



**INVESTMENT FUND
CBL OPPORTUNITIES FUNDS**

Sub-fund
CBL Prudent Opportunities Fund - EUR

**Semiannual report 2023
(unaudited)**

For the period
1 January till 30 June 2023

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

Riga, 2023



**CBL ASSET
MANAGEMENT**

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INFORMATION ABOUT THE INVESTMENT FUND

Name of the Fund:	CBL Opportunities Funds
Date of registration of the Fund:	24 August 2007
Type of the Fund:	Investment fund with sub-funds
Name of the Sub-fund:	CBL Prudent Opportunities Fund - EUR
Number of the Sub-fund:	FFL68
ISIN of the Sub-fund:	LV0000400372
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 Prudent Opportunities Fund - EUR of the investment fund CBL Opportunities Funds (hereinafter – the Fund) is CBL Asset Management, an investment management company with registered office at Republikas laukums 2a, Riga, LV-1010, and registration number 40003577500 (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 40% of the Fund's assets.

The net assets of the Fund increased by EUR 135.832 or 16.14% during the reporting period and amounted to EUR 977,603 at the end of the reporting period. Gross assets as at 30.06.2023 amounted to EUR 979,138. The value per share increased by EUR 0.23 to EUR 10.67 during the reporting period. The return in euro terms increased during the period under review and was 2.2%.

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 reports period represents 81.67% of the Fund's net asset value, which is 0.37 percentage points (pp) less than at the beginning of the year. The share of equity funds increased by 1.35 pp to 15.62% of the Fund's net asset value. Free cash represents 2.87% 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 (66.77%) 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 6,264, which is within the 1.50% ceiling set in the prospectus. The remuneration of the Investment Management Company amounted to EUR 3,994, the remuneration of the custodian bank to EUR 846 and other management expenses to EUR 1,424. The Fund's ongoing charges ratio for the period under review was 1.26% 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

Rīga, 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	28,043	38,493
Financial assets at fair value through profit or loss			
Share certificates of investment funds and similar securities	2	<u>951,095</u>	<u>804,473</u>
Total assets		<u>979,138</u>	<u>842,966</u>
Liabilities			
Accrued expenses		<u>(1,535)</u>	<u>(1,195)</u>
Total liabilities		<u>(1,535)</u>	<u>(1,195)</u>
Net assets		<u>977,603</u>	<u>841,771</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>
Income for the reporting period		
Interest income	45	-
Total income	45	-
Expenses for the reporting period		
Remuneration to the investment management company and the manager	(3,994)	(3,954)
Remuneration to the custodian bank	(846)	(837)
Other Fund management expenses	(1,424)	(995)
Total expenses	(6,264)	(5,786)
Valuation of investments (decrease)		
Realised (decrease)/increase in investment value	-	(9,321)
Unrealised (decrease)/increase in investment value	26,197	(153,363)
Total (decrease)/increase in investment value	26,197	(162,684)
(Decrease)/increase in net assets from investments	19,978	(168,470)

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

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

Kārlis Purgailis
Chairperson of the Management
Board

Riga, 27 July 2023

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STATEMENT OF CHANGES IN NET ASSETS

	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
Net assets at the beginning of the reporting year	841,771	973,669
Increase/(decrease) in net assets from investment	19,978	(168,470)
Transactions in share certificates and units		
Inflow from sale of share certificates and units	130,381	171,636
Outflow on redemption of share certificates and units	(14,527)	(81,274)
Increase in net assets from transactions in share certificates and units	115,854	90,362
Increase/(decrease) in net assets during the reporting period	135,832	(78,108)
Net assets at the end of the reporting year	977,603	895,561
Number of issued share certificates and units at the beginning of the reporting year	80,647	76,004
Number of issued share certificates and units at the end of the reporting year	91,621	83,575
Net assets per share certificate and unit at the beginning of the reporting year	10.44	12.81
Net assets per share certificate and unit at the end of the reporting year	10.67	10.72

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 net assets		% of the Fund net assets	
	30.06.2023	30.06.2023	31.12.2022	31.12.2022
Due on demand from credit institutions, Citadele banka AS	28,043	2.87%	38,493	4.57%

