



INVESTMENT FUND  
CBL OPPORTUNITIES FUNDS

Sub-fund  
CBL Optimal Opportunities Fund - USD

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 Optimal Opportunities Fund - USD
Number of the Sub-fund:	FFL204
ISIN of the Sub-fund:	LV0000400984
Name of the investment management company:	CBL Asset Management IPAS
Registered office of the investment management company:	Republikas laukums 2a, Riga LV-1010, Latvia
Registration number of the investment management company:	40003577500
Number of the license for investment management company operations:	06.03.07.098/367
Name of the Fund's Custodian:	SC Citadele banka
Registered office of the Fund's Custodian:	Republikas laukums 2a, Riga LV-1010, Latvia
Registration number of the Fund's Custodian:	40103303559
Name, surname and position of members of the Supervisory Board and the Management Board of the investment management company:	Supervisory Board of the investment management company: Chairperson of the Supervisory Board - Vaidas Žagūnis, appointed on 03.08.2021. Deputy Chairperson of the Supervisory Board - Vladimirs Ivanovs, appointed on 03.08.2021. Member of the Supervisory Board - Ruta Ezerskiene, appointed on 03.11.2023.  Management Board of the investment management company: Chairperson of the Management Board - Kārlis Purgailis Member of the Management Board - Zigurds Vaikulis Member of the Management Board - Lolita Sičeva
Rights and responsibilities related to the investment fund management:	Members of the Supervisory Board and Management Board shall perform all duties provided for in the laws and regulations of the Republic of Latvia and the Articles of Association of the investment management company
Fund Managers:	Zigurds Vaikulis Reinis Gerasimovs
Rights and responsibilities related to the Fund management:	The Fund Managers shall perform all duties of the Fund Manager provided for in the laws and regulations of the Republic of Latvia, Articles of Association of the investment management company and the Fund Prospectus
Auditors:	Rainers Vilāns Certified Auditor Certificate No. 200  KPMG Baltics SIA Roberta Hirša iela 1, Riga Latvia, LV-1045 Licence No. 55

## INVESTMENT MANAGEMENT COMPANY REPORT

The asset manager of the sub-fund CBL Optimal Opportunities Fund - USD 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, 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 without sectoral restrictions. Equity funds may represent up to 70% of the Fund's assets.

The Fund's net assets increased by EUR 36,275 or 3.28% during the reporting period and amounted to EUR 1,143,752 at the end of the reporting period. Gross assets as at 30.06.2024 amounted to EUR 1,145,855. The value per share increased by EUR 0.83 to EUR 11.13 during the reporting period. The return during the period under review was 8.06% in euro terms and 4.75% in the Fund's base currency (US dollars).

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

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

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

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

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

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

During the reporting period, the following changes occurred in the Fund. The share of funds invested in bond funds at the end of the year represents 62.02% of the Fund's net asset value, an increase of 0.83 percentage points (pp) compared to the beginning of the year. The share of equity funds decreased by 0.75 pp to 35.16% of the Fund's net asset value. Free cash represents 3.01% 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 (60.52%) 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 7,905 which is within the 1.70% ceiling set in the prospectus. The remuneration of the Investment Management Company amounted to EUR 5,281, the remuneration of the Custodian Bank to EUR 1,001 and other management expenses to EUR 1,623. The prospectuses of the investment funds managed by the Company do not provide for performance fees.

The Fund Manager will continue to closely monitor trends in global financial markets. To adapt the Fund's structure to the assessment of the current and expected situation, changes will be made mainly in the weighting of equity fund investments.

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

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Kārlis Purgailis  
Chairperson of the Management Board

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Zigurds Vaikulis  
Fund Manager

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Reinis Gerasimovs  
Fund Manager

Riga, 30 July 2024

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

## STATEMENT OF ASSETS AND LIABILITIES

	<b>Notes</b>	<u><b>30.06.2024</b></u>	<u><b>31.12.2023</b></u>
<b>Assets</b>			
Due on demand from credit institutions	1	34,410	34,172
Financial assets at fair value through profit or loss:			
Share certificates of investment funds and similar securities	2	1,111,445	1,075,321
<b>Total assets</b>		<u><b>1,145,855</b></u>	<u><b>1,109,493</b></u>
<b>Liabilities</b>			
Accrued expenses		(2,103)	(2,016)
<b>Total liabilities</b>		<u><b>(2,103)</b></u>	<u><b>(2,016)</b></u>
<b>Net assets</b>		<u><b>1,143,752</b></u>	<u><b>1,107,477</b></u>

The accompanying notes on pages 9 to 10 are an integral part of these financial statements.

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

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Kārlis Purgailis  
Chairperson of the Management Board

Riga, 30 July 2024

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## STATEMENT OF INCOME AND EXPENSES

	<u>01.01.2024- 30.06.2024</u>	<u>01.01.2023- 30.06.2023</u>
<b>Expenses for the reporting period</b>		
Remuneration to the investment management company and the manager	(5,281)	(5,190)
Remuneration to the custodian bank	(1,001)	(983)
Other Fund management expenses	(1,623)	(1,702)
<b>Total expenses</b>	<u>(7,905)</u>	<u>(7,875)</u>
<b>Increase in investment value</b>		
Realised increase in investment value	3,752	15,038
Unrealised increase in investment value	91,677	39,102
<b>Total increase in investment value</b>	<u>95,429</u>	<u>54,140</u>
<b>Increase in net assets from investments</b>	<u>87,524</u>	<u>46,265</u>

The accompanying notes on pages 9 to 10 are an integral part of these financial statements.

