



INVESTMENT FUND  
CBL OPPORTUNITIES FUNDS

Sub-fund  
CBL Optimal Opportunities Fund - EUR

Semi Annual report 2024

(unaudited)

For the period

1 January till 30 June 2024

Prepared in accordance with IFRS accounting standards approved by the  
European Union

Riga, 2024



**CBL ASSET  
MANAGEMENT**



## TABLE OF CONTENTS

Information on the Investment Fund	3
Investment Management Company Report	4
Financial Statements:	
Statement of Assets and Liabilities	6
Statement of Income and Expenses	7
Statement of Changes in Net Assets	8
Notes to the Financial Statements	9

## 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 - EUR
Number of the Sub-fund:	FFL70
ISIN of the Sub-fund:	LV0000400398
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:	SC" Citadele banka"
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 - Ruta Ezerskiene, appointed on 03.11.2023.  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 - 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 - 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. 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 net assets of the Fund increased by EUR 62,280 or 2.22% during the reporting period and amounted to EUR 7,472,711 at the end of the reporting period. Gross assets amounted to EUR 7,484,471 as at 30.06.2024. The value per share increased by EUR 0.57 to EUR 12.04 during the half year. The yield for the period under review in euro terms was 4.97%.

Global financial markets have spent the first half of 2024 in a broadly optimistic and risk-asset friendly mode. Investors were encouraged by the positive US macroeconomic backdrop, improving forecasts and the potential long-term benefits of artificial intelligence. This was enough to push the previously important interest rate issues into the background amid a growing understanding that rates would remain higher and for longer than expected at the end of last year.

Demand in the US economy remained strong and household consumption - the cornerstone of US growth - continued to grow in the first half of 2024. However, in early summer, some signs of softness emerged in US economic indicators – from sentiment indexes to housing market activity. US labour market also started to cool, with the unemployment rate reaching 4.1% in June, up from 3.7% in the end of last year. The pace of US growth may have peaked and is about to slow in the coming quarters. This is counterbalanced by the euro area, where the economy returned to growth after a prolonged period of stagnation. While the recovery continues with mixed results, the phase of economic weakness is broadly over, and the euro area economy is trying to return on the growth track. The situation suggests that after a prolonged period of US dominance the performance of the two regions may start to converge.

Inflation deceleration processes in the US and the euro area stalled in the first half of the year. Headline inflation in the US fluctuated in a range of 3.0%-3.5% and in the euro area stabilised close to 2.5%. Core inflation in the US only started to slow down again in the second quarter and, together with higher unemployment, led financial market participants towards the middle of the year to expect a more accommodative Fed. In the euro area, relatively high services price inflation, coupled with still rapid wage growth, "cemented" core inflation close to 3%. In June, this did not prevent the ECB from being the first of the world's major central banks to cut interest rates by 0.25 percentage points. Market participants now expect 1-2 more cuts in the euro area before the end of the year, and 2-3 cuts of 0.25 percentage points each in the US, with the first expected in September.

In the first half of this year, positivity continued to dominate in the global financial markets, helping equity indices in the US and Europe to reach new all-time highs. In the first six months of the year, equity markets climbed by almost 13% in euro-hedged terms. The foundations for a strong half-year performance were laid mainly in the first quarter. The stock market rally continued in the second quarter but was not as homogeneous across regions and sectors as in the beginning of the year. With investors actively focusing on artificial intelligence theme, stock markets with a higher share of high-tech companies were able to outperform in the second quarter. The broad US stock market posted a gain of more than 14% in euro-hedge terms during the first half of the year. Other markets reported a close to 10% increase in euro-hedge terms. After a weaker performance over several quarters, emerging market equities also accelerated in the second quarter.