NOTE 2 SHARE CERTIFICATES OF INVESTMENT FUNDS AND SIMILAR SECURITIES

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:				1,014,576	951,095	97.29%
Share certificates of investment funds registered in Luxembourg:				686,966	652,732	66.77%
JPM US Aggregate Bond Fund	LU1432507090	EUR	984	98,773	89,147	9.12%
Schroder International Selection Fund - EURO Corporate Bond	LU0113258742	EUR	3,805	89,898	88,312	9.03%
Amundi Funds - Pioneer US Bond	LU1883851682	EUR	88	96,605	86,570	8.86%
Schroder International Selection Fund - US Dollar Bond	LU0291343910	EUR	615	96,108	83,850	8.58%
BlackRock Global Funds - US Dollar Bond Fund	LU1564327929	EUR	8,605	91,407	78,908	8.07%
Goldman Sachs US Dollar Credit	LU0803997666	EUR	13	82,988	76,176	7.79%
Robeco Capital Growth Funds - High Yield Bonds	LU0227757233	EUR	272	63,624	64,083	6.56%
Robeco Capital Growth - US Premium Equities	LU0454739615	EUR	106	35,837	56,126	5.74%
Morgan Stanley Investment Funds - US Advantage Fund	LU0360484769	EUR	278	31,726	29,560	3.02%
Share certificates of investment funds registered in Ireland:				169,147	152,543	15.60%
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0033989843	EUR	4,556	101,749	88,661	9.07%
Vanguard Global Credit Bond Fund/Ireland	IE00BF7MPP31	EUR	634	67,398	63,882	6.53%
Share certificates of investment funds registered in Latvia:				158,463	145,820	14.92%
CBL Eastern European Bond Fund R Acc EUR (hedged)	LV0000400174	EUR	5,034	90,156	78,785	8.06%
CBL US Leaders Equity Fund R Acc EUR (hedged)	LV0000400992	EUR	6,360	68,307	67,035	6.86%
Total share certificates of investment funds:				1,014,576	951,095	97.29%

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:				894,151	804,473	95.57%
Share certificates of investment funds registered in Luxembourg:				604,122	554,950	65.93%
BlackRock Global Funds - US Dollar Bond Fund	LU1564327929	EUR	8,605	91,407	78,133	9.28%
JPM US Aggregate Bond Fund	LU1432507090	EUR	858	87,509	77,160	9.17%
Amundi Funds - Pioneer US Bond	LU1883851682	EUR	77	85,852	75,535	8.97%
NN L US Credit Schroder International Selection Fund - US Dollar Bond	LU0291343910	EUR	531	84,846	71,510	8.50%
Robeco Capital Growth Funds - High Yield Bonds	LU0227757233	EUR	272	63,624	62,258	7.40%
Robeco Capital Growth - US Premium Equities	LU0454739615	EUR	90	27,358	47,136	5.60%
Schroder International Selection Fund - EURO Corporate Bond	LU0113258742	EUR	2,033	48,812	45,883	5.45%
Morgan Stanley Investment Funds - US Advantage Fund	LU0360484769	EUR	278	31,726	22,187	2.63%
Share certificates of investment funds registered in Ireland:				157,836	140,221	16.66%
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0033989843	EUR	3,971	90,438	77,078	9.16%
Vanguard Global Credit Bond Fund/Ireland	IE00BF7MPP31	EUR	634	67,398	63,143	7.50%
Share certificates of investment funds registered in Latvia:				132,193	109,302	12.98%
CBL Eastern European Bond Fund R Acc EUR (hedged)	LV0000400174	EUR	3,928	73,237	58,490	6.94%
CBL US Leaders Equity Fund R Acc EUR (hedged)	LV0000400992	EUR	5,394	58,956	50,812	6.04%
Total share certificates of investment funds:				894,151	804,473	95.57%

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)	977,603	841,771	973,669
Number of share certificates of the Fund	91,621	80,647	76,004
Value of the unit of the Fund	10.67	10.44	12.81
Fund return*	2.20%	(18.50%)	0.00%

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