



ABLV

BANKING / INVESTMENTS \ ADVISORY

Open-end investment fund
ABLV High Yield CIS Bond Fund

Subfund
ABLV High Yield CIS RUB Bond Fund

unaudited report for the period
from 1 January 2013 to 30 June 2013

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General information

Name of the fund:	ABLV High Yield CIS Bond Fund
Category of the fund:	Open-end investment fund with subfunds
Type of the fund:	Bond fund
Registration date of the fund:	15 June 2007
Number of the fund:	FFL122-06.03.04.02.263/194
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:	06.03.07.263/315
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:	Council of the investment manager: Chairman of the Council - Ernests Bernis Deputy Chairman of the Council - Māris Kannenieks Council Member - Vadims Reinfelds Board of the investment manager: Chairman of the Board - Leonīds Kijs Deputy Chairman of the Board - Jevgenijs Gžibovskis Board Member - Vadims Burcevs Fund Manager - Sergejs Gačenko
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 16 January 2012, the subfund ABLV High Yield CIS RUB Bond Fund of the open-end investment fund ABLV High Yield CIS Bond Fund (hereinafter referred to as the Fund) was registered as a bond fund with the investment currency Russian rubles.

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 Fund is established with the aim of generating long-term income, mostly by investing the Fund's assets in debt securities, where the relevant liabilities are guaranteed by corporations and financial institutions of the CIS countries, as well as commercial companies with speculative credit rating or no rating of other countries. The Fund's investment portfolio is diversified by investing in different countries, thus ensuring higher investment safety and protection against fluctuations in the value of the Fund's assets associated with investments in securities of one country only

The year 2013 is the second year of operations of ABLV High Yield CIS RUB Bond Fund. As at the end of June 2013, the Fund's net assets amounted to RUB 86,539,947 (LVL 1,419,255), its 6-month yield was 3.63%, average term to maturity was 2.6 years, average weighted rating of the investment portfolio was BB-, and yield to maturity was 9.35%.

In the first half of 2013, ABLV High Yield CIS RUB Bond Fund demonstrated relatively good yield. Bonds maturing in 1-2 years constitute the largest fraction of the Fund's structure; therefore the Fund's yield is mostly composed of interest income under bonds. Market fluctuations are insignificant and do not have substantial impact on the value of the Fund's share.

The minimum amount of investment in the Fund is RUB 30,000.

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. 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 Kiļs

Fund Manager

Sergejs Gačenko

Riga, 30 July 2013

Statement of assets and liabilities

LVL			
Assets	Notes	30.06.2013	31.12.2012
Demand deposits with credit institutions	2	8,314	7,515
Financial assets at fair value through profit or loss		1,413,378	1,100,738
Debt securities and other fixed income securities	3	1,413,378	1,100,738
Total assets		1,421,692	1,108,253
Liabilities			
Accrued expense		(2,437)	(2,813)
Total liabilities		(2,437)	(2,813)
Net assets		1,419,255	1,105,440

ABLV Asset Management, IPAS
 Chairman of the Board

Leonīds Kijs

Fund Manager

Sergejs Gačenko

Riga, 30 July 2013

Statement of income and expense

	LVL	
	01.01.2013- 30.06.2013	16.01.2012- 30.06.2012
Income		
Interest revenue	56,511	32,709
Total	56,511	32,709
Expense		
Remuneration to investment manager	(7,910)	(5,632)
Remuneration to custodian bank	(1,266)	(901)
Other fund management expense	(734)	(577)
Total	(9,910)	(7,110)
(Decrease) / increase in investment value		
Realised increase / (decrease) in investment value	3,983	(615)
Unrealised decrease in investment value	(83,522)	(26,200)
Taxes and duties	(5,640)	-
Decrease in net assets from investment	(38,578)	(1,216)

ABLV Asset Management, IPAS
 Chairman of the Board

Leonīds Kijs

Fund Manager

Sergejs Gačenko

Riga, 30 July 2013

Statement of changes in net assets

Item	LVL	
	01.01.2013- 30.06.2013	16.01.2012- 30.06.2012
Net assets at the beginning of the period	1,105,440	-
Decrease in net assets from investment	(38,578)	(1,216)
Transactions with investment certificates		
Inflow from sale of investment certificates	401,619	965,330
Outflow of redemption of investment certificates	(49,226)	-
Total result of transactions with investment certificates	352,393	965,330
Increase in net assets for the period	313,815	964,114
Net assets at the end of the period	1,419,255	964,114
Issued investment certificates at the beginning of the period	198,601	-
Issued investment certificates at the end of the period	261,045	183,879
Net assets per investment certificate at the beginning of the period	5.57	-
Net assets per investment certificate at the end of the period	5.44	5.24

ABLV Asset Management, IPAS
 Chairman of the Board

Leonīds Kijs

Fund Manager

Sergejs Gačenko

Riga, 30 July 2013

Note 1

General information

The subfund ABLV High Yield CIS RUB Bond Fund of the open-end investment fund ABLV High Yield CIS Bond Fund is a bond fund registered on 16 January 2012. The registered address of its investment manager is Elizabetes iela 23, Riga, LV-1010, Latvia.

