



# INVESTMENT FUND CBL OPPORTUNITIES FUNDS

Sub-fund  
CBL Optimal Opportunities Fund- USD

## ANNUAL REPORT for 2024

Prepared in accordance with the IFRS  
Accounting Standards adopted by the European Union

Riga, 2025



**CBL ASSET  
MANAGEMENT**

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## INFORMATION ON 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 – USD
Number of the Sub-fund:	FFL204
ISIN of the Sub-fund:	LV0000400984
Name of the investment management joint stock company:	CBL Asset Management IPAS
Registered office of the investment management joint stock company:	Republikas laukums 2a, Riga LV-1010, Latvia
Registration number of the investment management joint stock 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 joint stock company:	<p>Supervisory Board of the investment management joint stock company:</p> <p>Vaidas Žagunis, Chairperson of the Supervisory Board, appointed on 03.08.2021</p> <p>Vladimirs Ivanovs, Deputy Chairperson of the Supervisory Board, appointed on 03.08.2021</p> <p>Ruta Ezerskiene, Member of the Supervisory Board, appointed on 03.11.2023, resigned on 17.03.2025</p> <p>Edward Rebane, Member of the Supervisory Board, appointed on 17.03.2025</p> <p>Management Board of the investment management joint stock company:</p> <p>Kārlis Purgailis, Chairperson of the Management Board</p> <p>Zigurds Vaikulis, Member of the Management Board</p> <p>Lolita Sičeva, Member of the Management Board</p>
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 joint stock company.
Fund Managers:	<p>Zigurds Vaikulis</p> <p>Reinis Gerasimovs</p>
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 joint stock company and the Fund Prospectus.
Auditors:	<p>Rihards Grasis</p> <p>Certified Auditor</p> <p>Certificate No.227</p> <p>KPMG Baltics SIA</p> <p>Roberta Hirša iela 1, Riga</p> <p>Latvia, LV-1045,</p> <p>Licence No. 55</p>

## INVESTMENT MANAGEMENT JOINT STOCK COMPANY REPORT

The asset manager of the sub-fund CBL Optimal Opportunities Fund - USD of the investment fund CBL Opportunities Funds (hereinafter – the Fund) is CBL Asset Management, an investment management joint stock company with registered office at Republikas laukums 2a, Riga, LV-1010, and registration number 40003577500, incorporated on 11 January 2002 (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. There are no sectoral restrictions. The Fund has an active investment strategy that focuses on the selection of individual financial instruments, respecting the principles of diversification and risk mitigation, including ESG risk management principles. The Fund does not promote environmental and/or social performance within the meaning of the SFDR and does not invest in accordance with the EU taxonomy. But in line with the principles of good governance practice and the UN PRI signatory obligations, the Fund integrates ESG characteristics into the fund management process. Equity funds may represent up to 70% of the Fund's assets. Regarding the investments underlying this financial product the EU criteria for environmentally sustainable economic activities were not considered.

The net assets of the Fund decreased by EUR 223,581, or 20.19%, during the reporting period and amounted to EUR 883,896 at the end of the year. Gross assets as at 31.12.2024 amounted to EUR 885,683. The value per share increased by EUR 1.42 to EUR 11.72 during the year. The return during the period under review was positive in euro terms at 13.79% and in the Fund's base currency: US dollars at 6.94%.

2024 was favourable for risk assets. Volatility on financial markets increased in the second half of the year, but this did not prevent the year as a whole from ending with a noteworthy performance, in particular for global equity markets. Thanks to tireless consumers, the US economy was able to maintain its growth leadership in Western countries in 2024, while the stabilisation of inflation at lower levels opened the way for the world's major central banks to loosen the reins on high interest rates during 2024. The US economy has ended the past year on a solid footing. American household spending continued to grow steadily throughout the year, the labour market remained generally favourable, and towards the end of the year the first positive signs also appeared in the manufacturing sector. The US gross domestic product showed overall growth of 2.8% in 2024 (+2.9% in 2023). In the euro area, however, activity and sentiment readings remained relatively subdued throughout the year. Moderate growth in the first three quarters and stagnation at the end of the year resulted in annual GDP growth of 0.7% (+0.4% year-on-year). Germany, the region's biggest player, continued to perform poorly, with its real GDP moderating for the second consecutive year.

The downward drift in inflation rates in 2024 allowed the ECB and later the US Federal Reserve to start easing monetary policy. During the year, the Fed and the ECB each cut benchmark interest rates by 1 percentage point in several steps. Moreover, the new US administration came on the scene with potentially inflationary import tariff initiatives. In the face of all this, investors revised their rate scenarios at the end of the year, virtually abandoning expectations of additional rate cuts by the US central bank. This has also had an impact on the interest rate environment in the euro area and has also given rise to reflections on the future of euro rates. However, on this side of the ocean, the economic backdrop is relatively weak, and investors therefore expect the ECB to continue lowering base rates.

Repeated changes in investors' views on the pace of monetary policy normalisation created additional volatility in bond markets. US government bond yields swung significantly, but for the year as a whole US government bond yields were slightly negative. The performance of safe US corporate bonds, which are sensitive to US rate movements, was also close to zero in 2024 (in euro-hedged terms). At the same time, euro area investment-grade bonds rose by almost 3% over the year. Bonds with a higher risk component performed even better in 2024, thanks to high current yields and a reduction in risk premia. Western speculative-grade corporate bonds rose by an average of 6-8% in euro-hedged terms in 2024, emerging market bonds by just under 5%.

Global equity markets showed strong growth for the second year in a row, and Western equity indices managed to set historical price records several times during the year. Western equity markets rose by almost 20% in euro-hedged terms in 2024, emerging markets by more than 11%. Sustained growth in the US economy, combined with investor enthusiasm for artificial intelligence, allowed the US stock market to outperform other regions. At the end of the year, investor optimism in US equity markets was also boosted by Trump's victory in the US presidential election, which investors expect to result in a more favourable tax and business environment for companies. The euro depreciated by around 6% over the year.

Earnings forecasts for Western companies in the next few years continue to be the main source of positivity for investors. While profit forecasts have tended to decline recently, double-digit profit increases are still expected in the US. In Europe, more moderate earnings growth is expected. Unlike other equity markets, US equity valuations are well above historical averages and are expensive. This could limit the upside of the American stock market, despite the positive investor outlook on the US economy and the profitability of companies. As much as it was expected in the past, the relentless and intense public flailing about tariff threats by the newly elected US President Trump has brought additional uncertainty and volatility to the financial markets. The imposition of import tariffs on major US trading partners and the countries' response to them could dampen global economic growth and show additional inflationary pressures, especially in America itself. This in turn could also negatively affect the profitability of companies in the US and elsewhere in the world and have a negative impact on risk asset prices. But for now, this is all conjecture and speculation. The previous administration in Tampa was also remembered for tariff wars, but this did not prevent global stock market indices from almost doubling during Trump's first term.

