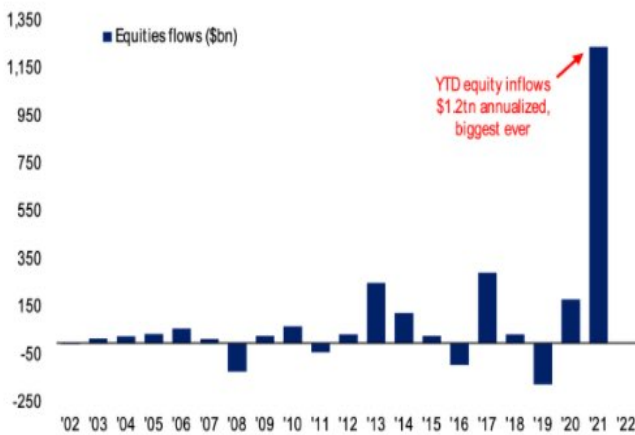


Equity Market Inflows

All of the excess liquidity, which is immense due to the central banks' asset purchases and government support programs after the corona crisis, is pushing into the stock markets. How much longer can this go on? It always takes at least as many buyers as sellers just to keep prices stable. The following chart shows the inflows into global stock markets during the first half of 2021, extrapolated to the full year, compared to previous years since 2002.

The 2021 volume is greater than in the last 20 years combined because there seem to be no alter-

Chart 13: Record annualized YTD equity inflows
Annual equity inflows since 2002 (2021 YTD annualized)



Source: BofA Global investment Strategy, EPFR global

natives to equities. After the high tide, the ebb will come at some point.

We recommend taking profits and investing those in products that are less dependent on the market direction. To this end, we have launched a whole range of actively managed certificates (AMC). These certificates invest in around 10 alternative asset managers, which are lowly correlated and complement each other ideally into stable portfolios.

On the conservative side, Liquid Alpha and Global Trading are suitable for achieving better returns than with cash or bonds. In terms of equities, we offer complementary strategies in Equity Arbitrage, Greater China and Renewable Energy. Our Global Commodity certificate covers all commodity sectors and can take advantage of both up and down movements in commodities through a long and short approach.

We are planning our next investor event on September 15th at 4 PM in the Zunfthaus zur Waag in Zürich. In addition to current market developments, we will also present an overview of our new certificates there. We would be pleased to meet with you again in person soon.

For more information please contact Stefan Steiner at ss@cb-partners.com.



Stefan Steiner

Crossbow Solutions

| Multimanager-Portfolio | Recent Perform. | | Annualized Performance | | |
|-------------------------------------|-----------------|-------|------------------------|-------|-------|
| | YTD | 12m | 3 y | 5 y | 10 y |
| AMC CB Liquid Alpha - Certificate | 1.1% | 5.6% | 4.6% | | |
| Mitbewerber 1 | 2.5% | 11.5% | 3.7% | 4.0% | |
| Mitbewerber 2 | 2.7% | 10.1% | 4.2% | | |
| Mitbewerber 3 | 5.1% | 11.7% | 1.9% | 2.0% | |
| Mitbewerber 4 | -2.0% | -2.7% | 1.4% | | |
| Crossbow Alpha Portfolio | 5.9% | 12.4% | 8.3% | 6.2% | |
| Mitbewerber 5 | 3.0% | 12.2% | 7.2% | 6.3% | 4.5% |
| Mitbewerber 6 | 3.5% | 11.9% | 5.8% | 5.7% | 5.1% |
| Mitbewerber 7 | 5.2% | 9.7% | 6.2% | 5.2% | |
| Crossbow Global Trading | 3.0% | 10.3% | 4.0% | 4.5% | |
| AMC CB Global Trading - Certificate | 1.7% | 3.2% | 4.2% | 0.0% | |
| Mitbewerber 8 | 2.0% | 8.0% | 4.1% | 4.3% | 2.9% |
| Mitbewerber 9 | -3.0% | 6.4% | 3.8% | 2.3% | 1.6% |
| Mitbewerber 10 | 1.3% | 6.9% | 1.2% | -1.3% | -0.6% |
| Mitbewerber 11 | 3.2% | 5.4% | 5.4% | 4.8% | |



