Investment Fund
CBL OPPORTUNITIES FUNDS

Sub-fund
CBL Optimal Opportunities Fund - EUR

Semiannual report 2021
(non-audited)

(for the six – month period ended 30 June 2021)

Riga, 2021

CBL Asset Management

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INVESTMENT FUND INFORMATION

Name of the Fund:	CBL Opportunities Funds
Registration date of the Fund:	24 August 2007
Type of the Fund:	Investment fund with sub-funds
Name of the Sub-fund:	CBL Optimal Opportunities Fund – EUR
Number of the Sub-fund:	FFL70
Sub-fund ISIN:	LV0000400398
Investment management company name:	CBL Asset Management IPAS
Investment management company's registered office:	Republikas laukums 2a, Riga LV-1010, Latvia
Investment management company's registration number:	40003577500
Number of the license for investment management company operations:	06.03.07.098/367
Name of the Fund's Custodian:	Citadele banka AS
Registered office of the Fund's Custodian:	Republikas laukums 2a, Riga LV-1010, Latvia
Registration number of the Fund's Custodian:	40103303559
Investment management company's Council and Board Members and their positions:	*Council of the investment management company :* Chairperson of the Council – Vladimirs Ivanovs, appointed on 10.08.2020 Deputy Chairperson of the Council – Vaidas Žagūnis, appointed on 10.08.2020 Member of the Council - Peter Meier, appointed on 30.09.2015 *Board of the investment management company:* Chairperson of the Board – Kārlis Purgailis, appointed on 08.09.2017 Board Member - Zigurds Vaikulis, appointed on 19.04.2007 Board Member - Andris Kotāns, appointed on 11.05.2015 Board Member - Lolita Sičeva, appointed on 11.05.2015
Rights and responsibilities related to Fund management:	The Council and the Board Members perform all duties prescribed in laws and regulations of the Republic and in the Articles of Association of the investment management company
Fund Managers (members of the Investment Committee):	Zigurds Vaikulis – appointed on 26.01.2011 Andris Kotāns – appointed on 29.06.2011
Rights and responsibilities related to the Fund management :	The Fund Manager perform all duties prescribed in laws and regulations of the Republic of Latvia, in the Articles of Associat of the investment management company and in the prospectu the Fund
Auditor:	KPMG Baltics AS Vesetas iela 7 Riga, LV-1013 License No 55 Latvia

INVESTMENT MANAGEMENT COMPANY REPORT

The manager of the sub-fund CBL Optimal Opportunities Fund – EUR of the investment fund CBL Opportunities Funds (hereinafter the Fund) is the investment management company CBL Asset Management, registered office Republikas laukums 2a, Riga, LV-1010 (hereinafter the Company). The Company was established on 11 January 2002 under registration number 40003577500 with license number 06.03.07.098/367 for investment management services.

The investment objective of the Fund is to achieve long-term capital appreciation by investing in Share Certificates (Units) of investment funds registered in Latvia or other European Union Member States or into securities equivalent to them. Investments can be made into money market, bond, balanced and equity funds as well as into ETFs and equity securities traded on regulated markets of Member States and OECD Member States without any industry limitations. The share of equity funds in the portfolio may amount to up to 70% of the Fund's assets.

In the reporting period, the Fund's net assets increased by EUR 1,823,609 or 37.47% and totaled EUR 6,690,050 at the end of the period. Gross asset value as at 30 June 2021 amounted to EUR 6,697,819. At the same time, the value of the unit of the Fund in 2021 increased by EUR 0.53, reaching EUR 12.78. The Fund overall return in 2021 was 4.33% in terms of the euros.