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 62.80%, an increase of 1.61 percentage points (pp) compared to the beginning of the year. The share of equity funds decreased by 0.47 pp to 35.44% of the Fund's net asset value. Free cash represents 1.96% 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 (59.55%) are invested in funds registered in Luxembourg. The Fund also invests in investment funds registered in Latvia and Ireland.

Total management expenses for the period under review amounted to EUR 15,331, which is within the 1.70% of the maximum remuneration payable on the Fund's assets set out in the Prospectus. The remuneration of the Company for the Sub-Funds of the CBL Opportunities Funds is determined as a percentage per annum of the average net asset value of the Sub-Fund.

The remuneration of the Investment Management Company amounted to EUR 10,286, the remuneration of the Custodian Bank to EUR 1,949 and the other management expenses to EUR 3,096, respectively. The Fund's ongoing charges ratio for the period under review was 1.45% 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 Company's management team will continue to closely monitor trends in global financial markets. In order to adapt the Fund's structure to the assessment of the current and expected situation, changes will mainly be made to the weighting of equity fund investments.

Since the end of the reporting period, the relentless and intense public flailing around by the inaugurated US President Donald Trump with the threat, imposition, revision, suspension and/or removal of tariffs has brought additional uncertainty and volatility to the financial markets. The imposition of import tariffs on major US trading partners and the countries' responses to them will, according to economists' forecasts, dampen global economic growth and show additional inflationary pressures, especially in America itself. This in turn could also have a negative impact on the profitability of companies both in the US and elsewhere in the world, which in turn could lead to further volatility in corporate valuations.

On behalf of the Management Board of the Investment Management Joint Stock 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, 28 April 2025

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



## REPORT ON THE IMPLEMENTATION OF THE ENGAGEMENT POLICY

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 and did not use the services of proxy advisors.

On behalf of the Management Board of the Investment Management Joint Stock 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, 28 April 2025

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## STATEMENT OF RESPONSIBILITY OF THE MANAGEMENT BOARD OF THE INVESTMENT MANAGEMENT JOINT STOCK COMPANY

The Management Board of the Company is responsible for preparation of financial statements of the sub-fund of CBL Optimal Opportunities Fund – USD of the investment fund CBL Opportunities Funds (hereinafter – the Fund).

The financial statements set out on pages 8 to 22 have been prepared based on the supporting documents and give a clear and fair view of the financial position of the Fund as at 31 December 2024 and of its performance for the year then ended.

The above financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union, as required by the Bank of Latvia – Regulation No. 382 “On Preparation of Annual Reports, Consolidated Annual Reports and Semi-Annual Reports of Investment Fund and Open Alternative Investment Fund”, on a going concern basis. Appropriate accounting policies have been consistently applied during the reporting period. The judgements and estimates made by management in the preparation of the financial statements have been prudent and reasonable.

The Management Board of the Investment Management Joint Stock Company is responsible for the maintenance of proper accounting records, the safeguarding of assets of the CBL Optimal Opportunities Fund - USD and detecting and preventing fraud and other unfair practices. The Management Board is also responsible for compliance with the Law on Investment Management Companies of the Republic of Latvia, the regulations of the Bank of Latvia and other legislative requirements of the Republic of Latvia.

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

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Kārlis Purgailis  
Chairperson of the Management Board

Riga, 28 April 2025

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

## STATEMENT OF ASSETS AND LIABILITIES

	Notes	31.12.2024	31.12.2023
<b>Assets</b>			
Due on demand from credit institutions	3	17,347	34,172
<b>Financial assets at fair value through profit or loss</b>			
Share certificates of investment funds and similar securities	4	868,336	1,075,321
<b>Total assets</b>		<b>885,683</b>	<b>1,109,493</b>
<b>Liabilities</b>			
<b>Financial liabilities measured at amortised cost</b>			
Accrued expenses	5	(1,787)	(2,016)
<b>Total liabilities</b>		<b>(1,787)</b>	<b>(2,016)</b>
<b>Net assets</b>		<b>883,896</b>	<b>1,107,477</b>

The accompanying notes on pages 12 to 22 are an integral part of these financial statements.

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

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Kārlis Purgailis  
Chairperson of the Management Board

Riga, 28 April 2025

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## STATEMENT OF INCOME AND EXPENSES

	Notes	2024	2023
<b>Expenses for the reporting period</b>			
Remuneration to the investment management joint stock company		(10,286)	(9,942)
Remuneration to the custodian bank		(1,949)	(1,884)
Other Fund management expenses	6	(3,096)	(3,197)
<b>Total expenses</b>		<b>(15,331)</b>	<b>(15,023)</b>
<b>Increase in investment value</b>			
Realised increase in investment value	7	25,319	26,205
Unrealised increase in investment value	8	120,837	74,106
<b>Total increase in investment value</b>		<b>146,156</b>	<b>100,311</b>
<b>Increase in net assets from investments</b>		<b>130,825</b>	<b>85,288</b>

The accompanying notes on pages 12 to 22 are an integral part of these financial statements.

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

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Kārlis Purgailis  
Chairperson of the Management Board

Riga, 28 April 2025

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## STATEMENT OF CHANGES IN NET ASSETS

	Notes	2024	2023
Net assets at the beginning of the reporting year		1,107,477	1,237,831
Increase in net assets from investment		130,825	85,288
<b>Transactions in share certificates and units</b>			
Inflow from sale of share certificates and units		1,069	276,694
Outflow on redemption of share certificates and units		(355,475)	(492,336)
<b>Decrease in net assets from transactions in share certificates and units</b>		<b>(354,406)</b>	<b>(215,642)</b>
Decrease in net assets during the reporting period		(223,581)	(130,354)
<b>Net assets at the end of the reporting year</b>	16	<b>883,896</b>	<b>1,107,477</b>
Number of issued share certificates and units at the beginning of the reporting year		107,545	129,603
Number of issued share certificates and units at the end of the reporting year	16	75,438	107,545
Net assets per share certificate and unit at the beginning of the reporting year		10.30	9.55
<b>Net assets per share certificate and unit at the end of the reporting year</b>	16	<b>11.72</b>	<b>10.30</b>

The accompanying notes on pages 12 to 22 are an integral part of these financial statements.

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

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Kārlis Purgailis  
Chairperson of the Management Board

Riga, 28 April 2025

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## CASH FLOW STATEMENT

	Notes	2024	2023
<b>Cash flow from operating activities</b>			
Investment management expenses		(15,658)	(14,720)
Acquisition of investments	9	-	(250,217)
Inflow from sale of investments		369,116	460,583
Foreign currency conversion result		(18,049)	8,675
<b>Increase in cash and cash equivalents from operating activities</b>		<b>335,409</b>	<b>204,321</b>
<b>Cash flow from financing activities</b>			
Inflow from sale of share certificates and units		1,069	276,694
Outflow on redemption of share certificates and units		(355,475)	(492,336)
<b>Decrease in cash and cash equivalents from financing activities</b>		<b>(354,406)</b>	<b>(215,642)</b>
<b>Net decrease in cash and cash equivalents during the reporting period</b>		<b>(18,997)</b>	<b>(11,321)</b>
Effects of changes in foreign exchange rates on cash and cash equivalents		2,172	(1,638)
<b>Cash and cash equivalents at the beginning of the reporting year</b>		<b>34,172</b>	<b>47,131</b>
<b>Cash and cash equivalents at the end of the reporting year</b>	3	<b>17,347</b>	<b>34,172</b>

The accompanying notes on pages 12 to 22 are an integral part of these financial statements.

