



INVESTMENT FUND
CBL Eastern European Bond Fund

ANNUAL REPORT for 2025

Prepared in accordance with the IFRS
Accounting Standards adopted by the European Union

Riga, 2026



**CBL ASSET
MANAGEMENT**

TABLE OF CONTENTS

Information on the Investment Fund	3
Investment Management Joint Stock Company Report	4
Report on the Implementation of the Engagement Policy	6
Statement of Responsibility of the Management Board of the Investment Management Joint Stock Company	7
Financial Statements:	
Statement of Assets and Liabilities	8
Statement of Income and Expenses	9
Statement of Changes in Net Assets	10
Cash Flow Statement	11
Notes to the Financial Statements	12
Custodian Bank Report	30
Auditors' Report	31

INFORMATION ON THE INVESTMENT FUND

Name of the Fund	CBL Eastern European Bond Fund
Type of the Fund:	Investment Fund
Classes:	- R Acc USD ISIN: LV0000400125 - R Acc EUR (hedged) ISIN: LV0000400174
Date of registration of the Fund:	20 July 2009
Number of the Fund:	FL263
Name of the Investment Management Joint Stock Company:	CBL Asset Management IPAS
Legal address:	Republikas laukums 2a, Riga, LV-1010, Latvia
Registration number:	40003577500
License number:	06.03.07.098/367
Name of the Fund's custodian bank:	Citadele banka AS
Legal address:	Republikas laukums 2a, Riga, LV-1010, Latvia
Registration number:	40103303559
Name, surname, position of the members of the Supervisory Board and the Management Board of the Investment Management Joint Stock Company:	Supervisory Board of the Investment Management Joint Stock Company: Vaidas Žagunis, Chairperson of the Supervisory Board, appointed on 03.08.2021 Vladimirs Ivanovs, Deputy Chairperson of the Supervisory Board, appointed on 03.08.2021 Ruta Ezerskiene, Member of the Supervisory Board, resigned on 17.03.2025 Edward Rebane, Member of the Supervisory Board, appointed on 17.03.2025 Management Board of the Investment Management Joint Stock Company: Kārlis Purgailis, Chairperson of the Management Board Zigurds Vaikulis, Member of the Management Board Lolita Sičeva, Member of the Management Board
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 joint stock company.
Fund Managers:	Edgars Lao, Artis Mežis
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 joint stock company and the Fund Prospectus.
Auditors:	Rihards Grasis Certified Auditor Certificate No. 227 KPMG Baltics SIA Roberta Hirša Street 1, Riga Latvia, LV-1045 License No. 55

INVESTMENT MANAGEMENT JOINT STOCK COMPANY REPORT

CBL Eastern European Bond Fund (hereinafter referred to as the Fund) is a debt securities investment fund offering share certificates of two classes: R Acc USD and R Acc EUR (hedged). Investors may invest both in the euros – in R Acc EUR (hedged) class share certificates, and in the US dollars – in R Acc USD class share certificates. The Fund is managed by CBL Asset Management, an investment management joint stock 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 Investment Fund is to achieve long-term capital appreciation by investing primarily in debt securities and money market instruments issued or guaranteed by Eastern European governments, municipalities, central banks, credit institutions and commercial companies, debt securities investment funds and ETFs traded on regulated markets in Member States and OECD countries without sectoral restrictions. The Fund has an active investment strategy that focuses on the selection of individual financial instruments, respecting the principles of diversification and risk reduction, including ESG risk management principles. Sustainable investments within the meaning of the SFDR are not an objective of the Fund and the Fund does not make investments in line with the EU taxonomy. The Fund's investment portfolio is diversified among investments in different countries and sectors with the aim of providing greater protection against fluctuations in the value of the Fund's assets compared to investments in the financial instruments of a single country or sector. The Fund's policy has not changed during the period under review.

During the 2025 reporting period, the Fund's net assets decreased by 11.89%, or EUR 3,608,013, and at the end of the period the Fund's net assets amounted to EUR 26,727,272. Gross assets amounted to EUR 26,999,062 as at 31.12.2025. The return and value of the Fund are calculated for each class individually. The value of the unit of the CBL Eastern European Bond Fund Class R Acc USD decreased by EUR 0.99 to EUR 25.81 during the reporting period, while the value of the EUR (hedged) R Acc class of the CBL Eastern European Bond Fund increased by EUR 1.18 to EUR 19.45 during the corresponding period. The fund's R Acc USD class yield in 2025 was negative by 3.69% in euros and positive by 8.94% in the unit class currency (USD). The return on Class R Acc EUR (hedged) in 2025 was 6.46% (positive) in euro terms.

The year 2025 will be remembered for heightened uncertainty driven by the activities of the US administration, including in the area of foreign trade policy. Nevertheless, the year can be characterised as highly favourable for financial markets, especially for risk assets. In the spring, global financial markets saw volatility in asset prices, but risk assets quickly returned to a growth trajectory as fears about the negative impact of tariffs on the global economy failed to materialize. The issue of inflation took a backseat in 2025 – in the Eurozone, it stabilized near the ECB's 2% target, while in the US, it remained in the 2.5-3.0% range. This allowed the US Federal Reserve and the ECB to continue reducing interest rates in 2025. In the first half of the year, the ECB lowered its deposit rate by 0.75 percentage points to 2.0%, while the Fed cut its benchmark rate in three steps to a range of 3.50-3.75%. It should be noted that the euro experienced a sharp rise in 2025, appreciating by 13% against the US dollar over the course of the year.

Last year, among other things, was quite favourable for bond markets. In 2025, the market value of speculative-grade corporate bonds in developed markets increased on average by 5-6% in euro-hedged terms, while emerging market bonds rose by just under 9% (and by around 11% in US dollar terms), including an 11.4% increase in the Eastern European Eurobond market in US dollar terms. The value of the Fund's R Acc USD class units increased by 8.9% over the course of the year. Yields on US and German government bonds showed divergent trends over the year – they declined in the US (prices rose), while in Germany they showed an upward trend. This also affected the performance of high-quality corporate bonds – in the US, they rose by 5.5% in euro-hedged terms, while in Europe they lagged behind, rising by 3%.

During the reporting period, all the Fund's investment countries contributed positively to its overall result. The biggest positive contribution to the Fund continued to come from investments in the Baltic States, followed by investments in Poland, the Fund's largest country. During the reporting period, the Fund mainly increased the proportion of investments in the Czech Republic and made new investments in Slovenia, where attractive investment opportunities in corporate bonds were discovered. In turn, the most significant reduction in the proportion was in Ukraine, where, after the recovery of bond prices, several bonds were sold. It should be noted that during the reporting period the Fund's investments in Kazakhstan were fully sold. At the end of the reporting period, the Fund's debt securities were diversified across 13 countries. As at the end of the reporting period, the Fund's average expected return in US dollar terms was 7.9%, with an average duration of 4.3 and an average credit rating at the Ba2/BB level.

The total management costs during the reporting period amounted to EUR 414,210, which is within the maximum remuneration payable of 3.00% of the Fund's assets as set out in the Fund's Prospectus. The amount of the rewards payable out of the assets of the Fund is determined as a percentage per annum of the average value of the class of units for each class of units.

The assets of the Fund during the reporting period covered the fee of the investment management joint stock company for the management of the Fund's assets of EUR 282,613, the remuneration of the custodian bank of EUR 50,870 and other management expenses of EUR 80,727. The Fund's ongoing charges ratio for the period under review was 1.44% 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 management team at CBL Asset Management IPAS closely monitors developments at both the local and global levels: economic growth scenarios, monetary and fiscal policies of major countries, as well as potential inflationary and political risks, as their impact on the economies of the Eastern European region and capital market dynamics is significant. At the same time, careful selection of instruments, irrespective of sector or country affiliation, will continue to play a decisive role in the Fund's investment process.

During 2026, we plan to change the list of the Fund's investment countries, excluding Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, as well as to make changes to the name of the Fund.

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

Karlis Purgailis
Chairperson of the Management Board

Edgars Lao
Fund Manager

Artis Mežis
Fund Manager

Riga, 24 April 2026

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

REPORT ON THE IMPLEMENTATION OF THE ENGAGEMENT POLICY

The Company primarily participates in the management of companies in which the Fund invests through its voting rights, where the voting rights held by the Fund amount to at least 5% of the total number of votes. The implementation of the engagement activities is the responsibility of the Company's management team. During the reporting period, the Fund Manager carried out ten engagement activities by communicating directly with companies and financial service providers. The managers encouraged companies to disclose both financial results and explain potential deviations from contractual terms, as well as to improve sustainability disclosure practices, including the disclosure of various policies promoting good governance, with the aim of ensuring better investor protection. They also participated in discussions regarding bond issuance terms and debt restructuring conditions. The management team of the company chose not to participate in the vote of the bondholders of a separate issuer, as the proposed amendments were not favourable to the bondholders. At the same time, the Fund Manager has implemented one engagement measure together with other major bondholders in connection with the commencement of the restructuring of the bond issuer. The company's team of managers has also responded to surveys of companies on the impact of sustainability factors, finding out the views of stakeholders.

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

Karlis Purgailis
Chairperson of the Management Board

Edgars Lao
Fund Manager

Artis Mežis
Fund Manager

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STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT BOARD OF THE INVESTMENT MANAGEMENT JOINT STOCK COMPANY

The Management Board of the Investment Management Joint Stock Company (hereinafter – the Company) is responsible for preparation of financial statements of the CBL Eastern European Bond Fund (hereinafter – the Fund).

The financial statements set out on pages 8 to 29 have been prepared based on the supporting documents and give a clear and fair view of the financial position of the Fund as at 31 December 2025 and of its performance for the year then ended.

The above financial statements have been prepared in accordance with the IFRS Accounting Standards adopted by the European Union, as required by the regulation of the Bank of Latvia – Regulation No. 382 “On Preparation of Annual Reports, Consolidated Annual Reports and Semi-Annual Reports of Investment Fund and Open Alternative Investment Fund” on a going concern basis. During the reporting period, appropriate accounting methods were applied consistently, except for the changes made to the accounting policy for interest income and revaluation results. The judgements and assumptions made by management in the preparation of the financial statements have been prudent and reasonable.

The Management Board of the Investment Management Joint Stock Company is responsible for the maintenance of proper accounting records, the safeguarding of assets of the CBL Eastern European Bond Fund and detecting and preventing fraud and other unfair practices. The Management Board is also responsible for compliance with the Law on Investment Management Companies of the Republic of Latvia, regulations of the Bank of Latvia and other legislative requirements of the Republic of Latvia.

