

## **Investment in Fund of Funds**

*Product name: CBL PRUDENT OPPORTUNITIES FUND – EUR*

*Legal entity identifier: 213800ARLHAEXZUKWK14*

*Product name: CBL OPTIMAL OPPORTUNITIES FUND – EUR*

*Legal entity identifier: 213800SUYF6ZXHP8EP40*

*Product name: CBL OPTIMAL OPPORTUNITIES FUND – USD*

*Legal entity identifier: 21380079NV2DQ5TFZA77*



### ***the manner in which sustainability risks are integrated into investment decisions***

The Company has conducted an internal risk materiality assessment and has concluded that there are risks other than sustainability-linked that are relatively more material to the funds. Nevertheless, the Company manages sustainability-related factors. This is done indirectly since Opportunities funds tend to hold a minuscule amount of voting rights in the final underlying financial instruments. This is done by mostly allocating to third party investment managers who are either UN PRI signatories and/or have published their sustainability-related disclosures on their websites. The Company has reviewed these allocations and concluded that the top 10 managers by AUM allocated fulfil these criteria.

The investment decision process is also governed by the Company's Sustainability and Engagement Policy, available at <https://www.cblam.lv/en/sustainability/>



### ***the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products***

The Company shares the view that by integrating the ESG factors in asset management, the return on investment grows or the impact is neutral at a lower overall risk level, as demonstrated by academic research as well.

Based on the internal materiality assessment of risks the Company considers that the ESG risk materiality in this product is below average, and other underlying risks might have higher impact on the return of this financial product.



### ***considering principal adverse impacts on sustainability factors***

The Company is closely monitoring the ongoing changes in market practices, regulation and data availability enabling systematic assessment of principal adverse impacts that investment decisions have on climate and other environment-related issues and in the field of social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

Unfortunately, there is still lack of quality, systematic data regarding these issues within the investment universe where the company is mainly operating; as well as, limited human resources to provide

meaningful consideration of sustainability adverse impact of investment decisions on sustainability factors. The reasons mentioned above do not allow incorporating the principal adverse impacts in management process. No consideration of adverse impacts of investment decisions on sustainability factors.