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

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Kārlis Purgailis  
Chairperson of the Management Board

Riga, 28 April 2025

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## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 GENERAL INFORMATION

Name of the Fund:	CBL Opportunities Funds
Type of fund:	Investment fund with sub-funds
Scope of the Fund:	The investment objective of the investment 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 can be made in money market, bond, balanced and equity investment funds, as well as ETFs and equity securities traded on regulated markets in the European Union and OECD Member States without sectoral restrictions. The Fund does not track the performance of a financial index.
Name of the sub-fund:	CBL Optimal Opportunities Fund - USD
Scope of the sub-fund:	Under normal market conditions, up to 100% of the sub-fund's assets may be invested in share certificates of investment funds, including ETFs, and up to 70% in equity securities or share certificates of investment funds, which invest in equity securities, including ETFs.
Name of the investment management joint stock company:	CBL Asset Management IPAS (the Company) Republikas laukums 2a, Riga, LV-1010, Latvia

### NOTE 2 SIGNIFICANT ACCOUNTING PRINCIPLES

#### Principles for the preparation of financial statements

The financial statements of the CBL Optimal Opportunities Fund - USD have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union, as prescribed by the Bank of Latvia – Regulation No. 382 "On Preparation of Annual Reports, Consolidated Annual Reports and Semi-Annual Reports of Investment Fund and Open Alternative Investment Fund".

The financial statements are prepared under the historical cost convention, except for financial instruments held for trading, which are carried at fair value.

The monetary unit used in the financial statements is the euro (EUR), the monetary unit of the Republic of Latvia. The financial statements cover the period from 1 January 2024 to 31 December 2024.

#### Functional and reporting currency

The Fund's functional currency is the US dollar, but in accordance with the requirements of the Bank of Latvia, the Fund also maintains its accounts in euro and accordingly the presentation currency of these financial statements is euro.

#### Significant estimates and assumptions

All interest income and expenses are accounted for on an accrual basis.

Interest income and expense on assets or liabilities carried at amortised cost is recognised in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the future cash flows of a financial instrument over the expected life of the financial asset or liability. For financial instruments at fair value through profit or loss, interest income is recognised on an accrual basis but without applying the effective interest rate.

#### Income and expense recognition

All interest income and expenses are accounted for on an accrual basis.

Interest income and expense on assets or liabilities carried at amortised cost is recognised in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the future cash flows of a financial instrument over the expected life of the financial asset or liability. For financial instruments at fair value through profit or loss, interest income is recognised on an accrual basis but without applying the effective interest rate. The remuneration of the Asset Manager for managing the Fund and a custodian fee is calculated as a percentage of the value of the Fund's assets and is accrued daily and paid monthly.

#### Revaluation of foreign currencies

Transactions in foreign currencies are revalued in euro at the reference foreign exchange rate published by the European Central Bank on the transaction date. Monetary assets and liabilities denominated in foreign currencies are revalued in euro at the foreign exchange reference rate published by the European Central Bank at the end of the last day of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value in a foreign currency are translated into the functional currency using the exchange rate of the day on which the fair value was determined. Foreign exchange gains or losses arising from changes in foreign exchange rates are included in the statement of income and expenses as gains or losses on revaluation of foreign currency positions.

The exchange rates published by the European Central Bank for the currencies most used in the preparation of the Fund's statement of assets and liabilities (foreign currency unit to EUR) were as follows:

<b>Currency</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
USD	1.0389	1.1050

#### Cash and cash equivalents

Cash and cash equivalents consist of the Fund's current account balances and other short-term highly liquid investments with an original maturity of 3 months or less.

### Financial instruments

Financial assets are recognised in the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are classified as at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss. The basis for classification is both the business model within which the financial assets are managed and the contractual cash flow characteristics of the financial asset. The asset classification category is determined at the time of acquisition based on guidelines established by management. To decide whether a financial asset is classified in a particular category, the Company determines at the time of acquisition whether the asset meets the criteria for a particular business model and contractual cash flows. The business model revealed through in the Group's activities. It results from the way in which the Company typically manages its financial assets to generate cash flows. Therefore, this assessment is not made on the grounds of scenarios that the Company does not consider sufficiently realistic. In the event of a stress scenario, if cash flows were recovered in a manner different from that expected by the Company under a typical business model, this would not be a basis for considering that a prior period error had occurred, nor would a reclassification of the remaining financial assets relating to a particular business model be required. However, historical cash flows would need to be evaluated in classifying future acquisitions and could be the basis for a change in the business model.

Financial assets are initially recognised at fair value plus directly attributable transaction costs, except for financial assets at fair value through profit or loss. Regular way purchases or sales of assets are recognised using settlement date accounting. The settlement date refers to the recognition of the asset on the date the asset is transferred to the Fund and the derecognition of the asset on the date the Company transfers it to a third party.

#### Financial instruments at fair value through profit or loss

Financial assets are measured at fair value through profit or loss if they are not measured at amortised cost or at fair value through other comprehensive income. Most of the Fund's financial assets are classified in this category because the Fund's business model is designed to increase its net assets through holding and trading these assets. Financial assets or liabilities can be designated at fair value through profit or loss upon initial recognition if this helps to avoid or significantly reduce accounting mismatches. These mismatches could otherwise arise from different accounting treatments for assets, liabilities, income, or expenses. Additionally, a group of financial liabilities or both financial assets and liabilities can be measured and evaluated on a fair value basis according to a documented risk management or investment strategy, with performance reported internally to management on this basis.

After initial recognition, financial assets and liabilities of swaps are remeasured at fair value based on quoted market prices or prices quoted by brokers.

This category includes certain assets and liabilities that are managed and whose returns are measured on a fair value basis in accordance with a documented risk management or investment strategy.

Financial assets and liabilities held for trading are measured at fair value through profit or loss. Financial assets and liabilities are held for trading if they are acquired to profit from short-term price movements or dealer margin, or if they are included in a portfolio characterised by short-term profit-taking. The Fund also has demand claims on credit institutions, but given the short-term structure and credit ratings, the allowance for credit losses is not material.

#### Fair value of financial assets and liabilities

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an arm's length transaction between market participants at the measurement date in the principal market, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of liabilities reflects the risk of default.

When possible, the Company measures the fair value of a financial instrument using quoted prices in an active market. A market is considered active if transactions in the asset or liability occur frequently enough and in sufficient volume to permit regular price information to be obtained.

