CBH Investment Management

RESEARCH

QUARTERLY INSIGHT

3rd Quarter 2023

VERSION 2023 07 11

ENGLISH

Face Lift - Larry Otoo
2010. Acrylic on canvas 118 x 146 cm

Photo: P. Bitz

Contents

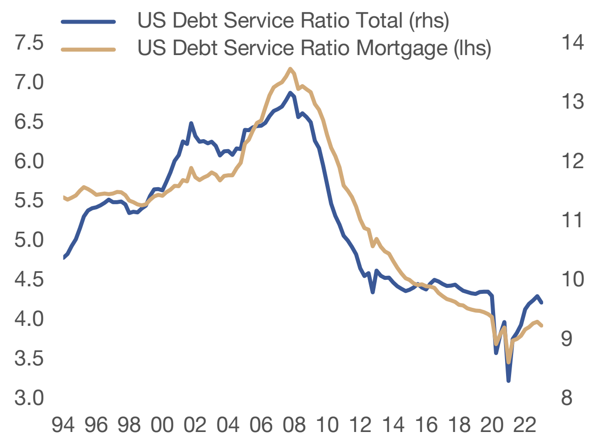
A Still Resilient US Economy Despite Higher Rates

Since last summer, the consensus call has been for an imminent US recession, with pundits logically expecting that the Fed's aggressive monetary tightening would restrict demand and weigh on growth. However, the most anticipated US recession in decades keeps being postponed, and in Q2, the American economy proved to be more resilient than expected once again. We see several reasons why the US economy has proven the doomsayers wrong so far.

First, the pandemic has wreaked havoc with the normal cyclicality of the different segments of the US economy because they did not collapse and recover in a synchronized fashion. Although manufacturing activity is clearly contracting in the US, services have remained strong this year, contributing to keeping the economy afloat. However, what we might interpret as a recession in manufacturing could instead be goods-related sectors converging back to their pre-pandemic trend levels. In our view, as the post-pandemic US economy normalizes, it has been experiencing a series of nonsequentially rolling contractions in specific parts rather than the entire economy at the same time. This could prevent the economy from experiencing a broad-based recession. Hence, we cannot rely on historical normal late cycle behavior to draw conclusions about this unorthodox post-pandemic cycle.

Second, consumption spending has remained well supported by healthy household finances. Thanks to the generous government support provided during the Covid crisis, US consumers actually exited the short 2020 recession in better shape than before. Households accumulated more than USD 2 trillion in excess savings from 1Q20 to 2Q21, subsequently supporting private demand. Moreover, despite the most aggressive monetary tightening in five decades, the pain inflicted by higher rates on household finances has been relatively muted up until now. The debt–service ratio remains historically low at 9% (outside of the 2020–2021 pandemic period). Moreover, while mortgage rates surged to around 7% recently, it is only affecting 10% of adjustable-rate homeowners with a mortgage. In short, the drag on growth from tighter monetary policy has been more moderate than anticipated.

US household finances remain healthy



Finally, because the pandemic also distorted labor market dynamics, we continue to see a stronger demand for workers than would be typical at this late cycle stage. The US economy has created more than 25 million jobs since March 2020, but it appears there are still more than 10 million unfilled open positions. Hence, the tightness of the labor market has strongly contributed to the US economy escaping a recession.

Despite only one chance out of two for a US recession in the next 12 months in our base scenario, an eventual acceleration of the ongoing slowdown would likely lead to a repricing of recession risks. Credit spreads could widen to compensate for an increase in the default rate and push credit bonds down. Corporate earnings growth expectations, which remain marginally positive for 2023 in most regions, could be revised downward again and weigh on sentiment and positioning. This is a key risk going into the second half of the year.

Asset Allocation

	◀▶	Underweight		Neutral		Overweight
Cash			■			
Sovereign Bonds				■		
Investment Grade Bonds	▶			■		
Other Fixed Income					■	
Equities				■		
Alternative Investments						■

◀▶ Indicates the last change. Number of triangles indicates the movement magnitude