Crossbow to launch certificates on Commodities and Equity Arbitrage

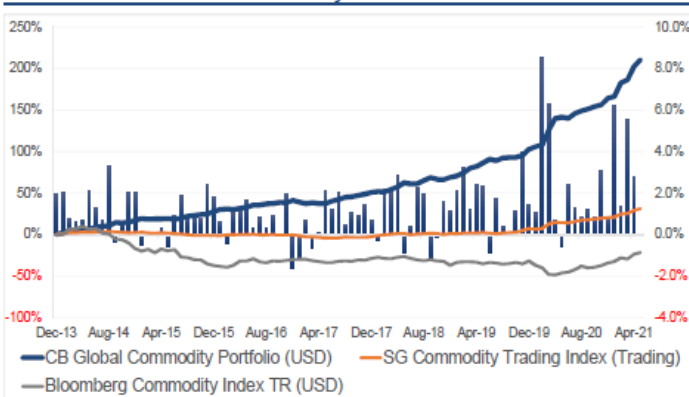
In December 2020, Crossbow successfully launched the company's first Actively Managed Certificates (AMC), called the CB Liquid Alpha Portfolio (CHF) and the CB Global Trading Portfolio (USD). Based on our outlook for the market environment and the underlying strategies, Crossbow Partners will launch additional AMCs in September 2021.

CB Global Commodity Portfolio (USD)

Crossbow has invested in commodity hedge funds for more than 20 years. We share the view that the current environment is exceptionally favorable for commodities due to the convergence of several factors :

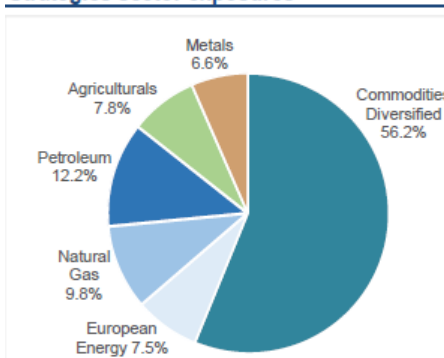
- Macro cyclical: Strong global recovery in 2021 thanks to Covid-19 vaccines and unprecedented fiscal and monetary policies.
- Commodity-specific: Limited supply vs. strong demand across many commodities and commodity sectors after 10 difficult years with limited investments.
- Financial: Demand for inflation hedges and very low commodity allocation in global portfolios.

Cumulative returns since January 2014



The CB Global Commodity Portfolio seeks to generate attractive, uncorrelated risk-adjusted returns by capitalizing on the multidimensional opportunity set that is uniquely available across the commodity markets. To achieve this goal, the

Strategies sector exposures



certificate invests in actively managed commodity hedge funds that deploy discretionary or systematic strategies and take positions ranging from directional to relative value. These funds are managed by commodity specialists that often focus on a single commodity sector. The managers invest predominantly in commodity derivatives and have no or very limited equity exposure as well as no predefined long or short bias. The certificate is diversified across commodity sectors, geographies, investment strategies, trading styles and time horizons. The certificate will have monthly liquidity with 35 days' notice.

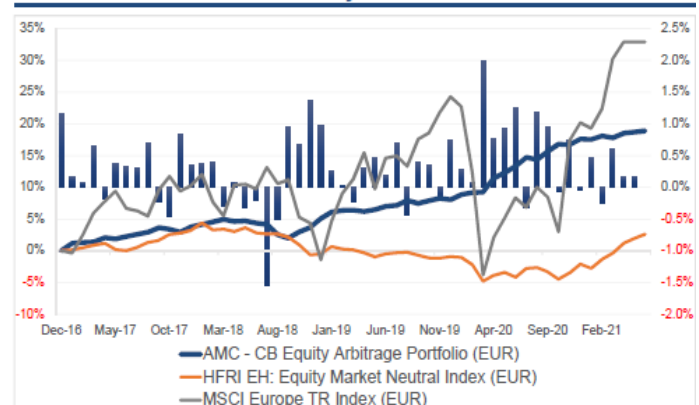


Ivo Felder

CB Equity Arbitrage Portfolio (EUR)

Given the high valuations of risk assets, more defensive investment strategies like equity arbitrage seem timely in our view. The CB Equity Arbitrage Portfolio is designed to deliver steady, positive returns regardless of the equity market direction. To achieve this objective, the AMC invests in alternative investment funds which are market neutral, have a proven track record, use only highly liquid instruments, and are currency hedged.

Cumulative returns since January 2017



The equity arbitrage strategy extracts alpha from price differences across related securities where spreads have deviated significantly from normal levels mostly due to reasons such as technicals or fund flows and are expected to narrow again. The net market exposure of the strategy is around zero at all times, and alpha can be achieved in positive or negative equity markets. The certificate will have bi-weekly liquidity with 15 days notice. The minimum investment amount is only EUR 10'000.