The revaluation of securities is carried out using financial information available on Bloomberg and NASDAQ OMX Riga on the bid prices of these securities. Purchases and sales of securities are recognised on the settlement date. The acquisition value of securities sold is determined using the FIFO (first in, first out) method.

Where a quoted price in an active market is not available, the Company uses valuation techniques that use observable market data to the extent possible and unobservable inputs to the extent possible. The valuation method chosen includes all factors that market participants would consider in determining the transaction price.

At initial recognition, the best evidence of the fair value of a financial instrument is the transaction price, i.e. the fair value of the consideration paid or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is not evidenced either by a quoted price in an active market for an identical asset or liability or by the results of a valuation technique that uses only observable inputs, the financial instrument is initially measured at fair value, adjusted to reflect the difference between the fair value at initial recognition and the transaction price. This difference is subsequently recognised in profit or loss, as appropriate, considering the expected life of the instrument, but not later than the point at which the value can be fully supported by observable market data or the transaction is completed.

The portfolios of financial assets and financial liabilities exposed to market risk and credit risk managed by the Company based on net exposure to either market risk or credit risk are valued by reference to the price that would be paid to sell a net long position (or paid to transfer a net short position) in the individual risks. These portfolio level adjustments are allocated to individual assets and liabilities based on relative risk adjustments for each individual portfolio of instruments.

A description of the methods used to determine fair value by 3 levels, based on the degree of observability of the information used in the valuation techniques, is presented below.

Level 1 - Financial instruments are valued using unadjusted prices in active markets. Valuation technique: observable market inputs. This category mainly includes equity instruments, debt instruments, short-term bonds and standardised derivatives valued using quoted exchange prices. Securities traded in active markets over-the-counter are also included in this category.

Level 2 - Financial instruments are valued using techniques based on observable market data. In some cases, valuation reports prepared by independent third parties or prices in less liquid markets are used. Valuation technique: unobservable market inputs.

This category is predominantly less liquid debt instruments and derivatives which are valued based on available market data. The price of less liquid debt securities is adjusted for yield spreads available in the market.

Level 3 - Financial instruments are valued using techniques in which significant inputs are not based on observable market data. The Company recognises a change in the fair value hierarchy level for instruments in the Fund's reports at the end of the reporting period in which the change occurs. There have been no changes in the fair value hierarchy levels compared to last year.

The portfolios of financial assets and financial liabilities exposed to market risk and credit risk that the Company manages for the Fund, based on the net exposure to either market risk or credit risk, are valued by reference to the price that would be paid to sell a net long position (or paid to transfer a net short position) in the individual exposures. These portfolio-level adjustments are allocated to individual assets and liabilities based on the relative risk adjustment for each individual instrument in the portfolio.

#### Taxes

The income of the Fund is subject to income taxes in the country where it is earned. The Fund is not subject to corporate income tax in the Republic of Latvia.

#### Standards published or amended during the financial year

- Classification of liabilities as current or non-current (amendments to IAS 1);
- Long-term liabilities with specific conditions (amendments to IAS 1);
- Lease liabilities in sale and leaseback transactions (additions to IFRS 16);
- Financing contracts with suppliers (additions to IAS 7 and IFRS 7);

In 2024, the Fund has no transactions affected by the new effective standards or amendments thereto and the Company's accounting policies already comply with the requirements of the new standards.

#### Standards published but not yet in force

A number of new or amended standards are effective for annual periods beginning after 1 January 2024 (some of which have not yet been endorsed by the European Union) and early adoption is permitted; however, the Fund has not early adopted the new or amended standards in preparing these financial statements.

The new and amended standards listed below are not expected to have a material impact on the financial statements of the Fund:

- No Substitutability (amendments to IAS 21);
- Amendments to classification and measurement of financial instruments (additions to IFRS 9 and IFRS 7);
- Annual Improvements to IFRS Accounting Standards, Volume 11 (issued 18 July 2024);
- IFRS 18 Presentation and Disclosures in Financial Statements (issued 9 April 2024);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued 9 May 2024).

### NOTE 3 DUE ON DEMAND FROM CREDIT INSTITUTIONS

	31.12.2024	% of the Fund's net assets 31.12.2024	31.12.2023	% of the Fund's net assets 31.12.2023
Due on demand from credit institutions, Citadele banka AS	17,347	1.96%	34,172	3.09%

### NOTE 4 SHARE CERTIFICATES OF INVESTMENT FUNDS AND SIMILAR SECURITIES

	31.12.2024	% of the Fund's net assets 31.12.2024	31.12.2023	% of the Fund's net assets 31.12.2023
<b>Share certificates of investment funds and similar securities:</b>				
Investment funds registered in OECD countries	666,850	75.44%	852,709	77.00%
Investment funds registered in Latvia	201,486	22.80%	222,612	20.10%
<b>Total share certificates of investment funds and similar securities</b>	<b>868,336</b>	<b>98.24%</b>	<b>1,075,321</b>	<b>97.10%</b>

The following table shows share certificates of investment funds and similar securities by country of origin of the issuer at 31 December 2024:

Financial instrument	ISIN code	Currency	Quantity	Acquisition value (EUR)	Carrying amount 31.12.2024	% of the Fund's net assets 31.12.2024
<b>Financial instruments not traded on regulated markets:</b>				<b>731,402</b>	<b>868,336</b>	<b>98.24%</b>
<b>Share certificates of investment funds registered in Luxembourg:</b>				<b>465,690</b>	<b>526,390</b>	<b>59.55%</b>
Fundsmith SICAV - Fundsmith Equity Fund	LU0893933373	USD	2,294	68,677	83,493	9.45%
Goldman Sachs US Dollar Credit	LU0555027738	USD	7	64,452	70,880	8.02%
MFS Meridian Funds - European Research Fund	LU0982389560	USD	287	55,930	70,688	8.00%
Amundi Funds - Pioneer US Bond	LU1883851765	USD	26	62,403	66,834	7.56%
JPMorgan Funds - JPM US Aggregate Bond Fund	LU0248063595	USD	482	56,588	60,727	6.86%
Robeco Capital Growth Funds - High Yield Bonds	LU0398248921	USD	167	50,727	59,153	6.69%
Schroder International Selection Fund - EURO Corporate Bond	LU0428345051	USD	307	51,210	58,614	6.63%
BlackRock Global Funds - US Dollar Core Bond Fund	LU0548367084	USD	1,668	55,703	56,001	6.34%
<b>Share certificates of investment funds registered in Latvia:</b>				<b>156,581</b>	<b>201,486</b>	<b>22.80%</b>
CBL US Leaders Equity Fund R Acc USD	LV0000401032	USD	5,524	55,010	81,667	9.24%
CBL Eastern European Bond Fund R Acc USD	LV0000400125	USD	2,352	50,646	62,990	7.13%
CBL Global Emerging Markets Bond Fund R Acc USD	LV0000400968	USD	5,234	50,925	56,829	6.43%
<b>Share certificates of investment funds registered in Ireland:</b>				<b>109,131</b>	<b>140,460</b>	<b>15.89%</b>
Vanguard Investment Series PLC - US 500 Stock Index Fund	IE0002639775	USD	1,130	53,732	77,423	8.76%
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0002460867	USD	2,072	55,399	63,037	7.13%
<b>Total share certificates of investment funds:</b>				<b>731,402</b>	<b>868,336</b>	<b>98.24%</b>