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

Karlis Purgailis
Chairperson of the Management Board

Riga, 24 April 2026

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STATEMENT OF ASSETS AND LIABILITIES

	Notes	<u>31.12.2025</u>	<u>31.12.2024</u>
Assets			
Financial assets measured at amortized cost			
Due on demand from credit institutions	3	437,204	599,840
Financial assets at fair value through profit or loss			
Debt instruments	4	26,331,476	29,915,307
Derivative financial instruments	5	230,382	464,906
Financial assets measured at amortized cost			
Other assets		-	20,000
Total assets		<u>26,999,062</u>	<u>31,000,053</u>
Liabilities			
Financial liabilities at fair value through profit or loss			
Derivative financial instruments	5	(212,613)	(609,700)
Financial liabilities measured at amortized cost			
Accrued expenses	6	(59,177)	(55,068)
Total liabilities		<u>(271,790)</u>	<u>(664,768)</u>
Net assets		<u>26,727,272</u>	<u>30,335,285</u>

Notes 12 to 29 form an integral part of these financial statements.

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

Karlis Purgailis
Chairperson of the Management Board

Riga, 24 April 2026

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STATEMENT OF INCOME AND EXPENSES

	Notes	2025	2024
Income for the reporting period			
Interest income		1,626,838	1,677,411
Other income		130,030	67,656
Total income	7	1,756,868	1,745,067
Expenses for the reporting period			
Remuneration to the investment management joint stock company		(282,613)	(305,906)
Remuneration to the custodian bank		(50,870)	(55,063)
Other Fund management expenses	8	(80,727)	(72,766)
Total expenses		(414,210)	(433,735)
Increase in investment value			
Realised increase in investment value	9	617,478	698,910
Unrealised (decrease)/increase in investment value	10	(424,644)	865,707
Total increase in investment value		192,834	1,564,617
Increase in net assets from investments		1,535,492	2,875,949

Notes 12 to 29 form an integral part of these financial statements.

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Karlis Purgailis
Chairperson of the Management Board

Riga, 24 April 2026

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STATEMENT OF CHANGES IN NET ASSETS

CBL Eastern European Bond Fund	Notes	2025	2024
Net assets at the beginning of the reporting period		30,335,285	29,052,314
Increase in net assets from investments		1,535,492	2,875,949
Transactions in share certificates and units			
Inflow from sale of share certificates and units		1,414,860	821,967
Outflow on redemption of share certificates and units		(6,558,365)	(2,414,945)
(Decrease) in net assets from transactions in share certificates and units		(5,143,505)	(1,592,978)
(Decrease)/increase in net assets during the reporting period		(3,608,013)	1,282,971
Net assets at the end of the reporting period		26,727,272	30,335,285
<u>CBL Eastern European Bond fund Class R Acc USD</u>			
<u>ISIN : LV0000400125</u>		<u>2025</u>	<u>2024</u>
Number of issued share certificates and units at the beginning of the reporting period		83,374	95,927
Number of issued share certificates and units at the end of the reporting period	18	76,124	83,374
Net assets per share certificate and unit at the beginning of the reporting period		26.80	22.67
Net assets per share certificate and unit at the end of the reporting period	18	25.81	26.80
<u>CBL Eastern European Bond fund Class R Acc EUR (hedged)</u>			
<u>ISIN : LV0000400174</u>		<u>2025</u>	<u>2024</u>
Number of issued share certificates and units at the beginning of the reporting period		1,538,408	1,608,932
Number of issued share certificates and units at the end of the reporting period	18	1,273,200	1,538,408
Net assets per share certificate and unit at the beginning of the reporting period		18.27	16.71
Net assets per share certificate and unit at the end of the reporting period	18	19.45	18.27

Notes 12 to 29 form an integral part of these financial statements.

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

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Chairperson of the Management Board

Riga, 24 April 2026

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CASH FLOW STATEMENT

	Notes	2025	2024
Interest income received		1,295,246	1,652,778
Other income received		130,030	67,656
Acquisition of investments	11	(23,261,602)	(15,206,669)
Inflow from sale of investments		26,718,451	15,914,812
Investment management expenses		(408,797)	(430,032)
Settlements of foreign currency derivative financial instruments		462,903	515,319)
Increase in cash and cash equivalents from operating activities		4,936,231	1,483,226
Cash flow from financing activities			
Inflow from sale of share certificates and units		1,434,860	801,967
Outflow on redemption of share certificates and units		(6,558,365)	(2,414,945)
(Decrease) in cash and cash equivalents from financing activities		(5,123,505)	(1,612,978)
(Decrease) in net cash and cash equivalents in the reporting period		(187,274)	(129,752)
Cash and cash equivalents at the beginning of the reporting year		599,840	747,263
Effects of changes in foreign exchange rates on cash and cash equivalents		24,638	(17,671)
Cash and cash equivalents at the end of the reporting year	3	437,204	599,840

Notes 12 to 29 form an integral part of these financial statements.

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

Karlis Purgailis
Chairperson of the Management Board

Riga, 24 April 2026

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 GENERAL INFORMATION

Name of the Fund	CBL Eastern European Bond Fund
Type of the Fund:	Investment Fund
Scope of the Fund:	The investment objective of the Investment Fund is to achieve long-term capital appreciation by investing primarily in debt securities and money market instruments issued or guaranteed by Eastern European governments, municipalities, central banks, credit institutions and commercial companies, debt securities investment funds and ETFs traded on regulated markets in Member States and OECD countries without sectoral restrictions. The Fund does not track the performance of a financial index.
Name of the Investment Management Joint Stock Company:	CBL Asset Management IPAS Republikas laukums 2a, Riga, LV-1010, Latvia

NOTE 2 SIGNIFICANT ACCOUNTING PRINCIPLES

Principles of the preparation of financial statements

The financial statements of the CBL Eastern European Bond Fund have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union, as required by the Bank of Latvia – Regulation No. 382 “On Preparation of Annual Reports, Consolidated Annual Reports and Semi-Annual Reports of Investment Fund and Open Alternative Investment Fund”.

The financial statements are prepared under the historical cost convention, except for financial instruments held for trading, which are carried at fair value.

The financial statements are presented in the official currency of the Republic of Latvia, the euro (EUR). The financial statements cover the period from 1 January 2025 to 31 December 2025.

Functional and reporting currency

The Fund's functional currency is the US dollar, but in accordance with the requirements of the Bank of Latvia, the Fund also maintains its accounts in euro and accordingly the presentation currency of these financial statements is euro.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS accounting standards requires significant assumptions. Similarly, when preparing financial statements, the management of the investment company needs to make assumptions and judgments by applying the accounting policy chosen by the Fund. The preparation of financial statements in accordance with the IFRS Accounting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures in the notes to the financial statements at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates and assumptions relate to the fair value measurement of financial assets.

Income and expense recognition

All interest income and expenses are accounted for on an accrual basis.

Interest income and expense on assets or liabilities carried at amortised cost is recognised in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the future cash flows of a financial instrument over the expected life of the financial asset or liability. For financial instruments at fair value through profit or loss, interest income is recognised on an accrual basis but without applying the effective interest rate. Realised appreciation or depreciation of investments is calculated in accordance with Bank of Latvia Regulation No. 382, i.e. by calculating the difference between the cash received from the sale of investments recognised in the statement of financial assets and liabilities, including the redemption of debt instruments, and the cash used to acquire those investments, adjusted for any depreciation or appreciation of the investment resulting from its revaluation in previous reporting periods. In cases where the derecognition of financial instruments involves an exchange of securities, the value of the securities exchanged is not included in realized gains, and the value of the securities acquired is recognized as an increase in the value of unrealized investments for the reporting year. During 2025, the value of such exchanged and acquired financial instruments amounted to EUR 2,099,948. In 2024, the value of such exchanged and acquired financial instruments amounted to EUR 1,085,767.

Remuneration to the Asset Manager for managing the Fund and Custodian fee is calculated as a percentage of the value of the Fund's assets and accrues daily but is paid monthly.

Two types of transactions with derivative financial instruments (DFI) are concluded at the expense of the Fund. The first type relates to the Fund's total assets aiming to hedge foreign currency risks or earn profit. In this case, all income or expenses from DFI are attributed to the Fund's total assets. The other type focuses on containing the volatility of the value of the unit of the R Acc EUR (hedged) class share certificates due to changing exchange rates between the currency of the share certificate class (EUR) and the Fund's base currency (USD). In this case, all income and expenses from DFI are attributed only to the Fund's assets which are attributable to the R Acc EUR (hedged) class share certificates.

Derivatives listed on stock exchanges or other regulated markets are valued at the price at which the instrument can be sold (the last bid price at the close of the stock exchange on the date the Fund's value is calculated). Derivatives not quoted on exchanges or other regulated markets are valued at their redemption price, or at an offsetting transaction price confirmed in writing by the counterparty on the day of the calculation of the Fund's value, or at a price calculated through the market price of the underlying asset. An offsetting transaction is a transaction that will result in liquidation of a derivative financial instrument.

Revaluation of foreign currencies

Transactions in foreign currencies are revalued in euro at the reference foreign exchange rate published by the European Central Bank on the transaction date. Monetary assets and liabilities denominated in foreign currencies are revalued in euro at the foreign exchange reference rate published by the European Central Bank at the end of the last day of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value in a foreign currency are translated into the functional currency using the exchange rate of the day on which the fair value was determined. Foreign exchange gains or losses

arising from changes in foreign exchange rates are included in the statement of income and expenses as gains or losses on revaluation of foreign currency positions.

The exchange rates published by the European Central Bank for the currencies most used in the preparation of the Fund's statement of assets and liabilities (foreign currency unit to EUR) were as follows:

<u>Currency</u>	<u>31.12.2025</u>	<u>31.12.2024</u>
USD	1.1750	1.0389

Cash and cash equivalents

Cash and cash equivalents consist of current balances of the Fund's accounts and other short-term highly liquid investments with an initial maturity of up to 3 months.

Financial instruments

Financial instruments are classified into the following categories: fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial instrument was acquired. Management determines the classification of a financial instrument at initial recognition.

Financial instruments at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that are acquired or acquired for trading purposes in the foreseeable future or that are classified as at fair value through profit or loss after initial recognition. All of the Fund's investments in instruments are classified as financial assets at fair value through profit or loss. The result of financial assets measured at fair value is reflected in the income statement as an increase/(decrease) in the value of investments.

