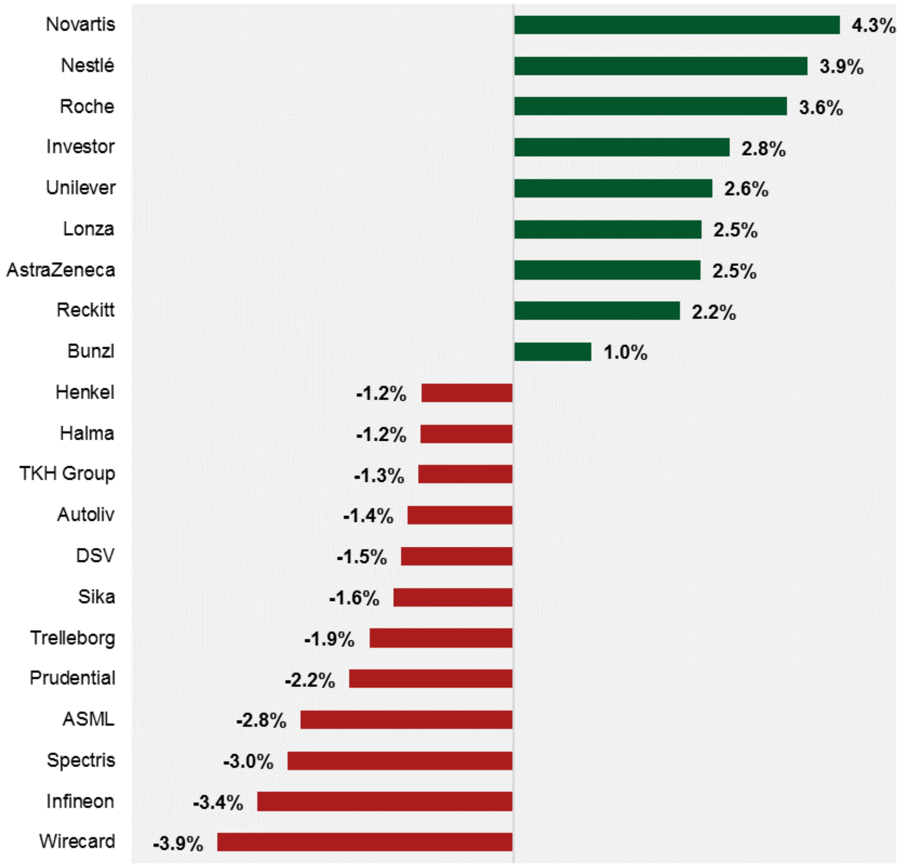
CB FONDER

Active | Ethical | Long-term

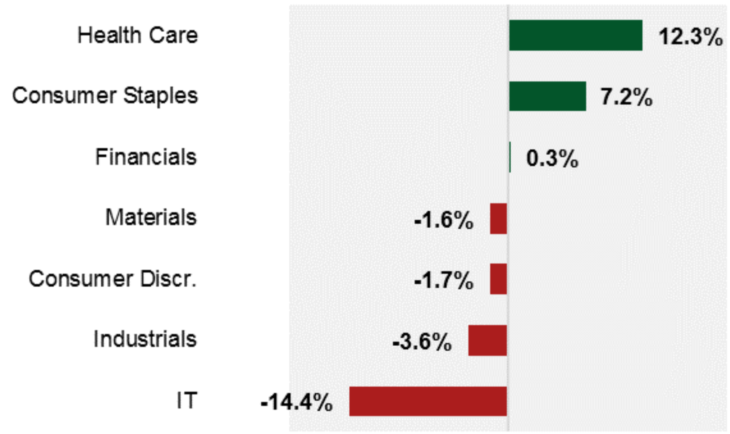
Rotation against quality

CB European Quality Fund

Larger changes in holdings, August 31 – October 31



Changes in sector exposure, August 31 – October 31

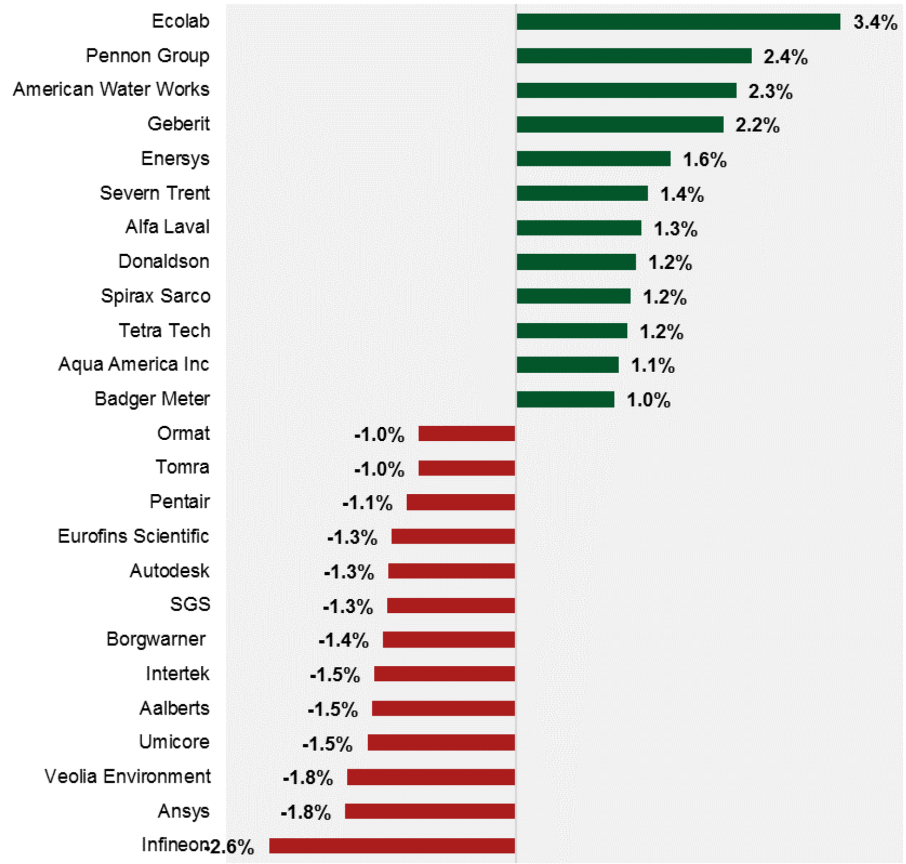


Source: CB Fonder

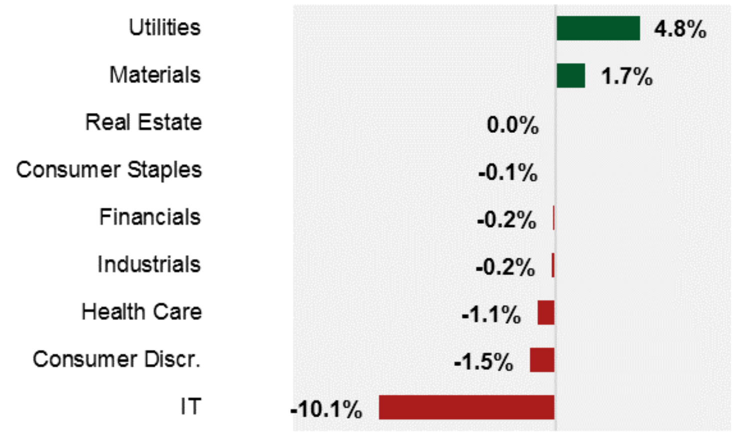
Rotation against quality

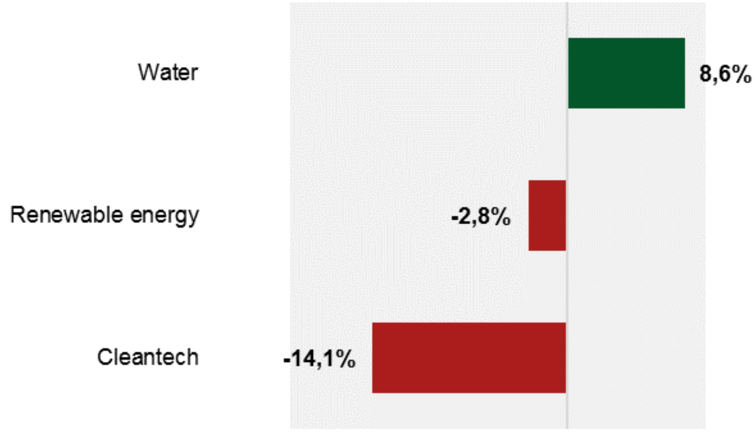
