



INVESTMENT FUND  
CBL OPPORTUNITIES FUNDS

Sub-fund  
CBL Prudent 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**



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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:	SC Citadele bank
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: Vaidas Žagunis, Chairperson of the Supervisory Board, appointed on 03.08.2021 Vladimirs Ivanovs, Deputy Chairperson of the Supervisory Board, appointed on 03.08.2021 Ruta Ezerskiene, Member of the Supervisory Board, appointed on 03.11.2023  Management Board of the investment management company: Kārlis Purgailis, Chairperson of the Management Board Zigurds Vaikulis, Member of the Management Board Lolita Sičeva, Member of the Management Board
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. Regarding the investments underlying this financial product the EU criteria for environmentally sustainable economic activities were not considered.

The Fund's net assets decreased by EUR 122,763, or 12.22%, during the reporting period and amounted to EUR 881,731 at the end of the year. At 30.06.2024, gross assets amounted to EUR 883,374. The value per share increased by EUR 0.22 to EUR 11.31 during the reporting period. The return in euro terms increased during the period under review and was positive 1.98%.

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 period under review, the Fund underwent the following changes. The share of the Fund's net asset value invested in bond funds at the end of the year was 81.87%, an decrease of 1.01 percentage points (pp) compared to the beginning of the year. The share of equity funds increased by 0.12 pp to 16.52% of the Fund's net asset value. Free cash represents 1.78% 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 (57.29%) 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 6,242, which is within the 1.50% ceiling set out in the prospectus. The remuneration of the investment management company amounted to EUR 3,919, the remuneration of the custodian bank to EUR 830 and other management expenses to EUR 1,493. The prospectuses of the investment funds managed by the Company do not provide for performance fees.

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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, 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	15,721	8,961
Financial assets at fair value through profit or loss			
Share certificates of investment funds and similar securities	2	867,653	997,216
<b>Total assets</b>		<b><u>883,374</u></b>	<b><u>1,006,177</u></b>
<b>Liabilities</b>			
Accrued expenses		(1,643)	(1,683)
<b>Total liabilities</b>		<b><u>(1,643)</u></b>	<b><u>(1,683)</u></b>
<b>Net assets</b>		<b><u>881,731</u></b>	<b><u>1,004,494</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	187	45
<b>Total income</b>	<b>187</b>	<b>45</b>
<b>Expenses for the reporting period</b>		
Remuneration to the investment management company and the manager	(3,919)	(3,994)
Remuneration to the custodian bank	(830)	(846)
Other Fund management expenses	(1,493)	(1,424)
<b>Total expenses</b>	<b>(6,242)</b>	<b>(6,264)</b>
<b>Increase in investment value</b>		
Realised increase in investment value	2,490	-
Unrealised increase in investment value	20,401	26,197
<b>Total increase in investment value</b>	<b>22,891</b>	<b>26,197</b>
<b>Increase in net assets from investments</b>	<b>16,836</b>	<b>19,978</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 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	1,004,494	841,771
Increase in net assets from investment	16,836	19,978
<b>Transactions in share certificates and units</b>		
Inflow from sale of share certificates and units	31,102	130,381
Outflow on redemption of share certificates and units	(170,701)	(14,527)
<b>(Decrease)/increase in net assets from transactions in share certificates and units</b>	<b>(139,599)</b>	<b>115,854</b>
(Decrease)/increase in net assets during the reporting period	(122,763)	135,832
<b>Net assets at the end of the reporting year</b>	<b>881,731</b>	<b>977,603</b>
Number of issued share certificates and units at the beginning of the reporting year	90,543	80,647
Number of issued share certificates and units at the end of the reporting year	77,949	91,621
Net assets per share certificate and unit at the beginning of the reporting year	11.09	10.44
<b>Net assets per share certificate and unit at the end of the reporting year</b>	<b>11.31</b>	<b>10.67</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	15,721	1.78%	8,961	0.89%