The revaluation of financial instruments is based on financial information available on Bloomberg on the market bid prices of these instruments. Unquoted financial instruments are valued according to the custodian bank's information on transactions that have taken place, and in the absence of such information, instruments are valued using the discounted cash flow method. Purchases and sales of financial instruments are recognised on the settlement date. The cost of instruments sold is determined using the FIFO (first in, first out) method.

Financial assets and liabilities measured at amortised cost

To be measured at amortised cost, a financial asset must be held simultaneously within a business model that seeks to hold the financial asset to receive its contractual cash flows, and the financial asset's contractual cash flows must be fixed and determinable over time and must comply with the 'principal and interest only' principle.

Financial assets measured at amortised cost are carried at amortised cost using the effective interest method, less any provision for impairment.

Provisions for impairment losses on financial assets that are not impaired (Stage 1 and Stage 2) are measured as the present value of any cash shortfall, being the difference between the contractual cash flows expected to be received by the Company and the cash flows expected to be received by the Company, discounted at the financial asset's effective interest rate. The provision for impairment losses on financial assets that are impaired at the reporting period end date (Stage 3) is measured as the difference between the gross carrying amount and the present value of estimated future cash flows, discounted at the financial asset's effective interest rate. For financial assets purchased or issued with impairment, the credit-adjusted effective interest rate is applied from initial recognition.

Income or expense from a financial asset measured at amortised cost is recognised through profit or loss when the financial asset is derecognised, reclassified or amortised, or to recognise or reverse an impairment loss. Financial assets measured at amortised cost are recognised at the date of issue. From the date of signature of the relevant contract until the actual date of issue, they are accounted for as a lending liability in off-balance sheet items.

If the financial assets cannot be recovered, they are written off and recorded as a reduction in the allowance for credit losses. The decision to write off loans is made by the Company's management. Proceeds from the recovery of loans previously written off are recognised through profit or loss.

The Company classifies all financial liabilities as carried at amortised cost using the effective interest method, except for derivative financial instruments, which are measured at fair value through profit or loss. Gains or losses on financial liabilities measured at amortised cost are recognised in the income statement when the financial liability is derecognised and amortised.

Derivative financial instruments

The Fund may enter into derivative financial instruments for the purpose of managing currency risk. For accounting purposes, all derivative financial instruments are classified as held-for-trading transactions.

After initial recognition and valuation, contracts are carried on the balance sheet at fair value. The fair value of these contracts is included in the statement of assets and liabilities as 'Derivative financial instruments' and their notional principal amount is disclosed in the notes to the financial statements.

Recognition and derecognition from assets

Purchases and sales of financial assets are recognised on the settlement date. Financial assets are derecognised when the rights to the cash flows from the financial assets expire or when the Fund has transferred all risks and rewards of ownership. Financial assets classified as financial assets at fair value through profit or loss are initially recognised at fair value, with any costs associated with closing a transaction being recognised in the income statement. Other financial assets are initially recognised at fair value, including transaction costs.

Provisions for impairment of financial assets

The Company estimates expected credit losses. The impairment allowance requirements apply to financial assets measured at amortised cost but not to financial assets measured at fair value through profit or loss.

Impairment provisions are recognised based on future information, even if the loss event has not occurred. A wide range of information is considered in the assessment, but as most of these exposures are credit rated, the calculation relies heavily on external credit ratings and estimated default probabilities derived from multi-period rating migration matrices calculated by rating agencies. If an external rating agency credit rating is not available for assessment, it may be replaced by an internally calculated

credit quality level. Credit risk indicators (default, delinquency, restructuring) and individual issuer credit risk assessment are also considered. The Company considers exposures with investment grade credit ratings to be low risk assets and therefore it is assumed that they have not significantly increased in credit risk since acquisition. For exposures rated below investment grade by more than 3 notches, a decline in credit rating since the original acquisition is considered as a factor indicating a significant increase in credit risk. Estimated credit losses are recognised based on the stage of the provision to which the exposure is allocated at the reporting date. A 12-month expected credit loss is recognised for Stage 1 exposures where there has been no material increase in credit risk since initial recognition. Life-cycle expected credit losses are recognised for Stage 2 exposures where the credit risk has increased significantly since initial recognition and for Stage 3 exposures that are in default. Stage 3 exposures, if identified, would be subject to additional comprehensive assessment, including comparison with market valuations for similar exposures, market depth of the underlying security, past trading performance and other available information.

Fair value of financial assets and liabilities

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an arm's length transaction between market participants at the measurement date in the principal market, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of liabilities reflects the risk of default.

When possible, the Company measures the fair value of a financial instrument of the Fund using quoted prices in an active market. A market is considered active if transactions in the asset or liability occur frequently enough and in sufficient volume to permit regular price information to be obtained.

The revaluation of financial instruments is carried out using financial information available on Bloomberg and NASDAQ OMX Riga on the bid prices of these financial instruments. Purchases and sales of financial instruments are recognised on the settlement date. The acquisition value of financial instruments sold is determined using the FIFO (first in, first out) method.

Where a quoted price in an active market is not available, the Company uses valuation techniques that use observable market data to the extent possible and unobservable inputs to the extent possible. The valuation method chosen includes all factors that market participants would consider in determining the transaction price.

At initial recognition, the best evidence of the fair value of a financial instrument is the transaction price, i.e. the fair value of the consideration paid or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is not evidenced either by a quoted price in an active market for an identical asset or liability or by the results of a valuation technique that uses only observable inputs, the financial instrument is initially measured at fair value, adjusted to reflect the difference between the fair value at initial recognition and the transaction price. This difference is subsequently recognised in profit or loss, as appropriate, considering the expected life of the instrument, but not later than the point at which the value can be fully supported by observable market data or the transaction is completed.

The portfolios of financial assets and financial liabilities exposed to market risk and credit risk managed by the Company based on net exposure to either market risk or credit risk are valued by reference to the price that would be paid to sell a net long position (or paid to transfer a net short position) in the individual risks. These portfolio level adjustments are allocated to individual assets and liabilities based on relative risk adjustments for each individual portfolio of instruments.

A description of the methods used to determine fair value by 3 levels, based on the degree of observability of the information used in the valuation techniques, is presented below.

Level 1 – Financial instruments are valued using unadjusted prices in active markets. Valuation technique: observable market inputs. This category mainly includes equity instruments, debt instruments, short-term bonds and standardised derivatives valued using quoted exchange prices. Securities traded in active markets over-the-counter are also included in this category.

Level 2 – Financial instruments are valued using techniques based on observable market data. In some cases, valuation reports prepared by independent third parties or prices in less liquid markets are used. Valuation technique: unobservable market inputs. This category is predominantly less liquid debt instruments and derivatives which are valued based on available market data. The price of less liquid debt securities is adjusted for yield spreads available in the market.

Level 3 – Financial instruments are valued using techniques in which significant inputs are not based on observable market data. The Company recognises a change in the fair value hierarchy level for instruments in the Fund's reports at the end of the reporting period in which the change occurs.

Taxes

The income of the Fund is subject to income taxes in the country where it is earned. The Fund is not subject to corporate income tax in the Republic of Latvia.

IFRS accounting standards issued or amended during the financial year with effect from 1 January 2025

- Lack of exchangeability – amendments to IAS 21;

In 2025, the Fund has not had transactions affected by the new standards in force or amendments thereto, and the Company's accounting policies already comply with the requirements of the new standards.

Published standards not yet in force

A number of new standards or amendments thereto are in force for accounting periods beginning after 1 January 2025 (some of which have not yet been approved by the European Union) and their earlier application is permitted; however, in preparing these financial statements, the Fund has not applied the new or amended standards earlier. The new and supplemented standards listed below are not expected to have a material effect on the financial statements of the Fund.

The Company is currently evaluating the potential impact of the abovementioned new or supplemented standards on the financial statements of the Plan:

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026);
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026);
- Annual Improvements to IFRS Accounting Standards – Volume 11 (effective from 1 January 2026);
- Presentation and Disclosure in Financial Statements – IFRS 18 (effective from 1 January 2027);
- Subsidiaries without Public Accountability: Disclosures – IFRS 19 (effective from 1 January 2027);

NOTE 3 DUE ON DEMAND FROM CREDIT INSTITUTIONS

	31.12.2025	% of the Fund's net assets 31.12.2025	31.12.2024	% of the Fund's net assets 31.12.2024
Due on demand from credit institutions, Citadele banka AS	437,204	1.64%	599,840	1.98%

NOTE 4 DEBT INSTRUMENTS

Debt securities by sector, region.

	31.12.2025	% of the Fund's net assets 31.12.2025	31.12.2024	% of the Fund's net assets 31.12.2024
Corporate debt instruments	16,187,642	60.58%	20,425,132	67.33%
Latvia	1,510,142	5.66%	1,477,637	4.87%
OECD countries	11,665,865	43.65%	12,840,118	42.33%
Non-OECD countries	3,011,635	11.27%	6,107,377	20.13%
Government debt instruments	3,098,602	11.60%	3,791,203	12.50%
OECD countries	497,867	1.86%	-	0.00%
Non-OECD countries	2,600,735	9.74%	3,791,203	12.50%
Debt instruments of credit institutions	4,779,721	17.87%	3,715,872	12.25%
Latvia	600,724	2.24%	619,107	2.04%
OECD countries	2,523,077	9.43%	2,074,819	6.84%
Non-OECD countries	1,655,920	6.20%	1,021,946	3.37%
Debt instruments of financial institutions	2,265,511	8.47%	1,983,100	6.54%
OECD countries	2,265,511	8.47%	1,983,100	6.54%
Total debt instruments:	26,331,476	98.52%	29,915,307	98.62%

The following table shows the debt instruments by country of origin of the issuer at 31 December 2025:

