



**INVESTMENT FUND
CBL OPPORTUNITIES FUNDS**

Sub-fund
CBL Optimal Opportunities Fund - USD

**Semiannual report 2023
(unaudited)**

For the period
1 January till 30 June 2023

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

Riga, 2023



**CBL ASSET
MANAGEMENT**

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INFORMATION ABOUT THE INVESTMENT FUND

Name of the Fund:	CBL Opportunities Funds
Date of registration of the Fund:	24 August 2007
Type of the Fund:	Investment fund with sub-funds
Name of the Sub-fund:	CBL Optimal Opportunities Fund - USD
Number of the Sub-fund:	FFL204
ISIN of the Sub-fund:	LV0000400984
Name of the investment management company:	CBL Asset Management IPAS
Registered office of the investment management company:	Republikas laukums 2a, Riga LV-1010, Latvia
Registration number of the investment management company:	40003577500
Number of the license for investment management company operations:	06.03.07.098/367
Name of the Fund's Custodian:	Citadele banka AS
Registered office of the Fund's Custodian:	Republikas laukums 2a, Riga, LV-1010, Latvia
Registration number of the Fund's Custodian:	40103303559
Name, surname and position of members of the Supervisory Board and the Management Board of the investment management company:	Supervisory Board of the investment management company: Chairperson of the Supervisory Board - Vaidas Žagūnis, appointed on 03.08.2021 Deputy Chairperson of the Supervisory Board - Vladimirs Ivanovs, appointed on 03.08.2021 Member of the Supervisory Board - Blohmé Nils Magnus Göran, appointed on 03.08.2021 Management Board of the investment management company: Chairperson of the Management Board - Kārlis Purgailis Member of the Management Board - Zigurds Vaikulis Member of the Management Board - Andris Kotāns Member of the Management Board - Lolita Sičeva
Rights and responsibilities related to the investment fund management:	Members of the Supervisory Board and Management Board shall perform all duties provided for in the laws and regulations of the Republic of Latvia and the Articles of Association of the investment management company
Fund Managers:	Zigurds Vaikulis Reinis Gerasimovs
Rights and responsibilities related to the Fund management:	The Fund Managers shall perform all duties of the Fund Manager provided for in the laws and regulations of the Republic of Latvia, Articles of Association of the investment management company and the Fund Prospectus
Auditors:	Rainers Vilāns Certified Auditor Certificate No. 200 KPMG Baltics SIA Roberta Hirša iela 1, Riga Latvia, LV-1045 Licence No. 55

INVESTMENT MANAGEMENT COMPANY REPORT

The asset manager of the sub-fund CBL Optimal Opportunities Fund - USD of the investment fund CBL Opportunities Funds (hereinafter – the Fund) is CBL Asset Management, an investment management company with registered office at Republikas laukums 2a, Rīga, LV-1010, and registration number 40003577500, incorporated on 11 January 2002 (hereinafter – the Company). The investment company's operating licence number is 06.03.07.098/367.

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

The Fund's net assets decreased by EUR 333,277 or 26.92% during the reporting period and amounted to EUR 904,553 at the end of the reporting period. Gross assets as at 30.06.2023 amounted to EUR 906,292. The value per share increased by EUR 0.40 to EUR 9.95 during the reporting period. The return during the period under review was 4.19% in euro terms and 6.08% in the Fund's base currency (US dollars).

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

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

Global stock markets were volatile in the first half of 2023, but generally remained on the path of recovery and price growth. The stock markets closed the first six months of the year with nearly 13% growth in euro-hedged terms. Most of these gains were attributable to double-digit increases in developed equity markets, while emerging market equities underperformed and on average rose by 4% in euro-hedged terms. At the beginning of the year, the European stock market took the lead, but during the second quarter, stronger dynamics among IT companies helped the US stock market to regain its leading position. Riding a wave of moderate optimism, debt securities with a higher risk component were able to show a relatively better performance in the bond market. In the first half of the year, investment grade bonds in developed markets grew by nearly 2% in euro-hedged terms, high-yield bonds - twice as fast. Bonds of developing countries showed an increase of less than 2% in euro-hedged terms during the first half of the year. Since the beginning of the year, the dynamics of the euro was also relatively choppy, but the euro still managed to grow by nearly 2% in the first half of 2023.

Last year's widespread concerns about recession in Western countries have not been justified so far, but the interest rate increases that have already taken place are not yet reflected in the economic numbers and in the cumulative borrowing costs of households, companies, and governments. This will most likely continue to have a dampening effect on economic processes in the coming quarters. Analysts' expectations regarding company profits this year also remain relatively cautious. Closer to spring, companies' more optimistic view on business environment allowed analysts to put the downward revisions of earnings forecasts in Western countries on hold, and later even start to raise them, especially for US high-tech and German companies. However, earnings growth in the US and Europe at the index level is still not expected this year. In developing countries, where profit forecasts have continued to slide downward, analysts even expect a slight decrease in profits. In the middle of the year, the global financial market environment has strongly become risk-oriented - so much that fundamental considerations were no longer the determining factor. However, if the expectations about rapid improvement in companies' financial results next year are not met, it will become increasingly difficult to justify the further increase in the global stock prices, especially considering that US stocks are no longer fundamentally cheap.

