	27.75

Note 3

Financial assets at fair value through profit or loss

All shares, certificates of mutual funds, 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, certificates of mutual funds, and other non-fixed income securities by geographical area:

Geographical area	30.06.2015		31.12.2014	
	Carrying amount EUR	Carrying amount to fund's assets %	Carrying amount EUR	Carrying amount to fund's assets %
OECD countries	4,631,540	97.15	3,480,984	71.16
Other countries	34,037	0.71	27,392	0.56
EMU countries	17,676	0.37	14,797	0.30
Other EU member states	13,436	0.28	11,115	0.23
Total	4,696,689	98.51	3,534,288	72.25

Shares, certificates of mutual funds, and other non-fixed income securities by country profile and issuers as at 30 June 2015:

Issuer	Amount number	Acquisition value EUR	Carrying amount to fund's assets	
			Carrying amount EUR	(%)
USA		4,572,491	4,626,918	97.04
IAI - ISHARES U.S. BROKER-DEALERS	2,700	108,323	105,790	2.22
IGV - ISHARES NORTH AMERICAN TECH-	2,375	214,684	210,886	4.42
IHI - ISHARES U.S. MEDICAL DEVICES	1,000	108,589	107,034	2.24
ITA - ISHARES U.S. AEROSPACE & DEF	2,000	212,855	212,852	4.46
IYR - ISHARES US REAL ESTATE ETF	1,650	115,427	105,217	2.21
IYT - ISHARES TRANSPORTATION AVERA	800	113,243	103,659	2.17
IYZ - ISHARES US TELECOMMUNICATIONSETF	8,100	216,763	211,965	4.45
KIE - SPDR S&P INSURANCE ETF	1,666	103,791	101,379	2.13
QQQ - POWERSHARES QQQ	4,334	355,555	415,005	8.71
SOXX - ISHARES PHLX SEMICONDUCTOR E	2,029	175,017	167,013	3.50
XLE - ENERGY SELECT SECTOR SPDR	3,150	218,943	211,483	4.44
XLF - FINANCIAL SELECT SECTOR SPDR	19,926	419,812	434,529	9.11
XLI - INDUSTRIAL SELECT SECT SPDR	4,374	222,697	211,411	4.43
XLK - TECHNOLOGY SELECT SECT SPDR	5,618	201,045	207,866	4.36
XLP - CONSUMER STAPLES SPDR	2,500	109,368	106,377	2.23
XLU - UTILITIES SELECT SECTOR SPDR	5,700	218,435	211,209	4.43
XLV - HEALTH CARE SELECT SECTOR	3,300	219,548	219,548	4.60
XLY - CONSUMER DISCRETIONARY SELT	6,291	381,769	430,060	9.02
XME - SPDR S&P METALS & MINING ETF	4,500	108,991	97,851	2.05
XOP - SPDR S&P OIL & GAS EXP & PR	2,500	110,778	104,321	2.19
XPH - SPDR S&P PHARMACEUTICALS ETF	1,891	208,149	210,762	4.42
XRT - SPDR S&P RETAIL ETF	5,000	428,709	440,701	9.25
Israel		960	1,120	0.02
QQQ - POWERSHARES QQQ	12	960	1,120	0.02

Table (cont'd)

Issuer	Amount Acquisition value	Carrying amount	Carrying amount to fund's assets
	number	EUR	EUR (%)
Ireland		3,666	3,672 0.07
KIE - SPDR S&P INSURANCE ETF	34	2,107	2,058 0.04
XLF - FINANCIAL SELECT SECTOR SPDR	74	1,559	1,614 0.03
Cayman Islands		962	974 0.02
XPH - SPDR S&P PHARMACEUTICALS ETF	9	962	974 0.02
Canada		2,256	2,216 0.05
IGV - ISHARES NORTH AMERICAN TECH-	25	2,256	2,216 0.05
China		3,802	4,437 0.09
QQQ - POWERSHARES QQQ	46	3,802	4,437 0.09
UK		12,494	13,436 0.29
QQQ - POWERSHARES QQQ	52	4,245	4,954 0.10
SOXX - ISHARES PHLX SEMICONDUCTOR E	39	3,343	3,190 0.07
XLI - INDUSTRIAL SELECT SECT SPDR	26	1,322	1,255 0.03
XLY - CONSUMER DISCRETIONARY SELT	59	3,584	4,037 0.09
Netherlands		14,189	14,004 0.30
QQQ - POWERSHARES QQQ	27	2,178	2,542 0.06
SOXX - ISHARES PHLX SEMICONDUCTOR E	139	12,011	11,462 0.24
Singapore		20,185	19,900 0.42
QQQ - POWERSHARES QQQ	29	2,362	2,757 0.06
SOXX - ISHARES PHLX SEMICONDUCTOR E	187	16,130	15,393 0.32
XLK - TECHNOLOGY SELECT SECT SPDR	47	1,693	1,750 0.04
Switzerland		1,244	1,287 0.03
XLK - TECHNOLOGY SELECT SECT SPDR	35	1,244	1,287 0.03
Taiwan		9,143	8,725 0.18
SOXX - ISHARES PHLX SEMICONDUCTOR E	106	9,143	8,725 0.18
Total		4,641,392	4,696,689 98.51

Note 4

Dynamics of fund performance

Dynamics of investments fund's annual performance*:

Item	30.06.2015	31.12.2014
Net assets (EUR)	4,759,612	4,881,891
Number of investment certificates	477,269	536,177
Value of investment fund's investment certificates (EUR)	9.97	9.10
Net assets (USD)	5,325,530	5,927,104
Number of investment certificates	477,269	536,177
Value of investment fund's investment certificates (USD)	11.16	11.05
	01.01.2015- 30.06.2015	01.01.2014- 30.06.2014
Annual performance on investment fund's investment certificates (EUR)	0.94%	4.27%

* - 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.