Financial instrument	ISIN code	Currency	Nominal value	Acquisition value (EUR)	Carrying amount 31.12.2025	% of the Fund's net assets 31.12.2025
Financial instruments traded on regulated markets:				23,636,447	23,731,984	88.78%
Debt instruments of Polish issuers:				4,176,934	4,398,812	16.45%
Bank Gospodarstwa Krajowego 4.375% 03/2039						
03/2039	XS2778274410	EUR	1,200,000	1,175,423	1,248,960	4.67%
Globalworth Real Estate Investments Ltd 6.25% 03/2030	XS2809868446	EUR	1,034,003	930,014	1,099,703	4.11%
Globe Trade Centre SA 6.5% 10/2030	XS3201265769	EUR	1,100,000	1,045,990	1,033,598	3.87%
B2 Impact ASA 5.957% 03/2029	NO0013330522	EUR	1,000,000	1,025,507	1,016,551	3.80%
Debt instruments of Czech issuers:				3,709,610	3,782,448	14.15%
CPI Property Group SA 6% 01/2032	XS2904791774	EUR	1,000,000	966,685	1,058,962	3.96%
CTP NV 4.25% 03/2035	XS3017991368	EUR	1,000,000	1,043,948	1,026,746	3.84%
Czechoslovak Group AS 5.25% 01/2031	XS3105190576	EUR	800,000	824,550	848,537	3.18%
Energo - Pro as 8% 05/2030	XS3063695715	EUR	800,000	874,427	848,203	3.17%
Debt instruments of Romanian issuers:				3,626,458	3,428,412	12.85%
Societatea Nationala de Gaze Naturale ROMGAZ SA 4.625% 11/2031	XS3221850228	EUR	1,000,000	1,000,834	1,005,093	3.76%
Romanian Government International Bond 6.75% 07/2039	XS3021378388	EUR	800,000	866,703	872,653	3.27%
Romanian Government International Bond 6.125% 10/2037	XS3198384813	EUR	700,000	705,466	712,428	2.67%
Banca Transilvania SA 7.125% 11/2030	XS3239211132	EUR	700,000	706,650	709,682	2.66%
Solis Bond Co DAC 8.519% 12/2026	NO0010914914	EUR	316,000	316,320	98,071	0.37%
Solis Bond Co DAC 0% 12/2026	NO0013455931	EUR	8,562	8,562	8,562	0.03%
Alternus Energy 0% 12/2026	NO0013302430	EUR	8,483	8,483	8,483	0.03%
Alternus Energy 0% 12/2026	NO0013534339	EUR	7,872	7,872	7,872	0.03%
Solis Bond Co DAC 0% 12/2026	NO0013209213	EUR	4,214	4,214	4,214	0.02%
Solis Bond Co DAC 0% 12/2026	NO0013682872	EUR	1,354	1,354	1,354	0.01%
Debt instruments of Slovenian issuers:				2,024,261	2,061,350	7.72%
Supernova Invest GmbH 5% 06/2030	XS3103692250	EUR	1,000,000	1,013,405	1,046,477	3.92%
Nova Ljubljanska Banka dd 6.5% 11/2030	XS3227899989	EUR	1,000,000	1,010,856	1,014,873	3.80%
Debt instruments of Estonian issuers:				2,119,929	2,034,385	7.60%
Cullinan Holdco Scsp 8.5% 10/2029	XS3148179230	EUR	1,114,353	1,093,422	989,800	3.70%
Luminor Holding AS 7.375% 02/2049	XS2982074861	EUR	500,000	513,394	532,879	1.99%
LHV Group AS 5.5% 09/2035	XS3153067288	EUR	500,000	513,113	511,706	1.91%
Debt instruments of Turkish issuers:				2,053,378	2,015,834	7.54%
Turk Telekomunikasyon AS 6.95% 10/2032	XS3194824747	USD	850,000	744,297	750,238	2.81%
Pegasus Hava Tasimaciligi AS 8% 09/2031	XS2897383043	USD	700,000	631,152	642,286	2.40%
TAV Havalimanlari Holding AS 8.5% 12/2028	XS2729164462	USD	700,000	677,929	623,310	2.33%
Debt instruments of Latvian issuers:				1,096,933	1,100,674	4.11%
Citadele Banka AS 7.125% 01/2031	XS3060301168	EUR	500,000	500,000	511,626	1.91%
Grenardi Group AS 10% 04/2027	LV0000860179	EUR	505,000	507,706	499,950	1.87%
Citadele Banka AS 5% 12/2031	LV0000880102	EUR	90,000	89,227	89,098	0.33%



Financial instrument	ISIN code	Currency	Nominal value	Acquisition value (EUR)	Carrying amount 31.12.2025	% of the Fund's net assets 31.12.2025
Debt instruments of Lithuanian issuers:				1,075,660	1,070,191	4.00%
Lithuania Government International Bond 3.625% 03/2036	XS3175946071	EUR	500,000	498,740	497,867	1.86%
Siauliai Bankas AB 10.75% 06/2033	LT0000407751	EUR	400,000	474,173	463,619	1.73%
Akropolis Group Uab 6% 05/2030	XS3046302488	EUR	100,000	102,747	108,705	0.41%
Debt instruments of Bulgarian issuers:				1,000,911	1,018,845	3.81%
Bulgarian Energy Holding EAD 4.25% 06/2030	XS3090933485	EUR	1,000,000	1,000,911	1,018,845	3.81%
Debt instruments of Uzbek issuers:				920,872	946,238	3.54%
National Bank of Uzbekistan 8.5% 07/2029	XS2853544398	USD	1,000,000	920,872	946,238	3.54%
Debt instruments of Moldovan issuers:				946,672	859,141	3.21%
Aragvi Finance International DAC 11.125% 11/2029	XS2932787687	USD	1,000,000	946,672	859,141	3.21%
Debt instruments of Ukrainian issuers:				402,015	534,130	2.00%
Ukraine Government International Bond 4.5% 02/2034	XS2895056013	USD	1,002,312	402,015	534,130	2.00%
Debt instruments of North Macedonian issuers:				482,814	481,524	1.80%
North Macedonia Government International Bond 1.625% 03/2028	XS2310118893	EUR	500,000	482,814	481,524	1.80%
Financial instruments not traded on regulated markets (First North):				1,928,060	1,929,877	7.23%
Debt instruments of Estonian issuers:				556,718	557,306	2.08%
Summus Capital OU 9.5% 06/2027	LV0000860187	EUR	535,000	542,374	543,032	2.03%
Mainor Ulemiste AS 4.75% 06/2026	EE3300002138	EUR	14,600	14,344	14,274	0.05%
Debt instruments of Latvian issuers:				871,092	874,071	3.28%
Coffee Address Holding SIA 8.5% 02/2028	LV0000102432	EUR	435,000	436,121	442,431	1.66%
iCotton SIA 8.022% 06/2027	LV0000802783	EUR	436,000	434,971	431,640	1.62%
Debt instruments of Lithuanian issuers:				500,250	498,500	1.87%
AB HISK 9% 04/2028	LT0000134694	EUR	500,000	500,250	498,500	1.87%
Financial instruments not traded on regulated markets:				635,318	669,615	2.51%
Debt instruments of Estonian issuers:				500,250	533,494	2.00%
Verston Group OÜ 11% 04/2029	EE0000000602	EUR	500,000	500,250	533,494	2.00%
Debt instruments of Latvian issuers:				135,068	136,121	0.51%
Cleanr Grupa AS 6.5% 11/2029*	LV0000107365	EUR	135,000	135,068	136,121	0.51%
Total debt instruments:				26,199,825	26,331,476	98.52%

* Nasdaq Baltic Market (NDAQ) has announced that, as of 4 February 2026, bonds issued by CleanR Grupa, a leading Latvian environmental services group, have been listed on the Nasdaq Baltic Bond List of Nasdaq Riga.

The following table shows the debt instruments by country of origin of the issuer at 31 December 2024:

Financial instrument	ISIN code	Currency	Nominal value	Acquisition value (EUR)	Carrying amount 31.12.2024	% of the Fund's net assets 31.12.2024
Financial instruments traded on regulated markets:				27,688,681	28,626,213	94.38%
Debt instruments of Polish issuers:				5,891,454	6,061,099	19.99%
Globalworth Real Estate Investments Ltd 6.25% 03/2030	XS2809868446	EUR	1,128,004	1,014,560	1,174,735	3.88%
B2 Impact ASA 6.763% 03/2029	NO0013330522	EUR	1,000,000	1,025,507	1,013,442	3.34%
Synthos SA 2.5% 06/2028	XS2348767836	EUR	1,100,000	971,111	1,010,798	3.33%
ORLEN SA 4.75% 07/2030	XS2647371843	EUR	900,000	953,614	970,572	3.20%
Bank Gospodarstwa Krajowego 6.25% 07/2054	XS2851609102	USD	1,000,000	984,001	969,658	3.20%
GTC Aurora Luxembourg SA 2.25% 06/2026	XS2356039268	EUR	1,000,000	942,661	921,894	3.04%
Debt instruments of Turkish issuers:				3,495,320	3,653,557	12.04%
Eldorado Gold Corp 6.25% 09/2029	USC3314PAD80	USD	1,100,000	1,015,702	1,057,923	3.49%
WE Soda Investments Holding PLC 9.375% 02/2031	USG95448AC32	USD	1,000,000	976,843	1,013,935	3.34%
TAV Havalimanlari Holding AS 8.5% 12/2028	XS2729164462	USD	900,000	871,623	897,835	2.96%
Pegasus Hava Tasimaciligi AS 8% 09/2031	XS2897383043	USD	700,000	631,152	683,864	2.25%
Debt instruments of Romanian issuers:				2,621,310	2,727,590	8.99%
Romanian Government International Bond 2.875% 04/2042	XS2364200514	EUR	1,500,000	889,680	998,065	3.29%
NE Property BV 2% 01/2030	XS2434763483	EUR	1,000,000	778,702	943,187	3.11%
Romanian Government International Bond 6.125% 01/2044	US77586TAE64	USD	750,000	616,904	660,621	2.18%
Solis Bond Co DAC 9.236% 02/2025	NO0010914914	EUR	323,000	323,327	113,020	0.37%
Alternus Energy 0% 12/2025	NO0013302430	EUR	8,483	8,483	8,483	0.03%
Solis Bond Co DAC 0% 12/2025	NO0013209213	EUR	4,214	4,214	4,214	0.01%
Debt instruments of Estonian issuers:				2,622,258	2,663,220	8.78%
LHV Group AS 5.375% 05/2028	XS2822574245	EUR	1,000,000	1,010,596	1,054,925	3.48%
Cullinan Holdco Scsp 4.625% 10/2026	XS2397354528	EUR	1,000,000	1,000,821	944,365	3.11%
Luminor Bank AS/Estonia 7.75% 06/2027	XS2633112565	EUR	600,000	610,841	663,930	2.19%
Debt instruments of Ukrainian issuers:				2,055,725	2,345,231	7.73%
MHP Lux SA 6.95% 04/2026	XS1713469911	USD	1,250,000	1,120,899	1,127,642	3.72%
Ukraine Government International Bond 1.75% 02/2029	XS2895055981	USD	1,000,000	532,811	671,925	2.21%
Ukraine Government International Bond 1.75% 02/2034	XS2895056013	USD	1,002,312	402,015	545,664	1.80%
Debt instruments of Lithuanian issuers:				2,273,983	2,275,449	7.50%
Akropolis Group Uab 2.875% 06/2026	XS2346869097	EUR	1,200,000	1,193,745	1,183,450	3.90%
Ignitis Grupe UAB 2% 05/2030	XS2177349912	EUR	800,000	722,302	736,035	2.43%
Siauliu Bankas AB 10.75% 06/2033	LT0000407751	EUR	300,000	357,936	355,964	1.17%
Debt instruments of Czech issuers:				1,872,321	1,946,868	6.42%
CPI Property Group SA 6% 01/2032	XS2904791774	EUR	1,000,000	963,000	1,018,786	3.36%
CEZ AS 4.125% 09/2031	XS2894908768	EUR	900,000	909,321	928,082	3.06%
Debt instruments of Uzbek issuers:				1,769,078	1,941,269	6.40%
National Bank of Uzbekistan 8.5% 07/2029	XS2853544398	USD	1,000,000	920,872	1,021,946	3.37%
Uzauto Motors AJ 4.85% 05/2026	XS2330272944	USD	1,000,000	848,206	919,323	3.03%
Debt instruments of Bulgarian issuers:				1,200,637	1,126,421	3.71%
Bulgarian Energy Holding EAD 2.45% 07/2028	XS2367164576	EUR	1,200,000	1,200,637	1,126,421	3.71%