Alongside investors' higher risk appetite, bonds with a higher risk component have continued to outperform in the bond market this year. The main drivers of returns were a reduction in risk premia and high coupon yields. In the first six months, developed market high-yield bonds posted an average gain of 1.5% to 3% in euro-hedged terms. A strong economic backdrop and sticky inflation continued to keep risk-free interest rates at high levels, so investment-grade US bonds and European government bonds have ended the first half of the year in slightly negative territory. The dynamics in the currency markets has become relatively flat, with no particular trend. The euro was 3% lower against the dollar by the mid-year compared to the end of 2023.

The revisions of corporate profit forecasts turned positive during the first half of the year. Whereas previously the outlook improved only in the US IT segment and was mostly negative elsewhere, in the second quarter the improvements became widespread in the developed markets. Only emerging markets stood out negatively, where only a stabilisation of the outlook was seen. Analysts expect US companies to report double-digit profit growth this year and in the coming years. As economic pulse in the US deteriorated lately, meeting these ambitious forecasts could become a challenge for US companies. Without a corresponding rise in profits, expensive valuations of US equities threaten to become an obstacle to further growth. In the euro area, moderate earnings growth is expected in 2024, with stronger growth projected only in the following years.

During the reporting period, the following changes occurred in the Fund. The share of funds invested in bond funds at the end of the period represents 62.28% of the Fund's net asset value, increased by 0.01 percentage points (pp) compared to the beginning of the period. The share of equity funds decreased by 0.22 pp to 35.34% of the Fund's net asset value. Free cash represents 2.54% 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 (53.21%) 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 47,943, which is within the 1.70% ceiling set in the prospectus. The remuneration of the Investment Management Company amounted to EUR 34,209, the remuneration of the Custodian Bank to EUR 6,482 and other management expenses to EUR 7,252. The Fund's ongoing charges ratio for the period under review was 1.33% 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:

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Kārlis Purgailis  
Chairperson of the Management Board

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Zigurds Vaikulis  
Fund Manager

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Reinis Gerasimovs  
Fund Manager

Riga, 30 July 2024

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

## STATEMENT OF ASSETS AND LIABILITIES

	Notes	<u>30.06.2024</u>	<u>31.12.2023</u>
<b>Assets</b>			
Due on demand from credit institutions	1	189,603	170,005
Financial assets at fair value through profit or loss			
Share certificates of investment funds and similar securities	2	<u>7,294,868</u>	<u>7,152,036</u>
<b>Total assets</b>		<b><u>7,484,471</u></b>	<b><u>7,322,041</u></b>
<b>Liabilities</b>			
Accrued expenses		<u>(11,760)</u>	<u>(11,610)</u>
<b>Total liabilities</b>		<b><u>(11,760)</u></b>	<b><u>(11,610)</u></b>
<b>Net assets</b>		<b><u>7,472,711</u></b>	<b><u>7,310,431</u></b>

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:

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Kārlis Purgailis  
Chairperson of the Management Board

Riga, 30 July 2024

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## STATEMENT OF INCOME AND EXPENSES

	<u>01.01.2024- 30.06.2024</u>	<u>01.01.2023- 30.06.2023</u>
<b>Income for the reporting period</b>		
Interest income	1,018	111
<b>Total income</b>	<u>1,018</u>	<u>111</u>
<b>Expenses for the reporting period</b>		
Remuneration to the investment management company and the manager	(34,209)	(33,477)
Remuneration to the custodian bank	(6,482)	(6,343)
Other Fund management expenses	(7,252)	(7,539)
<b>Total expenses</b>	<u>(47,943)</u>	<u>(47,359)</u>
<b>Increase in investment value</b>		
Realised increase in investment value	13,997	6,345
Unrealised increase in investment value	380,111	367,536
<b>Total increase in investment value</b>	<u>394,108</u>	<u>373,881</u>
<b>Increase in net assets from investments</b>	<u>347,183</u>	<u>326,633</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:

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Kārlis Purgailis  
Chairperson of the Management Board

Riga, 30 July 2024

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## STATEMENT OF CHANGES IN NET ASSETS

