BANKING / INVESTMENTS \ ADVISORY

Open-end investment fund
ABLV High Yield CIS Bond Fund

Subfund
ABLV High Yield CIS RUB Bond Fund

annual report

for the year ended 31 December 2015

together with independent auditors' report

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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
Name of the subfund:	ABLV High Yield CIS RUB Bond Fund
Type of the fund:	Bond fund
Registration date of the subfund:	14 December 2011
Registration number of the fund:	06.03.05.263/34
Name of the investment management company:	ABLV Asset Management, IPAS
Registered office of the investment management company:	23 Elizabetes Street, Riga, LV-1010, Latvia
Registration number of the investment management company:	40003814724
License number of the investment management company:	06.03.07.263/315
Date of the license:	4 August 2006
Name of the custodian bank:	ABLV Bank, AS
Registered office of the custodian bank:	23 Elizabetes Street, Riga, LV-1010, Latvia
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 Kannenieks 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 - 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 management company and manage several funds of one investment management company.

Investment management company report

On 15 June 2007, open-end investment fund ABLV High Yield CIS Bond Fund was registered, and on 14 December 2011 it was reorganized into a fund with two subfunds – the ones in USD and in RUB. Subfund ABLV High Yield CIS RUB Bond Fund (hereinafter referred to as the subfund) is a bond fund the investment currency of which is RUB.

ABLV Asset Management, IPAS (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. 06.03.07.263/315, and it is located in Riga, at 23 Elizabetes Street.

The subfund's investment objective is the achievement of the long-term capital growth. To achieve this objective, the subfund's assets are invested in debt securities or money market instruments issued or guaranteed by commercial companies or credit institutions registered in the CIS states.

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

As at 31 December 2015, the subfund's net assets amounted to RUB 93,394,294 (EUR 1,157,681), the fund's total assets amounted to RUB 93,694,480 (EUR 1,161,402), the value of the fund's share was RUB 349.71 (EUR 4.33), annual return equalled 13.78%, whereas average term to maturity of the subfund's investments was 1.4 years, average weighted rating was BB, and average yield to maturity was equal to 17.57%.

During the reporting period, the following costs were covered from the subfund's assets: management fee – EUR 17,976, custody fee – EUR 2,876, and other expenses – EUR 3,071. In the reporting period, the subfund's total expense ratio equalled 1.64% of the subfund's average net asset value, which is comparable to the corresponding indicator in the previous reporting period.

In 2015, situation in different segments of the global bond market was affected by various factors.
In the first half of the year, CIS bond markets, mostly Russian one, experienced substantial rally, which was mainly driven by lessening geopolitical tension, stabilization of oil prices, and recovery after strong price drop at the end of the previous year. Additional support to Russian bond market was ensured by the rouble growth against the US dollar and euro, as well as by good performance of the companies operating in major sectors of Russian economy (metals industry, oil and gas) and decisions of the Russian Central Bank on decreasing the rouble base interest rate (from 17% to 11.5%). Such decision of the Russian Central Bank, aimed at supporting the economy and stabilizing the national currency rate, caused an overall decrease in bond yields and strengthened the confidence of investors for this market segment, encouraging liquidity improvement and ensuring a positive overall impact on the bond market.

During the second half of the year, given the growing volatility in the global bond market and resumed drop in commodity prices, the Russian rouble depreciated, putting pressure on bonds denominated in Russian roubles.

Thus, keeping to a moderately conservative strategy by focusing on bonds that have a high coupon rate and relatively short term to maturity, which are far less sensitive to possible negative market moods, the subfund ABLV High Yield CIS RUB Bond Fund demonstrated positive return in the first half of 2015.

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

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 clients 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 fund manager and overview of the market situation, subfund'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 subfund's assets in order to increase the number of the subfund's investors and the subfund's net assets in 2016.

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

ABLV Asset Management, IPAS
Chairman of the Board

Leonīds Kiļs
Riga, 21 April 2016

ABLV Asset Management, IPAS
Fund Manager

Sergejs Gačenko

Statement of responsibility of the board of the investment management company

The board of the investment management company is responsible for the preparation of the financial statements of the subfund ABLV High Yield CIS RUB Bond Fund of the investment fund ABLV High Yield CIS Bond Fund.

The financial statements set out on pages 7 to 21 are prepared in accordance with the source documents and present fairly the financial position of the subfund as at 31 December 2015 and 2014 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 (hereinafter referred to as FCMC) 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. The management in the preparation of the financial statements has made prudent and reasonable judgements and estimates in the preparation of the financial statements.

The board of the investment management company is 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 Kiļs

Riga, 21 April 2016

Custodian bank report

To the investors of
the subfund ABLV High Yield CIS RUB Bond Fund of
the open-end investment fund ABLV High Yield CIS Bond 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 referred to as the custodian bank) acts as the custodian bank for the subfund ABLV High Yield CIS RUB Bond 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 authorized by the custodian bank to accept orders at the effectiveness date of the Custodian Bank Agreement;
- to ensure the execution of other duties assigned to the 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 High Yield CIS RUB Bond Fund of the open-end investment fund ABLV High Yield CIS Bond Fund comply 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, 21 April 2016

Statement of assets and liabilities

EUR

Assets	Notes	31.12.2015.	31.12.2014.
Demand deposits with credit institutions	4	5,457	-
Financial assets at fair value through profit or loss	5	1,155,945	1,197,493
Debt securities and other fixed income securities		1,155,945	1,197,493
Total assets		**1,161,402**	**1,197,493**
Liabilities			
Deposits from credit institutions	6	-	(39,964)
Accrued expense	7	(3,721)	(3,739)
Total liabilities		**(3,721)**	**(43,703)**
Net assets		**1,157,681**	**1,153,790**

ABLV Asset Management, IPAS
Chairman of the Board

Leonīds Kiļs

ABLV Asset Management, IPAS
Fund Manager

Sergejs Gačenko

Riga, 21 April 2016

Statement of income and expense

EUR

Income	Notes	01.01.2015.-31.12.2015.	01.01.2014.-31.12.2014.
Interest income		150,519	170,848
Total		**150,519**	**170,848**
Expense			
Remuneration to investment management company		(17,976)	(22,526)
Remuneration to custodian bank		(2,876)	(3,604)
Other fund management expense		(1,861)	(2,258)
Interest expense		(1,198)	(186)
Other expense		(12)	-
Total		**(23,923)**	**(28,574)**
Decrease in investment value			
Realized (decrease)/increase in investment value	8	(3,707)	1,431
Unrealized decrease in investment value	9	(84,142)	(1,018,220)
Total		**(87,849)**	**(1,016,789)**
Taxes and duties		(16,385)	(17,889)
Increase/(decrease) in net assets from investment		**22,362**	**(892,404)**

ABLV Asset Management, IPAS
Chairman of the Board

Leonīds Kiļs

ABLV Asset Management, IPAS
Fund Manager

Sergejs Gačenko

Riga, 21 April 2016

Statement of changes in net assets

EUR

Item	01.01.2015.-31.12.2015.	01.01.2014.-31.12.2014.
Net assets at the beginning of the year	**1,153,790**	**1,991,998**
Increase/(decrease) in net assets from investment	22,362	(892,404)
Transactions with investment certificates		
Inflow from sale of investment certificates	60,897	63,743
Outflow from redemption of investment certificates	(79,368)	(9,547)
Total result of transactions with investment certificates	**(18,471)**	**54,196**
Increase/(decrease) of net asets for the year	**3,891**	**(838,208)**
Net assets at the end of the year	**1,157,681**	**1,153,790**
Issued investment certificates at the beginning of the year	271,561	262,189
Issued investment certificates at the end of the year	267,065	271,561
Net assets per investment certificate at the beginning of the year	4.25	7.60
Net assets per investment certificate at the end of the year	4.33	4.25

ABLV Asset Management, IPAS
Chairman of the Board

Leonīds Kiļs

ABLV Asset Management, IPAS
Fund Manager

Sergejs Gačenko

Riga, 21 April 2016

Statement of cash flows

EUR

Item	Notes	01.01.2015.-31.12.2015.	01.01.2014.-31.12.2014.
Interest received		179,923	175,344
Interest paid		(1,198)	(173)
Investment management expense		(22,743)	(28,609)
Acquisition of financial assets	10	(686,669)	(460,000)
Disposal and redemption of financial assets		563,081	239,553
Taxes and duties		(16,385)	(15,897)
Increase/(decrease) in cash and cash equivalents from operating activities		**16,009**	**(89,782)**
Inflow from sale of investment certificates		60,897	63,743
Outflow from redemption of investment certificates		(79,368)	(9,547)
(Decrease)/increase in cash and cash equivalents from financing activities		**(18,471)**	**54,196**
Decrease of cash and cash equivalents for the year		**(2,462)**	**(35,586)**
Cash and cash equivalents at the beginning of the year		**(39,964)**	**7,207**
Net foreign exchange difference		47,883	(11,585)
Cash and cash equivalents at the end of the year		**5,457**	**(39,964)**

ABLV Asset Management, IPAS
Chairman of the Board

Leonīds Kiļs

ABLV Asset Management, IPAS
Fund Manager

Sergejs Gačenko

Riga, 21 April 2016

Notes of the financial statement

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 (hereinafter referred to as the subfund) is a bond fund registered on 16 January 2012. The registered office of the investment management company is at 23 Elizabetes Street, Riga, LV-1010, Latvia.

The subfund's business activity includes investments in debt securities or money market instruments issued or guaranteed by credit institutions or corporate companies of CIS countries.

The following abbreviations are used in the notes to the financial statements: International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), Financial and Capital Market Commission (FCMC), European Monetary Union (EMU), European Union (EU), Organization 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, as well as FCMC regulations that are effective as at the date of period end, on a going concern basis.

Financial statements are prepared under the historical cost convention, except for financial assets that are reported at fair value.

During the year ended 31 December 2015, the subfund consistently applied accounting policies in line with those disclosed in the prior-year financial statements, except for the changes in IFRS that became effective during the period of these financial statements.

The subfund's functional currency is RUB. These financial statements are reported in EUR.

Information given herein in brackets represents comparative figures for the year ended 31 December 2014, unless otherwise stated.

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 uncertainty and assumptions relate to determining the fair value of financial assets.

Recognition, Subsequent Measurement 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 an agreement that is derived and for which 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 an agreement that is derived and for which 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 subfund recognizes financial assets or liabilities in its statement of assets and liabilities when, and only when, the subfund becomes a party to the contractual provisions of the instrument.

Financial assets at fair value through profit or loss are debt securities with fixed income, stocks and other securities with non-fixed income held-for-trading, 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 are non-derivative financial assets with fixed or determinable payment schedule that are not quoted in an active market. Loans and receivables comprise balances due from credit institutions. Those are carried at amortized 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 amortized cost and the recoverable amount.

A financial asset is derecognized 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 derecognized 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 recorded on the settlement date. The acquisition value of sold securities is determined on a weighted 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. The comparison of carrying amounts and fair values of the subfund's financial assets and liabilities is presented in Note 15.

Revenue and Expense Recognition

All major revenue and expense items are recognized on an accrual basis.

Interest income and expenses are recognized in statement of income and expense, based on a time proportion and the nominal interest rate..

The difference between the acquisition price and the value of a financial instrument (hereinafter referred to as a 'Day 1' profit or loss) is not recognized in the statement of income and expense at the acquisition date. The 'Day 1' profit or loss from transactions is recognized on an individual basis. The difference is recognized in the statement of income and expense during the term of the transaction, or deferred and recognized only either when the fair value of the financial instrument may be determined using observable data, or recognized 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 recognized in the statement of income and expense without adjusting the deferred 'Day 1' profit or loss.

Foreign Currency Translation

The subfund's functional currency is RUB but, according to the FCMC requirements, the subfund ensures accounting also in EUR. These financial statements are prepared based on transaction accounting in EUR.
Assets and liabilities in foreign currencies subfund revaluates into EUR at the exchange rate set by the ECB on the last day of financial year. Income or expense resulting from changes in exchange rates has been included in the statement of income and expense as unrealised change of investment value. Income and expense of foreign currencies was revaluated into EUR at the exchange rate set by the ECB at the date of recognition of the respective items.

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.

Taxes

Income earned by the holders of the subfund's certificates is subject to income taxes in the country of its origin. 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.

Subsequent events

Events after balance date that influence subfund's financial position as at the balance date are reflected in these financial statements (correcting events). If events after balance date are not correcting, they are reflected in notes of financial statements only if they are significant.

Adoption of new and/ or changed IFRSs and IFRIC interpretations in the reporting year

During the period, the subfund has adopted following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2015. The application of new standards and amendments did not have any impact on these financial statements:

- 21. IFRIC guidance on a levy imposed by government;
- Annual improvements to IFRSs.

Standards issued but not yet effective and not early adopted

Standards that are issued, but not yet effective or not endorsed by the EU, and which are not applied prior to their official date of validity.

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

- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016)
- IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2016)
- IAS 16 Property, Plant and Equipment and IAS 38 – Intangible Assets (effective for annual periods beginning on or after 1 January 2016)
- IAS 16 Property, Plant and Equipment and IAS 41 – Agriculture (effective for annual periods beginning on or after 1 January 2016)
- IAS 19 Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 February 2015)
- IAS 27 Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016)

It is not expected that these IFRS and IFRIC amendments will affect subfund's financial statements.

Annual improvements to IFRSs

The improvements introduce ten amendments to ten standards and consequential amendments to other standards and interpretations. Most of these amendments are applicable to annual periods beginning on or after either 1 February 2015 or 1 January 2016, or later, with earlier adoption permitted. None of these amendments are expected to have a significant impact on the financial statements of the subfund.