Financial instrument	ISIN code	Currency	Nominal value	Acquisition value (EUR)	Carrying amount 31.12.2024	% of the Fund's net assets 31.12.2024
Debt instruments of Moldovan issuers:				1,138,784	1,105,494	3.65%
Citadele Banka AS 5% 12/2031	LV0000880102	EUR	650,000	644,666	619,107	2.04%
Given Jewellery AS 10% 04/2027	LV0000860179	EUR	491,300	494,118	486,387	1.61%
Debt instruments of Moldovan issuers:				946,672	960,652	3.17%
Aragvi Finance International DAC						
11.125% 11/2029	XS2932787687	USD	1,000,000	946,672	960,652	3.17%
Debt instruments of North Macedonian issuers:				973,623	914,928	3.02%
North Macedonia Government						
International Bond 1.625%						
03/2028	XS2310118893	EUR	1,000,000	973,623	914,928	3.02%
Debt instruments of Kazakh issuers:				827,516	904,435	2.98%
KazMunayGas National Co JSC						
6.375% 10/2048	XS1807299331	USD	1,000,000	827,516	904,435	2.98%
Financial instruments not traded on regulated markets (First North):				1,268,854	1,289,094	4.24%
Debt instruments of Latvian issuers:				976,365	991,250	3.26%
iCotton SIA 8.772% 06/2027	LV0000802783	EUR	550,000	543,421	547,250	1.80%
Coffee Address Holding SIA 9%						
06/2025	LV0000802585	EUR	444,000	432,944	444,000	1.46%
Debt instruments of Estonian issuers:				292,489	297,844	0.98%
Summus Capital OU 9.5%						
06/2027	LV0000860187	EUR	292,000	292,489	297,844	0.98%
Total debt instruments:				28,957,535	29,915,307	98.62%

NOTE 5 DERIVATIVE FINANCIAL INSTRUMENTS

The following tables show the notional principal amount and fair value of foreign exchange swaps and forwards at 31 December 2025 and 31 December 2024. The notional amounts of foreign exchange swaps are determined in accordance with the requirements arising from these transactions. All derivative financial instruments are currency swaps between EUR and USD and are entered into with a single counterparty, Citadele banka AS, whose country of origin (registration) is the Republic of Latvia. CBL Asset Management IPAS is a subsidiary of Citadele banka AS, which indicates a close relationship with Citadele Banka AS as the Custodian Bank.

Foreign exchange transactions	31.12.2025			% of the Fund's net assets 31.12.2025*
	Base value	Fair value		
		Assets	Liabilities	
Currency swaps	48,213,079	227,793	(207,341)	0.08%
Currency forwards	592,995	2,589	(5,272)	(0.01%)
Total derivatives	48,806,074	230,382	(212,613)	0.07%

* The net value of derivative assets and liabilities is reflected as a percentage of the Fund's net assets.

Foreign exchange transactions	31.12.2024			% of the Fund's net assets 31.12.2024*
	Base value	Fair value		
		Assets	Liabilities	
Currency swaps	49,571,556	455,062	(598,478)	(0.47%)
Currency forwards	1,538,298	9,844	(11,222)	0.00%
Total derivatives	51,109,854	464,906	(609,700)	(0.47%)

* The net value of derivative assets and liabilities is reflected as a percentage of the Fund's net assets.

NOTE 6 ACCRUED EXPENSES

	31.12.2025	31.12.2024
Accrued expenses for the asset manager's fees	24,972	26,727
Accrued expenses for custodian fees	4,495	4,811
Accrued expenses for professional services of auditors	13,432	6,716
Accrued expenses for the Bank of Latvia	8,148	9,554
Other expenses	8,130	7,260
Total accrued expenses:	59,177	55,068

NOTE 7 FUND INCOME FOR THE REPORTING PERIOD

	<u>31.12.2025</u>	<u>31.12.2024</u>
From debt instruments	1,618,672	1,665,775
Interest income on claims on credit institutions	8,166	11,636
Other income	130,030	67,656
Total income:	<u>1,756,868</u>	<u>1,745,067</u>

NOTE 8 OTHER FUND MANAGEMENT EXPENSES FOR THE REPORTING PERIOD

	<u>31.12.2025</u>	<u>31.12.2024</u>
Expenses for the Bank of Latvia	32,493	34,894
Expenses for professional services of auditors	6,716	6,716
Expenses for information sources and analytical studies	31,099	28,701
Other expenses	10,419	2,455
Total other fund management expenses:	<u>80,727</u>	<u>72,766</u>

NOTE 9 REALISED INCREASE/(DECREASE) IN INVESTMENT VALUE

	<u>31.12.2025</u>	<u>31.12.2024</u>
Income for the period from sale of investments*	26,897,682	17,697,454
Acquisition value of investments sold during the reporting period	(26,224,225)	(17,876,226)
Increase in value of sold investments recognised in previous reporting periods	(590,744)	(500,166)
Impairment of investments sold recognised in previous reporting periods	534,765	1,377,848
Total realised increase in investment value:	<u>617,478</u>	<u>698,910</u>

* Income for the reporting period from the sale/(redemption) of investments is recorded at the exchange rate on the date of acquisition of the financial instrument. Gains or losses arising from changes in foreign exchange rates are reflected in the gain or loss on the investment recognised in the previous reporting period.

NOTE 10 UNREALISED INCREASE/(DECREASE) IN INVESTMENT VALUE

	<u>31.12.2025</u>	<u>31.12.2024</u>
Result of revaluation of debt instruments at fair value	60,381	894,525
Result of revaluation of derivative financial instruments at fair value	17,770	(144,794)
Foreign currency revaluation result*	(502,795)	115,976
Total unrealised (decrease)/increase in investment value:	<u>(424,644)</u>	<u>865,707</u>

* The result of foreign currency revaluation was negative and includes EUR 655,285 (in 2024, the result was positive at EUR 265,561), arising from realised exchange rate differences between the purchase and sale rates of instruments during the reporting year.

NOTE 11 CHANGES IN THE VALUE OF INVESTMENTS

The table below shows the change in the value of investments in 2025:

Financial assets at fair value through profit or loss:	31.12.2024	Increase during the reporting period	Decrease during the reporting period*	Fair value adjustment and recognised interest income	
				31.12.2025	31.12.2025
Debt instruments	29,915,307	23,261,610	(28,033,642)	1,188,201	26,331,476
Derivatives, net	(144,794)	-	(462,903)	625,466	17,769
Total investments:	29,770,513	23,261,610	(28,496,545)	1,813,667	26,349,245

* Decrease during the reporting period is carried at the exchange rate on the date the investment is sold. This item includes income from the sale and redemption of investments and coupons received.

The table below shows the change in the value of investments in 2024:

Financial assets at fair value through profit or loss:	31.12.2023	Increase during the reporting period	Decrease during the reporting period*	Fair value adjustment and recognised interest income	
				31.12.2024	31.12.2024
Debt instruments	28,208,568	15,206,669	(17,523,194)	4,023,264	29,915,307
Derivatives, net	146,770	515,316	-	(806,880)	(144,794)
Total investments:	28,355,338	15,721,985	(17,523,194)	3,216,384	29,770,513

* Decrease during the reporting period is carried at the exchange rate on the date the investment is sold. This item includes income from the sale and redemption of investments and coupons received.

NOTE 12 PLEDGED ASSETS

During the year under review, the Fund did not issue any guarantees or sureties or pledge or otherwise encumber any assets.

NOTE 13 TAXES AND DUTIES

In 2025 and 2024, no taxes, duties or allowances were paid on the assets of the Fund.

NOTE 14 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The following table analyses financial instruments measured at fair value at the end of the reporting period by level within the fair value hierarchy, which categorises fair value measurements.

2025	Level 1:	Level 2:	Level 3:	Total
Financial assets at fair value through profit or loss:				
Debt instruments and other fixed-income instruments	11,833,926	13,933,571	563,979	26,331,476
Derivative financial instruments	-	230,382	-	230,382
Total financial assets:	11,833,926	14,163,953	563,979	26,561,858
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments	-	(212,613)	-	(212,613)
Net fair value:	11,833,926	13,951,340	563,979	26,349,245

The reclassification of debt securities to a more appropriate hierarchy level for bonds is performed based on available market quotations, as determined in the fair value hierarchy methodology, and is applied consistently from year to year. During 2025, a debt security with an outstanding balance of EUR 623,310 was reclassified from Level 2 to Level 1 of the fair value hierarchy, while a security with an outstanding balance of EUR 534,130 was reclassified from Level 1 to Level 2 of the fair value hierarchy.