The following table shows share certificates of investment funds and similar securities by country of origin of the 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>1,039,108</b>	<b>1,075,321</b>	<b>97.10%</b>
<b>Share certificates of investment funds registered in Luxembourg:</b>				<b>646,126</b>	<b>660,870</b>	<b>59.68%</b>
Fundsmith SICAV - Fundsmith Equity Fund	LU0893933373	USD	3,171	96,581	101,479	9.16%
Schroder International Selection Fund - EURO Corporate Bond	LU0428345051	USD	593	97,283	99,249	8.96%
JPMorgan Funds - JPM US Aggregate Bond Fund	LU0248063595	USD	842	100,517	98,342	8.88%
Robeco Capital Growth Funds - High Yield Bonds	LU0398248921	USD	264	79,366	82,905	7.49%
MFS Meridian Funds - European Research Fund	LU0982389560	USD	386	71,610	81,968	7.40%
Goldman Sachs US Dollar Credit	LU0555027738	USD	8	73,660	74,532	6.73%
Amundi Funds - Pioneer US Bond	LU1883851765	USD	26	62,403	61,530	5.56%
BlackRock Global Funds - US Dollar Core Bond Fund	LU0548367084	USD	1,950	64,706	60,865	5.50%
<b>Share certificates of investment funds registered in Latvia:</b>				<b>210,813</b>	<b>222,612</b>	<b>20.10%</b>
CBL US Leaders Equity Fund R Acc USD	LV0000401032	USD	9,645	96,941	107,794	9.73%
CBL Eastern European Bond Fund R Acc USD	LV0000400125	USD	2,611	56,929	59,197	5.35%
CBL Global Emerging Markets Bond Fund R Acc USD	LV0000400968	USD	5,859	56,943	55,621	5.02%
<b>Share certificates of investment funds registered in Ireland:</b>				<b>182,169</b>	<b>191,839</b>	<b>17.32%</b>
Vanguard Investment Series PLC - US 500 Stock Index Fund	IE0002639775	USD	2,058	98,061	106,422	9.61%
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0002460867	USD	3,072	84,108	85,417	7.71%
<b>Total share certificates of investment funds:</b>				<b>1,039,108</b>	<b>1,075,321</b>	<b>97.10%</b>

The following table shows the breakdown of the Fund's securities portfolio by investment object:

	% of the Fund's net assets		% of the Fund's net assets	
	31.12.2024	31.12.2024	31.12.2023	31.12.2023
Bond funds	555,065	62.80%	677,658	61.19%
Equity funds	313,271	35.44%	397,663	35.91%
<b>Total portfolio breakdown:</b>	<b>868,336</b>	<b>98.24%</b>	<b>1,075,321</b>	<b>97.10%</b>

#### NOTE 5 ACCRUED EXPENSES

	31.12.2024	31.12.2023
Accrued expenses for the asset manager's fees	747	878
Accrued expenses for custodian fees	142	166
Accrued expenses for professional services of auditors	242	266
Accrued expenses for the Bank of Latvia	273	310
Other expenses	383	396
<b>Total accrued expenses:</b>	<b>1,787</b>	<b>2,016</b>

#### NOTE 6 OTHER FUND MANAGEMENT EXPENSES FOR THE REPORTING PERIOD

	31.12.2024	31.12.2023
Expenses for professional services of auditors	242	266
Expenses for the Bank of Latvia	1,144	1,178
Expenses for information sources and analytical studies	1,544	1,461
Other expenses	166	292
<b>Total other fund management expenses:</b>	<b>3,096</b>	<b>3,197</b>

**NOTE 7 REALISED INCREASE/(DECREASE) IN INVESTMENT VALUE**

	31.12.2024	31.12.2023
Income for the period from sale of investments*	338,845	437,127
Acquisition value of investments sold during the reporting period	(307,706)	(467,853)
Increase in value of sold investments recognised in previous reporting periods	6,934	65,336
Impairment of investments sold recognised in previous reporting periods	(12,754)	(8,405)
<b>Total realised increase in investment value:</b>	<b>25,319</b>	<b>26,205</b>

\* Income for the reporting period from the sale/(redemption) of investments is recorded at the exchange rate on the date of acquisition of the financial instrument. Gains or losses arising from changes in foreign exchange rates are reflected in the gain or loss on the investment recognised in the previous reporting period.

**NOTE 8 UNREALISED INCREASE/(DECREASE) IN INVESTMENT VALUE**

	31.12. 2024	31.12.2023
Result of revaluation of investments at fair value	64,036	108,126
Foreign currency revaluation result*	56,801	(34,020)
<b>Total unrealised increase in investment value:</b>	<b>120,837</b>	<b>74,106</b>

\* The foreign currency revaluation result includes EUR 54,109 (2023: EUR 33,507) arising from exchange differences realised during the year between the bid and ask rates of instruments.

**NOTE 9 CHANGES IN THE VALUE OF INVESTMENTS**

The table below shows the change in the value of investments in 2024:

	31.12.2023	Increase during the reporting period	Decrease during the reporting period*	Fair value revaluation result	31.12.2024
<b>Financial assets at fair value through profit or loss</b>					
Share certificates and similar securities of investment funds	1,075,321	-	(350,449)	143,464	868,336
<b>Total investments</b>	<b>1,075,321</b>	<b>-</b>	<b>(350,449)</b>	<b>143,464</b>	<b>868,336</b>

\* Decrease during the reporting period is carried at the exchange rate on the date the investment is sold. This item includes income from the sale and redemption of investments and coupons received.

The table below shows the change in the value of investments in 2023:

	31.12.2022	Increase during the reporting period	Decrease during the reporting period*	Fair value revaluation result	31.12.2023
<b>Financial assets at fair value through profit or loss</b>					
Share certificates and similar securities of investment funds	1,192,467	250,217	(468,134)	100,771	1,075,321
<b>Total investments</b>	<b>1,192,467</b>	<b>250,217</b>	<b>(468,134)</b>	<b>100,771</b>	<b>1,075,321</b>

\* Decrease during the reporting period is carried at the exchange rate on the date the investment is sold. This item includes income from the sale and redemption of investments and coupons received.

**NOTE 10 PLEDGED ASSETS**

During the year under review, the Fund did not issue any guarantees or sureties or pledge or otherwise encumber any assets.

**NOTE 11 TAXES AND DUTIES**

In 2024 and 2023, no taxes, duties or allowances were paid on the assets of the Fund.

**NOTE 12 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The management of the investment management joint stock company considers that the carrying amounts of financial assets and liabilities are consistent with their fair values. Fair values are determined using market quotes, based on information published by stock exchanges and brokers, and based on daily net asset quotations by fund managers. All financial assets of the Fund qualify as Level 1 as at both 31.12.2024 and 31.12.2023.

