CB Equity Arbitrage Portfolio (EUR)
Report Q2 2025

Target Stable positive returns of EUR Money market + 3-4% with low correlation to equity and bond markets.

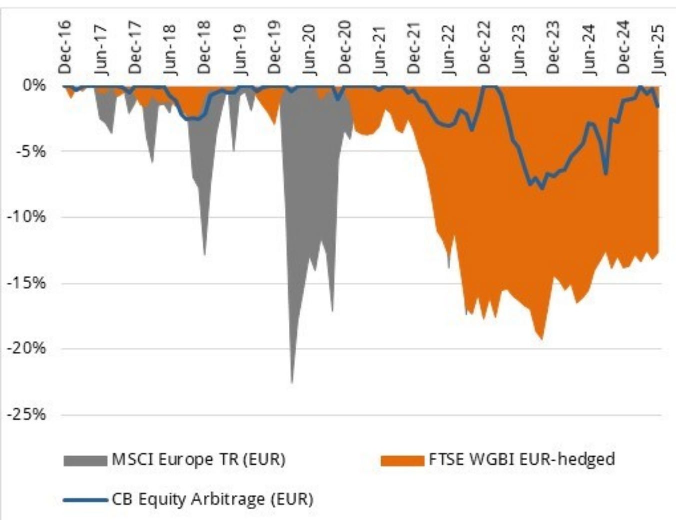
Concept Allocations to specialised, highly experienced managers who exploit both behavioural and structural price inefficiencies. Focus on market neutral and liquid equity strategies that require little to no leverage.

Mission Diversified portfolio across sub-strategies, investment styles, asset classes, regions and time horizons. The very low correlation to traditional markets makes the portfolio suitable as a diversifier.

How this has worked so far

	Return				Risk: Volatility		Risk: Max. loss	
	Q2 2025	YTD 2025	3 years	5 years	3 years	5 years	3 years	5 years
CB Equity Arbitrage Portfolio (EUR)	-1.55%	-0.17%	2.49%	2.33%	5.44%	4.42%	-7.76%	-7.76%
BarclayHedge Equity Market Neutral Index	1.85%	2.94%	5.73%	4.92%	1.90%	2.00%	-0.61%	-1.99%
Bonds (FTSE World Government Bond)	0.83%	1.35%	0.11%	-2.50%	5.59%	5.03%	-9.26%	-19.28%

Limitation of losses



Low correlation to equities, bonds and hedge funds

	1	2	3	4
1 CB Equity Arbitrage (EUR)	1.00	0.03	0.07	0.08
2 FTSE WGBI EUR-hedged	0.03	1.00	0.22	-0.09
3 MSCI Europe TR Index (EUR)	0.07	0.22	1.00	0.27
4 BarclayHedge Equity MN Index (EUR)	0.08	-0.09	0.27	1.00

The portfolio has a low correlation to equities, bonds and market-neutral hedge fund strategies. This means that the value of the portfolio develops relatively independently compared to the movements of traditional investments and hedge funds.

Comment second quarter 2025

Global equities rose in the second quarter despite early declines following President Trump's "Liberation Day" tariffs. Markets recovered when most levies were temporarily suspended for trade talks ahead of the 9 July deadline. This period saw US Treasury yields peak for the quarter, while 30-year Japanese government bond yields hit a record 3.2%, driven by fiscal deterioration and supply-demand imbalances. Major central banks largely held policy steady, with the notable exceptions of the Bank of England and the European Central Bank, which cut rates to 4.25% and 2%, respectively.

In Q2, the portfolio generated a negative return of -1.5%. Relative value strategies generated positive returns as well as equity market neutral strategies, while systematic equity market neutral strategies generated losses, leading to a negative portfolio return. In relative value, fundamental long/short positions, particularly in long memory positions such as SK Hynix and TSM delivered gains. The equity market neutral fund generated strong single stock alpha amid higher levels of volatility and increased market breadth. Systematic equity market neutral strategies had a challenging quarter. The biggest losses were generated in small-cap strategies, which remain heavily influenced by speculative retail flows and passive market dynamics – a dynamic that has historically reversed relatively quickly.