In the first half of 2021 the global economy continued to recover from the recession caused by the pandemic, but the recovery processes were uneven. The U.S. government's stimulus overcompensated the population for lost income during the pandemic, which, combined with faster removal of restrictions and a smoother vaccination process, helped U.S. GDP exceed pre-virus levels already in the first half of this year. The Eurozone economy, which spent the first half of 2021 mostly under various levels of restrictions, showed much weaker performance and, according to analysts' forecasts, will be able to return to pre-virus levels only next year. However, in Q2, with the progress in vaccination and re-opening, economic recovery has also started in Europe. Given the rapid and simultaneous recovery of demand for goods around the world, since the end of last year Western producers have been forced to balance between a strong increase in demand, a rise in production and transport costs, and a lack of components. The rise in resource prices, which has continued steadily since last spring, not only made the production process more expensive, but also significantly increased inflation rates for consumers. As the US economy returned to its normal pace of life, the effect was also reinforced by the delayed demand for certain categories of goods. That lifted core inflation in the U.S. to its highest level since the early 90s. A number of indicators show that high inflation is likely to be a temporary phenomenon. The lack of employees and increased inflation expectations could slightly delay the process of inflation normalisation in the US; also, the increase in the prices of raw materials is largely behind us, and the impact of opening up the economy on consumer prices will also be temporary. Meanwhile, inflation pressures remain moderate in the eurozone. Rising inflation makes life complicated for central banks, which have become accustomed to living in relatively low inflation conditions over the past decade. The ECB and the FRS continued to pursue a strongly accomodative monetary policy. They have also adjusted their formal inflation targets to cope with higher inflation for longer. At the same time, the acceleration of the economy and inflation hasn't gone completely unnoticed in the FRS. The FRS has started to forecast two rate hikes already in 2023, though its initial commitment was to keep rates unchanged at least until 2024. The economic rationale for printing money in the FRS should end even before raising rates.

With the favorable view regading the economic development, riskier asset classes showed better performance during the first half of the year. Growing confidence in corporate financial results and improvements in profitability forecasts were reflected positively in equity prices. Global stock markets closed the first half of 2021 with a 13.5% rise in euro-hedged terms. There were significant differences among regions. While the value of U.S. and European stock indexes have grown at the same pace year-to-date, emerging markets have lagged significantly. The dollar strengthened against the euro by 3% during the first half of the year. Speculative-grade bonds of developed countries showed a dynamic similar to equities and continued to deliver gains thanks to a drop in risk premiums. During the first half of the year, the performance of the segment exceeded 3% (EUR hedged). Meanwhile, in the first months of 2021, a sharp rise in USD benchmark rates left a significant negative impact on low-risk bonds. This move was reversed in Q2, resulting in higher quality bond segments being able to recover some of their losses and closing the first half with very little losses.

Despite the wide-spread positivity in the global economy, there is no shortage of potential challenges that could affect the performance of financial assets. First, the fight against the virus on a global scale has not yet been finished. The delta variant against which vaccines are less efficient already dominates Asia and Europe and is also beginning to spread in the US. Vaccination rates in developing countries also remain low. Second, given the decreasing need for government support, fiscal policy could become restrictive everywhere next year, especially in the United States. Third, in the second half of the year, increasing focus will be on the FRS and ECB communication on their monetary course over a longer term. Central banks are currently looking "through" the inflation acceleration, however, given the strong performance of the U.S. economy, the FRS will have to start lower its monetary support soon. Risk asset valuations remain relatively expensive in historical terms, hence the factors mentioned previously could increase the volatility of the financial market when entering investors' direct views.

The changes that took place in the first half period are described below. The share of funds invested in bond funds at the end of the period was 60.52% of the Fund's net asset value, which is 1.95 percentage points (pp) less than at the beginning of the year. The share of equity funds has increased by 0.23 pp to 34.89% of the Fund's net asset value. Cash available for investment constitutes 4.71% of net assets. All existing funds are registered in an EU Member state. The majority (44.90%) is invested in Luxembourg-registered funds alongside with some investment funds registered in Latvia and Ireland.

In the reporting period, the total management costs amounted to EUR 32,911, which did not exceed the maximum amount of 1.70% provided in the Fund's prospectus. The investment management company fee totaled EUR 26,743, custodian fee – EUR 5,067, other management expenses - EUR 1,101.
The Fund Manager will closely follow global market developments. In order to adjust the structure of the Fund with regard to the assessment of the current and expected situation, changes will be made mainly in the share of investments in equity funds.

For the Board of the Investment Management Company:

_____	_____	_____
Kārlis Purgailis	Zigurds Vaikulis	Andris Kotāns
Chairperson of the Board	Fund Manager	Fund Manager

Riga, 30 July 2021
*This document is signed electronically with a secure electronic signature and is time-stamped.

STATEMENT OF ASSETS AND LIABILITIES

	Notes	30.06.2021	31.12.2020
Assets			
Due on demand from credit institutions	1	314,864	145,699
Financial assets at fair value through profit or loss			
Share certificates of investment funds and similar securities	2	6,382,955	4,726,643
Total assets		**6,697,819**	**4,872,342**
Liabilities			
Deferred income and accrued expenses		(7,769)	(5,901)
Total liabilities		**(7,769)**	**(5,901)**
Net assets		**6,690,050**	**4,866,441**

The accompanying notes on pages 9 through 11 form an integral part of these financial statements.

For the Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Board

Riga, 30 July 2021
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STATEMENT OF INCOME AND EXPENSES

	01.01.2021-30.06.2021	01.01.2020-30.06.2020
Expenses for the reporting period		
Remuneration to investment management company and manager	(26,743)	(27,009)
Custodian fee	(5,067)	(5,117)
Other Fund management expenses	(1,101)	(1,254)
Total expenses	**(32,911)**	**(33,380)**
Increase in investment value		
Realized increase/ decrease in investment value	5,141	(6,186)
Unrealized increase in investment value	285,244	27,456
Total increase in investments	**290,385**	**21,270**
Increase/ decrease in net assets from investments	**257,474**	**(12,110)**

The accompanying notes on pages 9 through 11 form an integral part of these financial statements.

For the Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Board

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STATEMENT OF CHANGES IN NET ASSETS

	01.01.2021-30.06.2021	01.01.2020-30.06.2020
Net assets at the beginning of the reporting year	4,866,441	6,114,621
Increase/ decrease in net assets from investment	257,474	(12,110)
Transactions with share certificates and units		
Inflow from sale of share certificates and units	1,746,776	531,130
Outflow on redemption of share certificates and units	(180,641)	(1,310,638)
Decrease in net assets from transactions with share certificates and units	**(1,566,135)**	**(779,508)**
Net asset decrease in the reporting year	(1,823,609)	(791,618)
Net assets at the end of the reporting year	**6,690,050**	**5,323,003**
Number of share certificates and units as at the beginning of the reporting period	397,400	544,223
Number of share certificates and units at the end of the reporting period	523,390	470,524
Net assets per share certificate and unit as at the beginning of the reporting year	12.25	11.24
Net assets per share certificate and unit as at the end of the reporting year	**12.78**	**11.31**

The accompanying notes on pages 9 through 11 form an integral part of these financial statements.

For the Board of the Investment Management Company:

Kārlis Purgailis
Chairperson of the Board

Riga, 30 July 2021
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 DUE ON DEMAND FROM CREDIT INSTITUTIONS

	30.06.2021	% of the Fund's net assets 30.06.2021	31.12.2020	% of the Fund's net assets 31.12.2020
Due on demand from credit institutions, AS Citadele Banka	314,864	4.71%	145,699	2.99%
Total demand deposits with credit institutions	**314,864**	**4.71%**	**145,699**	**2.99%**

NOTE 2 SHARE CERTIFICATES OF INVESTMENT FUNDS AND SIMILAR SECURITIES

All share certificates of investment funds and similar securities are classified as financial assets at fair value through profit or loss.
All share certificates of investment funds and similar securities held by the Fund are not traded on regulated markets instruments whose net asset value quotes are given by the Fund Manager on a daily basis, except for traded on regulated markets instruments worth EUR 917,845 (31 December 2020: EUR 787,911).
The following table presents the equity instruments broken down by the issuer's country of origin as at 30 June 2021:

Financial instrument	ISIN code	Currency	Amount	Acquisition value	Carrying amount 30.06.2021	% of the Fund's net assets 30.06.2021
Financial instruments traded on regulated markets				**725,134**	**917,845**	**13.72%**
Share certificates of investment funds registered in Luxemburg:				**725,134**	**917,845**	**13.72%**
GS Global CORE Equity	LU0280841296	EUR	16,200	314,762	482,436	7.21%
JPM US Aggregate Bond Fund	LU1432507090	EUR	4,118	410,372	435,409	6.51%
Financial instruments not traded on regulated markets				**4,607,217**	**5,465,110**	**81.69%**
Share certificates of investment funds registered in Luxemburg:				**1,656,80**	**2,085,682**	**31.18%**
BlackRock Global Funds - US Dollar Bond Fund	LU1564327929	EUR	44,739	455,500	485,865	7.25%
Morgan Stanley Investment Funds - US Advantage Fund	LU0360484769	EUR	1,943	161,168	409,818	6.13%
Schroder International Selection Fund - EURO Corporate Bond	LU0113258742	EUR	14,827	367,697	401,766	6.01%
Amundi Funds - Pioneer US Bond	LU1883851682	EUR	295	316,057	342,332	5.12%
Robeco Capital Growth Funds - High Yield Bonds	LU0227757233	EUR	1,038	231,643	262,718	3.93%
Robeco Capital Growth - US Premium Equities	LU0454739615	EUR	399	124,743	183,183	2.74%
Share certificates of investment funds registered in Ireland:				**1,549,370**	**1,737,671**	**25.98%**
PIMCO Funds Global Investors Series PLC - Global Investment Grade Credit Fund	IE0032876397	EUR	29,170	547,904	600,028	8.97%
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0033989843	EUR	21,564	480,891	506,318	7.57%
Vanguard Investment Series PLC - US 500 Stock Index Fund	IE0032126645	EUR	10,101	316,272	423,984	6.34%
PIMCO US High Yield Bond Fund	IE0032883534	EUR	6,576	204,303	207,341	3.10%

Financial instrument	ISIN code	Currency	Amount	Acquisition value	Carrying amount 30.06.2021.	% of the Fund's net assets 30.06.2021.
Share certificates of investment funds registered in Latvia:				**1,401,039**	**1,641,757**	**24.53%**
CBL Global Emerging Markets Bond Fund R Acc EUR (hedged)	LV0000400828	EUR	41,650	443,328	495,637	7.41%
CBL European Leaders Equity Fund	LV0000400794	EUR	7,945	349,532	468,491	7.00%
CBL US Leaders Equity Fund R Acc EUR (hedged)	LV0000400992	EUR	32,907	343,860	366,255	5.47%
CBL Eastern European Bond fund Klase R Acc EUR (hedged)	LV0000400174	EUR	15,592	264,319	311,374	4.65%
Total share certificates of investment funds:				**5,332,351**	**6,382,955**	**95.41%**

The following table presents the equity instruments broken down by the issuer's country of origin as at 31 December 2020:

Financial instrument	ISIN code	Currency	Amount	Acquisition value	Carrying amount 31.12.2020.	% of the Fund's net assets 31.12.2020.
Financial instruments traded on regulated markets				**665,570**	**787,911**	**16.19%**
Share certificates of investment funds registered in Luxemburg:				**665,570**	**787,911**	**16.19%**
GS Global CORE Equity	LU0280841296	EUR	16,200	314,762	406,944	8.36%
JPM US Aggregate Bond Fund	LU1432507090	EUR	3,547	350,808	380,967	7.83%
Financial instruments not traded on regulated markets				**3,272,954**	**3,938,732**	**80.94%**
Share certificates of investment funds registered in Luxemburg:				**1,438,975**	**1,825,668**	**37.51%**
Morgan Stanley Investment Funds - US Advantage Fund	LU0360484769	EUR	1,943	161,168	379,060	7.79%
Amundi Funds - Pioneer US Bond	LU1883851682	EUR	295	316,057	343,725	7.06%
Schroder International Selection Fund - EURO Corporate Bond	LU0113258742	EUR	10,963	262,833	296,812	6.10%
BlackRock Global Funds - US Dollar Bond Fund	LU1564327929	EUR	25,165	243,494	278,073	5.71%
Robeco Capital Growth - US Premium Equities	LU0454739615	EUR	724	223,780	271,311	5.58%
Robeco Capital Growth Funds - High Yield Bonds	LU0227757233	EUR	1,038	231,643	256,687	5.27%
Share certificates of investment funds registered in Latvia:				**966,259**	**1,110,387**	**22.82%**
CBL Global Emerging Markets Bond Fund R Acc EUR (hedged)	LV0000400828	EUR	36,163	378,032	426,002	8.75%
CBL European Leaders Equity Fund	LV0000400794	EUR	7,465	323,909	379,872	7.81%
CBL Eastern European Bond fund Klase R Acc EUR (hedged)	LV0000400174	EUR	15,592	264,318	304,513	6.26%
Share certificates of investment funds registered in Ireland:				**867,720**	**1,002,677**	**20.61%**
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0033989843	EUR	16,503	363,768	393,592	8.09%
PIMCO Funds Global Investors Series PLC - Global Investment Grade Credit Fund	IE0032876397	EUR	17,299	305,770	359,648	7.39%
Vanguard Investment Series PLC - US 500 Stock Index Fund	IE0032126645	EUR	7,096	198,182	249,437	5.13%
Total share certificates of investment funds:				**3,938,524**	**4,726,643**	**97.13%**

As the Company does not have sufficiently detailed information on the assets of the investment funds managed by financial institutions on behalf of investors, these assets have not been analyzed as to their actual issuer.

NOTE 3 PERFORMANCE DYNAMICS OF THE INVESTMENT FUND

	30.06.2021	31.12.2020	31.12.2019	31.12.2018
Net assets (EUR)	**6,690,050**	**4,866,441**	**6,114,621**	**5,557,449**
Number of share certificates	523,390	397,400	544,223	550,523
Value of the unit of the Fund	12.78	12.25	11.24	10.09
Fund return*	4.33%	8.99%	11.40%	(5.79%)

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