## NOTE 13 RISK MANAGEMENT

Investment process risk can be defined as a probability of undesirable outcome that may materialise in a given market economy at a given point in time. Risk management is described as risk identification, measurement and its possible prevention. The investment process may be affected by the exchange rate risk, interest rate risk, price risk, credit risk, liquidity risk and other risks, including operational risk. The Fund's investment strategy is designed to minimise these risks, but the Company cannot guarantee that these risks can be completely avoided in the future.

### Risk management framework

Risk identification and measurement is a responsibility of an independent unit - the Risk Management Department of the Company, which develops and presents the information on risk profile to the Fund Manager. The Fund Manager can make certain decisions on the necessity to reduce existing or potential risks.

Risk measurement process employs models that are developed by the company, are based on historical data and are adjusted according to the economic situation. Certain models are also used to predict the financial risk factor changes under both normal and exceptional financial market circumstances.

The Manager of Investment Fund follows risk diversification and hedging principles whose objective is to reduce the investment risk that are developed in accordance with the Management Policy. When investing for the account of the Fund, the Fund Manager shall obtain sufficient information on potential or acquired investment targets and shall monitor the financial and economic situation of issuers in whose securities the Fund's assets will be or have been invested.

When developing the Fund's investment strategy and setting risk limits, the Company performs an analysis of the Fund's distribution of maturity, geographic location and types of currency investments by assessing the risk level for each of these factors. The Manager acts in strict compliance with the Prospectus of the Fund, Fund Management Regulations, as well as regulations and restrictions prescribed in laws and regulations of the Republic of Latvia.

### Market risk

Market risk is the probability that the Fund's value may decrease when any of the market factors changes, for example, in case of changes in interest rates (interest rate risk), prices of securities (price risk), foreign currency exchange rates (foreign currency risk) or other market risk factors. The assessment of each of these market risk sources is provided below, however, they cannot be fully diversified.

### Interest rate risk

Securities price risk is largely dependent on fluctuations in market interest rates and changes in the credit quality of the issuer. If interest rates rise in the market, fixed income prices fall, and vice versa. The fund's 3-month yield fluctuates between -2.02% and 4.79% when interest rates change by  $\pm 1\%$ .

### Price volatility risk

For equity securities (shares), price changes depend on two variables: changes in national equity indices (in Latvia, for example, changes in the RIGSE index), and the financial situation of the issuer (its ability to make a profit in the long term), which in turn affects the fluctuations between the demand and supply balance. The former is also often referred to as systematic risk; the latter as specific risk.

Systematic risk is managed based on forecasts of the overall development of the economy in a given geographical region and the potential development of the economy in a given sector. Specific risk is managed by a detailed study of the issuer's financial position and profitability as well as other factors affecting the price of the security, mainly based on the issuer's public reports, media coverage, etc. This focuses on both the volatility (deviations) of security prices and their correlations. As a result, it is possible to calculate the total price risk of the securities in the portfolio, considering their historical yields.

In the fund selection process, the Fund Manager selects the most appropriate funds that are in line with the Fund's strategy, based on the forecasts developed for the development of individual regions and sectors. It is not possible to calculate accurately the sensitivity of the Fund to changes in individual market indices as the information on their components is not published at the same time (lag of 3 months or more).

The risk of market price volatility was calculated as the standard deviation for the relevant reporting period. The standard deviation of the reference index values of the relevant investment fund category was used for the price volatility risk calculation.

	2024	Standard deviation in the reference index	Carrying amount, EUR	Potential negative impact on the current year profit, EUR	Potential positive impact on the current year profit, EUR	% of the Fund's net assets EUR*
Classified as financial assets at fair value through profit or loss						
Including investments in share certificates:						
Equity funds		10.00%	313,271	(31,327)	31,327	3.54%
Bond funds		5.00%	555,065	(27,753)	27,753	3.14%
<b>Total:</b>			<b>868,336</b>	<b>(59,080)</b>	<b>59,080</b>	<b>6.68%</b>

\* Net value of investment fund assets is reflected as a percentage of the Fund's net assets.

The risk of market price fluctuations was calculated based on the standard deviation for the 2023 reference period. The standard deviation of the benchmark index values of the relevant investment fund category was used for the price volatility risk calculation.

2023	Standard deviation in the reference index	Carrying amount, EUR	Potential negative impact on the current year profit, EUR	Potential positive impact on the current year profit, EUR	% of the Fund's net assets EUR*
Classified as financial assets at fair value through profit or loss					
Including investments in share certificates:					
Equity funds	15.00%	397,663	(59,649)	59,649	5.39%
Bond funds	10.00%	677,658	(67,766)	67,766	6.12%
<b>Total:</b>		<b>1,075,321</b>	<b>(127,415)</b>	<b>127,415</b>	<b>11.51%</b>

\* Net value of investment fund assets is reflected as a percentage of the Fund's net assets.

The following table shows the geographical breakdown of the Fund's assets and liabilities at 31 December 2024 based on the Funds' countries of incorporation:

	Latvia	Other OECD countries	Total
<b>Assets</b>			
Due on demand from credit institutions	17,347	-	17,347
Financial instruments at fair value through profit or loss			
Share certificates of investment funds and similar securities	201,486	666,850	868,336
<b>Total assets</b>	<b>218,833</b>	<b>666,850</b>	<b>885,683</b>
<b>Liabilities</b>			
Accrued expenses	(1,787)	-	(1,787)
<b>Total assets</b>	<b>(1,787)</b>	<b>-</b>	<b>(1,787)</b>
<b>Net assets</b>	<b>217,046</b>	<b>666,850</b>	<b>883,896</b>

The following table shows the geographical breakdown of the Fund's assets and liabilities at 31 December 2023 based on the Funds' countries of incorporation:

	Latvia	Other OECD countries	Total
<b>Assets</b>			
Due on demand from credit institutions	34,172	-	34,172
Financial instruments at fair value through profit or loss			
Share certificates of investment funds and similar securities	222,612	852,709	1,075,321
<b>Total assets</b>	<b>256,784</b>	<b>852,709</b>	<b>1,109,493</b>
<b>Liabilities</b>			
Accrued expenses	(2,016)	-	(2,016)
<b>Total liabilities</b>	<b>(2,016)</b>	<b>-</b>	<b>(2,016)</b>
<b>Net assets</b>	<b>254,768</b>	<b>852,709</b>	<b>1,107,477</b>

The following table shows the breakdown of the Fund's net assets by country:

Country	Carrying amount 31.12.2024	% of the Fund's net assets 31.12.2024	Carrying amount 31.12.2023	% of the Fund's net assets 31.12.2023
Luxembourg	526,390	59.55%	660,870	59.68%
Latvia	217,046	24.56%	254,768	23.00%
Ireland	140,460	15.89%	191,839	17.32%
<b>Total:</b>	<b>883,896</b>	<b>100.00%</b>	<b>1,107,477</b>	<b>100.00%</b>