	<b>01.01.2024- 30.06.2024</b>	<b>01.01.2023- 30.06.2023</b>
Net assets at the beginning of the reporting year	7,310,431	6,972,572
Increase in net assets from investment	347,183	326,633
<b>Transactions in share certificates and units</b>		
Inflow from sale of share certificates and units	398,789	449,395
Outflow on redemption of share certificates and units	(583,692)	(578,401)
<b>(Decrease) in net assets from transactions in share certificates and units</b>	<b>(184,903)</b>	<b>(129,006)</b>
Increase in net assets during the reporting period	162,280	197,627
<b>Net assets at the end of the reporting year</b>	<b>7,472,711</b>	<b>7,170,199</b>
Number of issued share certificates and units at the beginning of the reporting year	637,246	664,438
Number of issued share certificates and units at the end of the reporting year	620,887	652,374
Net assets per share certificate and unit at the beginning of the reporting year	11.47	10.49
<b>Net assets per share certificate and unit at the end of the reporting year</b>	<b>12.04</b>	<b>10.99</b>

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:

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Kārlis Purgailis  
Chairperson of the Management Board

Riga, 30 July 2024

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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	
	30.06.2024	30.06.2024	31.12.2023	31.12.2023
Due on demand from credit institutions, SC "Citadele banka"	189,603	2.54%	103,617	1.45%

### NOTE 2 SHARE CERTIFICATES OF INVESTMENT FUNDS AND SIMILAR SECURITIES FUNDS

All units and similar securities of investment funds are classified as financial assets at fair value through profit or loss. As at 30 June 2024, 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 share certificates of investment funds and similar securities by country of origin of the issuer at 30 June 2024:

Financial instrument	ISIN code	Currency	Quantity	Acquisition value (EUR)	Carrying amount 30.06.2024	% of the Fund's net assets 30.06.2024
<b>Financial instruments not traded on regulated markets:</b>				<b>6,711,253</b>	<b>7,294,868</b>	<b>97.62%</b>
<b>Share certificates of investment funds registered in Luxembourg:</b>				<b>3,766,656</b>	<b>3,976,138</b>	<b>53.21%</b>
Amundi Funds - Pioneer US						
Bond	LU1883851682	EUR	641	694,926	644,814	8.63%
Goldman Sachs US Dollar Credit	LU0803997666	EUR	104	645,298	633,829	8.48%
BlackRock Global Funds - US						
Dollar Bond Fund	LU1564327929	EUR	57,788	598,407	536,272	7.18%
Schroder International Selection						
Fund - EURO Corporate Bond	LU0113258742	EUR	18,238	459,232	461,531	6.18%
Robeco Capital Growth Funds - High Yield Bonds						
	LU0227757233	EUR	1,705	400,674	432,388	5.79%
JPM US Aggregate Bond Fund	LU1432507090	EUR	4,119	410,372	378,491	5.06%
GS Global CORE Equity	LU0280841296	EUR	8,766	172,321	355,111	4.75%
Fundsmith Equity Fund Feeder	LU0690374029	EUR	4,503	260,683	290,249	3.88%
Robeco Capital Growth - US						
Premium Equities	LU0454739615	EUR	398	124,743	243,453	3.26%
<b>Share certificates of investment funds registered in Latvia:</b>				<b>1,919,788</b>	<b>2,106,828</b>	<b>28.19%</b>
CBL European Leaders Equity Fund						
	LV0000400794	EUR	11,135	528,059	624,093	8.35%
CBL Global Emerging Markets Bond Fund R Acc EUR (hedged)						
	LV0000400828	EUR	54,823	597,273	586,060	7.84%
CBL US Leaders Equity Fund R Acc EUR (hedged)						
	LV0000400992	EUR	32,907	343,860	452,142	6.05%
CBL Eastern European Bond Fund R Acc EUR (hedged)						
	LV0000400174	EUR	25,460	450,596	444,533	5.95%
<b>Share certificates of investment funds registered in Ireland:</b>				<b>1,024,809</b>	<b>1,211,902</b>	<b>16.22%</b>
Vanguard Investment Series						
PLC - US 500 Stock Index Fund	IE0032126645	EUR	11,006	413,968	676,101	9.05%
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund						
	IE0033989843	EUR	26,657	610,841	535,801	7.17%
<b>Total share certificates of investment funds:</b>				<b>6,711,253</b>	<b>7,294,868</b>	<b>97.62%</b>