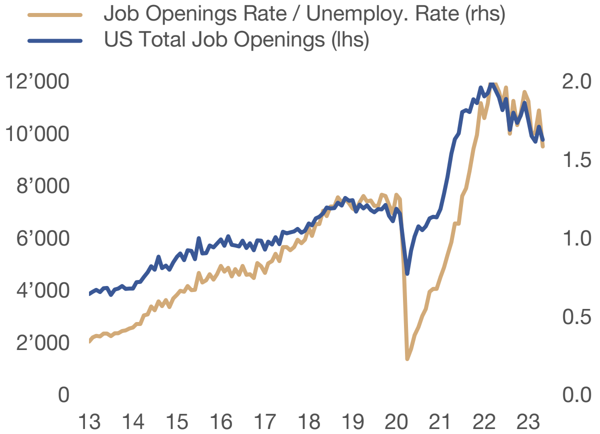
Macro Outlook

United States: The Recession Remains a Close Call

The US macro outlook for Q3 remains highly uncertain as various parts of the economy are evolving at different speeds and find themselves at different stages in their cycle. This makes it difficult to have a clear view of the net effect on the entire economy. We thus believe that the odds of a US recession in the next 12 months can be estimated by flipping a coin. Our main source of concern is that the effect of the last 15 months' aggressive monetary tightening has still to fully materialize. We are seeing signs that the US labor market is starting to crack, and we expect an increase in the unemployment rate in H2. To illustrate, unit labor costs growth declined from 7% one year ago to 3.8% at the end of 1Q23, and the Atlanta Fed wage growth tracker fell from 6.7% in June 2022 to 6% at the end of May 2023. In turn, lower disposable income and declining household confidence are expected to erode consumption, which accounts for more than two-thirds of US GDP. Importantly, this eventual hit to private demand could be experienced at a time when excess savings are starting to run thin.

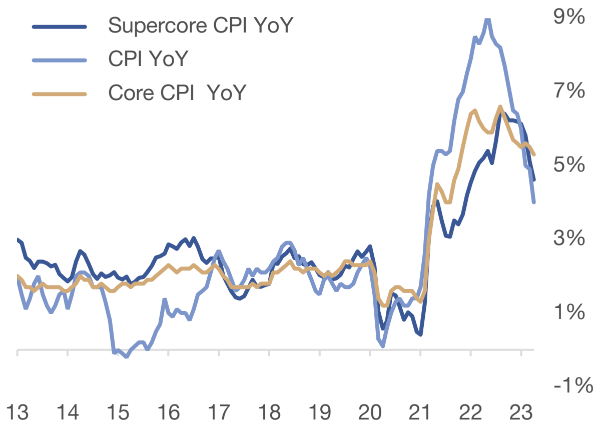
The speed and severity of the labor market slowdown will largely dictate the timing and magnitude of the eventual US recession. Should this happen, we expect the contraction to be only shallow and brief. A deeper-than-expected contraction remains a tail risk at this stage, and could be caused by renewed stress in the financial system due to the sharp increase of interest rates. Nonetheless, we expect that one of the main drivers of global financial market in 2H2023 will be the pricing of an eventual US recession, its magnitude and duration, as well as the Fed's subsequent response.

Cracks emerging in the US labor market



Regarding US inflation, it appears that the Fed's monetary tightening is bearing fruits as headline CPI cooled down from its summer 2022 peak at 9% to 4% in May 2023. However, core CPI is proving more stubborn and still lies above 5%, far away from the Fed's comfort zone. Still, core inflation should continue to gradually trend lower as leading indicators of rent are pointing to the shelter component (two-thirds of core CPI) declining substantially in the coming months. We also see fewer wage pressures in H2, with the labor market showing signs of fatigue.

Underlying inflationary pressures have proved sticky



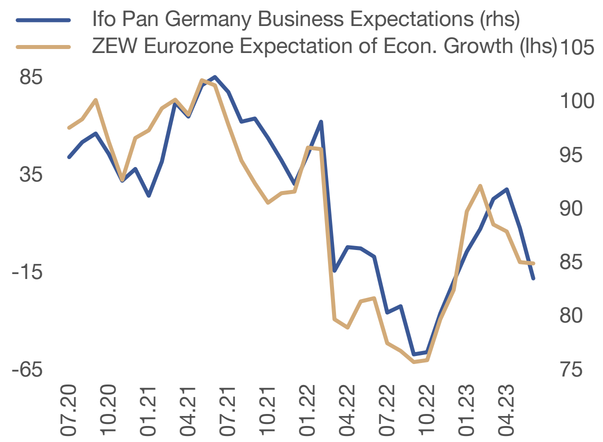
This year, the market has been biased in expecting the Fed to reach its terminal rate soon and to start cutting rates almost immediately afterwards. We were skeptical and held the view that market pricing for rate cuts as soon as this summer was excessive. Our expectations for a hawkish repricing proved to be correct as the start of the easing cycle has been pushed back from July to December 2023.