### Exchange rate risk

The following table shows the breakdown of the Fund's assets and liabilities by currency at 31 December 2024, based on the Funds' major currencies:

	USD	EUR	Total
<b>Assets</b>			
Due on demand from credit institutions	17,347	-	17,347
Financial instruments at fair value through profit or loss			
Share certificates of investment funds and similar securities	868,336	-	868,336
<b>Total assets</b>	<b>885,683</b>	<b>-</b>	<b>885,683</b>
<b>Liabilities</b>			
Accrued expenses	(1,162)	(625)	(1,787)
<b>Total liabilities</b>	<b>(1,162)</b>	<b>(625)</b>	<b>(1,787)</b>
<b>Net assets</b>	<b>884,521</b>	<b>(625)</b>	<b>883,896</b>
Net long/(short) position	100.07%	(0.07%)	100.00%

The following table shows the breakdown of the Fund's assets and liabilities by currency at 31 December 2023, based on the Funds' major currencies:

	USD	EUR	Total
<b>Assets</b>			
Due on demand from credit institutions	34,172	-	34,172
Financial instruments at fair value through profit or loss			
Share certificates of investment funds and similar securities	1,075,321	-	1,075,321
<b>Total assets</b>	<b>1,109,493</b>	<b>-</b>	<b>1,109,493</b>
<b>Liabilities</b>			
Accrued expenses	(1,354)	(662)	(2,016)
<b>Total liabilities</b>	<b>(1,354)</b>	<b>(662)</b>	<b>(2,016)</b>
<b>Net assets</b>	<b>1,108,139</b>	<b>(662)</b>	<b>1,107,477</b>
Net long/(short) position	100.06%	(0.06%)	100.00%

The impact of exchange rate changes on the Fund's net asset value is shown in the tables below. Exchange rate movements are the one-year standard deviation (root-mean-square deviation) of the respective exchange rate.

Impact of exchange rate changes (2024)			
Currency	Share in the fund (% of assets)	Exchange rate against USD	Impact on the value of the fund
USD	100.07%	0.00%	0.00%
EUR	(0.07%)	5.95%	0.00%
<b>Total</b>	<b>100.00%</b>		<b>0.00%</b>

Impact of exchange rate changes (2023)			
Currency	Share in the fund (% of assets)	Exchange rate against USD	Impact on the value of the fund
USD	100.06%	0.00%	0.00%
EUR	(0.06%)	7.54%	0.00%
<b>Total</b>	<b>100.00%</b>		<b>0.00%</b>

### Credit risk

Credit risk is the probability that the value of the Fund may decline if the Fund's counterparty or the issuer of the debt obligations is unable or refuses to meet its obligations. Consequently, only reputable and reliable counterparties are selected for transactions in the Fund's assets. The Fund Manager regularly monitors the solvency of the Fund's counterparties, researching their credit ratings, financial condition, and media coverage.

The cash balance is kept at Citadele banka AS. On 6 December 2024, the international credit rating agency announced the upgrade of the long-term deposit rating of Citadele banka AS to Baa1 from Baa2, with a stable outlook, which corresponds to the category of Investment Grade Financial Instruments.

### Liquidity risk

Liquidity risk may arise if the Fund has difficulties meeting its financial obligations. The Fund Manager maintains an asset structure of the Fund that enables the Fund to sell securities in a timely manner and without material loss.

For liquidity measurement purposes, balances of assets and liabilities are shown according to their remaining maturities.

The following table shows the maturity structure of the Fund's assets and liabilities at 31 December 2024:

	Up to 1 month	1 - 6 Months	Indefinite	Total
<b>Assets</b>				
Due on demand from credit institutions	17,347	-	-	17,347
Financial instruments at fair value through profit or loss				
Share certificates of investment funds and similar securities	-	-	868,336	868,336
<b>Total assets</b>	<b>17,347</b>	<b>-</b>	<b>868,336</b>	<b>885,683</b>
<b>Liabilities</b>				
Accrued expenses	(889)	(898)	-	(1,787)
<b>Total liabilities</b>	<b>(889)</b>	<b>(898)</b>	<b>-</b>	<b>(1,787)</b>
<b>Net assets</b>	<b>16,458</b>	<b>(898)</b>	<b>868,336</b>	<b>883,896</b>
Net position %	1.86%	(0.10%)	98.24%	100.00%

The following table shows the maturity structure of the Fund's assets and liabilities at 31 December 2023:

	Up to 1 month	1 - 6 Months	Indefinite	Total
<b>Assets</b>				
Due on demand from credit institutions	34,172	-	-	34,172
Financial instruments at fair value through profit or loss				
Share certificates of investment funds and similar securities	-	-	1,075,321	1,075,321
<b>Total assets</b>	<b>34,172</b>	<b>-</b>	<b>1,075,321</b>	<b>1,109,493</b>
<b>Liabilities</b>				
Accrued expenses	(1,044)	(972)	-	(2,016)
<b>Total liabilities</b>	<b>(1,044)</b>	<b>(972)</b>	<b>-</b>	<b>(2,016)</b>
<b>Net assets</b>	<b>33,128</b>	<b>(972)</b>	<b>1,075,321</b>	<b>1,107,477</b>
Net position %	2.98%	(0.08%)	97.10%	100.00%

#### NOTE 14 INFORMATION ON HOLDERS OF SHARE CERTIFICATES OF THE FUND

The following table shows the proportion of share certificates held by the Company's related and other parties in the total number of the issued share certificates:

	31.12.2024	% of the total number 31.12.2024	31.12.2023	% of the total number 31.12.2023
Share certificates held by related parties	15,954	21.15%	17,879	16.62%
Share certificates held by other persons	59,484	78.85%	89,666	83.38%
<b>Number of issued share certificates at the end of the reporting period</b>	<b>75,438</b>	<b>100.00%</b>	<b>107,545</b>	<b>100.00%</b>

#### NOTE 15 RELATED PARTY TRANSACTIONS

Most of the Fund's investments are purchased through a custodian bank. Citadele banka AS also receives a custodian fee, which is disclosed in the statement of income and expenses, and Citadele banka AS holds the cash of the Fund (see Note 3).

In 2024, related parties transacted in the Fund's investment certificates (see Note 14). For the purposes of these financial statements, related parties are: officers of the Company, employees of the Company and other natural persons involved in the provision of management services by the Company and whose activities are controlled by the Company, or natural persons who are first degree relatives; companies within the Citadele banka AS Group; during 2024, related parties bought 13 certificates and sold 1,938 certificates. During 2023, related parties bought 121 certificates and sold 2,856 certificates. The fee paid to the investment management company during the reporting period is disclosed in the statement of income and expenses.

Purchases and reselling transactions of share certificates of the Fund are calculated based only on the share certificates held by related parties that were classified as related parties of the Fund in 2024 and 2023.

During the reporting period, the Fund had investments in investment funds managed by a related investment management company of EUR 201,486, in 2023 these investments amounted to EUR 222,612.