### 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>887,339</b>	<b>867,653</b>	<b>98.39%</b>
<b>Share certificates of investment funds registered in Luxembourg:</b>				<b>537,094</b>	<b>505,189</b>	<b>57.29%</b>
JPM US Aggregate Bond Fund	LU1432507090	LU	874	87,859	80,347	9.11%
BlackRock Global Funds - US Dollar Bond Fund	LU1564327929	LU	8,605	91,407	79,854	9.06%
Amundi Funds - Pioneer US Bond	LU1883851682	LU	78	85,891	78,464	8.90%
Schroder International Selection Fund - US Dollar Bond	LU0291343910	LU	550	86,096	75,739	8.59%
Robeco Capital Growth Funds - High Yield Bonds	LU0227757233	LU	272	63,624	68,979	7.82%
Goldman Sachs US Dollar Credit	LU0803997666	LU	10	66,173	60,945	6.91%
Schroder International Selection Fund - EURO Corporate Bond	LU0113258742	LU	2,405	56,044	60,861	6.90%
<b>Share certificates of investment funds registered in Ireland:</b>				<b>220,414</b>	<b>219,107</b>	<b>24.85%</b>
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0033989843	IE	3,810	85,266	76,582	8.69%
Vanguard Investment Series PLC - US 500 Stock Index Fund	IE0032126645	IE	1,220	67,750	74,945	8.50%
Vanguard Global Credit Bond Fund/Ireland	IE00BF7MPP31	IE	634	67,398	67,580	7.66%
<b>Share certificates of investment funds registered in Latvia:</b>				<b>129,831</b>	<b>143,357</b>	<b>16.25%</b>
CBL Eastern European Bond Fund R Acc EUR (hedged)	LV0000400174	LV	4,158	75,277	72,599	8.23%
CBL US Leaders Equity Fund R Acc EUR (hedged)	LV0000400992	LV	5,150	54,554	70,758	8.02%
<b>Total share certificates of investment funds:</b>				<b>887,339</b>	<b>867,653</b>	<b>98.39%</b>

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

<b>Financial instrument</b>	<b>ISIN code</b>	<b>Currency</b>	<b>Quantity</b>	<b>Acquisition value (EUR)</b>	<b>Carrying amount 31.12.2023</b>	<b>% of the Fund's net assets 31.12.2023</b>
<b>Financial instruments not traded on regulated markets:</b>				<b>1,014,576</b>	<b>997,216</b>	<b>99.28%</b>
<b>Share certificates of investment funds registered in Luxembourg:</b>				<b>686,966</b>	<b>680,731</b>	<b>67.78%</b>
Schroder International Selection Fund - EURO						
Corporate Bond	LU0113258742	EUR	3,805	89,898	94,815	9.44%
JPM US Aggregate Bond Fund	LU1432507090	EUR	984	98,773	91,253	9.09%
Amundi Funds - Pioneer US Bond						
	LU1883851682	EUR	88	96,605	89,178	8.88%
Schroder International Selection Fund - US Dollar Bond						
	LU0291343910	EUR	615	96,108	85,644	8.53%
BlackRock Global Funds - US Dollar Bond Fund						
	LU1564327929	EUR	8,605	91,407	80,543	8.02%
Goldman Sachs US Dollar Credit*						
	LU0803997666	EUR	13	82,988	79,877	7.95%
Robeco Capital Growth Funds - High Yield Bonds						
	LU0227757233	EUR	272	63,624	67,986	6.77%
Robeco Capital Growth - US Premium Equities						
	LU0454739615	EUR	106	35,837	59,796	5.95%
Morgan Stanley Investment Funds - US Advantage Fund						
	LU0360484769	EUR	278	31,726	31,639	3.15%
<b>Share certificates of investment funds registered in Ireland:</b>				<b>169,147</b>	<b>159,147</b>	<b>15.84%</b>
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund						
	IE0033989843	EUR	4,556	101,749	91,623	9.12%
Vanguard Global Credit Bond Fund/Ireland						
	IE00BF7MPP31	EUR	634	67,398	67,524	6.72%
<b>Share certificates of investment funds registered in Latvia:</b>				<b>158,463</b>	<b>157,338</b>	<b>15.66%</b>
CBL Eastern European Bond Fund R Acc EUR (hedged)						
	LV0000400174	EUR	5,034	90,156	84,071	8.37%
CBL US Leaders Equity Fund R Acc EUR (hedged)						
	LV0000400992	EUR	6,360	68,307	73,267	7.29%
<b>Total share certificates of investment funds:</b>				<b>1,014,576</b>	<b>997,216</b>	<b>99.28%</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**

	<b>30.06.2024</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>Net assets of the Fund (EUR)</b>	<b>881,731</b>	<b>1,004,494</b>	<b>841,771</b>
Number of share certificates of the Fund	77,949	90,543	80,647
Value of the unit of the Fund	11.31	11.09	10.44
Fund return*	1.98%	6.23%	(18.50%)

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