CB Liquid Alpha Portfolio (CHF)
Report Q2 2023

AHEAD | Crossbow Partners Experience & Discipline

Target — Stable returns of CHF money market + 3-4% with low correlation to interest rates and equities.

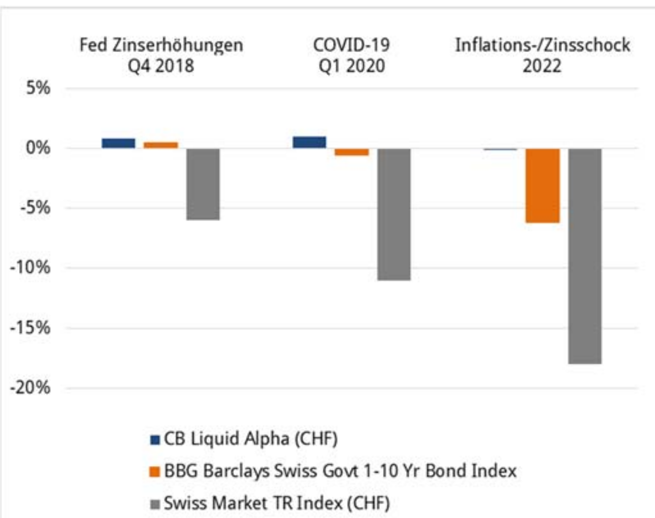
Concept — The portfolio invests in Relative Value, Macro, L/S Equity and L/S Credit as well as Absolute Return strategies. The individual strategies have a low correlation with each other. Investments are only made in very liquid funds that trade highly liquid instruments and use little or no leverage.

Use — For investors who are looking for a steady return over the long term, while avoiding large setbacks. For use as a stabilising strategy in an existing portfolio.

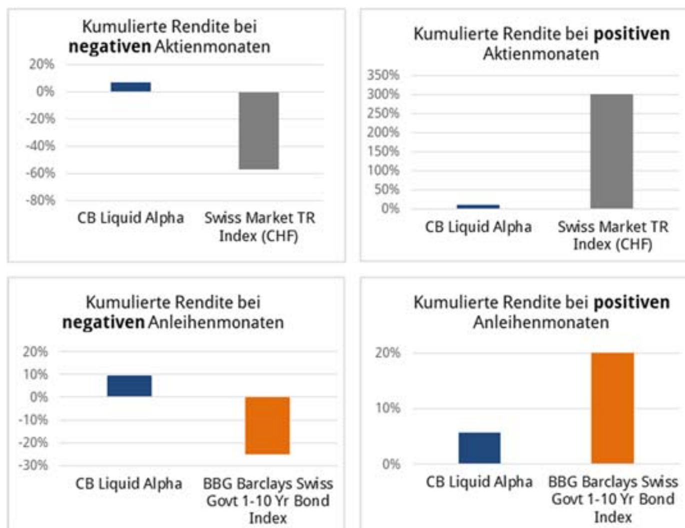
How this has worked so far

	Return				Risk: Volatility		Risk: Max. loss	
	Q2 2023	YTD 2023	3 years	5 years	3 years	5 years	3 years	5 years
CB Liquid Alpha Portfolio (CHF)	**-0.85%**	**-3.49%**	**0.67%**	**2.03%**	**2.50%**	**2.45%**	**-4.91%**	**-4.91%**
Bonds (BBG Barclays Swiss Govt Bond)	1.28%	3.01%	-2.33%	-1.36%	3.57%	3.20%	-9.93%	-12.41%
Equity (Swiss Market TR Index)	3.05%	8.31%	7.05%	8.87%	13.78%	13.17%	-17.98%	-17.98%

Protection during major corrections



Alpha, not beta as a return driver



Comment second quarter 2023

Performance in the second quarter was slightly negative and stands at -3.5% YTD at the end of June. Absolute return strategies had the largest performance losses, followed by relative value funds. Global macro and equity strategies ended the second quarter on a positive note.

The Absolute Return Fund, which ended last year with a positive +4.2% in CHF, is struggling this year. It started this year with a very defensive positioning, expecting a difficult market environment. The manager had shifted the majority of the portfolio to defensive assets and strategies, which has not paid off so far. The strong pound, especially against the yen, and inflation-linked bonds weighed on performance. In equity investments, the fund made money. However, this was not enough to make up for the losses on currencies and bonds.

The macro funds performed positively. A good contribution came from gains on Japanese equities, which reached their highest level in over 30 years in June. Relative value funds had fewer spread opportunities due to falling volatility (the VIX index reached a one-year low of 13 in June), which had a negative impact on returns.

The market-neutral long/short equity strategies achieved gains thanks to good stock selection.