The Fund's business includes investments in debt securities, where the relevant liabilities are guaranteed by corporations and financial institutions of the CIS countries, as well as commercial companies with speculative credit rating or no rating of other 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 RUB. 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. The information given in the notes to the financial statements represents comparative figures for the year 2012, 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	RUB
30 June 2013	0.0164
31 December 2012	0.0174
30 June 2012	0.0171

Information on the principal accounting policies and principles applied, as well as on risk management is available on the Annual Report 2012 homepage <http://www.ablv.com/lv/about/financial-reports/funds>. Compared with the accounting policies applied in the preparation of financial statements of previous periods, the accounting policies applied in the preparation of financial statements for 2013 have not changed. No significant changes have occurred in risk management since 31 December 2012.

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		31.12.2012	
	Carrying amount	Carrying amount to fund's assets	Carrying amount	Carrying amount to fund's assets
Demand deposits with credit institutions	LVL	%	LVL	%
Demand deposits with ABLV Bank, AS	8,314	0.58	7,515	0.68
Total demand deposits with credit institutions	8,314	0.58	7,515	0.68

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 and traded on the regulated market (stock exchange).

Geographically, financial assets at fair value are placed in Russia.

Debt securities and other fixed income securities traded on regulated markets by country profile and issuers as at 30 June 2013:

Issuer	Amount number	Acquisition value LVL	Carrying amount LVL	Carrying amount to fund's assets (%)
Russia	88,148	1,375,208	1,413,378	99.42
ACRON JSC	1,500	25,018	25,692	1.81
ALFA BANK	50	82,615	82,384	5.79
ALLIANCE OIL COMPANY LTD	2,500	40,639	41,890	2.95
BASHNEFT OAO	3,000	49,360	51,024	3.59
BUROVOYA KOMPANIYA EURASIA OOO	1,500	24,612	24,653	1.73
CARCADE OOO	2,000	33,097	33,938	2.39
CHERKIZOVO GROUP OJCS	2,000	32,964	33,679	2.37
COMMERCIAL BANK RENAISSANCE CREDIT LLC	1,500	23,190	25,604	1.80
CREDIT BANK OF MOSCOW (OPEN JOINT STOCK COMP)	2,000	32,614	32,902	2.31
CREDIT EUROPE BANK LTD	1,500	24,268	24,832	1.75
EUROPLAN ZAO	1,500	25,092	25,398	1.79
EVRAZ GROUP SA	2,500	40,693	42,233	2.97
FAR EASTERN SHIPPING CO	1,300	21,533	21,659	1.52
FEDERAL GRID COMPANY	2,000	33,177	34,694	2.44
FGUP PO UOMZ	1,500	24,674	25,088	1.76
GTLK OAO	1,500	24,902	25,902	1.82
HOME CREDIT AND FINANCE BANK OOO	1,500	24,698	25,178	1.77
HYDRAULIC MACHINES AND SYSTEMS GROUP PLC	2,500	41,226	43,041	3.03
IKS 5 FINANS	2,500	41,468	42,451	2.99
KAMAZ OJSC	2,000	32,402	33,928	2.39
LENTA LLC	2,500	41,320	43,064	3.03
METALLOINVEST	2,500	41,213	42,942	3.02
MIRATORG-FINANS	2,500	39,937	41,972	2.95
MOBILE TELESYSTEMS OJSC	2,210	36,036	37,112	2.61
MOSCOW UNITED ELECTRIC GRID CO JSC	2,500	40,980	41,582	2.92
NEW FORWARDING CO OJSC	1,500	24,538	25,814	1.82
NPO URALVAGONZAVOD OAO	1,500	24,403	24,867	1.75
O'KEY LLC	2,500	42,025	42,152	2.96
OOO SMP BANKA	2,500	41,082	41,997	2.95
Promsvyazbank OJSC	2,000	32,849	34,217	2.41
Rosbank	2,000	33,036	34,625	2.44
RUSSIAN HELICOPTERS JSC	1,300	21,213	21,531	1.51
RUSSIAN STANDARD BANK ZAO	2,000	32,879	34,108	2.40
SAKHATRANSNEFTEGAZ	1,500	24,498	25,807	1.82
SISTEMA JSFC	2,500	41,492	41,745	2.94
Tatfondbank OAO	1,500	24,839	25,036	1.76
TINKOFF CREDIT SYSTEMS	1,800	29,652	29,861	2.10
TRADE HOUSE KOPEYKA OJSC	1,500	24,391	25,143	1.77
TRANSAERO AIRLINES	1,500	24,603	25,321	1.78
TRANSCONTAINER OAO	2,500	41,320	42,756	3.01
URALSIB LEASING CO OOO	9,988	10,262	10,367	0.73
VNESHECONOMBANK	1,500	24,398	25,189	1.77
Total financial instruments traded on regulated markets		1,375,208	1,413,378	99.42

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	31.12.2012
Net assets (LVL)	1,419,255	1,105,440
Number of investment certificates	261,045	198,601
Value of investment fund's shares (LVL)	5.44	5.57

Item	01.01.2013- 30.06.2013	16.01.2012- 30.06.2012
Net assets (RUB)	86,539,947	63,531,052
Number of investment certificates	261,045	198,601
Value of investment fund's shares (RUB)	331.51	319.89

Item	01.01.2013- 30.06.2013	16.01.2012- 30.06.2012
Annual performance of investment fund's shares (%)	3.63	2.20

* 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.