CB Greater China Portfolio (USD)
Report Q2 2023

Target Profit from developments in the Asian region with a focus on China, while reducing the risk of setbacks on the equity markets.

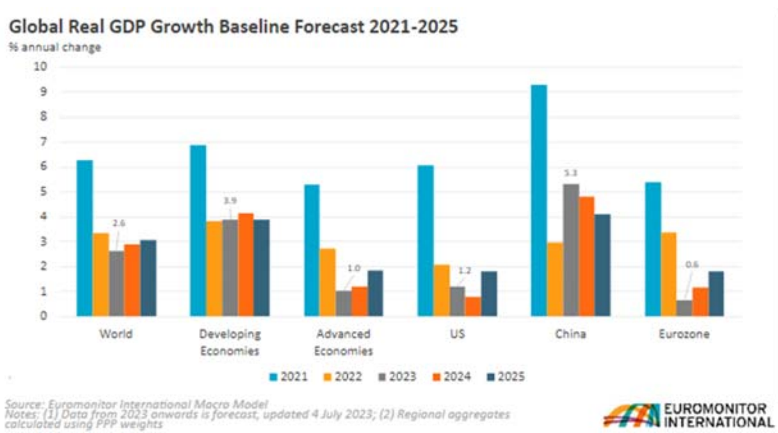
Concept The portfolio invests in a handful of specialised long/short funds that invest in Asian companies that will be among the regional winners of the future and sell short shares in companies where they expect a negative development.

Use For investors who prefer to hold a partially hedged portfolio in Asian equities instead of riskier "long only" equity positions.

How this has worked so far

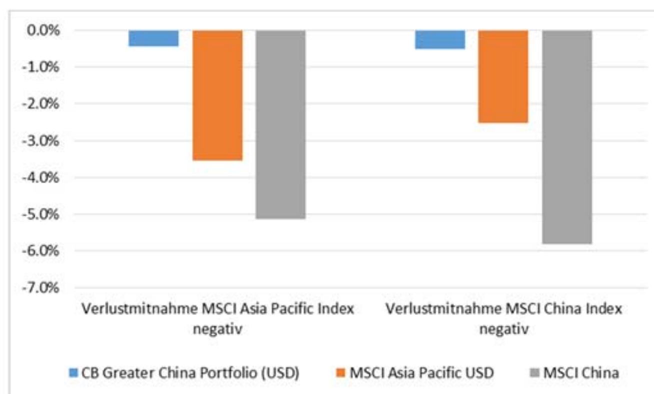
	Return				Risk: Volatility		Risk: Max. loss	
	Q2 2023	YTD 2023	3 years	5 years	3 years	5 years	3 years	5 years
CB Greater China Portfolio (USD)	**-2.44%**	**1.32%**	**9.65%**	**8.60%**	**6.80%**	**6.90%**	**-6.72%**	**-6.72%**
Equities (MSCI Asia Pasific)	1.35%	6.17%	3.47%	2.06%	16.98%	16.92%	-32.48%	-32.48%
Equities (MSCI China)	-9.71%	-5.46%	-10.26%	-5.27%	29.59%	26.62%	-58.29%	-58.29%

Potential return



China remains one of the countries with the highest growth forecasts in the world.

Hedging



The choice of defensive hedge funds reduces the loss in negative markets.

Comment second quarter 2023

The managers in the CB Greater China Portfolio were not entirely immune to the difficult environment for Chinese equities. In Q2, the portfolio generated a net return of -2.44%, compared to the MSCI China Index -9.71% and the broader regional MSCI Asia Pacific Index +1.35%.

Globally, the Chinese economy will continue to be one of the fastest growing economies and will be an important contributor to global growth for the foreseeable future due to its enormous potential. China is engaged in a multi-year process of trying to improve the long-term sustainability of its economy by moving away from reliance on investment in sectors such as infrastructure and real estate and shifting towards consumption. In the second quarter, problems in the real estate sector weighed on Chinese stock indices. Positive momentum came from Japan, where the equity market continues to perform positively.

The negative performance of the CB Greater China portfolio in Q2 was caused by stocks and bonds of Chinese real estate companies. Expectations that the government would announce a package of measures to support the real estate sector have not yet happened. In addition, the restructuring of the bonds of Sunac China Holding Ltd. was delayed. This delay spooked investors and the stock fell significantly.