After hiking from 0.25% in March 2022 to 5.25% in May 2023, the Fed paused in June to buy time and permit more data to come. This pause was far from being consensual, and several officials have since then pointed to two more rate hikes. Although we have no conviction about further tightening, we believe the Fed is nearing its terminal rate. Because the economy remains resilient and core inflationary pressures are only slowly abating, we see the Fed holding its peak policy rate longer than currently expected by the market before then reversing course and starting a new easing cycle. Hence, we do not expect rate cuts before 1Q24 at the earliest. In our view, only a more severe than expected contraction would prompt a new easing cycle. Indeed, we do not see the Fed rushing to save the economy from a recession it has engineered purposefully.

Euro Area: Sticky Core Inflation

In 2022, given fears related to the energy crisis, business and consumer confidence fell sharply until the end of Q3. This led to a very shallow recession at the end of 2022, albeit by a trivial margin of -0.1% in 4Q22 and 1Q23. and only according to the strictest definition of two consecutive quarterly contractions. Given the gloomy forecasts regarding the energy crisis one year ago, in our opinion, this very brief and mild contraction is not a bad outcome. Actually, the Eurozone economy has proved to be more flexible and resilient, and luckily, the mild weather during the winter season helped.

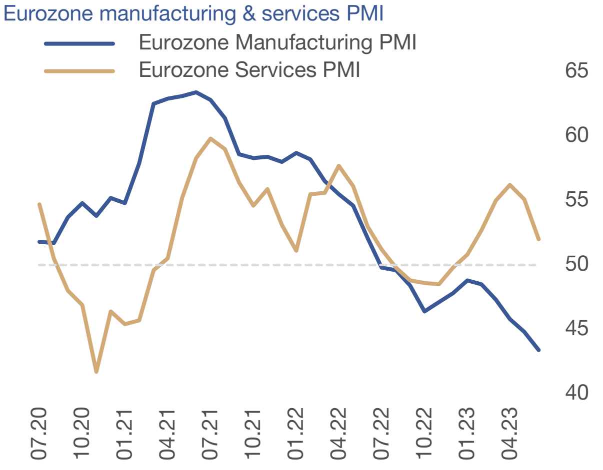
Eurozone business confidence



Since March 2023, the Eurozone economy has shared many similarities with its US counterpart. On the one hand, household consumption and services remain well oriented on the back of record low unemployment (euro area unemployment fell to a new all-time low of 6.5% in April) and wage growth. On the other hand, more cyclical parts of the economy, such as manufacturing and housing, are strongly slowing down. The proximity of the Ukrainian war and threat to energy supply only worsens the slowdown.

At this stage of the cycle, despite the recent resilience of the euro area economy, we believe that the European Central Bank (ECB) will dictate the economic outlook for the next 12 months because tighter financial conditions are likely to be a strong drag on growth. In addition, we see two wildcards for the Eurozone economy. First, geopolitical tensions and renewed upward pressures on energy prices could again depress sentiment and weigh on growth. Second, China might surprise on the upside depending on the choice of new stimulus policies.

Eurozone manufacturing & services PMI



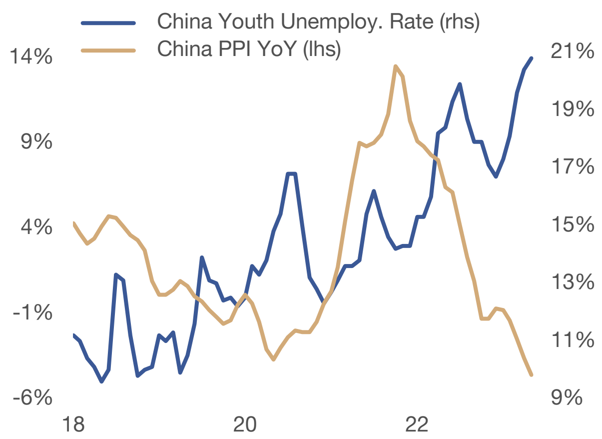
The ECB, like the Fed, hiked aggressively to tame inflation by increasing the deposit facility from -0.5% to 3.5% in one year. However, the ECB is often criticized for being behind the curve as they started to tighten monetary policy four months after the Fed and, fact is, headline CPI peaked in the Eurozone in October 2022, also four months after headline inflation peaked in the US in June 2022. From its peak of 10.6% in October 2022, headline inflation declined sharply to 5.5% as energy prices collapsed. That being said, the real issue for the ECB is core inflation, which stands at 5.40%, only marginally below the recent March 2023 high of 5.7%. Because the labor market remains extremely tight with record low unemployment, we continue to see upward pressure for wages and unit labor costs. The ECB has made strong efforts to signal further tightening; a 25bp hike in July is virtually a done deal, and a further one in September is also probable. We continue to believe that the ECB will hike even more, at least to 4%, as core inflation remains above 5%.