**NOTE 16 PERFORMANCE DYNAMICS OF THE INVESTMENT FUND**

	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>Net assets (EUR)</b>	<b>883,896</b>	<b>1,107,477</b>	<b>1,237,831</b>
Number of share certificates	75,438	107,545	129,603
Value of the unit of the Fund (EUR)	11.72	10.30	9.55
Fund return**	13.79%	7.85%	(11.49%)
<b>Net assets (USD)*</b>	<b>918,279</b>	<b>1,223,762</b>	<b>1,320,270</b>
Number of share certificates	75,438	107,545	129,603
Value of the unit of the Fund (USD)	12.17	11.38	10.19
Fund return**	6.94%	11.68%	(16.61%)

\* The net asset value is reported in the original/functional currency of the Fund.

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

**NOTE 17 EVENTS AFTER THE END OF THE REPORTING PERIOD**

There have been no significant events since the end of the reporting year and up to the date of approval that could have a material effect on the assessment of the 2024 Annual Report or on the financial position of the Fund. After the end of the reporting period, in accordance with the resolution of shareholders of Citadele Group, there have been changes in the composition of the Supervisory Board of CBL Asset Management IPAS, on 17.03.2025 the Bank of Latvia has approved the appointment of Edward Rebane as a member of the Supervisory Board of CBL Asset Management IPAS. Ruta Ezerskiene has been relieved of her duties as a member of the Supervisory Board.



Rīga,

**DATE: AS STATED IN THE TIME STAMP OF THE ELECTRONIC SIGNATURE**

**CUSTODIAN BANK REPORT**

**For the period from 1st January 2024 to 31st December 2024**

To the holders of "CBL Opportunities Funds" Investment Fund  
sub-fund "CBL Optimal Opportunities Fund - USD" Share Certificates

AS "Citadele banka", registered in the Register of Enterprises of the Republic of Latvia on June 30, 2010, with No. 40103303559, registered office: Republikas laukums 2a, Rīga, hereby confirms the following:

- in accordance with the custody agreement concluded on 7<sup>th</sup> April 2017 (hereinafter - the Custody Agreement), AS "Citadele banka" (hereinafter the Custodian) performs custodian's duties for the investment fund "CBL Opportunities Funds" sub-fund "CBL Optimal Opportunities Fund - USD" (hereinafter - the Fund) established by IPAS "CBL Asset Management" (hereinafter - the Company);
- the Custodian performs the functions of the Fund's custodian pursuant to the law "On Investment Management Companies" and other laws and regulations applicable to the Custodian (hereinafter - the Law).

The Custodian is responsible for the performance of obligations set forth for it in the Law and in the Custody Agreement. The main duties of the Custodian include:

- holding the Fund's assets in accordance with the Law and the Custody Agreement;
- ensuring the maintenance of the Fund's accounts, receiving and executing the Company's orders, as well as settlement of the orders according to requirements of the Law and the Custody Agreement;
- ensuring that the value of Fund's net assets and Fund Share Certificates is estimated in accordance with requirements of the Law, Regulations of Latvijas Banka, Fund prospectus and the Fund Management Rules;
- ensuring that issue, sale or repurchase of the Fund Share Certificates is effected in compliance with requirements of the Law, Fund's prospectus and the Fund Management Rules.
- ensuring that Fund income is allocated in accordance with the Law, the Fund prospectus and the Fund Management Rules.

During the period from January 1<sup>st</sup>, 2024 to December 31<sup>st</sup>, 2024 according to the information provided to the Custodian by the Company:

- Issue, sale and repurchase of the Fund Share Certificates were effected in compliance with requirements of the Law, Fund prospectus and the Fund Management Rules;
- Fund assets were held in accordance with requirements of the Law and the Custody Agreement;
- the value of Fund's net assets was assessed in accordance with requirements of the Law, Regulations of Latvijas Banka, Fund prospectus and the Fund Management Rules;
- the Company's orders, as well as transactions executed with the Fund's assets were performed in accordance with the Law, Fund prospectus, the Fund Management Rules and the Custody Agreement.

Chairwoman of the Management Board  
Member of the Management Board

Rūta Ežerskienė  
Valters Ābele

**THIS DOCUMENT IS SIGNED ELETRONICALLY WITH SECURE ELECTRONIC SIGNATURE AND CONTAINS TIME STAMP**



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## **Independent Auditors' Report**

### **To the shareholders of 'CBL Optimal Opportunities Fund – USD', a subfund of the investment fund 'CBL Opportunities Funds'**

#### **Report on the audit of financial statements**

##### *Our Opinion on the Financial Statements*

We have audited the financial statements of 'CBL Optimal Opportunities Fund – USD', the subfund of the investment fund 'CBL Opportunities Fund' ("the Fund") managed by IPAS 'CBL Asset Management' ("the Asset Manager"), as set out on pages 8 to 22 of the accompanying Annual Report. The accompanying financial statements include:

- Overview of assets and liabilities as 31 December 2024,
- Report on income and expenses for the year then ended,
- Statement of changes to net assets for the year then ended,
- Statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of 'CBL Optimal Opportunities Fund – USD', the subfund of the investment fund 'CBL Opportunities Fund' as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

##### *Basis for Opinion*

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Financial Statements* section of our report.

We are independent of the Fund and the Asset Manager in accordance with the Code of Ethics for Professional Accountants (IESBA Code) by the International Ethics Standards Board for Accountants and the independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Reporting on Other Information*

The management of the Asset Manager is responsible for the other information. The other information comprises:

- Information about the investment fund, as set out on page 3 of the accompanying Annual Report,



- Report of the Investment Management Company, as set out on pages 4 and 5 of the accompanying Annual Report,
- Report on the implementation of the engagement policy, presented on page 6 of the accompanying Annual Report,
- Statement of responsibility of the board of the Asset Manager, as set out on page 7 of the accompanying Annual Report.
- Custodian Bank Report, as set out on page 23 of the accompanying Annual Report.

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia related to Other Information* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the Asset Manager and the Fund and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information*

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia, our responsibility is to express an opinion on whether the Asset Manager's Report is prepared in accordance with the requirements of Regulation No. 382 'Regulation on the preparation of annual reports, consolidated annual reports and interim reports of an investment fund and open alternative investment fund' issued by the Bank of Latvia (Regulation No. 382).

Based solely on the work required to be undertaken in the course of our audit, in our opinion, in all material respects:

- the information presented in the Asset Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Asset Manager's Report has been prepared in accordance with the requirements of Regulation No. 382.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management of the Asset Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Asset Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Fund's financial reporting process.

*Auditors' Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Asset Manager's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.



We communicate with those charged with governance of the Fund and the Asset Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Baltics SIA  
Licence No. 55

Rihards Grasis  
Member of the Board  
Sworn Auditor  
Certificate No. 227  
Riga, Latvia  
28 April 2025

This report is an English translation of the original Latvian. In the event of discrepancies between the two reports, the Latvian version prevails.