For more information please contact Ivo Felder at if@cb-partners.com



Correlation of US stocks and US bonds

Junying Shen and Noah Weisberger from PGIM Institutional Advisory & Solutions group, looked into the macro economic drivers of the US stock-bond correlation. The correlation, which plays an important role in institutional portfolio construction, has been persistently negative for the last 20 years. This negative correlation allows stocks and bonds to serve as a hedge to each other, enabling asset managers to increase stock allocations while still satisfying a portfolio risk budget. However, stock-bond correlation is not immutable. In fact, it was consistently positive for more than 30 years prior to 2000.

A return to positively correlated stock and bond performance may require asset managers to re-think their asset allocation.

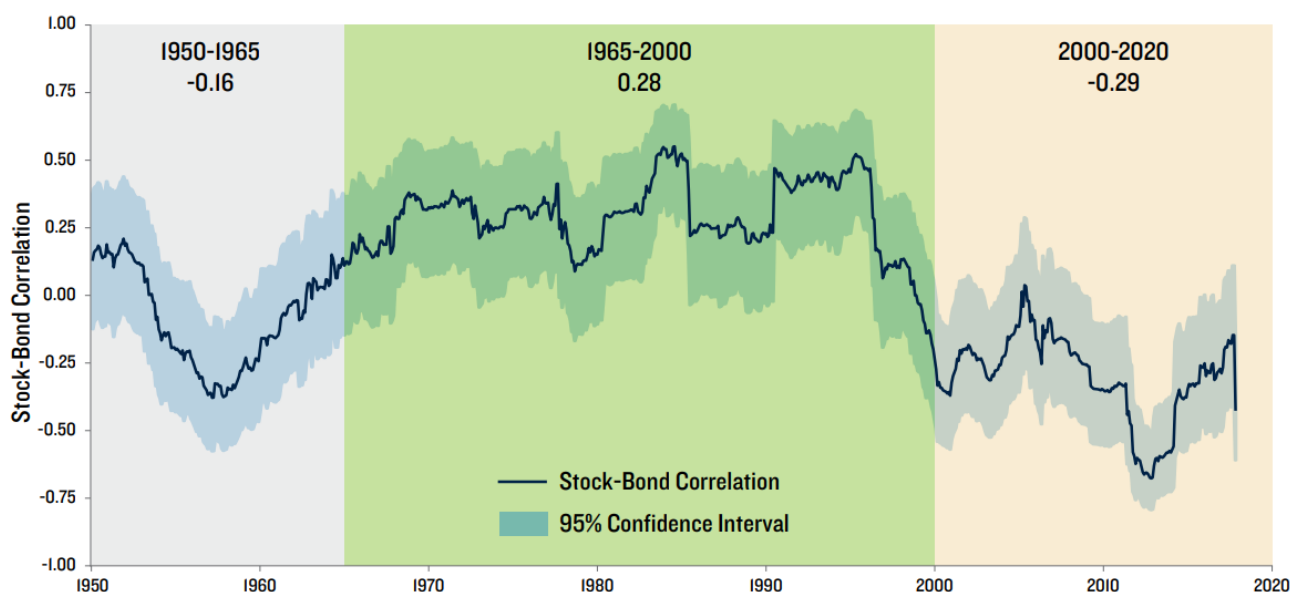
Although the current negative stock-bond correlation regime has coincided with persistently falling and low interest rates, continued low rates alone may not be enough to support a negative correlation. Depending on the macroeconomic or policy environment, it is possible to envisage low interest rate scenarios with positive stock-bond correlation.



Armin Vogel

Asset managers with strong macroeconomic and policy views might wish to use their findings to translate those views into an expectation for the stock-bond correlation. For asset managers without strong views, PGIM advocate a zero correlation expectation as they believe this will produce a prudent risk assessment.

Correlation of monthly stock and bond returns (5y-centered, rolling window, 1950-2020)



Note: Stock-bond correlation is calculated with 5y rolling window of monthly stock and bond total returns centered at the time of calculation.
Source: DataStream, FRED, NBER, Robert J. Shiller online data and PGIM IAS. For illustrative purposes only.

To help asset managers evaluate the potential for a change in US stock-bond correlation, PGIM identified the underlying macroeconomic components of the correlation and showed how changes in these components have been linked to changes in monetary and fiscal policy over the last 70 years. While neither theory nor history point to a single factor that determines the correlation regime, an asset manager should be attuned to macroeconomic policy shifts that may signal a change.

Next Crossbow Event Save the Date

On Wednesday, September 15, 2021 from 4:00 p.m. we are holding an event in the Zunfthaus zur Waag in Zurich, to which we cordially invite you.

A separate invitation will follow in due course.

If you wish the above mentioned paper, please contact av@cb-partners.com.