CB Save Earth Fund

Larger changes in holdings, August 31 – October 31



Changes in sector exposure, August 31 – October 31



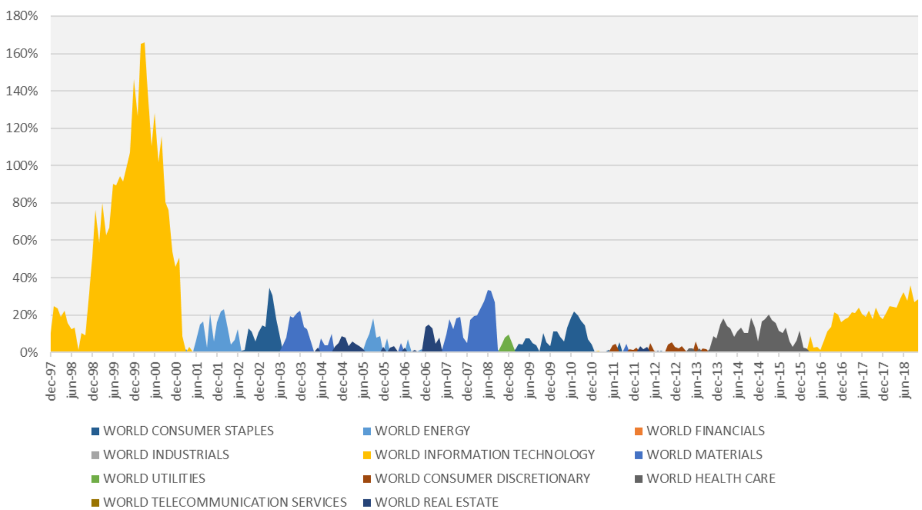


Source: CB Fonder

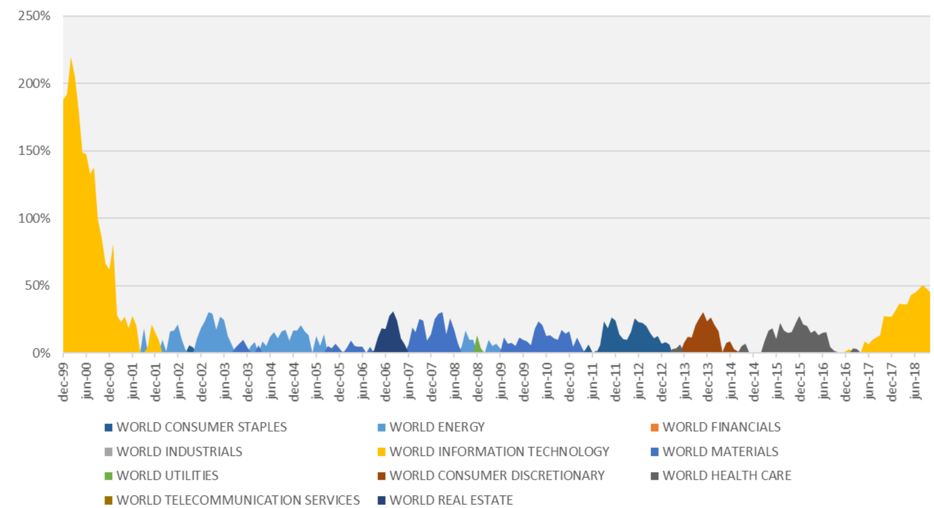
Rotation within sectors

- Aside from the IT-bubble, the IT sector has outperformed historically much and for a historically long period of time, both on a rolling 36 and 60 months.
- Since sectors tend to develop fairly similar to each other in the long term (mean reversion), there is reason to believe that another sector should begin to take over as the best sector – IT should face a relatively worse period, but that does not mean that the sector has to perform bad in absolute terms nor relative to the market.

Performance of the best sector, relative to the second best sector, rolling 36 months



Performance of the best sector, relative the second best sector, rolling 60 months



Source: MSCI, Bloomberg, CB Fonder

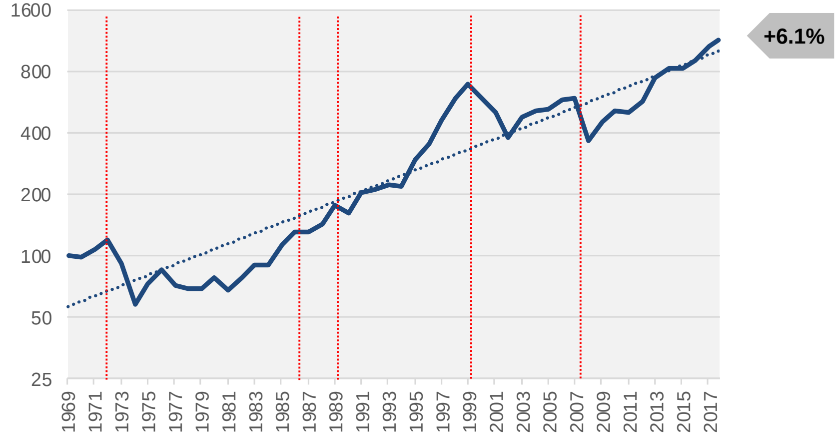
The market – long-term trend

Real return (inflation adjusted) and long-term trend (local curr., incl. div.)*

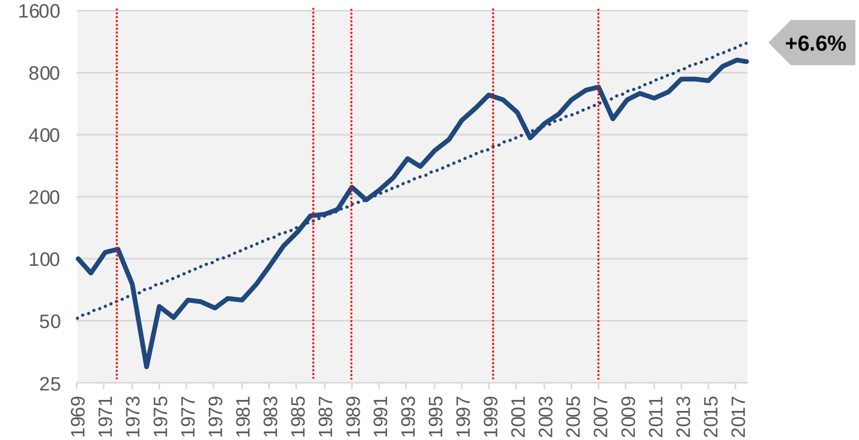
= Year before large drawdown

+X.X% = Long-term trend. Return p.a.