China: A Choppy Recovery

The Chinese economy has experienced subpar growth since 2020, mostly because of the Covid lockdowns and regulatory policies. In this regard, it is evident that the crackdowns on several industries, such as private tutoring, internet companies, and real estate, have done substantial damage, directly and indirectly by hurting business confidence. Thus, when the Chinese authorities announced at the end of 2022 that they were done with the zero-Covid policy, economists and investors became very excited that China would strongly recover and bring a welcome boost to the world economy.

However, the recovery in the first part of the year has been choppy, to say the least, and there are clear signs that key sectors such as construction, real estate, and exports are failing to improve, thus continuing to weigh on growth. Adding to this bleak macro backdrop, fears of deflation increased (May PPI YoY at -4.6%), and youth unemployment hit a record high of 20.8% in May, including among highly skilled cohorts.

China producer price inflation and youth unemployment



The silver lining is that the Chinese authorities are well aware of these downside risks and have already delivered supportive policies, such as rate cuts. However, these are more stabilization measures targeted to mitigate near-term headwinds rather than pro-growth policies as the government looks set to avoid fueling new excesses. Although we expect that the impact of new stimulus will only be moderate, we believe that new policies could be announced at the July Politburo meeting, depending on the upcoming economic data. We expect China to grow above the 5% official target in 2023 (the consensus stands at 5.5%), but because the government is focused on domestic demand and activity, the boost to the European economy should be more muted than previously, barring a positive surprise on the policy front.

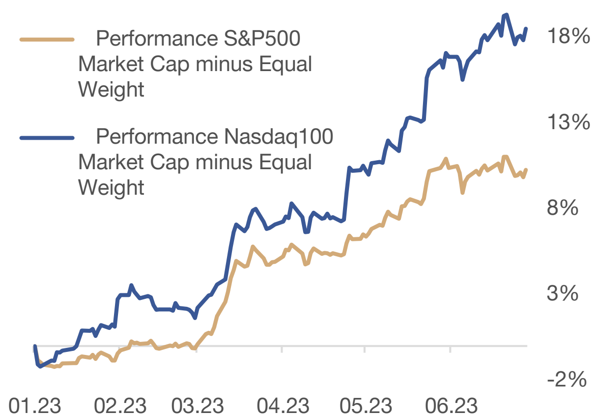
Investment Strategy

Equities

US equities have been the pain trade this year, as they kept grinding higher in the face of a long-awaited and widely expected US recession supposed to weigh on earnings. The choice between chasing stocks higher without strong macroeconomic fundamentals backing or staying on the sidelines and eventually missing the melt-up has been a harsh one for active managers. Nonetheless, although Developed Markets (DM) equities have posted an unexpectedly strong performance so far this year, we believe the air is getting thin on the upside, entering the second half the year.

Our first source of concern stems from the narrow breadth of this year's gains for the S&P500 and the Nadsdaq100. Here, 73% of the gains of the S&P500 during the first half of the year have been contributed by the "Magnificent 7", a group of well-known mega cap growth stocks: Apple, Microsoft, Amazon, Alphabet, Meta, Tesla, and Nvidia. Regarding sector breadth, 65% of the gains have been contributed by Information Technology, 19% by Consumer Discretionary, and 16% by Communication Services. This leaves a mere contribution of 4% for the eight remaining sectors. Our cautiousness does not stem from the fundamentals of these companies because, for the most part, they are quality stocks. Instead, it is rooted in the fact that we have seen the recent surge of these stocks driven by the hype surrounding artificial intelligence (AI). In our opinion, the resurgence of interest in AI, thanks to the potential of generative AI (e.g., ChatGPT), has propelled the "Magnificent 7" and the most followed US equity benchmarks higher. Although we do believe in the long-term potential of AI and machine learning, we are wary of this sudden hype and suspect it might lose intensity in the coming months, leading to a normalization of the outperformance of AI-related stocks.

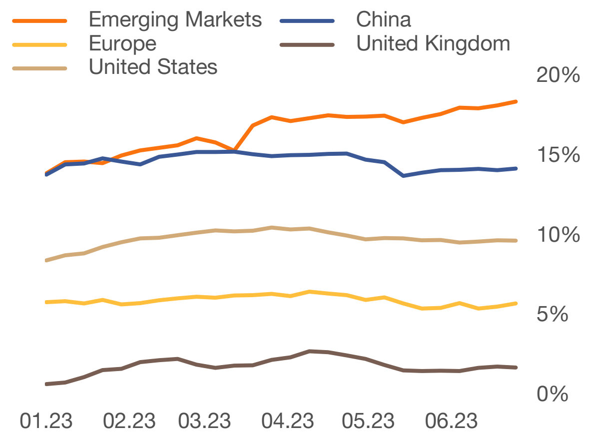
AI-related mega-cap growth stocks have outperformed YTD



Increasing investor complacency only compounds the fragile setup for DM equities. Despite the uncertainties related to the Fed's monetary tightening, growth concerns, war in Europe, and geopolitical tensions with China, many indicators are pointing to high complacency in the market. From a contrarian perspective, this warrants prudence because the sentiment pendulum could quickly shift the other way around and drag stocks lower. Positioning in equities has also substantially increased this year as investors got recession fatigue and chased stocks higher. The recent strong performance means incentives for profit-taking are high.

Going forward, we also see earnings expectations as being quite demanding in the context of high valuation for the US equity market. During the second quarter, forward 12-month earnings expectations for the S&P500 increased by 2.4% and by 3.2% for the Euro Stoxx index (Bloomberg data). In this, we see a sign that analysts have at least partially priced out recession risks, probably taking into account that economies have remained more resilient than expected on both sides of the Atlantic in H1. Moreover, for 2024, EPS growth estimates appear outright optimistic in our view: 10% in the US, 6% in Europe, and 14% in China. Because the bar is high for earnings expectations, we see little room for disappointment, even more so as US equities have already substantially rerated since last October low. The year-to-date gains for the S&P500 have been mainly driven by multiple expansion with the 12-month forward P/E ratio increasing by 14% while the 12-month forward EPS has only climbed by 0.9%.

Expected earnings growth in 2024



Although the macroeconomic backdrop remains uncertain over the medium-term, we do not expect the US economy to tip into recession in H2 given its recent resilience. We also see early signs that breadth might expand beyond mega cap growth. In fact, we see the pros and cons well balanced for equities going into Q3, and we still hold a neutral equity allocation. We remain neutral Eurozone and emerging equities, and we marginally underweight US equities in favor of global equities. In the US, we favor quality growth stocks at a reasonable price because they could benefit from potentially lower bond yields over the medium-term. We advise against chasing the "Magnificent 7" as they are prone to a correction. In Europe, we continue to find value stocks more attractive because yields might continue their ascent and as we see more upside for European financials.

In Emerging Markets (EM), we continue to overweight China, despite the reopening macro narrative having been somewhat souring lately, because we still find the growth profile of Chinese stocks very attractive given their cheap valuation.

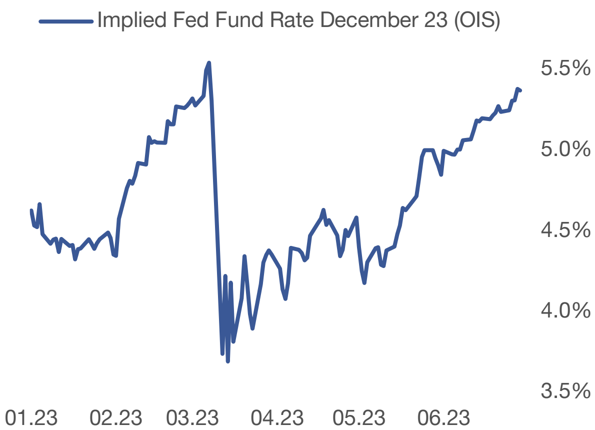
Chinese stocks remain cheap

Rates

Despite the Fed pausing at 5.25% In June, the short-term monetary outlook remains marginally hawkish as several Fed officials recently signaled the need for one or two supplementary rate hikes before finishing the job. Although we have no conviction that the Fed will tighten further, recent data continuing to point to a stubbornly tight labor market would justify such expectations.

Despite lingering uncertainty regarding the Fed's terminal rate, we believe it is nearing the end of its tightening cycle, and we expect lower yields along the USD curve over the next 12 months. With core inflationary pressures only slowly abating and the economy remaining resilient, the Fed should hold its peak policy rate longer than currently priced, at least for the rest of the year.

The pricing of the Fed has been volatile in 2023



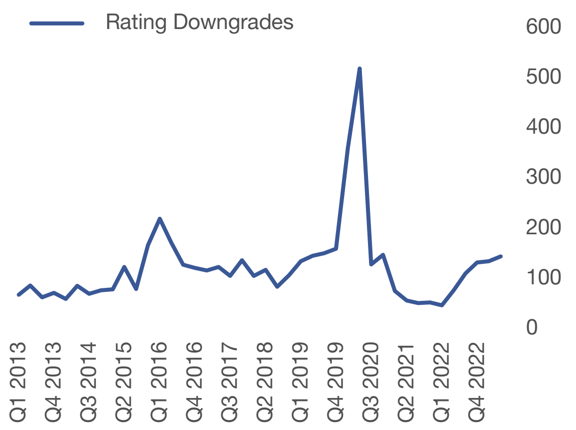
Although short-term US Treasury yields are likely peaking as the Fed is getting closer to its terminal rate, we believe that longer-term yields could also decline in the wake of the economy losing steam. In general, we believe it is appropriate to start lengthening duration. While it is tempting to overweight higher yielding short-term Treasuries, we like longer duration bonds to lock in the attractive carry and to benefit from a positive price effect stemming from potentially lower yields over the medium-term. We advocate for a barbell strategy, investing a part of the portfolio in short-duration bonds and another part in longer duration bonds, targeting a portfolio duration of 4–5 years.

We see euro rates following the same path as US rates, albeit with a one-quarter lag. We expect the ECB to hike at least two more times in H2, while the US Fed might already be done for this cycle. Inflation pressures in the Eurozone seem to be more entrenched and warrant some more normalization. This means EUR yields could marginally continue to climb and only later top out. Hence, we remain cautious on the long end of the EUR curve and favor short to medium maturities.

Credit

With the dramatic surge in sovereign yields over the past 18 months, both in the US and in the euro area, absolute yields on offer for corporate bonds have reached an attractive level. However, given the uncertain macro outlook, credit spreads could widen substantially in the context of slowing growth, rating downgrades, and increasing default rates. Thus, there are low incentives to go further down in credit quality to capture higher yields. We continue to favor Investment Grade (IG) bonds with strong fundamentals because they should be more immune to spread widening while their carry is high enough to cushion some of the eventual downside. On the other hand, despite compelling yield levels on high yield (HY), we deem spreads too tight compared with history and considering macroeconomic risks.

More room for credit fundamentals to further deteriorate



We are relatively constructive on emerging debt (EMD). Admittedly, the softer-than-expected reopening economic impulse in China and the still hawkish Fed are not great news for the asset class. That being said, we think we are nearing a turning point on both headwinds. Because the central banks in EM have, in general, tightened monetary policy before DM, they are ahead of the cycle and could start cutting rates in the coming quarters, sustaining local fixed income markets and reducing refinancing costs. However, the EMD complex is heterogeneous, so we find it hard to favor the entire asset class.

We do find value in selected EM issuers and in Asia IG Corporates given their high aggregate credit quality and attractive yield north of 7% for a duration below than 5 years.

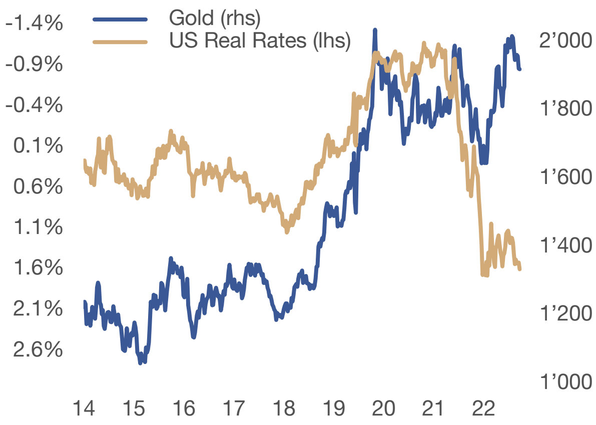
Currencies

Although the dollar index oscillated between gains of 2% and declines of 2% in H1, the greenback was soft, particularly against European FX (EUR, CHF, GBP). EURUSD has gained a little less than 2% in the first half of the year as the pair has been caught between cross-currents. On the one hand, a hawkish ECB amid continued core inflation risk in the euro area has supported the EUR. On the other hand, the USD kept benefiting from its advantageous carry and the pricing out of imminent rate cuts given the Fed's continued hawkish stance.

Going into H2, we continue to see the EUR benefiting from positive tailwinds. First, we expect the ECB to at least hike again by 25bp in July and September as underlying inflationary pressures are sticky. Second, with attractive absolute yields on euro-denominated fixed income and strong equity markets, we believe that capital flows into euro-denominated assets could support demand for the common currency. However, we expect any dollar weakness only to be moderate because most of the downward cyclical adjustment for the dollar has been done, in our view. Furthermore, the eventual pricing out of the expected rate cuts as soon as December 2023 could maintain the dollar yield advantage and act as powerful support. We see EURUSD breaking above 1.10 in Q3, but remaining range-bound between 1.10-1.15.

We continue to be skeptical about the prospects for gold in the medium-term. First, the yellow metal has recently decoupled from real interest rates, which have historically been a key determinant factor. Second, a reliable model based on 10-year real yields, the dollar index, and ETF bullion holdings is pointing to the fair price for gold being around $1600. In addition, technical analysis points to a triple top pattern at the $2075–$2050 resistance zone after the failed breakout of May. The two previous attempts led to an around 20% correction, and spot gold is currently not even halfway through from May top. Finally, in our view, the 15% surge of spot gold from March to May is attributable to the US banking turmoil. Although there is still lingering stress in the banking system, we believe the crisis has been well managed by US institutions, and we do not expect another episode of heightened volatility. Hence, we believe the recent safe haven demand for gold is likely to wane in the coming months. The trend in ETF bullion holdings has already started to decline as of late.

Gold has decoupled from real rates since 4Q22



Macro Convictions

- The US economy might still escape recession in the second part of the year
- The Fed is nearing peak rates and should not cut in 2023, barring a deeper than expected contraction
- US yields are topping out and lower yields in the medium-term should support growth stocks
- Despite attractive absolute yields, High Yield credit spreads are too tight given the macro risks
- In China, we expect only small scale and focused stimulus policies in the second half of 2023

Asset Class Views

	Less attractive	-----------------------	Neutral	-----------------------	More attractive
Sovereign		EUR Long Term ▶	USD Long Term	USD Short & Mid Term	
			EUR Short & Mid Term ▶		
Investment Grade		EUR Long Term	USD Long Term ▶	USD Short & Mid Term	
				EUR Short & Mid Term	
Other Fixed Income		High Yield	Emerging Debt		
		Convertibles			
		Financial Subordinated			
Equities			United States	China	
			Europe	US Biotech	
			Emerging Markets	US Industrials	
				US Large Cap Growth	
Alternative Investments		Gold		Multi Assets	
				HF CTA	
				HF Global Macro	
Currencies		USD	CHF	EUR	

◀▶ *Indicates the last change. Number of triangles indicates the movement magnitude*

Geographical Presence

CBH is present in Geneva, Zurich, London, Luxembourg, Israel, Hong Kong, Rio de Janeiro, São Paolo and The Bahamas. Due to its international exposure, it is under the consolidated supervision of the FINMA in Switzerland and its affiliated companies are supervised by the CSSF in Luxembourg, the FCA in the United Kingdom, the Central Bank of The Bahamas, the SFC in Hong Kong and the CVM in Brazil.

Geneva
Headquarter
CBH Bank
Bd Emile-Jaques-Dalcroze 7
P.O. Box
1211 Geneva 3, CH
cbhbank.com
t +41 22 839 01 00

Zurich
Branch Office
CBH Bank
Bahnhofstrasse 82
P.O. Box 1213
8021 Zurich, CH
cbhbank.com
t +41 44 218 15 15

Luxembourg
SICAV
1618 Investment Funds
106, route d'Arlon
L-8210 Mamer
Grand Duché de Luxembourg
1618am.com

London
Subsidiary
CBH Wealth UK Limited
2-4 Cork Street,
London W1S 3LG, UK
cbhbank.com
t +44 207 647 1300

Hong Kong
Subsidiary
CBH Asia Limited
Suite 2001, 20th Floor,
K11 ATELIER, 18-24
Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong, HK
cbhbank.com
t +852 2869 0801

Nassau
Subsidiary
CBH Bahamas Ltd.
CBH House, East Bay Street
P.O. Box N-1724
Nassau, N.P., Bahamas
cbhbank.com
t +1 242 394 61 61

Rio de Janeiro
Subsidiary
1618 Investimentos
Av. Ataulfo de Paiva,
204, Leblon, Rio de Janeiro/RJ
CEP: 22440-033, Brazil
1618investimentos.com
t +55 21 3993 6901

