



**CBL ASSET MANAGEMENT, IPAS**

**REPORT ON  
THE IMPLEMENTATION OF  
THE ENGAGEMENT POLICY**

**2022**



**CBL ASSET  
MANAGEMENT**

## **INTRODUCTION**

This report provides the annual information required by Directive (EU) 2017/828 of the European Parliament and of the Council, the Law on Investment Management Companies, the Law on Private Pension Funds, the Law on the Financial Instruments Market and the Law on Alternative Investment Funds and their Managers on the implementation of the engagement policy of CBL Asset Management, including information on how the investment management company has exercised its voting rights, disclosing an explanation of the most significant votes. CBL Asset Management has implemented engagement measures to ensure effective communication, cooperation and transparency.

The data cover the period from 1 January to 31 December 2022.

### **CBL GLOBAL EM BOND FUND (INVESTMENT FUND UNDER ARTICLE 8 OF SFDR)**

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 Fund Managers shall be responsible for the implementation of the engagement activities. During the period under review, the Managers have implemented engagement activities with eight issuers. The Managers have encouraged companies to improve their disclosure practices and have participated in the process of developing new issuance rules with the aim of ensuring better investor protection.

### **CBL EASTERN EUROPEAN BOND FUND (INVESTMENT FUND UNDER ARTICLE 6 OF SFDR)**

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 Fund Managers shall be responsible for the implementation of the engagement activities. During the period under review, the Managers have implemented engagement activities with four issuers. The Managers have encouraged companies to improve their disclosure practices and have participated in the process of developing new issuance rules with the aim of ensuring better investor protection.

### **CBL EUROPEAN LEADERS EQUITY FUND AND CBL US LEADERS EQUITY FUND (INVESTMENT FUND UNDER ARTICLE 6 OF SFDR)**

The Asset Manager shall participate in the management of the companies in which the assets of the Fund are invested by exercising its voting rights, where the voting rights held by the Fund amount to at least 5% of the total number of votes. During the reporting period, the Asset Manager did not implement any engagement activities through voting rights at general meetings of shareholders and/or bondholders.

### **CBL OPPORTUNITIES FUNDS (INVESTMENT FUND UNDER ARTICLE 6 OF SFDR)**

The Asset Manager shall participate in the management of the companies in which the assets of the Fund are invested by exercising its voting rights, where the voting rights held by the Fund amount to at least 5% of the total number of votes. During the reporting period, the Asset Manager did not implement any engagement activities through voting rights at general meetings of shareholders and/or bondholders.

## TIER 3 PENSION PRODUCTS

The Asset Manager shall participate in the management of the companies in which funds of the Plan are invested by exercising its voting rights, where the voting rights held by the Plan amount to at least 5% of the total number of votes. The pension plan managers are responsible for the implementation of the engagement activities. During the reporting period, the managers have implemented engagement activities with three issuers. The managers have participated in the discussion of the reorganisation plan of the company listed on the Baltic Stock Exchange, familiarised themselves with and assessed the proposed changes to the documentation of the Baltic Alternative Investment Funds and participated in the process of drafting new bond issuance rules with the aim of ensuring better investor protection.

## TIER 2 PENSION PRODUCTS

### **CBL Universal Investment Plan**

The Asset Manager shall participate in the management of the companies in which funds of the Plan are invested by exercising its voting rights, where the voting rights held by the Plan amount to at least 5% of the total number of votes. The Managers have participated in the processes of drafting the terms of new bond issues with the aim of ensuring better investor protection.

### **CBL Active Investment Plan**

The Asset Manager shall participate in the management of the companies in which funds of the Plan are invested by exercising its voting rights, where the voting rights held by the Plan amount to at least 5% of the total number of votes. The involvement of the Asset Manager has been significant with the managers of the Baltic Alternative Investment Funds. During the reporting period, the Manager has familiarised itself with and assessed proposed changes that have become necessary during the lifetime of these alternative funds (e.g., extension of fund maturities, etc.), engaged in discussions on these changes in search of optimal solutions, and has been actively involved in the set-up phase of new AIF funds (levels of commission fees and management cost structure). The managers have been involved in the discussion of the reorganisation plan of the company listed on the Baltic Stock Exchange, as well as in the process of drafting new rules for bond issues with the aim of ensuring better investor protection.

### **CBL Lifecycle Plan Millennials**

The Asset Manager shall participate in the management of the companies in which funds of the Plan are invested by exercising its voting rights, where the voting rights held by the Plan amount to at least 5% of the total number of votes. During the reporting period, the Asset Manager has not implemented any engagement activities through voting rights at general meetings of shareholders and/or bondholders.

### **CBL Sustainable Opportunities Investment Plan**

The Asset Manager shall participate in the management of the companies in which funds of the Plan are invested by exercising its voting rights, where the voting rights held by the Plan amount to at least 5% of the total number of votes. During the reporting period, the Asset Manager has not implemented any engagement activities through voting rights at general meetings of shareholders and/or bondholders.

### **CBL Index Plan**

The Asset Manager shall participate in the management of the companies in which funds of the Plan are invested by exercising its voting rights, where the voting rights held by the Plan amount to at least 5% of the total number of votes. During the reporting period, the Asset Manager has not implemented any engagement activities through voting rights at general meetings of shareholders and/or bondholders.

## **FINANCIAL INSTRUMENTS PORTFOLIO MANAGEMENT SERVICE**

The Asset Manager shall participate in the management of the companies in which funds of the Plan are invested by exercising its voting rights, where the voting rights held by the Plan amount to at least 5% of the total number of votes. The managers portfolios of financial instruments shall be responsible for the implementation of the engagement activities. During the reporting period, the managers have implemented engagement activities with two issuers. The managers have called on companies to improve their disclosure practices and have made recommendations on planned dividend payments.

## **CBL ALTERNATIVE INVESTMENT FUNDS (INVESTMENT FUND UNDER ARTICLE 6 OF SFDR)**

During the reporting period, the Asset Manager has not carried out any engagement activities, including participation in public consultations and discussions on the conditions for the development of the detailed plan.

## **INFORMATION ON USING SERVICES OF PROXY ADVISERS**

The Asset Manager did not use the services of any proxy advisers during the reporting period.

## **PLAN FOR NEXT YEAR**

CBL Asset Management is continuously increasing the transparency of its information reports, following the evolution of market best practices, and paying more attention to the expectations of customers and the public. In 2023, CBL Asset Management plans to improve its approach by including the following tasks in its work plan:

- (i) align the engagement reports to the standards of leading market players;
- (ii) prepare changes to the approach to 3rd party funds: assessing 3rd party fund engagement (if the total fund share exceeds 10%). CBL Asset Management will verify compliance with the following criteria:
  - whether the fund asset manager complies with the PRI principles;
  - whether the fund asset manager has prepared and published a sustainability policy and/or an engagement policy on its website, disclosing the engagement methodology (approach);
  - whether the fund asset manager has prepared and published a sustainability and/or engagement report (report) on its website;
- (iii) prepare the PRI report to disclose the interaction between the investor and current or potential investees on ESG issues (companies, governments, local governments, etc.);
- (iv) prepare the first PAI report in compliance with the requirements of the SFDR.

## **MORE INFORMATION:**

This report is available for download at: <https://www.cblam.lv/lv/sustainability/>

## **CONTACTS:**

Comments, suggestions or questions that you may have about the Engagement Report are welcome at: [asset@cbl.lv](mailto:asset@cbl.lv)

Website: <https://www.cblam.lv/lv/home/>