2024	Level 1:	Level 2:	Level 3:	Total
Financial assets at fair value through profit or loss:				
Debt instruments and other fixed-income instruments	12,515,581	17,399,726	-	29,915,307
Derivative financial instruments	-	464,906	-	464,906
Total financial assets:	12,515,581	17,864,632	-	30,380,213
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments	-	(609,700)	-	(609,700)
Net fair value:	12,515,581	17,254,932	-	29,770,513

During 2024, debt securities with an outstanding balance of EUR 5,607,995 were reclassified from Level 2 to Level 1 of the fair value hierarchy, while securities with an outstanding balance of EUR 660,621 were reclassified from Level 1 to Level 2. During 2024, a security with an outstanding balance of EUR 619,107 was reclassified from Level 3 to Level 2 of the fair value hierarchy.

The table presents a reconciliation of the opening and closing balances of Level 3 fair value measurements within the fair value hierarchy.

EUR	Total financial instruments held for trading
Balance as at 1 January 2025	-
Purchases	500,250
Revaluation and income recognised in the statement of profit or loss	121,714
Sales/Disposals	-
Coupons	(57,985)
Balance as at 31 December 2025	563,979

The table presents a reconciliation of the opening and closing balances of Level 3 fair value measurements within the fair value hierarchy.

EUR

Total financial instruments held for trading

Balance as at 1 January 2024	508,226
Revaluation and income recognised in the statement of profit or loss	12,215
Purchases	124,666
Sales/Disposals	-
Coupons	(26,000)
Reclassification from Level 3 on 31.12.2024*	
Citadele Banka AS 5% 12/2031 ISIN LV0000880102	(619,107)
Balance as at 31 December 2024	-

* In 2024, a decision was taken to reclassify debt instruments Citadele Banka AS 5% 12/2031 ISIN LV0000880102 to a more appropriate hierarchy level 2 (bonds) due to available quotes; accordingly, available quotes are not sufficient to reclassify specific debt securities to hierarchy level 1.

The table below presents the valuation methods used to measure Level 2 and Level 3 fair values, as well as key unobservable inputs:

Type	Valuation method	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss (Debt Instruments) - Level 2	Financial market quotes	Not applicable	Not applicable
Derivative financial instruments	Financial market quotes	Not applicable	Not applicable
Financial assets at fair value through profit or loss (Debt Instruments) - Level 3	Discounted cash flow method	Discount rate	The estimated fair value would increase (decrease) if: - the discount rate would be lower (higher);

If, at the closing date, any of the significant unobservable inputs used in the fair value measurement of held-for-trading financial instruments were to change, but the other inputs were unchanged, the change would have the following effect.

As at 31 December 2025	Impact on the income statement	
	Increase	(Decrease)
Discount rate (2% change) Verston Group OÜ 11% 04/2029 ISIN EE0000000602	29,376	(27,430)
Discount rate (2% change) Solis Bond Co DAC 0% 12/2026 ISIN NO0013455931	171	(171)
Discount rate (2% change) Alternus Energy 0% 12/2026 ISIN NO0013302430	170	(170)
Discount rate (2% change) Alternus Energy 0% 12/2026 ISIN NO0013534339	157	(157)
Discount rate (2% change) Solis Bond Co DAC 0% 12/2026 ISIN NO0013209213	84	(84)
Discount rate (2% change) Solis Bond Co DAC 0% 12/2026 ISIN NO0013682872	27	(27)

NOTE 15 RISK MANAGEMENT

Investment process risk can be defined as a probability of undesirable outcome that may materialise in a given market economy at a given point in time. Risk management is described as risk identification, measurement and its possible prevention. The investment process may be affected by the exchange rate risk, interest rate risk, price risk, credit risk, liquidity risk and other risks, including operational risk. The Fund's investment strategy is designed to minimise these risks, but the Company cannot guarantee that these risks can be completely avoided in the future.

Risk management framework

Risk identification and measurement is a responsibility of an independent unit - the Risk Management Department of the Company, which develops and presents the information on risk profile to the Fund Manager. The Fund Manager can make certain decisions on the necessity to reduce existing or potential risks.

Risk measurement process employs models that are developed by the company, are based on historical data and are adjusted according to the economic situation. Certain models are also used to predict the financial risk factor changes under both normal and exceptional financial market circumstances.

The Manager of Investment Fund follows risk diversification and hedging principles whose objective is to reduce the investment risk that are developed in accordance with the Management Policy. When investing for the account of the Fund, the Fund Manager shall obtain sufficient information on potential or acquired investment targets and shall monitor the financial and economic situation of issuers in whose securities the Fund's assets will be or have been invested.

When developing the Fund's investment strategy and setting risk limits, the Company performs an analysis of the Fund's distribution of maturity, geographic location and types of currency investments by assessing the risk level for each of these factors. The Manager acts in strict compliance with the Prospectus of the Fund, Fund Management Regulations, as well as regulations and restrictions prescribed in laws and regulations of the Republic of Latvia.

Market risk

Market risk is the probability that the Fund's value may decrease when any of the market factors changes, for example, in case of changes in interest rates (interest rate risk), prices of financial instruments (price risk), foreign currency exchange rates (foreign currency risk) or other market risk factors. The assessment of each of these market risk sources is provided below, however, they cannot be fully diversified.

Derivatives risk

Investing in derivatives involves a high degree of risk. Liabilities or claims arising from such transactions may decline or cease to exist. The risk of loss may not be quantified in various circumstances and may exceed the amount of the collateral. If loans are used to cover the liabilities on derivative transactions or if the liabilities or claims on such transactions are denominated in foreign currencies, the risk of loss may increase. Derivative transactions may result in insolvency and encumber the Sub-Fund's assets, without the possibility to determine in advance the amount of potential losses. The total risk arising from transactions in derivatives, including derivatives embedded in transferable securities or money market instruments, shall not exceed the net asset value of the Sub-Fund. The calculation of the overall risk shall take into account the value of the underlying asset of the derivative, the counterparty risk to the transaction, the expected future market movements and the time required to close out the position. Forwards and swaps may be entered into in respect of DFIs attributable to the unit class R Acc EUR (hedged) which are entered into for the purpose of hedging the exposure to fluctuations in USD against the currency EUR of the particular unit class. The Company uses the liability method to measure the overall risk of the Fund. The application of the commitment method to the value-at-risk of standard DF instruments allows this value to be equated to the market value of the underlying asset. This may be replaced by notional value or the price of a futures contract traded on a regulated market if this approach is more conservative. As at the end of the reporting period, the total risk exposure of the Investment Fund's currency swaps to the Fund's net asset value was 7.54%. In 2024, the total risk exposure of the Investment Fund's currency swaps to the Fund's net asset value was 11.37%.

Interest rate risk

The financial instrument price risk of fixed-income securities (bonds) depends largely on fluctuations in market interest rates and changes in the credit quality of the issuer. Changes in market interest rates have the most direct impact on the attractiveness of a financial instrument as it is, by definition, an alternative source of interest income. If interest rates rise in the market, the prices of fixed income financial instruments fall and vice versa. On the other hand, a rise (fall) in market interest rates has a positive (negative) impact on coupon rates for floating rate fixed income financial instruments (where the coupon is set as a base rate, e.g., Euribor or Libor plus a margin). After revaluation (the point at which a new interest rate will be applied), the coupon yield on such financial instruments increases (decreases), resulting in an increase (decrease) in interest income.

The following tables show the potential impact on the value of the given Fund of changes in interest rates on the market for individual currencies, where the change in interest income is calculated over one year. Actual changes in the value of the Fund may differ from the calculations and the difference may be significant.

Changes in the market value of fixed income securities and interest income (2025, EUR)

Currency	Change in base rates, bp	Change in interest income for the year	Changes in market value	Impact of changes in base rates on the total value of the portfolio
EUR	100	31,081	(1,041,624)	(1,010,543)
USD	100	-	(186,302)	(186,302)
Total		31,081	(1,227,926)	(1,196,844)
EUR	(100)	(31,081)	1,041,624	1,010,543
USD	(100)	-	186,302	186,302
Total		(31,081)	1,227,926	1,196,844

Changes in the market value of fixed income securities and interest income (2024, EUR)

Currency	Change in base rates, bp	Change in interest income for the year	Changes in market value	Impact of changes in base rates on the total value of the portfolio
EUR	100	27,768	(766,490)	(738,722)
USD	100	-	(660,226)	(660,226)
Total		27,768	(1,426,716)	(1,398,948)
EUR	(100)	(27,768)	766,490	738,722
USD	(100)	-	660,226	660,226
Total		(27,768)	1,426,716	1,398,948

Changes in the market value of fixed income securities and interest income (2025, % of net assets)

Currency	Change in base rates, bp	Change in interest income for the year	Changes in market value	Impact of changes in base rates on the total value of the portfolio
EUR	100	0.12%	(3.90%)	(3.78%)
USD	100	-	(0.70%)	(0.70%)
Total		0.12%	(4.60%)	(4.48%)
EUR	(100)	(0.12%)	3.90%	3.78%
USD	(100)	-	0.70%	0.70%
Total		(0.12%)	4.60%	4.48%

Changes in the market value of fixed income securities and interest income (2024, % of net assets)

Currency	Change in base rates, bp	Change in interest income for the year	Changes in market value	Impact of changes in base rates on the total value of the portfolio
EUR	100	0.09%	(2.53%)	(2.44%)
USD	100	-	(2.18%)	(2.18%)
Total		0.09%	(4.71%)	(4.62%)
EUR	(100)	(0.09%)	2.53%	2.44%
USD	(100)	-	2.18%	2.18%
Total		(0.09%)	4.71%	4.62%

Exchange rate risk

Exchange rate risk arises when the nominal currency of a financial instrument or other financial instruments in the Fund differs from the currency of the Fund. Exchange rate fluctuations may result in gains or losses, depending on the direction of exchange rate fluctuations and the currency position of the Fund. Currency risk in the Fund is effectively managed by entering into Forward and/or SWAP transactions.

