



CBL ASSET MANAGEMENT, IPAS

**ENGAGEMENT POLICY IMPLEMENTATION
STATEMENT**

2023



**CBL ASSET
MANAGEMENT**

INTRODUCTION

This Statement 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 regarding the implementation of the Engagement Policy by CBL Asset Management (hereinafter referred to as the Asset Manager), including information on how the investment management company has exercised its voting rights, disclosing an explanation of the most important votes. The data cover the period from 1 January to 31 December 2023.

The Asset Manager's Sustainability and Engagement Policy provides for priority engagement in the management of companies in which funds, investment plans, pension plans or portfolios of financial instruments (hereinafter referred to as the Issuers) are invested, through the exercise of its voting rights, in particular where the Asset Manager's voting rights represent at least 5% of the total number of votes. The managers of the funds, investment plans and pension plans and of the portfolios of financial instruments are responsible for the implementation of the engagement activities.

During the period under review, the Asset Manager has not exercised its voting rights as it has a small position in the investment portfolios, which does not exceed the threshold for participation in voting. However, the Asset Manager has undertaken a number of engagement activities in direct communication with the Issuers, which are presented in this Statement by products offered by the Asset Manager.

ABBREVIATIONS

SFDR – Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure in the financial services sector.

PRI – UN-supported Principles for Responsible Investment (available at www.unpri.org).

PAI – Principal Adverse Impact on sustainability factors.

CBL GLOBAL EMERGING MARKETS BOND FUND (INVESTMENT FUND UNDER ARTICLE 8 OF SFDR)

During the period under review, the Asset Manager has carried out ten engagement activities in direct communication with the Issuers. The Managers have called on companies to improve their disclosure practices of information relevant to investors, including various policies promoting good governance, to explain changes in the business environment and their impact on bond investors, and have participated in the drafting processes of new issuance rules with the aim of ensuring better investor protection.

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

During the period under review, the Asset Manager has carried out seven engagement activities in direct communication with the Issuers. The Managers have called on companies to improve their disclosure practices of information relevant to investors, including various policies promoting good governance, to explain changes in the Group's structure and their impact on bond investors, and have participated in the drafting processes of new issuance rules with the aim of ensuring better investor protection.

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

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During the period under review, the Asset Manager has not carried out engagement activities.

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

During the period under review, the Asset Manager has not carried out engagement activities.

TIER 3 PENSION PRODUCTS

During the period under review, the Asset Manager has not carried out engagement activities.

TIER 2 PENSION PRODUCTS**CBL Universal Investment Plan**

During the period under review, the Asset Manager has not carried out engagement activities.

CBL Active Investment Plan

During the period under review, there was significant engagement with Baltic alternative investment fund managers. The Asset Manager is aware of and has evaluated the proposed changes that have become necessary over the lifetime of these alternative investment funds (e.g. extension of funds' maturity dates, etc.), has participated in discussions on these changes in search of optimal solutions, and has been actively engaged in the establishment stage of new alternative investment funds (fee levels and management cost structure).

CBL Lifecycle Plan Millennials

During the period under review, the Asset Manager has not carried out engagement activities.

CBL Sustainable Opportunities Investment Plan

During the period under review, the Asset Manager has not carried out engagement activities.

CBL Index Plan

During the period under review, the Asset Manager has not carried out engagement activities.

FINANCIAL INSTRUMENTS PORTFOLIO MANAGEMENT SERVICE

During the period under review, the Asset Manager has not carried out engagement activities.

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

During the period under review, the Asset Manager has been engaged in one public consultation and discussions on the terms and conditions for detailed planning.

INFORMATION ON USING SERVICES OF PROXY ADVISERS

During the period under review, the Asset Manager did not use the services of proxy advisers (within the meaning of Section 1 Paragraph one clause 106 of the Law on the Financial Instruments Market).

PLAN FOR NEXT YEAR

The Asset Manager 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 2024, CBL Asset Management plans to improve its approach to engagement by including the following tasks in its work plan:

- (i) regularly update the engagement policy and align our engagement reports to the standards of leading market players;
- (ii) adjust the procedures for direct communication between Managers and Issuers;

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- (iii) adjust the procedures for recording engagement events in the Asset Manager's information system;
- (iv) prepare the annual UN-supported PRI report to disclose the interaction between the investor and current or potential investees on ESG issues (companies, governments, local governments, etc.);
- (v) prepare the annual PAI report in compliance with the requirements of the SFDR.

MORE INFORMATION:

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

CONTACTS:

Comments, suggestions or questions that you may have about the Engagement Statement are welcome at: asset@cbl.lv

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