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CB Greater China Portfolio

April 2026

China Growth and Industrial Recovery

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- China and Japan are the second and third largest economies.
- Supply chains are de-globalizing: “Asia for Asia”
- In various sectors, Asia is leapfrogging classic development steps through high-quality manufacturing and innovation hubs
  - Q1 2026 GDP growth: 5.0% year over year
  - March 2026 manufacturing PMI: 50.4 (back into expansion)
  - Industrial production: +6.1% in Q1 2026, +5.7% in March
  - Electronics manufacturing: +12.5% in March

Source: Trading Economics

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Domestic demand is stable while equity valuations remain discounted.

- Policy is actively supporting demand, not just talking about it.
- China's 2026 government work report earmarked 250 billion yuan of ultra-long special treasury bonds for consumer goods trade-ins and another 100 billion yuan for coordinated fiscal-financial support to private investment and consumption. That is a direct tailwind for consumer, internet, appliance, auto, and selected industrial names.
- Domestic consumption is stabilizing and gradually improving. Disposable income increased +4.9% YoY
- Why it matters:
  - Consumer and platform companies represent a large portion of Chinese equity indices. Stabilization reduces downside risk and supports earnings recovery.

Source: Real GDP Growth, IMF

Market Characteristics

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- China is inefficient and policy-driven.
  - Local expertise is structurally advantaged.
- Long/short strategies benefit from dispersion
  - High dispersion across sectors and companies
  - Frequent policy shifts create winners and losers
  - Retail-driven flows increase volatility and mispricing

- Active long/short strategies capture upside in growth sectors while shorting structurally weak areas
- Reduced market beta and lower drawdowns
- Specialists generate alpha from stock selection, not market direction

- Attractive universe of local specialists
  - Access to on-the-ground information and company networks
  - Better understanding of regulation, policy direction, and corporate governance
  - aster reaction to market and policy changes
- Combining long/short strategies with local managers improves risk-adjusted returns and consistency of performance in China.

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Objective

- Generate attractive risk-adjusted returns by capitalizing on the reopening of China and the growth of the Greater China economic region

Concept

- Implemented through actively managed Long/Short Equity strategies managed by local managers with proven track records
- Crossbow's disciplined fund selection and monitoring process identifies managers generating superior risk-adjusted performance on a consistent basis
- Robust portfolio construction seeking diversification across geographies, sub-strategies and investment styles

Source: IEA

Investment Case

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- Strong start to 2026: Positive returns in January and February indicate improving market conditions and effective manager positioning.
- Volatility creates alpha opportunities: March drawdown reinforces the value of long/short strategies in capturing dispersion. Attractive risk-return profile
- Sustained low volatility with competitive returns supports institutional allocation.
- Diversification benefits: Low correlation to benchmarks enhances portfolio efficiency.
- Structural China recovery thesis intact: Domestic demand and policy support continue to underpin medium-term growth.

Statistics CB Greater China Portfolio

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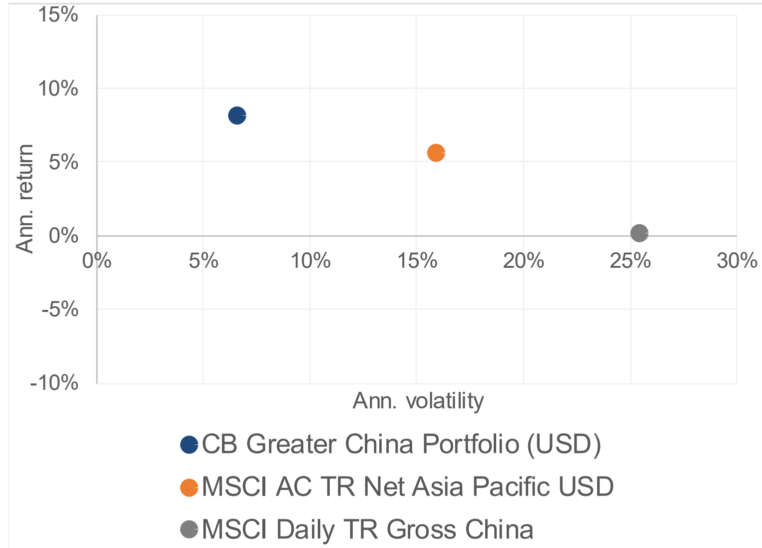
Key statistics since January 2018

	CB Greater China Portfolio (USD)	MSCI AC TR Net Asia Pacific USD	MSCI Daily TR Gross China
Annualized return	8.17%	5.66%	0.21%
Annualized volatility	6.59%	15.93%	25.45%
Maximum monthly gain	6.09%	14.98%	29.72%
Maximum monthly loss	-5.20%	-13.00%	-16.81%
Maximum drawdown	-7.20%	-32.48%	-58.18%
Correlation to benchmarks	-	0.68	0.63

Risk vs. return since January 2018



Monthly returns

BM1: MSCI AC TR Net Asia Pacific USD | BM2: MSCI Daily TR Gross China

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	BM1	BM2
2026	4.10%	2.08%	-5.20%										**0.74%**	-0.01%	-8.93%
2025	0.64%	0.69%	1.21%	-2.26%	1.55%	1.27%	2.43%	2.51%	2.62%	-0.05%	-0.49%	1.04%	**11.64%**	28.00%	31.42%
2024	0.48%	1.70%	1.15%	-0.30%	0.50%	0.71%	-0.43%	-0.39%	3.88%	2.75%	-0.18%	0.47%	**10.74%**	9.56%	19.67%
2023	5.63%	-1.16%	-0.52%	-1.25%	-0.34%	-0.87%	-0.76%	-1.47%	-0.38%	-0.68%	2.41%	-0.58%	**-0.20%**	11.45%	-11.03%
2022	-0.40%	-0.68%	-1.42%	0.08%	-0.31%	-0.49%	-1.11%	0.67%	-1.64%	-0.97%	2.25%	2.87%	**-1.24%**	-17.22%	-21.80%

Source: Crossbow Partners

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