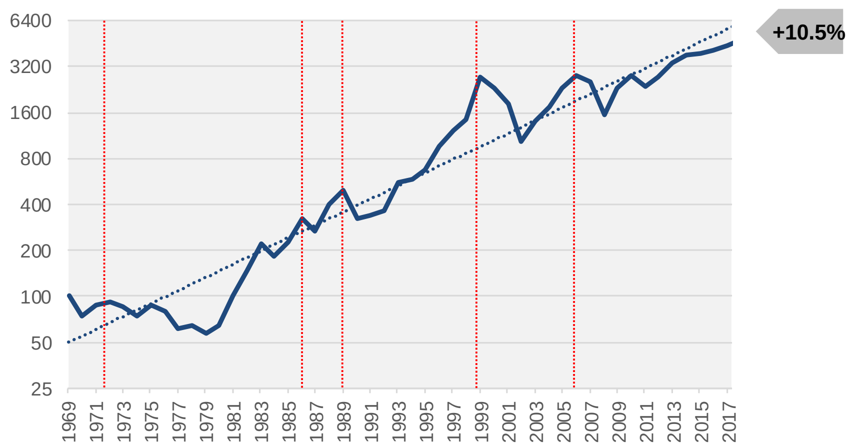
MSCI USA



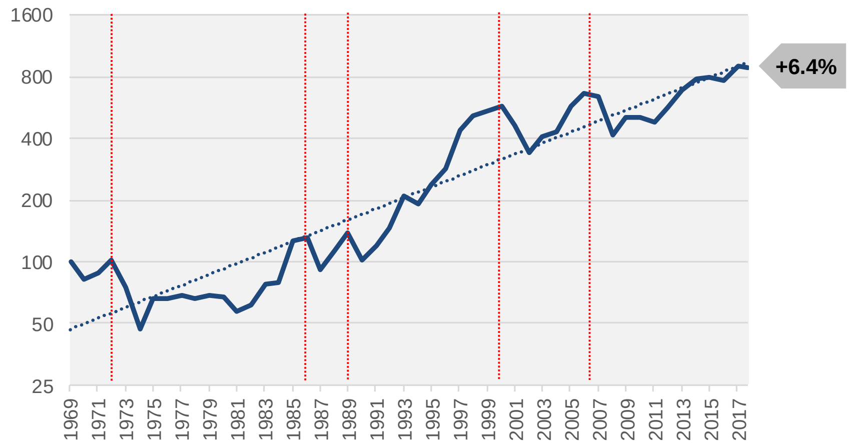
MSCI UK



MSCI Sweden



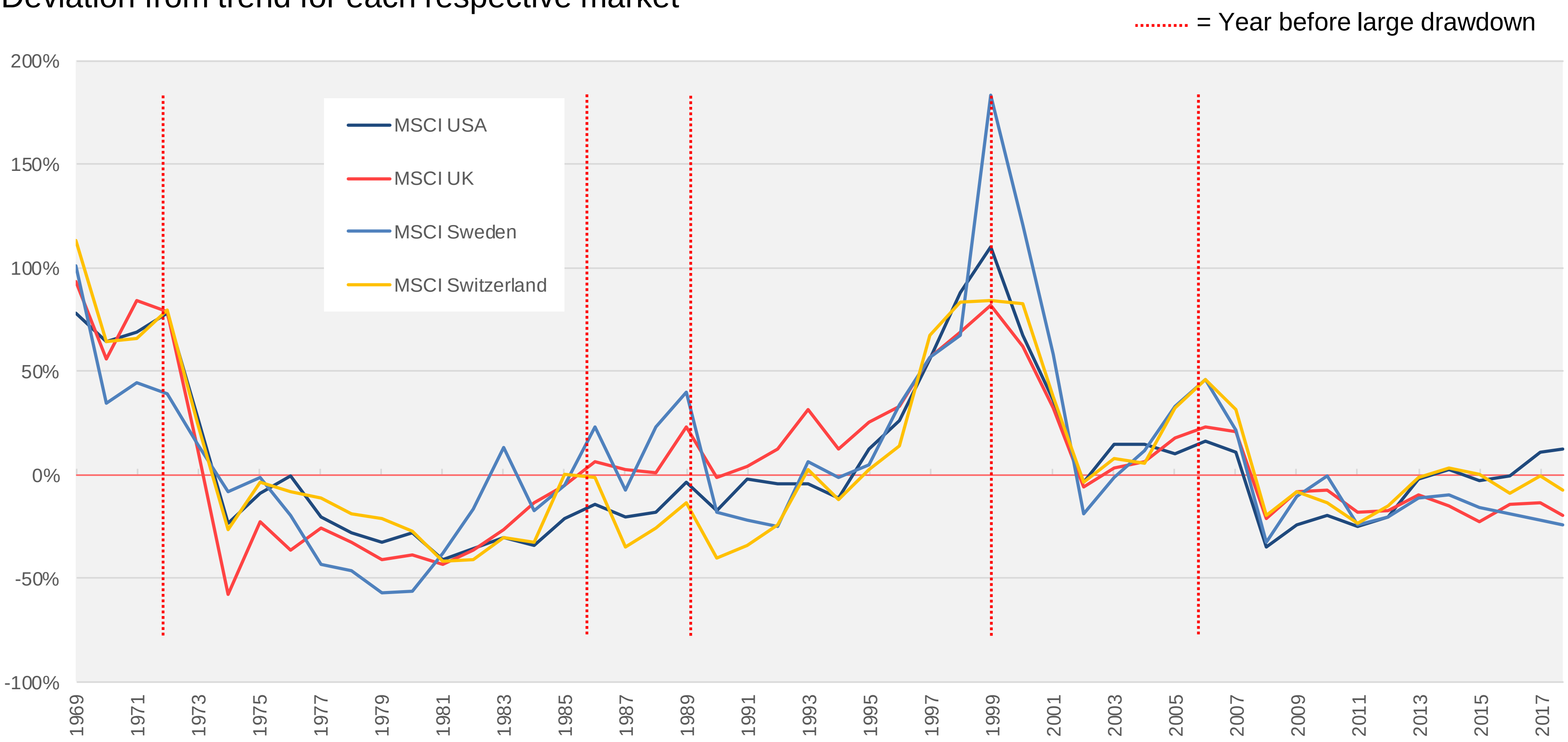
MSCI Switzerland



Source: MSCI, inflation.eu, CB Fonder
*Logarithmic scale

The market – long-term trend

Deviation from trend for each respective market



The years prior to large drawdowns (here: 1972, 1986, 1989, 1999, 2006), we have in 80% of the cases above seen a positive deviation from the long-term trend (>0% on the y-axis). Today only the U.S. deviates positively from the trend, but marginally. The current deviations are similar to those during the ‘70s and ’80s.

Source: MSCI, inflation.eu, CB Fonder

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