The following table shows the breakdown of the Fund's net assets and liabilities by currency at 31 December 2025:

Assets	USD	EUR	Total
Financial assets measured at amortised cost:			
Due on demand from credit institutions	48,831	388,373	437,204
Financial assets at fair value through profit or loss:			
Debt instruments	4,355,343	21,976,133	26,331,476
Derivative financial instruments	(24,534,330)	24,764,712	230,382
Total assets:	(20,130,156)	47,129,218	26,999,062
Liabilities			
Financial liabilities at fair value through profit or loss:			
Derivative financial instruments	22,231,429	(22,444,042)	(212,613)
Financial liabilities measured at amortised cost:			
Accrued expenses	(10,281)	(48,896)	(59,177)
Total liabilities:	22,221,148	(22,492,938)	(271,790)
Net assets	2,090,992	24,636,280	26,727,272
Net long position	7.82%	92.18%	100.00%

The following table shows the breakdown of the Fund's net assets and liabilities by currency at 31 December 2024:

Assets	USD	EUR	Total
Financial assets measured at amortised cost:			
Due on demand from credit institutions	138,223	461,617	599,840
Financial assets at fair value through profit or loss:			
Debt instruments	11,435,423	18,479,884	29,915,307
Derivative financial instruments	15,247,088	(14,782,182)	464,906
Financial assets measured at amortised cost:			
Other assets	20,000	-	20,000
Total assets:	26,840,734	4,159,319	31,000,053
Liabilities			
Financial liabilities at fair value through profit or loss:			
Derivative financial instruments	(24,630,922)	24,021,222	(609,700)
Financial liabilities measured at amortised cost:			
Accrued expenses	(11,850)	(43,218)	(55,068)
Total liabilities:	(24,642,772)	23,978,004	(664,768)
Net assets	2,197,962	28,166,565	30,335,285
Net long position	7.25%	92.75%	100.00%

The impact of exchange rate changes on the Fund's net asset value is shown in the tables below. Exchange rate movements are the one-year standard deviation (root-mean-square deviation) of the respective exchange rate.

Impact of exchange rate changes (2025)				Impact of exchange rate changes (2024)			
Currency	Share in the fund (% of assets)	Exchange rate against USD	Impact on the value of the fund	Currency	Share in the fund (% of assets)	Exchange rate against USD	Impact on the value of the fund
EUR	92.18%	7.98%	7.36%	EUR	92.75%	5.95%	5.52%
USD	7.82%	0.00%	0.00%	USD	7.25%	0.00%	0.00%
Total	100.00%		7.36%	Total	100.00%		5.52%

The impact of exchange rate changes on the value of the CBL Eastern European Bond Fund Class R Acc EUR (hedged) is shown in the table below. The exchange rate movements are the one-year standard deviation of the respective exchange rate.

Impact of exchange rate changes (2025)				Impact of exchange rate changes (2024)			
Currency	Share in the fund (% of assets)	Exchange rate against USD	Impact on the value of the fund	Currency	Share in the fund (% of assets)	Exchange rate against USD	Impact on the value of the fund
EUR	85.40%	7.98%	6.82%	EUR	85.92%	5.95%	5.11%
USD	7.25%	0.00%	0.00%	USD	6.72%	0.00%	0.00%
Total	92.65%		6.82%	Total	92.63%		5.11%

The impact of exchange rate changes on the USD value of the CBL Eastern European Bond Fund Class R Acc is shown in the table below. The exchange rate movements are the one-year standard deviation of the respective exchange rate.

Impact of exchange rate changes (2025)				Impact of exchange rate changes (2024)			
Currency	Share in the fund (% of assets)	Exchange rate against USD	Impact on the value of the fund	Currency	Share in the fund (% of assets)	Exchange rate against USD	Impact on the value of the fund
EUR	6.78%	7.98%	0.54%	EUR	6.83%	5.95%	0.41%
USD	0.57%	0.00%	0.00%	USD	0.53%	0.00%	0.00%
Total	7.35%		0.54%	Total	7.37%		0.41%

Credit risk

Credit risk is the probability that the value of the Fund may decline if the Fund's counterparty or the issuer of the debt obligations is unable or refuses to meet its obligations. Consequently, only reputable and reliable counterparties are selected for transactions in the Fund's assets. The Fund Manager regularly monitors the solvency of the Fund's counterparties, researching their credit ratings, financial condition and media coverage.

The credit quality of the Fund's assets is managed on the basis of the credit ratings assigned by international rating agencies. In addition, the financial statements of issuers, their financial position and future prospects are examined.

The Fund's claims on credit institutions in 2025 and 2024 are investment grade rated. On 6 December 2024, the international credit rating agency announced the upgrade of the long-term deposit rating of Citadele banka AS to Baa1 from Baa2, with a stable outlook, which corresponds to the category of Investment Grade Financial Instruments. In 2025, the rating remained unchanged.

The breakdown by credit rating is as follows:

High quality financial instruments: AAA - AA-; Aaa - Aa3;

Investment grade financial instruments: A+ - BBB-; A1 - Baa3;

Higher risk financial instruments: BB+ - BB-; Ba1 - Ba3;

Speculative financial instruments: B+ - C; B1 - C;

The following table shows the breakdown of the Fund's assets by credit rating as at 31 December 2025:

	Investment grade financial instruments	Higher risk financial instruments	Speculative financial instruments	Without rating	Total
Financial assets measured at amortised cost:					
Due on demand from credit institutions	437,204	-	-	-	437,204
Financial assets at fair value through profit or loss:					
Debt instruments	6,410,224	11,629,602	4,974,554	3,317,096	26,331,476
Derivative financial instruments	230,382	-	-	-	230,382
Total investments:	7,077,810	11,629,602	4,974,554	3,317,096	26,999,062

The following table shows the breakdown of the Fund's assets by credit rating as at 31 December 2024:

	Investment grade financial instruments	Higher risk financial instruments	Speculative financial instruments	Without rating	Total
Financial assets measured at amortised cost:					
Due on demand from credit institutions	599,840	-	-	-	599,840
Financial assets at fair value through profit or loss:					
Debt instruments	8,829,510	11,654,134	6,911,358	2,520,305	29,915,307
Derivative financial instruments	464,906	-	-	-	464,906
Other assets	20,000	-	-	-	20,000
Total investments:	9,914,256	11,654,134	6,911,358	2,520,305	31,000,053

Concentration risk

The issuer's industry sector and geographical location are additional credit risk factors that may affect both the price of the issued security and the solvency of the issuer itself. Therefore, it is important to assess concentration risk, i.e. the extent to which the value of the Fund depends on changes in particular regions. The geographical distribution of credit risk concentration is based on the country whose economic condition has the greatest influence on the issuer's solvency.

The following table presents the geographical distribution of the Fund's assets and liabilities as at 31 December 2025:

Assets	Latvia	Other OECD countries	Non-OECD countries	Total
Financial assets measured at amortised cost:				
Due on demand from credit institutions	437,204	-	-	437,204
Financial assets at fair value through profit or loss:				
Debt instruments	2,110,866	16,952,320	7,268,290	26,331,476
Derivative financial instruments	230,382	-	-	230,382
Total assets:	2,778,452	16,952,320	7,268,290	26,999,062
Liabilities				
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments	(212,613)	-	-	(212,613)
Financial liabilities measured at amortised cost:				
Accrued expenses	(59,177)	-	-	(59,177)
Total liabilities:	(271,790)	-	-	(271,790)
Net assets	2,506,662	16,952,320	7,268,290	26,727,272

The following table presents the geographical distribution of the Fund's assets and liabilities as at 31 December 2024:

Assets	Latvia	Other OECD countries	Non-OECD countries	Total
Financial assets measured at amortised cost:				
Due on demand from credit institutions	599,840	-	-	599,840
Financial assets at fair value through profit or loss:				
Debt instruments	2,096,744	16,898,037	10,920,526	29,915,307
Derivative financial instruments	464,906	-	-	464,906
Financial assets measured at amortised cost:				
Other assets	20,000	-	-	20,000
Total assets:	3,181,490	16,898,037	10,920,526	31,000,053
Liabilities				
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments	(609,700)	-	-	(609,700)
Financial liabilities measured at amortised cost:				
Accrued expenses	(55,068)	-	-	(55,068)
Total liabilities:	(664,768)	-	-	(664,768)
Net assets	2,516,722	16,898,037	10,920,526	30,335,285

The following table shows the breakdown of the Fund's net assets by country:

Country	% of the Fund's net assets		% of the Fund's net assets	
	31.12.2025.	31.12.2025	31.12.2024.	31.12.2024
Poland	4,398,812	16.45%	6,061,099	19.98%
Czech Republic	3,782,448	14.15%	1,946,868	6.42%
Romania	3,428,412	12.85%	2,727,590	8.99%
Estonia	3,125,185	11.68%	2,961,064	9.76%
Latvia	2,506,662	9.38%	2,516,722	8.30%
Slovenia	2,061,350	7.72%	-	0.00%
Turkey	2,015,834	7.54%	3,653,557	12.04%
Lithuania	1,568,691	5.87%	2,275,449	7.50%
Bulgaria	1,018,845	3.81%	1,126,421	3.71%
Uzbekistan	946,238	3.54%	1,941,269	6.40%
Moldova	859,141	3.21%	960,652	3.17%
Ukraine	534,130	2.00%	2,345,231	7.73%
North Macedonia	481,524	1.80%	914,928	3.02%
Kazakhstan	-	0.00%	904,435	2.98%
Total	26,727,272	100.00%	30,335,285	100.00%

Liquidity risk

Liquidity risk may arise if the Fund has difficulties meeting its financial obligations. The Fund Manager maintains an asset structure of the Fund that enables the Fund to sell securities in a timely manner and without material loss. A large part of the Fund's assets is invested in short-term investment-grade government bonds, one of the most liquid asset classes.