São Paolo
1618 Investimentos
Subsidiary
1618 Investimentos
Rua Iguatemi, 192
Itaim Bibi, São Paulo -SP
CEP: 01451-010, Brazil
1618investimentos.com
t +55 11 4550 4401

Tel Aviv
Representative Office
CBH Bank
Rehov Tuval 40
Ramat Gan
5252247 Israel
cbhbank.com
t +972 73 793 62 22

Disclaimer

This publication is for information purpose only and does not constitute any offer, inducement, and recommendation by CBH Compagnie Bancaire Helvétique SA or any other members of its group. Particularly, this publication does not constitute a prospectus, and the published information is not to be understood to be an offer of sale of any securities or an investment proposal of any kind.

It is general information based on proprietary knowledge, information furnished by third parties, and publicly accessible sources. It is not solely the result of independent financial research, therefore the legal requirements regarding the independence of financial research do not apply. The information and opinions expressed in this publication were published by CBH Compagnie Bancaire Helvétique SA, as of the date of writing and are subject to change without notice, in particular any prices indicated are current as of the date of this publication, and are also subject to change without notice.

Investments in the asset classes mentioned in this publication may not be suitable for all recipients and may not be available in all countries. This publication is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This publication has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Before entering into any transaction, investors should consider the suitability of the transaction to individual circumstances and objectives. Professional advice, including tax advice, should be sought if investors are in doubt. The value of investments and the income from them may fall as well as rise and is not guaranteed, therefore they may not get back the original amount invested; the value of an investment may fall suddenly and substantially; past performance is not a guide to future performance; and levels and basis of, and reliefs from, taxation may change from time to time. Changes in foreign exchange rates may have an adverse effect on the price, value or income of an investment.

Please note that the value of investments and the income from them may fall as well as rise and is not guaranteed, therefore they may not get back the original amount invested; the value of an investment may fall suddenly and substantially; past performance is not a guide to future performance; and levels and basis of, and reliefs from, taxation may change from time to time. Changes in foreign exchange rates may have an adverse effect on the price, value or income of an investment.

No representation is made with respect to the accuracy and completeness of this publication, and this publication should not be relied on. Possible errors or incompleteness of the information contained in this publication do not constitute grounds for liability. Neither Compagnie Bancaire Helvétique SA nor any other members of its group are liable for the information contained in this publication.

This publication may only be distributed in countries where its distribution is legally permitted by CBH's local entities. This publication is not directed to any person in any jurisdiction where (by reason of that person's nationality, residence or otherwise) such publications are prohibited.

Important Distribution Information

Switzerland - This publication is distributed by CBH Compagnie Bancaire Helvétique SA, an authorized and regulated entity by the Swiss Financial Market Supervisory Authority FINMA in Switzerland.

Bahamas - This publication is distributed to clients of CBH Bahamas Ltd. and is not intended for distribution to persons designated as a Bahamian citizen or resident for the purposes of the Bahamas Exchange Control Regulations and rules. Thus, it is only intended for persons who are designated or who are deemed non-residents.

Hong-Kong – This publication is distributed by CBH Compagnie Bancaire Helvétique SA, and is distributed by CBH Asia Limited on its own behalf to its clients. CBH Asia Limited is a company licensed with the Hong Kong Securities and Futures Commission (SFC), and registered with the Mandatory Provident Fund Schemes Authority (MPFA) and the Hong Kong Insurance Authority (IA).

UK - This publication is distributed to clients of and by CBH Wealth UK Limited, authorized and regulated in the United Kingdom by the Financial Conduct Authority [FRN 514546]. This document is intended for general information purposes, and not considered as investment research. For full information on CBH Wealth UK Limited communications, please visit our website or speak to your Relationship Manager.

United States - Neither this publication nor any copy thereof may be sent, taken into or distributed in the United States or to any us person.

This publication may contain information obtained from third parties, including ratings, scoring measures, prices and other data. Reproduction and distribution of third-party content in any form is prohibited except with the prior written permission of the related third-party. Third-party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third-party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third-party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content, including ratings. Credit ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the market value of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice.

All data as at July 10th, 2023
Published on July 11th, 2023

Creativity within Excellence

CBH | Compagnie Bancaire Helvétique

Asset Management
Boulevard Emile-Jaques-Dalcroze 7
P.O.Box
CH - 1211 Geneva 3

am@cbhbank.com
www.cbhbank.com