



California First Leasing Corporation

Interim Report to Shareholders First Quarter Ended September 30, 2022

California First Leasing Corporation, (OTCQX: CFNB, "Company"), headquartered in Newport Beach, California, is an internally managed non-diversified closed-end investment company registered under the Investment Company Act of 1940, as amended. The Company continues its lease business while using equity investments to maximize current income and generate capital appreciation.

This interim report for the quarter ended September 30, 2022, prepared by management without audit, provides an update to the annual report for the fiscal year ended June 30, 2022. Accordingly, it does not contain all the information required to meet annual or semiannual disclosure obligations and should be reviewed in conjunction with the annual report filed with the Securities and Exchange Commission and available on the Company's website at <https://www.calfirstlease.com/investorrelations>. *The Company's quarterly earnings and net asset value per share can fluctuate widely due to including gains and losses on equity securities that are determined based on stock prices on the last day of a fiscal quarter.*

Selected Financial Data

Three Months ended September 30:

	2022	2021
	(thousands, except per share)	
Dividends and interest income	\$ 1,184	\$ 909
Net realized loss on investments	(1,421)	(115)
Net change in unrealized securities gain	(10,544)	(9,434)
Realized and unrealized securities gain	(11,965)	(9,549)
Net investment income (loss)	\$ (10,781)	\$ (8,640)
Lease income	745	993
Operating Expenses	688	844
Income taxes (benefit)	(2,287)	(2,735)
Net Income (loss)	\$ (8,437)	\$ (5,756)

	Sept. 30 2022	Sept. 30 2021	Year end June 30 2022
Balance Sheet Data			
Bank and money market accounts	\$ 48,836	\$ 30,847	\$ 53,808
Equity securities	132,413	163,495	131,637
Lease and loan assets	22,807	35,645	28,032
Shareholders' equity	\$ 203,444	\$ 224,544	\$ 211,880
Beginning Net Asset Value (NAV) per share	\$ 20.60	\$ 22.39	\$ 22.39
Net income (loss) per share	(0.82)	(0.56)	(1.23)
Dividends paid per share	-	-	0.56
Net Asset Value per share, end of period	\$ 19.78	\$ 21.83	\$ 20.60
Common Shares Outstanding	10,284	10,284	10,284

Equity Investment Portfolio

The investment in equity securities as of September 30, 2022 and fiscal year ended June 30, 2022 is summarized in four industry groups below.

	Cost	Unrealized		FMV
		Gains	(Losses)	
	(in thousands)			
as of September 30, 2022				
Commercial / Industrial	\$ 77,793	\$ 10,425	\$ (13,196)	\$ 75,022
Consumer	28,091	123	(5,793)	22,421
Financial	15,694	1,398	(1,341)	15,751
Healthcare	14,983	4,236	0	19,219
	\$ 136,561	\$ 16,182	\$ (20,330)	\$ 132,413
as of June 30, 2022				
Commercial / Industrial	\$ 65,534	\$ 11,062	\$ (7,537)	\$ 69,059
Consumer	29,533	363	(2,359)	27,537
Financial	15,191	1,472	(1,219)	15,444
Healthcare	14,983	4,614	0	19,597
	\$ 125,241	\$ 17,511	\$ (11,115)	\$ 131,637

**SCHEDULE OF INVESTMENTS**

Industry - Percent of Net Assets	Company	Quantity	Sept. 30, 2022	
			Market Value	
Auto & Truck Dealerships --0.33%	Lithia Mtrs Inc	3,115	\$	668,323
Auto Manufacturers --3.29%	Ford Motor Company	597,300		6,689,760
Banks - Diversified --3.95%	Bank of America Corporation	117,500		3,548,500
	JP Morgan Chase & Co	4,380		457,710
	Wells Fargo & Co	100,400		4,038,088
				<u>8,044,298</u>
Capital Markets --2.68%	Goldman Sachs	18,600		5,450,730
Credit Services --0.26%	Credit Acceptance Corp (1)	1,220		534,360
Drug Manufacturers --4.64%	Bristol Myers Squibb	132,800		9,440,752
Entertainment --1.15%	Warner Bros Discovery (1)	149,700		1,721,550
	Netflix.com Inc. (1)	2,650		623,916
				<u>2,345,466</u>
Financial --0.40%	Pimco Muni Income Fund III	106,754		823,073
Healthcare Plans --4.81%	Cigna Corp New	30,710		8,521,104
	United Health Group	2,489		1,257,045
				<u>9,778,148</u>
Insurance - Diversified --0.44%	Berkshire Hathaway Inc (1)	3,364		898,255
Internet Content & Information --5.87%	Alphabet Inc. (1)	105,100		10,052,815
	Meta Platforms Inc (1)	13,907		1,886,902
				<u>11,939,717</u>
Internet Retail --0.19%	Alibaba Grp Hldg (1)	4,900		391,951
Oil & Gas E & P --3.81%	Ovintiv Inc.	168,325		7,742,950
Oil & Gas Equipment & Services --2.28%	Schlumberger LTD	129,000		4,631,100
Oil & Gas Integrated --6.90%	Exxon Mobil	160,800		14,039,448
Scientific & Technical Instruments --0.41%	Sensata Technologies	22,300		831,344
Semiconductor Equip & Materials --4.11%	Applied Materials	102,000		8,356,860
Semiconductors --9.41%	Advanced Micro Devices Inc. (1)	31,100		1,970,496
	Marvell Technology Inc	129,500		5,556,845
	Micron Technology Inc	81,300		4,073,130
	Qualcomm Inc	66,850		7,552,713
				<u>19,153,184</u>
Specialty Business Services --1.22%	Global Payments Inc.	23,050		2,490,553
Specialty Chemicals --1.29%	Dupont De Nemours	51,940		2,617,776
Steel --1.58%	Cleveland-Cliffs Inc. (1)	239,000		3,219,330
Telecom Services --3.67%	Charter Communications Inc (1)	2,885		875,165
	Verizon Communications	173,750		6,597,288
				<u>7,472,452</u>
Tobacco --2.39%	British American Tobacco	136,700		4,852,850
Total-Equity Securities			\$	132,412,681
Bank Deposit --0.63%	California First National Bank			1,278,330
Money Market Mutual Fund --23.38%	JP Morgan Prime MMkt 3605			27,182,354
	Goldman FSQ Money Market			20,374,916
Total Equity Securities, Cash and Cash Equivalents – 89.1%			\$	181,248,281
Net Assets at September 30, 2022			\$	203,443,729

(1) Non-income producing