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

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Kārlis Purgailis  
Chairperson of the Management Board

Riga, 30 July 2024

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## STATEMENT OF CHANGES IN NET ASSETS

	<b>01.01.2024 – 30.06.2024</b>	<b>01.01.2023 – 30.06.2023</b>
Net assets at the beginning of the reporting year	1,107,477	1,237,831
Increase in net assets from investment	87,524	46,265
<b>Transactions in share certificates and units</b>		
Inflow from sale of share certificates and units	925	646
Outflow on redemption of share certificates and units	(52,174)	(380,189)
<b>(Decrease) in net assets from transactions in share certificates and units</b>	<b>(51,249)</b>	<b>(379,543)</b>
Increase/(decrease) in net assets during the reporting period	36,275	(333,278)
<b>Net assets at the end of the reporting year</b>	<b>1,143,752</b>	<b>904,553</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	102,744	90,899
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>	<b>11.13</b>	<b>9.95</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

	30.06.2024	% of the Fund's net assets 30.06.2024	31.12.2023	% of the Fund's net assets 31.12.2023
Due on demand from credit institutions, SC Citadele banka	34,410	3.01%	34,172	3.09%

### 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. 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>988,637</b>	<b>1,111,445</b>	<b>97.18%</b>
<b>Share certificates of investment funds registered in Luxembourg:</b>				<b>636,859</b>	<b>692,126</b>	<b>60.52%</b>
Schroder International Selection Fund - EURO Corporate Bond Fundsmith SICAV - Fundsmith Equity Fund	LU0428345051	USD	593	97,283	104,584	9.14%
JPMorgan Funds - JPM US Aggregate Bond Fund	LU0248063595	USD	842	100,517	101,432	8.87%
MFS Meridian Funds - European Research Fund	LU0982389560	USD	386	71,610	91,821	8.03%
Robeco Capital Growth Funds - High Yield Bonds	LU0398248921	USD	264	79,366	87,484	7.65%
Goldman Sachs US Dollar Credit	LU0555027738	USD	8	73,660	76,952	6.73%
Amundi Funds - Pioneer US Bond	LU1883851765	USD	26	62,403	63,550	5.56%
BlackRock Global Funds - US Dollar Core Bond Fund	LU0548367084	USD	1,950	64,706	62,717	5.48%
<b>Share certificates of investment funds registered in Latvia:</b>				<b>188,846</b>	<b>229,054</b>	<b>20.03%</b>
CBL US Leaders Equity Fund R Acc USD	LV0000401032	USD	7,595	74,974	105,212	9.20%
CBL Eastern European Bond Fund R Acc USD	LV0000400125	USD	2,611	56,929	64,349	5.63%
CBL Global Emerging Markets Bond Fund R Acc USD	LV0000400968	USD	5,859	56,943	59,493	5.20%
<b>Share certificates of investment funds registered in Ireland:</b>				<b>162,932</b>	<b>190,265</b>	<b>16.63%</b>
Vanguard Investment Series PLC - US 500 Stock Index Fund	IE0002639775	USD	1,651	78,824	101,464	8.87%
PIMCO Funds Global Investors Series PLC - Total Return Bond Fund	IE0002460867	USD	3,072	84,108	88,801	7.76%
<b>Total share certificates of investment funds:</b>				<b>988,637</b>	<b>1,111,445</b>	<b>97.18%</b>

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

Financial instrument	ISIN code	Currency	Quantity	Acquisition value (EUR)	Carrying amount 31.12.2023	% of the Fund's net assets 31.12.2023
<b>Financial instruments not traded on regulated markets:</b>				<b>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 Amundi Funds - Pioneer US Bond	LU0555027738	USD	8	73,660	74,532	6.73%
BlackRock Global Funds - US Dollar Core Bond Fund	LU1883851765	USD	26	62,403	61,530	5.56%
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>

As the Company does not have access to sufficiently detailed information on the assets of these investment funds managed by financial institutions on behalf of investors, these assets have not been analysed by their actual issuer, except for the investment fund registered in Latvia and managed by CBL Asset Management IPAS.

### NOTE 3 PERFORMANCE DYNAMICS OF THE INVESTMENT FUND

	30.06.2024	31.12.2023	31.12.2022
<b>Net assets of the Fund (EUR)</b>	<b>1,143,752</b>	<b>1,107,477</b>	<b>1,237,831</b>
Number of share certificates of the Fund	102,744	107,545	129,603
Value of the unit of the Fund	11.13	10.30	9.55
Fund return*	8.06%	7.85%	(11.49%)
<b>Net assets of the Fund (EUR)</b>	<b>1,224,387</b>	<b>1,223,762</b>	<b>1,320,270</b>
Number of share certificates of the Fund	102,744	107,545	129,603
Value of the unit of the Fund	11.92	11.38	10.19
Fund return**	4.75%	11.68%	(16.61%)

\* Net asset value in USD determined using end-of-day foreign exchange rates quoted in financial markets.

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