The following table shows the maturity structure of the Fund's assets and liabilities at 31 December 2025:

Assets	Up to 1 month	1-3 months	3-6 months	1-5 years	More than 5 years and indefinite	Total
Financial assets measured at amortised cost:						
Due on demand from credit institutions	437,204	-	-	-	-	437,204
Financial assets at fair value through profit or loss:						
Debt instruments	-	-	14,274	14,979,889	11,337,313	26,331,476
Derivative financial instruments	75,482	154,900	-	-	-	230,382
Total assets:	512,686	154,900	14,274	14,979,889	11,337,313	26,999,062
Liabilities						
Financial liabilities at fair value through profit or loss:						
Derivative financial instruments	(78,800)	(133,813)	-	-	-	(212,613)
Financial liabilities measured at amortised cost:						
Accrued expenses	(29,467)	-	(29,710)	-	-	(59,177)
Total liabilities:	(108,267)	(133,813)	(29,710)	-	-	(271,790)
Net assets	404,419	21,087	(15,436)	14,979,889	11,337,313	26,727,272
Net position % of net assets	1.51%	0.08%	(0.06%)	56.05%	42.42%	100.00%

The following table shows the maturity structure of the Fund's assets and liabilities at 31 December 2024:

Assets	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	More than 5 years and indefinite	Total
Financial assets measured at amortised cost:							
Due on demand from credit institutions	599,840	-	-	-	-	-	599,840
Financial assets at fair value through profit or loss:							
Debt instruments	-	113,020	-	444,000	16,822,880	12,535,407	29,915,307
Derivative financial instruments	361,243	103,663	-	-	-	-	464,906
Financial assets measured at amortised cost:							
Other assets	20,000	-	-	-	-	-	20,000
Total assets:	981,083	216,683	-	444,000	16,822,880	12,535,407	31,000,053
Liabilities							
Financial liabilities at fair value through profit or loss:							
Derivative financial instruments	(418,950)	(190,750)	-	-	-	-	(609,700)
Financial liabilities measured at amortised cost:							
Accrued expenses	(31,538)	-	(23,530)	-	-	-	(55,068)
Total liabilities:	(450,488)	(190,750)	(23,530)	-	-	-	(664,768)
Net assets	530,595	25,933	(23,530)	444,000	16,822,880	12,535,407	30,335,285
Net position % of net assets	1.75%	0.09%	(0.08%)	1.46%	55.46%	41.32%	100.00%

NOTE 16 INFORMATION ON HOLDERS OF SHARE CERTIFICATES OF THE FUND

The following tables present the share certificates held by related parties with a significant participation in the Company, as well as the proportion of share certificates held by related parties and other persons in the total number of issued share certificates of the Fund.

For the purposes of these financial statements, related parties are considered to be: officers of the Company, employees of the Company, as well as other natural persons involved in the provision of management services performed by the Company and entities controlled by such persons, or their first-degree relatives; and companies belonging to the Citadele banka group.

	31.12.2025	% of the total number 31.12.2025	31.12.2024	% of the total number 31.12.2024
CBL Eastern European Bond fund Class R Acc USD				
Share certificates held by related parties	9,783	12.85%	12,703	15.24%
Share certificates held by other persons	66,341	87.15%	70,671	84.76%
Number of issued share certificates at the end of the reporting period	76,124	100.00%	83,374	100.00%

	31.12.2025	% of the total number 31.12.2025	31.12.2024	% of the total number 31.12.2024
CBL Eastern European Bond fund Class R Acc EUR (hedged)				
Share certificates held by a shareholder (Citadele banka AS)	-	0.00%	45,935	2.99%
Share certificates held by related parties	163,339	12.83%	187,332	12.18%
Share certificates held by other persons	1,109,861	87.17%	1,305,141	84.83%
Number of issued share certificates at the end of the reporting period	1,273,200	100.00%	1,538,408	100.00%

NOTE 17 RELATED PARTY TRANSACTIONS

Most of the Fund's investments are purchased through a custodian bank. Citadele banka AS also receives a custodian fee, which is disclosed in the statement of income and expenses, and Citadele banka AS holds the cash of the Fund (see Note 3). Also, all derivative financial instrument contracts are entered into with Citadele banka AS (see Note 5). The result from transactions in derivative financial instruments during the reporting period was positive in the amount of EUR 625,914. In 2024, the result from transactions in derivative financial instruments was negative in the amount of EUR 806,880.

During the reporting period, the Company's management team entered into 4 foreign currency conversion transactions through the custodian bank, resulting in a total negative result of EUR 802. During 2024, 4 foreign currency conversion transactions were concluded through the custodian bank, resulting in a total negative result of EUR 807. During the reporting period, the Fund earned interest income on claims against credit institutions in the amount of EUR 8,166. In 2024, the Fund earned interest income on claims against credit institutions in the amount of EUR 11,636 (see Note 7). The remuneration paid to the investment management joint stock company during the reporting period is disclosed in the statement of income and expenses.

During the reporting period, related parties carried out transactions involving the Fund's investment certificates:

2025	Number of units purchased	Number of units sold
CBL Eastern European Bond fund Class R Acc EUR (hedged)	3,602	73,530
CBL Eastern European Bond fund Class R Acc USD	504	3,424
2024	Number of units purchased	Number of units sold
CBL Eastern European Bond fund Class R Acc EUR (hedged)	3,714	52,488
CBL Eastern European Bond fund Class R Acc USD	949	11,032

As at the end of the reporting period, Citadele banka had no investments in the Fund. In 2024, Citadele banka had investments in the Fund in the amount of EUR 619,107.

NOTE 18 DYNAMICS OF PERFORMANCE OF UNIT CLASSES OF INVESTMENT FUNDS

CBL Eastern European Bond fund Class R Acc USD	31.12.2025	31.12.2024	31.12.2023
Net assets (EUR)	1,964,768	2,234,334	2,174,510
Number of share certificates	76,124	83,374	95,927
Value of the unit of the Fund (EUR)	25.81	26.80	22.67
Fund return*	(3.69%)	18.22%	10.64%
Net assets (USD)**	2,308,598	23,21,253	2,402,825
Number of share certificates	76,124	83,374	95,927
Value of the unit of the Fund (USD)	30.33	27.84	25.05
Fund return*	8.94%	11.14%	14.59%
CBL Eastern European Bond fund Class R Acc EUR (hedged)	31.12.2025	31.12.2024	31.12.2023.
Net assets (EUR)	24,762,504	28,100,951	26,877,804
Number of share certificates	1,273,200	1,538,408	1,608,932
Value of the unit of the Fund (EUR)	19.45	18.27	16.71
Fund return*	6.46%	9.34%	12.30%

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

** Net asset value is disclosed in the original/functional currency of the R Acc USD class.

NOTE 19 EVENTS AFTER THE END OF THE REPORTING PERIOD

From the end of the reporting year until the date of approval of these financial statements, no significant events have occurred that could materially affect the assessment of the 2025 financial statements or the financial position of the Fund.

Riga,

DATE: AS STATED IN THE TIME STAMP OF THE ELECTRONIC SIGNATURE

CUSTODIAN BANK REPORT

For the period from 1st January 2025 to 31st December 2025

To the holders of "CBL Eastern European Bond Fund"
Investment Fund Share Certificates

AS "Citadele banka", registered in the Register of Enterprises of the Republic of Latvia on June 30, 2010 with No. 40103303559, registered office: Republikas laukums 2a, Riga, hereby confirms the following:

- in accordance with the custody agreement concluded on 7th April 2017 (hereinafter - the Custody Agreement), AS "Citadele banka" (hereinafter the Custodian) performs custodian's duties for the investment fund "CBL Eastern European Bond Fund" (hereinafter - the Fund) established by IPAS "CBL Asset Management" (hereinafter - the Company);
- the Custodian performs the functions of the Fund's custodian pursuant to the law "On Investment Management Companies" and other laws and regulations applicable to the Custodian (hereinafter - the Law).

The Custodian is responsible for the performance of obligations set forth for it in the Law and in the Custody Agreement. The main duties of the Custodian include:

- holding the Fund's assets in accordance with the Law and the Custody Agreement;
- ensuring the maintenance of the Fund's accounts, receiving and executing the Company's orders, as well as settlement of the orders according to requirements of the Law and the Custody Agreement;
- ensuring that the value of Fund's net assets and Fund Share Certificates is estimated in accordance with requirements of the Law, Regulations of Latvijas Banka, Fund prospectus and the Fund Management Rules;
- ensuring that issue, sale or repurchase of the Fund Share Certificates is effected in compliance with requirements of the Law, Fund's prospectus and the Fund Management Rules.
- ensuring that Fund income is allocated in accordance with the Law, the Fund prospectus and the Fund Management Rules.

During the period from January 1st, 2025 to December 31st, 2025 according to the information provided to the Custodian by the Company:

- Issue, sale and repurchase of the Fund Share Certificates were effected in compliance with requirements of the Law, Fund prospectus and the Fund Management Rules;
- Fund assets were held in accordance with requirements of the Law and the Custody Agreement;
- the value of Fund's net assets was assessed in accordance with requirements of the Law, Regulations of Latvijas Banka, Fund prospectus and the Fund Management Rules;
- the Company's orders, as well as transactions executed with the Fund's assets were performed in accordance with the Law, Fund prospectus, the Fund Management Rules and the Custody Agreement.

Member of the Management Board

Valters Ābele

THIS DOCUMENT IS SIGNED ELECTRONICALLY WITH SECURE ELECTRONIC SIGNATURE AND CONTAINS TIME STAMP



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Independent Auditors' Report

To the shareholders of the investment fund 'CBL Eastern European Bond Fund'

Report on the audit of financial statements

Our Opinion on the Financial Statements

We have audited the financial statements of the investment fund 'CBL Eastern European Bond Fund' ("the Fund") managed by IPAS 'CBL Asset Management' ("the Asset Manager") as set out on pages 8 to 29 of the accompanying Annual Report. The accompanying financial statements include:

- Overview of assets and liabilities as 31 December 2025,
- Report on income and expenses for the year then ended,
- Statement of changes to net assets for the year then ended,
- Statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the investment fund 'CBL Eastern European Bond Fund' as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Financial Statements* section of our report.

We are independent of the Fund and the Asset Manager in accordance with the Code of Ethics for Professional Accountants (IESBA Code) by the International Ethics Standards Board for Accountants and the independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on Other Information

The management of the Asset Manager is responsible for the other information. The other information comprises:

- Information about the investment fund, as set out on page 3 of the accompanying Annual Report,
- Report of the Investment Management Company, as set out on pages 4 and 5 of the accompanying Annual Report,



- Report on the implementation of the engagement policy, presented on page 6 of the accompanying Annual Report,
- Statement of responsibility of the board of the Asset Manager, as set out on page 7 of the accompanying Annual Report.
- Custodian Bank Report, as set out on page 30 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia related to Other Information* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the Asset Manager and the Fund and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia, our responsibility is to express an opinion on whether the Asset Manager's Report is prepared in accordance with the requirements of Regulation No. 382 'Regulation on the preparation of annual reports, consolidated annual reports and interim reports of an investment fund and open alternative investment fund' issued by the Bank of Latvia (Regulation No. 382).

Based solely on the work required to be undertaken in the course of our audit, in our opinion, in all material respects:

- the information presented in the Asset Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Asset Manager's Report has been prepared in accordance with the requirements of Regulation No. 382.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of the Asset Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Asset Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Asset Manager's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.



We communicate with those charged with governance of the Fund and the Asset Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Baltics SIA
Licence No. 55

Rihards Grasis
Member of the Board
Sworn Auditor
Certificate No. 227
Riga, Latvia
24 April 2026

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails.