



**INVESTMENT FUND
CBL OPPORTUNITIES FUNDS**

Sub-fund
CBL Optimal Opportunities Fund - EUR

**Semiannual report 2023
(unaudited)**

For the period
1 January till 30 June 2023

Prepared in accordance with International Financial Reporting Standards
adopted by the European Union

Riga, 2023



**CBL ASSET
MANAGEMENT**

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INFORMATION ABOUT THE INVESTMENT FUND

Name of the Fund:	CBL Opportunities Funds
Date of registration of the Fund:	24 August 2007
Type of the Fund:	Investment fund with sub-funds
Name of the Sub-fund:	CBL Optimal Opportunities Fund - EUR
Number of the Sub-fund:	FFL70
ISIN of the Sub-fund:	LV0000400398
Name of the investment management company:	CBL Asset Management IPAS
Registered office of the investment management company:	Republikas laukums 2a, Rīga LV-1010, Latvia
Registration number of the investment management company:	40003577500
Number of the license for investment management company operations:	06.03.07.098/367
Name of the Fund's Custodian:	Citadele banka AS
Registered office of the Fund's Custodian:	Republikas laukums 2a, Rīga LV-1010, Latvia
Registration number of the Fund's Custodian:	40103303559
Name, surname and position of members of the Supervisory Board and the Management Board of the investment management company:	Supervisory Board of the investment management company: Chairperson of the Supervisory Board - Vaidas Žagūnis, appointed on 03.08.2021 Deputy Chairperson of the Supervisory Board - Vladimirs Ivanovs, appointed on 03.08.2021 Member of the Supervisory Board - Blohmé Nils Magnus Göran, appointed on 03.08.2021 Management Board of the investment management company: Chairperson of the Management Board - Kārlis Purgailis Member of the Management Board - Zigurds Vaikulis Member of the Management Board - Andris Kotāns Member of the Management Board - Lolita Sičeva
Rights and responsibilities related to the investment fund management:	Members of the Supervisory Board and Management Board shall perform all duties provided for in the laws and regulations of the Republic of Latvia and the Articles of Association of the investment management company
Fund Managers:	Zigurds Vaikulis Reinis Gerasimovs
Rights and responsibilities related to the Fund management:	The Fund Managers shall perform all duties of the Fund Manager provided for in the laws and regulations of the Republic of Latvia, Articles of Association of the investment management company and the Fund Prospectus
Auditors:	Rainers Vilāns Certified Auditor Certificate No. 200 KPMG Baltics SIA Roberta Hirša iela 1, Rīga Latvia, LV-1045 Licence No. 55

INVESTMENT MANAGEMENT COMPANY REPORT

The asset manager of the sub-fund CBL Optimal Opportunities Fund - EUR of the investment fund CBL Opportunities Funds (hereinafter - the Fund) is CBL Asset Management, an investment management company with registered office at Republikas laukums 2a, Riga, LV-1010, and registration number 40003577500. The investment company's operating licence number is 06.03.07.098/367.

The investment objective of the Fund is to achieve long-term capital appreciation by investing in share certificates (units) and equivalent securities of investment funds registered in Latvia or other Member States of the European Union. Investments may be made in money market, bond, balanced and equity investment funds as well as ETFs and equity securities traded on regulated markets in the Member States of the European Union and the OECD without sectoral restrictions. Equity funds may represent up to 70% of the Fund's assets.

The net assets of the Fund increased by EUR 197,627 or 2.83% during the reporting period and amounted to EUR 7,170,199 at the end of the reporting period. Gross assets amounted to EUR 7,180,784 as at 30.06.2023. The value per share increased by EUR 0.50 to EUR 10.99 during the year. The yield for the period under review in euro terms was 4.77%. Cautious optimism that has emerged among investors in the autumn of 2022 continued well into the first half of 2023. Reflections on the future dynamics of the global economy and inflation alternated with hopes that the rate-hiking marathon in the US and the Eurozone is gradually reaching the finish line. This led to positive results for both equities and bonds in the first half of the year.

Despite high inflation, aggressive rate hikes by central banks and low order levels in the global manufacturing sector, the Western countries continued to successfully maneuver in the uncertain environment in the first half of the year. The resilience was underpinned by strong private demand, supported by historically low unemployment levels and sustained income growth. These eased fears of an inevitable recession, which had been widely awaited during the last year. However, the lackluster economic data made it increasingly clear that even if aggressive rate hikes do not push the Western countries into recession, economic processes will remain slow in the coming quarters, on the verge of stagnation. The upward revisions of growth forecasts, which took place in the first quarter of this year, gradually abated during spring and early summer.

Slowdown in inflation in the US became broader and was no longer limited to favorable base effects in energy and food prices. In the Eurozone, core inflation remained close to record levels, but several leading indicators signaled a further deceleration in inflation in the monetary union as well. Although the peaks in rate cycle in both the US and the Eurozone are not far away, without a significant easing in consumption, central banks' concerns about the return of inflation could mean higher rates for longer. The relentless stance of central banks in the fight against inflation and plans to continue raising rates in the second half of the year forced financial market participants to revise their rate forecasts upwards. The previously predicted rate cuts at the end of 2023 were also erased from the dollar rate forecasts.

Global stock markets were volatile in the first half of 2023, but generally remained on the path of recovery and price growth. The stock markets closed the first six months of the year with nearly 13% growth in euro-hedged terms. Most of these gains were attributable to double-digit increases in developed equity markets, while emerging market equities underperformed and on average rose by 4% in euro-hedged terms. At the beginning of the year, the European stock market took the lead, but during the second quarter, stronger dynamics among IT companies helped the US stock market to regain its leading position. Riding a wave of moderate optimism, debt securities with a higher risk component were able to show a relatively better performance in the bond market. In the first half of the year, investment grade bonds in developed markets grew by nearly 2% in euro-hedged terms, high-yield bonds - twice as fast. Bonds of developing countries showed an increase of less than 2% in euro-hedged terms during the first half of the year. Since the beginning of the year, the dynamics of the euro was also relatively choppy, but the euro still managed to grow by nearly 2% in the first half of 2023. Last year's widespread concerns about recession in Western countries have not been justified so far, but the interest rate increases that have already taken place are not yet reflected in the economic numbers and in the cumulative borrowing costs of households, companies, and governments. This will most likely continue to have a dampening effect on economic processes in the coming quarters. Analysts' expectations regarding company profits this year also remain relatively cautious. Closer to spring, companies' more optimistic view on business environment allowed analysts to put the downward revisions of earnings forecasts in Western countries on hold, and later even start to raise them, especially for US high-tech and German companies. However, earnings growth in the US and Europe at the index level is still not expected this year. In developing countries, where profit forecasts have continued to slide downward, analysts even expect a slight decrease in profits. In the middle of the year, the global financial market environment has strongly become risk-oriented - so much that fundamental considerations were no longer the determining factor. However, if the expectations about rapid improvement in companies' financial results next year are not met, it will become increasingly difficult to justify the further increase in the global stock prices, especially considering that US stocks are no longer fundamentally cheap.

During the reporting period, the following changes occurred in the Fund. The share of funds invested in bond funds at the end of the period represents 63.37% of the Fund's net asset value, decreased by 0.64 percentage points (pp) compared to the beginning of the period. The share of equity funds increased by 2.18 pp to 35.33% of the Fund's net asset value. Free cash represents 1.45% of the Fund's net assets. All funds in the Fund are registered in a Member State of the European Union. Most of the funds (54.04%) are invested in funds registered in Luxembourg. The Fund also contains investment funds registered in Latvia and Ireland.

Total management costs for the period under review amounted to EUR 47,359, which is within the 1.70% ceiling set in the prospectus. The remuneration of the Investment Management Company amounted to EUR 33,477, the remuneration of the Custodian Bank to EUR 6,343 and other management expenses to EUR 7,539. The Fund's ongoing charges ratio for the period under review was 1.33% of the Fund's average net asset value. The prospectuses of the investment funds managed by the Company do not provide for performance fees.

The Fund Manager will continue to closely monitor trends in global financial markets. To adapt the Fund's structure to the assessment of the current and expected situation, changes will be made mainly in the weighting of equity fund investments.

On behalf of the Management Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Management
Board

Zigurds Vaikulis
Fund Manager

Reinis Gerasimovs
Fund Manager

Riga, 27 July 2023

*This report is signed with a secure electronic signature and contains a time stamp.

STATEMENT OF ASSETS AND LIABILITIES

	Notes	30.06.2023	31.12.2022
Assets			
Due on demand from credit institutions	1	103,617	208,336
Financial assets at fair value through profit or loss			
Share certificates of investment funds and similar securities	2	7,077,167	6,774,273
Total assets		7,180,784	6,982,609
Liabilities			
Accrued expenses		(10,585)	(10,037)
Total liabilities		(10,585)	(10,037)
Net assets		7,170,199	6,972,572

The accompanying notes on pages 9 to 10 are an integral part of these financial statements.

On behalf of the Management Board of the Investment Management Company:

Kārlis Purgailis
 Chairperson of the Management
 Board

Riga, 27 July 2023

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STATEMENT OF INCOME AND EXPENSES

	<u>01.01.2023- 30.06.2023</u>	<u>01.01.2022- 30.06.2022</u>
Income for the reporting period		
Interest income	111	-
Total income	<u>111</u>	<u>-</u>
Expenses for the reporting period		
Remuneration to the investment management company and the manager	(33,477)	(37,433)
Remuneration to the custodian bank	(6,343)	(7,093)
Other Fund management expenses	(7,539)	(2,077)
Total expenses	<u>(47,359)</u>	<u>(46,603)</u>
Increase/(decrease) in investment value		
Realised increase/(decrease) in investment value	6,345	(78,303)
Unrealised increase/(decrease) in investment value	367,536	(1,468,355)
Total increase/(decrease) in investment value	<u>373,881</u>	<u>(1,546,658)</u>
Increase/(decrease) in net assets from investments	<u><u>326,633</u></u>	<u><u>(1,593,261)</u></u>

The accompanying notes on pages 9 to 10 are an integral part of these financial statements.

On behalf of the Management Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Management
Board

Riga, 27 July 2023

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STATEMENT OF CHANGES IN NET ASSETS

	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
Net assets at the beginning of the reporting year	6,972,572	8,787,554
Increase/(decrease) in net assets from investment	326,633	(1,593,261)
Transactions in share certificates and units		
Inflow from sale of share certificates and units	449,395	355,586
Outflow on redemption of share certificates and units	(578,401)	(416,120)
(Decrease) in net assets from transactions in share certificates and units	(129,006)	(60,534)
Increase/(decrease) in net assets during the reporting period	197,627	(1,653,795)
Net assets at the end of the reporting year	7,170,199	7,133,759
Number of issued share certificates and units at the beginning of the reporting year	664,438	674,254
Number of issued share certificates and units at the end of the reporting year	652,374	667,818
Net assets per share certificate and unit at the beginning of the reporting year	10.49	13.03
Net assets per share certificate and unit at the end of the reporting year	10.99	10.68

The accompanying notes on pages 9 to 10 are an integral part of these financial statements.

On behalf of the Management Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Management Board

Riga, 27 July 2023

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 DUE ON DEMAND FROM CREDIT INSTITUTIONS

	30.06.2023	% of the Fund's net assets 30.06.2023	31.12.2022	% of the Fund's net assets 31.12.2022
Due on demand from credit institutions, Citadele banka AS	103,617	1.45%	208,336	2.99%

NOTE 2 SHARE CERTIFICATES OF INVESTMENT FUNDS AND SIMILAR SECURITIES FUNDS

All units and similar securities of investment funds are classified as financial assets at fair value through profit or loss. As at 30 June 2023, all units and equivalent securities of the Funds held by the Fund are unquoted on regulated markets, for which the Manager provides daily quotations of net asset value.

The following table shows share certificates of investment funds and similar securities by country of origin of the issuer at 30 June 2023:

Financial instrument	ISIN code	Currency	Quantity	Acquisition value (EUR)	Carrying amount 30.06.2023	% of the Fund's net assets 30.06.2023
Financial instruments not traded on regulated markets:				7,120,370	7,077,167	98.70%
Share certificates of investment funds registered in Luxembourg:				3,841,623	3,875,422	54.04%
Goldman Sachs US Dollar Credit	LU0803997666	EUR	104	645,298	609,411	8.50%
BlackRock Global Funds - US Dollar Bond Fund	LU1564327929	EUR	57,788	598,407	529,916	7.39%
Amundi Funds - Pioneer US Bond	LU1883851682	EUR	491	545,150	483,021	6.74%
Schroder International Selection Fund - EURO Corporate Bond	LU0113258742	EUR	18,238	459,232	423,295	5.90%
Robeco Capital Growth Funds - High Yield Bonds	LU0227757233	EUR	1,705	400,674	401,698	5.60%
GS Global CORE Equity	LU0280841296	EUR	12,084	235,896	384,271	5.36%
JPM US Aggregate Bond Fund	LU1432507090	EUR	4,118	410,372	373,014	5.20%
Fundsmith Equity Fund Feeder	LU0690374029	EUR	4,503	260,683	252,495	3.52%
Robeco Capital Growth - US Premium Equities	LU0454739615	EUR	399	124,743	211,702	2.95%
Morgan Stanley Investment Funds - US Advantage Fund	LU0360484769	EUR	1,943	161,168	206,599	2.88%
Share certificates of investment funds registered in Latvia:				1,919,788	1,819,826	25.39%
CBL Global Emerging Markets Bond Fund R Acc EUR (hedged)	LV0000400828	EUR	54,823	597,273	542,749	7.57%
CBL European Leaders Equity Fund	LV0000400794	EUR	11,135	528,059	531,787	7.42%
CBL Eastern European Bond Fund R Acc EUR (hedged)	LV0000400174	EUR	25,460	450,596	398,450	5.56%
CBL US Leaders Equity Fund R Acc EUR (hedged)	LV0000400992	EUR	32,907	343,860	346,840	4.84%
Share certificates of investment funds registered in Ireland:				1,358,959	1,381,919	19.27%
Vanguard Investment Series PLC - US 500 Stock Index Fund	IE0032126645	EUR	12,481	455,120	599,077	8.36%
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0033989843	EUR	30,672	699,536	596,873	8.32%
PIMCO US High Yield Bond Fund	IE0032883534	EUR	6,576	204,303	185,969	2.59%
Total share certificates of investment funds:				7,120,370	7,077,167	98.70%

The following table shows investment fund units and equivalent securities by country of origin of issuer at 31 December 2022:

Financial instrument	ISIN code	Currency	Quantity	Acquisition value (EUR)	Carrying amount 31.12.2022	% of the Fund's net assets 31.12.2022
Financial instruments not traded on regulated markets:				7,163,771	6,774,273	97.16%
Share certificates of investment funds registered in Luxembourg:				3,885,024	3,778,795	54.20%
NN L US Credit	LU0803997666	EUR	104	645,298	601,183	8.62%
BlackRock Global Funds - US Dollar Bond Fund	LU1564327929	EUR	57,788	598,407	524,715	7.53%
Amundi Funds - Pioneer US Bond	LU1883851682	EUR	491	545,150	481,656	6.91%
Schroder International Selection Fund - EURO Corporate Bond	LU0113258742	EUR	18,238	459,232	411,613	5.90%
GS Global CORE Equity	LU0280841296	EUR	14,349	279,296	409,520	5.87%
Robeco Capital Growth Funds - High Yield Bonds	LU0227757233	EUR	1,705	400,674	390,257	5.60%
JPM US Aggregate Bond Fund	LU1432507090	EUR	4,118	410,372	370,254	5.31%
Fundsmith Equity Fund Feeder	LU0690374029	EUR	4,503	260,684	225,046	3.23%
Robeco Capital Growth - US Premium Equities	LU0454739615	EUR	399	124,743	209,480	3.00%
Morgan Stanley Investment Funds - US Advantage Fund	LU0360484769	EUR	1,943	161,168	155,071	2.23%
Share certificates of investment funds registered in Latvia:				1,919,788	1,688,556	24.22%
CBL Global Emerging Markets Bond Fund R Acc EUR (hedged)	LV0000400828	EUR	54,823	597,273	529,592	7.59%
CBL European Leaders Equity Fund	LV0000400794	EUR	11,135	528,059	469,879	6.74%
CBL Eastern European Bond Fund R Acc EUR (hedged)	LV0000400174	EUR	25,460	450,596	379,101	5.44%
CBL US Leaders Equity Fund R Acc EUR (hedged)	LV0000400992	EUR	32,907	343,860	309,984	4.45%
Share certificates of investment funds registered in Ireland:				1,358,959	1,306,922	18.74%
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0033989843	EUR	30,672	699,536	595,340	8.53%
Vanguard Investment Series PLC - US 500 Stock Index Fund	IE0032126645	EUR	12,481	455,120	532,452	7.64%
PIMCO US High Yield Bond Fund	IE0032883534	EUR	6,576	204,303	179,130	2.57%
Total share certificates of investment funds:				7,163,771	6,774,273	97.16%

As the Company does not have access to sufficiently detailed information on the assets of these investment funds managed by financial institutions on behalf of investors, these assets have not been analysed by their actual issuer, except for the investment fund registered in Latvia and managed by CBL Asset Management IPAS.

NOTE 3 PERFORMANCE DYNAMICS OF THE INVESTMENT FUND

	30.06.2023	31.12.2022	31.12.2021
Net assets of the Fund (EUR)	7,170,199	6,972,572	8,787,554
Number of share certificates of the Fund	652,374	664,438	674,254
Value of the unit of the Fund	10.99	10.49	13.03
Fund return*	4.77%	(19.49%)	6.37%

* Return is calculated assuming there are 365 days in a year.