The following table shows investment fund units and equivalent securities by country of origin of issuer at 31 December 2023:

Financial instrument	ISIN code	Currency	Quantity	Acquisition value (EUR)	Carrying amount 31.12.2023	% of the Fund's net assets 31.12.2023
<b>Financial instruments not traded on regulated markets:</b>				<b>6,847,590</b>	<b>7,152,036</b>	<b>97.83%</b>
<b>Share certificates of investment funds registered in Luxembourg:</b>				<b>3,773,146</b>	<b>3,951,043</b>	<b>54.05%</b>
Goldman Sachs US Dollar Credit	LU0803997666	EUR	104	645,298	639,015	8.74%
BlackRock Global Funds - US Dollar Bond Fund	LU1564327929	EUR	57,788	598,407	540,896	7.40%
Amundi Funds - Pioneer US Bond	LU1883851682	EUR	491	545,150	497,574	6.81%
Schroder International Selection Fund - EURO Corporate Bond	LU0113258742	EUR	18,238	459,232	454,464	6.22%
Robeco Capital Growth Funds - High Yield Bonds	LU0227757233	EUR	1,705	400,674	426,165	5.83%
GS Global CORE Equity	LU0280841296	EUR	12,083	235,896	409,285	5.60%
JPM US Aggregate Bond Fund	LU1432507090	EUR	4,119	410,372	381,827	5.22%
Fundsmith Equity Fund Feeder	LU0690374029	EUR	4,503	260,684	258,254	3.53%
Robeco Capital Growth - US Premium Equities	LU0454739615	EUR	399	124,743	225,542	3.09%
Morgan Stanley Investment Funds - US Advantage Fund	LU0360484769	EUR	1,037	92,690	118,021	1.61%
<b>Share certificates of investment funds registered in Latvia:</b>				<b>1,919,788</b>	<b>1,941,851</b>	<b>26.56%</b>
CBL Global Emerging Markets Bond Fund R Acc EUR (hedged)	LV0000400828	EUR	54,823	597,273	570,161	7.80%
CBL European Leaders Equity Fund	LV0000400794	EUR	11,135	528,059	567,418	7.76%
CBL Eastern European Bond Fund R Acc EUR (hedged)	LV0000400174	EUR	25,460	450,596	425,183	5.82%
CBL US Leaders Equity Fund R Acc EUR (hedged)	LV0000400992	EUR	32,907	343,860	379,089	5.18%
<b>Share certificates of investment funds registered in Ireland:</b>				<b>1,154,656</b>	<b>1,259,142</b>	<b>17.22%</b>
Vanguard Investment Series PLC - US 500 Stock Index Fund	IE0032126645	EUR	12,481	455,120	642,332	8.79%
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0033989843	EUR	30,672	699,536	616,810	8.43%
<b>Total share certificates of investment funds:</b>				<b>6,847,590</b>	<b>7,152,036</b>	<b>97.83%</b>

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

	30.06.2024	31.12.2023	31.12.2022
<b>Net assets of the Fund (EUR)</b>	<b>7,472,711</b>	<b>7,310,431</b>	<b>6,972,572</b>
Number of share certificates of the Fund	620,887	637,246	664,438
Value of the unit of the Fund	12.04	11.47	10.49
Fund return*	4.97%	9.34%	(19.49%)

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