Note 3

Risk management

Risks are inherent in the investment process and risk management is one of the subfund's strategic values, which is based on the confidence that efficient risk management is critical for the success of the subfund. Managing risks permits keeping the subfund'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 (RUB), there is no exposure to currency risk.

Risk management stands for identification, assessment and control of potential risks.

The company acts in strict compliance with the provisions and restrictions of the fund prospectus, agreements, and legislation of the Republic of Latvia, as well as assesses the compliance of the investments made on an ongoing basis.

To minimize 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 of the subfund. 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.

When investments are made abroad, particular attention is paid to potential currency change against the subfund`s base currency. To reduce risks the Company conducts various assessments:

- The country assessment by international rating agencies scale;
- The country assessment based on political situation
- The country assessment based on economic situation

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

The credit and financial risks are further presented in Notes 11 and 12.

Note 4

Demand deposits with credit institutions

	31.12.2015.		31.12.2014.	
	Carrying amount	Carrying amount to fund's assets	Carrying amount	Carrying amount to fund's assets
Demand deposits with credit institutions	EUR	%	EUR	%
Demand deposits with ABLV Bank, AS	5,457	0.47	-	-
Total demand deposits with credit institutions	5,457	0.47	-	-

As at 31 December 2015 demand deposits with credit institutions were neither past due nor impaired.

Note 5

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) and traded over-the-counter.

Traded debt securities and other fixed income securities on regulated markets by region:

	31.12.2015.		31.12.2014.	
Region	Carrying amount EUR	Carrying amount to fund's assets %	Carrying amount EUR	Carrying amount to fund's assets %
Other countries	1,140,870	98.23	1,107,501	92.48
OECD countries	15,075	1.3	89,992	7.52
Total debt and other fixed income securities	**1,155,945**	**99.53**	**1,197,493**	**100.00**

Debt securities and other fixed income securities traded on regulated markets by country profile and issuers as at 31 December 2015:

Issuer	ISIN code	Amount	Acquisition value EUR	Carrying amount EUR	Carrying amount to fund's assets (%)
Canada		**2,000,000**	**24,890**	**15,075**	**1.30**
URANIUM ONE INC	RU000A0JRTS1	2,000,000	24,890	15,075	1.30
Russia		**105,410,000**	**1,240,107**	**1,140,870**	**98.23**
ACRON JSC	RU000A0JVYF0	1,500,000	18,621	18,855	1.62
AK BARS BANK OAO	RU000A0JU310	1,500,000	18,677	19,686	1.69
ALFA-BANK AO	XS0922142574	5,000,000	62,443	62,204	5.35
BALTIJSKIJ BEREG ZAO	RU000A0JTJ07	2,500,000	31,128	6,976	0.60
BASHNEFT OAO	RU000A0JTM28	1,500,000	18,677	18,480	1.59
	RU000A0JTM36	1,500,000	18,631	17,937	1.54
CARCADE OOO	RU000A0JTW91	5,500,000	28,524	27,765	2.39
CHERKIZOVO GROUP OJCS	RU000A0JTU93	2,000,000	24,915	25,162	2.17
CITY OF NOVOSIBIRSK RUSSIA	RU000A0JU1T2	1,500,000	14,085	13,461	1.16
CREDIT BANK OF MOSCOW (OPEN JOINT STOCK COMP)	RU000A0JUQQ5	2,500,000	31,036	20,494	1.76
EURASIA DRILLING CO LTD	RU000A0JRKX0	1,500,000	18,603	18,260	1.57
EUROPLAN ZAO	RU000A0JT9S0	1,500,000	18,965	11,537	0.99
EVRAZ GROUP SA	RU000A0JVKK9	1,500,000	18,963	19,810	1.71
GTLK OAO	RU000A0JTKM9	1,000,000	12,148	12,807	1.10
	RU000A0JU5S5	1,000,000	8,694	8,048	0.69
	RU000A0JVWJ6	1,300,000	16,356	16,570	1.43
HYDRAULIC MACHINES AND SYSTEMS GROUP PLC	RU000A0JTKY4	1,000,000	12,455	12,724	1.10
IKS 5 FINANS	RU000A0JU682	2,500,000	30,424	31,421	2.71
IRKUT CORP	RU000A0JUA45	2,500,000	31,113	28,861	2.49
LENENERGO PJSC	RU000A0JTVA1	2,000,000	22,951	24,986	2.15
LENTA LLC	RU000A0JTQB9	3,500,000	43,874	44,657	3.85
MAGNIT OJSC	RU000A0JTP09	2,000,000	24,395	25,429	2.19
MEGAFON PJSC	RU000A0JVVB5	2,500,000	30,989	31,853	2.74
METALLOINVEST	RU000A0JTLJ3	2,500,000	31,150	30,426	2.62
MIRATORG-FINANS	RU000A0JTVK0	2,500,000	29,520	31,411	2.70
MMC NORILSK NICKEL PJSC	RU000A0JTPY3	1,800,000	21,995	22,841	1.97
MOBILE TELESYSTEMS PJSC	RU000A0JR4H6	2,210,000	27,237	26,830	2.31
NOVATEK OAO	XS0885873322	5,000,000	58,569	61,359	5.27
NPO URALVAGONZAVOD OAO	RU000A0JR9E2	1,500,000	18,445	18,772	1.62
O1 PROPERTIES FINANCE	RU000A0JU2F9	1,000,000	11,951	12,565	1.08
O'KEY LLC	RU000A0JTFU2	3,500,000	43,973	43,402	3.74

Table (cont'd):

EUR

Issuer	ISIN code	Amount	Acquisition value EUR	Carrying amount EUR	Carrying amount to fund's assets (%)
PERESVET BANK	RU000A0JVCA7	2,500,000	30,989	32,226	2.77
PJSC GEOTECH SEISMIC SERVICES	RU000A0JU807	2,700,000	33,569	23,796	2.05
POLYPLAST OAO	RU000A0JUK84	2,500,000	30,764	31,422	2.71
POLYUS GOLD INTERNATIONAL LTD	RU000A0JVMD0	1,500,000	18,929	19,774	1.70
REGION OF MORDOVIA RUSSIA	RU000A0JU8Q3	2,000,000	19,992	19,125	1.65
ROSTELECOM OJSC	RU000A0JTKD8	2,000,000	24,965	24,396	2.10
RUSSIAN HELICOPTERS JSC	RU000A0JTW26	1,300,000	16,034	16,285	1.40
RUSSIAN HIGHWAYS	RU000A0JRYJ0	1,000,000	12,153	11,880	1.02
RUSSIAN RAILWAYS	RU000A0JTU85	2,000,000	22,664	23,119	1.99
SILOVIYE MASHINY	RU000A0JVVW1	2,500,000	30,989	31,671	2.73
SISTEMA JSFC	RU000A0JQL30	2,500,000	28,665	30,407	2.62
SUEK FINANCE	RU000A0JU336	1,800,000	22,301	22,246	1.92
TELE2-SANKT-PETERSBURG OAO	RU000A0JRVU3	1,500,000	18,733	17,858	1.54
TINKOFF CREDIT SYSTEMS	RU000A0JTXT7	1,800,000	22,412	22,515	1.94
TRANSAERO AIRLINES	RU000A0JU930	5,000,000	57,769	688	0.06
TRANSCONTAINER PJSC	RU000A0JTKJ5	2,500,000	31,231	30,841	2.66
VNESHECONOMBANK	RU000A0JR3H8	1,500,000	18,441	17,032	1.47
Total			**1,264,997**	**1,155,945**	**99.53**

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

Note 6

Deposits from credit institutions

	31.12.2015.		31.12.2014.	
Deposits from credit institutions	Carrying amount EUR	Carrying amount to fund's assets %	Carrying amount EUR	Carrying amount to fund's assets %
Deposits from ABLV Bank, AS	-	-	39,964	3.34
Total deposits from credit institutions	**-**	**-**	**39,964**	**3.34**

No demand deposits due to credit institutions were delayed as at 31 December 2014. Interest rate in amount of 18.25 % was applied for negative account balance.

Note 7

Accrued expense

EUR

Item	31.12.2015.	31.12.2014.
Accrued fees payable for professional services	1,960	1,960
Accrued commission fees payable to investment management company	1,261	1,277
Accrued payments to the stock exchange	298	298
Accrued commission fees payable to custodian bank	202	204
Total accrued expense	**3,721**	**3,739**

Note 8

Realised investment value

EUR

Item	01.01.2015.-31.12.2015.	01.01.2014.-31.12.2014.
Income from sale of investments	592,045	237,472
Acquisition value of investments sold	(595,752)	(236,041)
Total realised (decrease)/increase in investment value	**(3,707)**	**1,431**

Note 9

Unrealised investment value

EUR

Item	01.01.2015.-31.12.2015.	01.01.2014.-31.12.2014.
Revaluation of financial assets at fair value through profit or loss	69,076	(253,502)
Currency exchange differences	(153,218)	(764,718)
Total unrealised decrease in investment value	**(84,142)**	**(1,018,220)**

Note 10

Change in investment portfolio during the reporting year

Increase in investment portfolio is due to costs of acquisition of financial assets, while decrease in the investment portfolio is due to disposal of financial assets and received interest income.

Changes in the investment portfolio:

EUR

	01.01.2015.-31.12.2015.	01.01.2014.-31.12.2014.
Beginning of the period	**1,197,493**	**1,989,580**
Increase for the reporting year	686,669	460,000
Decrease for the reporting year	(743,004)	(414,897)
Fair value revaltuation result	168,005	(72,472)
Foreign currency revaluation result	(153,218)	(764,718)
End of the period	**1,155,945**	**1,197,493**

Note 11

Credit risk

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

The subfund's exposure to credit risk arises mainly from investments in fixed income securities and balances due from credit institutions.

Credit risk associated with the subfund's assets is managed based on the following classification of credit ratings assigned by international rating agencies:

High quality: AAA – BBB- (Standard & Poor's/ Fitch);
Average quality: BB+ - BB- (Standard & Poor's/ Fitch);
Low quality: B+ - B- (Standard & Poor's/ Fitch) and lower ratings.

Assets by credit ratings as at 31 December 2015:

EUR

Assets	High quality	Average quality	Low quality	No rating	Total
Demand deposits with credit institutions	-	-	-	5,457	5,457
Financial assets at fair value through profit or loss	73,082	459,378	219,282	404,203	1,155,945
Total assets	**73,082**	**459,378**	**219,282**	**409,660**	**1,161,402**

Assets by credit ratings as at 31 December 2014:

EUR

Assets	High quality	Average quality	Low quality	No rating	Total
Financial assets at fair value through profit or loss	158,707	380,492	245,315	412,979	1,197,493
Total assets	**158,707**	**380,492**	**245,315**	**412,979**	**1,197,493**

Credit risk concentration analysis by geographical area as at 31 December 2015:

EUR

Assets	Latvia	OECD countries	Other countries	Total
Demand deposits with credit institutions	5,457	-	-	5,457
Financial assets at fair value through profit or loss	-	15,075	1,140,870	1,155,945
Total assets	**5,457**	**15,075**	**1,140,870**	**1,161,402**

Credit risk concentration analysis by geographical area as at 31 December 2014:

EUR

Assets	Latvia	OECD countries	Other countries	Total
Demand deposits with credit institutions	-	-	-	-
Financial assets at fair value through profit or loss	-	89,992	1,107,501	1,197,493
Total assets	**-**	**89,992**	**1,107,501**	**1,197,493**

Breakdown of debt securities and other fixed income securities by industry profile:

	31.12.2015.		31.12.2014.	
	Carrying amount	Carrying amount to subfund's assets	Carrying amount	Carrying amount to subfund's assets
Industry	EUR	%	EUR	%
Finance	288,178	24.80	344,772	28.79
Consumer goods	185,617	15.98	152,547	12.75
Energy	162,077	13.96	156,708	13.09
Manufacturing	138,577	11.93	144,770	12.09
Information and communications services	131,344	11.31	120,992	10.10
Logistics	84,612	7.29	107,688	8.99
Mining	57,691	4.97	105,740	8.83
Chemicals	50,277	4.33	-	-
Central and local governments	32,586	2.81	36,441	3.04
Utilities	24,986	2.15	27,835	2.32
Total debt securities and other fixed income securities	**1,155,945**	**99.53**	**1,197,493**	**100.00**

The maximum exposure to credit risk is equal to carrying amount.

Note 12

Financial risks

Interest rate risk

Interest rate risk represents the effect of changes in market rates on the subfund's value, affecting the subfund's interest income and the market value of financial assets.

The effect on net interest income is calculated as 1% of the nominal value of securities bearing interest at a floating rate (a 1% decrease in the interest rate will lead to the respective reduction of interest revenue). The effect on the value of financial assets at fair value through profit or loss is calculated as duration of these assets (the effect of changes in interest rates on the price of securities and, accordingly, the subfund's value).

The total subfund's sensitivity to changes in interest rates is calculated as the total of net interest income sensitivity and that of the value of financial assets.

Sensitivity to changes in interest rates:

EUR

	01.01.2015.- 31.12.2015.		01.01.2014.- 31.12.2014.	
	+300bps	-300bps	+300bps	-300bps
Effect on profit	(17,531)	17,531	(35,041)	35,041

Liquidity risk

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

Liquidity risk is minimized 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, analyzing the data regarding the plans changed by the participants and related cash flows as well as forecasting the subfund's participants and cash flows.

Subfund has access to overdraft in ABLV Bank, AS to cover short-term liabilities in timely manner.

Assets and liabilities by maturity profile as at 31 December 2015:

EUR

Assets	Overdue	Up to 1 month	1-12 months	1-5 years	More than 5 years	**Total**
Demand deposits with credit institutions	-	5,457	-	-	-	**5,457**
Financial assets at fair value through profit or loss	-	-	335,707	527,759	292,479	**1,155,945**
Total assets	**-**	**5,457**	**335,707**	**527,759**	**292,479**	**1,161,402**
Liabilities						
Demand deposits from credit institutions	-	-	-	-	-	**-**
Accrued expense	-	(1,463)	(2,258)	-	-	**(3,721)**
Total laibilities	**-**	**(1,463)**	**(2,258)**	**-**	**-**	**(3,721)**
Net assets	**-**	**3,994**	**333,449**	**527,759**	**292,479**	**1,157,681**

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

EUR

Assets	Overdue	Up to 1 month	1-12 months	1-5 years	More than 5 years	Total
Financial assets at vair value through profit or loss	-	-	200,923	689,315	307,255	**1,197,493**
Total assets	**-**	**-**	**200,923**	**689,315**	**307,255**	**1,197,493**
Liabilities						
Demand deposits from credit institutions	(39,964)	-	-	-	-	**(39,964)**
Accrued expense	-	(1,481)	(2,258)	-	-	**(3,739)**
Total liabilities	**(39,964)**	**(1,481)**	**(2,258)**	**-**	**-**	**(43,703)**
Net assets	**(39,964)**	**(1,481)**	**198,665**	**689,315**	**307,255**	**1,153,790**

Note 13

Information on holders of investment certificates

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

	31.12.2015.		31.12.2014.	
Item	Number of certificates	% of total amount	Number of certificates	% of total amount
Investment certificates held by shareholders	184,992	69.27%	184,992	68.12%
Investment certificates held by related parties	62,577	23.43%	65,511	24.12%
Investment certificates held by other persons	19,496	7.30%	21,058	7.75%
Investment certificates issued as at the year end	**267,065**	**100.00%**	**271,561**	**100.00%**

Note 14

Related party disclosures

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 3,292 (42,740) investment certificates and sold 6,226 (440) investment certificates of the subfund.

Note 15

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 16

Fair value

Fair value of financial instruments, such as financial assets at fair value through profit or loss, is predominantly 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 that 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 that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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

EUR

	31.12.2015.		31.12.2014.	
Financial assets	Level 1	Level 2	Level 1	Level 2
Financial assets at fair value through profit or loss	123,562	1,032,383	1,127,065	70,428
Total financial assets	**123,562**	**1,032,383**	**1,127,065**	**70,428**

After identifying liquidity restriction during the reporting period the subfund's management made a decision to reclassify Russian and Latvian issuer securities in amount of EUR 521 922 from the Level 1 to the Level 2.

Note 17

Dynamics of performance

Dynamics of investment subfund's annual performance*:

Item	31.12.2015.	31.12.2014.	31.12.2013
Net assets (EUR)	1,157,681	1,153,790	1,991,998
Number of investment certificates	267,065	271,561	262,189
Value of investment fund's investment certificates (EUR)	**4.33**	**4.25**	**7.60**
Net assets (RUB)	93,394,294	83,461,669	89,742,564
Number of investment certificates	267,065	271,561	262,189
Value of investment fund's investment certificates (RUB)	**349.71**	**307.34**	**342.28**

	01.01.2015.-31.12.2015.	01.01.2014.-31.12.2014.	01.01.2013.-31.12.2013.
Annual performance of investment subfund's investment certificates (RUB)	**13.78%**	**(10.21%)**	**7.00%**

* - 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 18

Events after reporting date

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

KPMG Baltics SIA
Vesetas iela 7,
Rīga, LV-1013
Latvija

Tālrunis +371 67038000
Fakss +371 67038002
kpmg.com/lv

Neatkarīgu revidentu ziņojums

Atvērtā ieguldījumu fonda ABLV High Yield CIS Bond Fund apakšfonda ABLV High Yield CIS RUB Bond Fund ieguldījumu apliecību turētājiem

Ziņojums par finanšu pārskatiem

Esam veikuši pievienoto atvērtā ieguldījumu fonda ABLV High Yield CIS Bond Fund apakšfonda ABLV High Yield CIS RUB Bond Fund (turpmāk „Apakšfonds"), kuru pārvalda ieguldījumu pārvaldes sabiedrība ABLV Asset Management, IPAS, (turpmāk "Sabiedrība") finanšu pārskatu, kas ietver aktīvu un saistību pārskatu 2015. gada 31. decembrī, ienākumu un izdevumu pārskatu, neto aktīvu kustības pārskatu un naudas plūsmas pārskatu par gadu, kas noslēdzās 2015. gada 31. decembrī, kā arī pielikuma, kas ietver būtiskāko grāmatvedības politiku aprakstu un citas paskaidrojošos pielikumus, no 7. līdz 21. lappusei, revīziju.