During the reporting period, the following changes occurred in the Fund. The share of funds invested in bond funds at the end of the year represents 62.17% of the Fund's net asset value, an increase of 0.14 percentage points (pp) compared to the beginning of the year. The share of equity funds increased by 0.93 pp to 35.24% of the Fund's net asset value. Free cash represents 2.78% of the Fund's net assets. All funds in the Fund are registered in a Member State of the European Union. Most of the funds (66.15%) are invested in funds registered in Luxembourg. The Fund also contains investment funds registered in Latvia and Ireland.

Total management costs for the period under review amounted to EUR 7,875, which is within the 1.70% ceiling set in the prospectus. The remuneration of the Investment Management Company amounted to EUR 5,190, the remuneration of the custodian bank to EUR 983 and other management expenses to EUR 1,702. The Fund's ongoing charges ratio for the period under review was 1.45% of the Fund's average net asset value. The prospectuses of the investment funds managed by the Company do not provide for performance fees.

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

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

Kārlis Purgailis
Chairperson of the Management Board

Zigurds Vaikulis
Fund Manager

Reinis Gerasimovs
Fund Manager

Riga, 27 July 2023

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

STATEMENT OF ASSETS AND LIABILITIES

	Notes	<u>30.06.2023</u>	<u>31.12.2022</u>
Assets			
Due on demand from credit institutions	1	25,137	47,131
Financial assets at fair value through profit or loss			
Share certificates of investment funds and similar securities	2	881,155	1,192,467
Total assets		<u>906,292</u>	<u>1,239,598</u>
Liabilities			
Accrued expenses		(1,739)	(1,767)
Total liabilities		<u>(1,739)</u>	<u>(1,767)</u>
Net assets		<u>904,553</u>	<u>1,237,831</u>

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

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

Kārlis Purgailis
Chairperson of the Management
Board

Riga, 27 July 2023

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STATEMENT OF INCOME AND EXPENSES

	<u>01.01.2023 – 30.06.2023</u>	<u>01.01.2022 – 30.06.2022</u>
Expenses for the reporting period		
Remuneration to the investment management company and the manager	(5,190)	(5,722)
Remuneration to the custodian bank	(983)	(1,084)
Other Fund management expenses	(1,702)	(984)
Total expenses	(7,875)	(7,790)
Increase/(decrease) in investment value		
Realised increase/(decrease) in investment value	15,038	(9,636)
Unrealised increase/(decrease) in investment value	39,102	(90,471)
Total increase/(decrease) in investment value	54,140	(100,107)
Increase/(decrease) in net assets from investments	46,265	(107,897)

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

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

Kārlis Purgailis
Chairperson of the Management
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STATEMENT OF CHANGES IN NET ASSETS

	01.01.2023 – 30.06.2023	01.01.2022 – 30.06.2022
Net assets at the beginning of the reporting year	1,237,831	1,009,869
Increase/(decrease) in net assets from investment	46,265	(107,897)
Transactions in share certificates and units		
Inflow from sale of share certificates and units	646	304,094
Outflow on redemption of share certificates and units	(380,189)	-
(Decrease)/increase in net assets from transactions in share certificates and units	(379,543)	304,094
(Decrease)/increase in net assets during the reporting period	(333,278)	196,197
Net assets at the end of the reporting year	904,553	1,206,066
Number of issued share certificates and units at the beginning of the reporting year	129,603	93,564
Number of issued share certificates and units at the end of the reporting year	90,899	123,123
Net assets per share certificate and unit at the beginning of the reporting year	9.55	10.79
Net assets per share certificate and unit at the end of the reporting year	9.95	9.80

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

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

Kārlis Purgailis
Chairperson of the Management Board

Rīga, 27 July 2023

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 DUE ON DEMAND FROM CREDIT INSTITUTIONS

	% of the Fund's net assets		% of the Fund's net assets	
	30.06.2023	30.06.2023	31.12.2022	31.12.2022
Due on demand from credit institutions, Citadele banka AS	25,137	2.78%	47,131	3.81%

NOTE 2 SHARE CERTIFICATES OF INVESTMENT FUNDS AND SIMILAR SECURITIES

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

Financial instrument	ISIN code	Currency	Quantity	Acquisition value (EUR)	Carrying amount 30.06.2023	% of the Fund's net assets 30.06.2023
Financial instruments not traded on regulated markets:				903,858	881,155	97.41%
Share certificates of investment funds registered in Luxembourg:				615,923	598,335	66.15%
Schroder International Selection Fund - EURO Corporate Bond	LU0428345051	USD	489	80,794	77,021	8.51%
Goldman Sachs US Dollar Credit	LU0555027738	USD	8	73,660	71,558	7.91%
MFS Meridian Funds - European Research Fund	LU0982389560	USD	334	60,878	70,107	7.75%
Fundsmith SICAV - Fundsmith Equity Fund	LU0893933373	USD	2,245	67,619	69,991	7.74%
Robeco Capital Growth Funds - High Yield Bonds	LU0398248921	USD	221	66,186	65,820	7.28%
JPMorgan Funds - JPM US Aggregate Bond Fund	LU0248063595	USD	551	67,760	63,266	6.99%
Amundi Funds - Pioneer US Bond	LU1883851765	USD	26	62,403	60,111	6.65%
BlackRock Global Funds - US Dollar Core Bond Fund	LU0548367084	USD	1,950	64,706	59,957	6.63%
Morgan Stanley Investment Funds - US Advantage Fund	LU0360484686	USD	308	42,052	31,222	3.45%
Janus Henderson Horizon Global High Yield Bond Fund	LU0978624350	USD	213	29,865	29,282	3.24%
Share certificates of investment funds registered in Latvia:				169,346	166,751	18.43%
CBL US Leaders Equity Fund R Acc USD	LV0000401032	USD	7,347	73,644	75,521	8.35%
CBL Eastern European Bond Fund R Acc USD	LV0000400125	USD	2,192	47,841	46,868	5.18%
CBL Global Emerging Markets Bond Fund R Acc USD	LV0000400968	USD	4,874	47,861	44,362	4.90%
Share certificates of investment funds registered in Ireland:				118,589	116,069	12.83%
Vanguard Investment Series PLC - US 500 Stock Index Fund	IE0002639775	USD	1,495	70,854	71,891	7.95%
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0002460867	USD	1,632	47,735	44,178	4.88%
Total share certificates of investment funds:				903,858	881,155	97.41%

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

Financial instrument	ISIN code	Currency	Quantity	Acquisition value (EUR)	Carrying amount 31.12.2022	% of the Fund's net assets 31.12.2022
Financial instruments not traded on regulated markets:				1,256,744	1,192,467	96.34%
Share certificates of investment funds registered in Luxembourg:				788,543	747,252	60.37%
NN L US Credit Fundsmith SICAV - Fundsmith Equity Fund	LU0555027738	USD	12	110,490	106,444	8.60%
JPMorgan Funds - JPM US Aggregate Bond Fund	LU0893933373	USD	3,761	116,615	104,358	8.43%
MFS Meridian Funds - European Research Fund	LU0248063595	USD	874	104,467	100,224	8.10%
Robeco Capital Growth Funds - High Yield Bonds	LU0982389560	USD	431	76,241	85,287	6.89%
BlackRock Global Funds - US Dollar Core Bond Fund	LU0398248921	USD	291	83,784	84,659	6.84%
Schroder International Selection Fund - EURO Corporate Bond	LU0548367084	USD	2,550	81,832	78,154	6.31%
Amundi Funds - Pioneer US Bond	LU0428345051	USD	489	80,794	75,590	6.11%
Janus Henderson Horizon Global High Yield Bond Fund	LU1883851765	USD	26	62,403	60,310	4.87%
Morgan Stanley Investment Funds - US Advantage Fund	LU0978624350	USD	213	29,865	28,715	2.32%
Share certificates of investment funds registered in Latvia:				261,536	244,030	19.72%
CBL US Leaders Equity Fund R Acc USD	LV0000401032	USD	12,420	120,555	114,694	9.27%
CBL Eastern European Bond Fund R Acc USD	LV0000400125	USD	4,181	93,120	85,696	6.92%
CBL Global Emerging Markets Bond Fund R Acc USD	LV0000400968	USD	4,874	47,861	43,640	3.53%
Share certificates of investment funds registered in Ireland:				206,665	201,185	16.25%
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0002460867	USD	3,844	110,275	104,362	8.43%
Vanguard Investment Series PLC - US 500 Stock Index Fund	IE0002639775	USD	2,270	96,390	96,823	7.82%
Total share certificates of investment funds:				1,256,744	1,192,467	96.34%

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

NOTE 3 PERFORMANCE DYNAMICS OF THE INVESTMENT FUND

	30.06.2023	31.12.2022	31.12.2021
Net assets of the Fund (EUR)	904,553	1,237,831	1,009,869
Number of share certificates of the Fund	90,899	129,603	93,564
Value of the unit of the Fund	9.95	9.55	10.79
Fund return*	4.19%	(11.49%)	13.70%
Fund net assets (USD)*	982,887	1,320,270	1,143,778
Number of share certificates of the Fund	90,899	129,603	93,564
Value of the unit of the Fund	10.81	10.19	12.22
Fund return**	6.08%	(16.61%)	4.98%

* Net asset value in USD determined using end-of-day foreign exchange rates quoted in financial markets.

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