Sabiedrības valdes atbildība par finanšu pārskatiem

Sabiedrības valde ir atbildīga par šo finanšu pārskatu sagatavošanu un informācijas patiesu uzrādīšanu saskaņā ar Eiropas Savienībā apstiprinātajiem Starptautiskajiem finanšu pārskatu standartiem un tādas iekšējās kontroles izveidošanu, kāda pēc valdes domām ir nepieciešama, lai nodrošinātu šo Apakšfonda finanšu pārskatu, kas nesatur būtiskas neatbilstības ne krāpšanas, ne kļūdas rezultātā, sagatavošanu.

Revidentu atbildība

Mēs esam atbildīgi par revidentu atzinuma sniegšanu par šiem finanšu pārskatiem, pamatojoties uz veikto revīziju. Revīzija tika veikta saskaņā ar Starptautiskajiem revīzijas standartiem. Šie standarti nosaka, ka mums ir jāievēro spēkā esošās ētikas prasības un revīzija jāplāno un jāveic tā, lai iegūtu pietiekamu pārliecību, ka šajos finanšu pārskatos nav būtisku neatbilstību.

Revīzijas laikā tiek veiktas procedūras, lai iegūtu revīzijas pierādījumus par finanšu pārskatos uzrādītajām summām un atklāto informāciju. Piemēroto procedūru izvēle ir atkarīga no mūsu sprieduma, ieskaitot risku novērtējumu attiecībā uz būtiskām neatbilstībām šajos finanšu pārskatos, kas var pastāvēt krāpšanās vai kļūdu dēļ. Veicot šo risku novērtējumu, mēs apsveram Sabiedrības iekšējās kontroles sistēmu, kas saistīta ar Apakšfonda finanšu pārskatu sagatavošanu un informācijas patiesu atspoguļošanu, ar mērķi piemērot pastāvošajiem apstākļiem atbilstošas revīzijas procedūras, bet nevis lai sniegtu atzinumu par Sabiedrības iekšējās kontroles efektivitāti. Revīzija ietver arī pielietoto grāmatvedības politiku un Sabiedrības valdes izdarīto grāmatvedības aplēšu pamatotības, kā arī finanšu pārskatos sniegtās informācijas vispārēju izvērtējumu.

Mēs uzskatām, ka iegūtie revīzijas pierādījumi dod pietiekošu un atbilstošu pamatojumu mūsu atzinumam.

KPMG Baltics SIA, Latvijā reģistrēta sabiedrība ar ierobežotu atbildību un KPMG neatkarīgu dalībfirmu, kuras saistītas ar Šveices uzņēmumu KPMG International Cooperative (KPMG International), tīkla dalībfirma.

Atzinums

Mūsuprāt, finanšu pārskati sniedz skaidru un patiesu priekšstatu par Apakšfonda finansiālo stāvokli 2015. gada 31. decembrī un par tā darbības finanšu rezultātiem un naudas plūsmu par gadu, kas noslēdzās 2015. gada 31. decembrī, saskaņā ar Eiropas Savienībā apstiprinātajiem Starptautiskajiem finanšu pārskatu standartiem.

Citi apstākļi

Atbilstošie salīdzinošie rādītāji ir iegūti no Apakšfonda finanšu pārskatiem par gadu, kas noslēdzās 2014. gada 31. decembrī, kurus revidēja cits neatkarīgs revidents, kas 2015. gada 14. aprīlī izsniedza atzinumu bez iebildēm.

Ziņojums saskaņā ar citu normatīvo aktu prasībām

Bez tam mūsu atbildība ir pārbaudīt ieguldījumu pārvaldes sabiedrības ziņojumā, kas atspoguļots 4. lappusē, ietvertās grāmatvedības informācijas atbilstību finanšu pārskatiem. Sabiedrības vadība ir atbildīga par ieguldījumu pārvaldes sabiedrības ziņojuma sagatavošanu. Mūsu darbs attiecībā uz ieguldījumu pārvaldes sabiedrības ziņojumu tika ierobežots augstāk minētajā apjomā, un mēs neesam pārbaudījuši nekādu citu informāciju kā tikai to, kas ietverta no Apakšfonda finanšu pārskatiem. Mūsuprāt, ieguldījumu pārvaldes sabiedrības ziņojumā ietvertā informācija atbilst finanšu pārskatos uzrādītajai informācijai.

KPMG Baltics SIA
Licence Nr. 55

Armine Movsisjana
Valdes priekšsēdētāja
Rīga, Latvija
2016. gada 21. aprīlī

Rainers Vilāns
Zvērināts revidents
Sertifikāta Nr. 200