



INTRODUCTION TO CB CAPITAL RESEARCH

CB CAPITAL RESEARCH

- CB Capital Research is an independent research affiliate of CB Capital Partners. Our goal is to provide highly actionable, original, timely, and concise investment research to institutional clients. We strive to understand the transformative shifts in the global financial system/economy through identifying the unique motivations of major actors, and staying a step ahead of long-term trends. We believe this is the key to long-term investment success.

RESEARCH FOCUS AND PROCESS

- CB Capital Research brings a value-added relationship to our clients through a rigorous and proven investment process. We provide a monthly newsletter focused on long-term themes and timely focused research ideas as market events unfold. Our ideas are targeted to global macro funds, private wealth managers, or high net worth individuals. CB Capital Research has proven expertise in the following areas:
 - Global macro instruments and market timing
 - Global broad industry trends and timing
 - Global public and monetary policies
 - Long-term global economic and societal trends

LEADERSHIP

- CB Capital Research is headed by Henry To, CFA, CAIA, FRM. Henry was previously the Founder and Managing Partner of MarketThoughts LLC, an investment advisory service catering to global investors, including the world's largest hedge funds (e.g. Tudor Funds). Henry was also an Adjunct Professor at the UCLA Luskin School of Public Affairs. Henry received a BA in Mathematics and Economics from Rice University, an MBA in Finance and a Master's of Public Policy (MPP) in International Policy from UCLA.

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TRACK RECORD*

Short Position in Gold in early January 2013

- Initiated 12-month price target for gold at \$1,100-\$1,300 an ounce on January 25, 2013, when gold traded at \$1,660
- Accompanying newsletter was published several weeks ahead of similar calls by Goldman Sachs and Credit Suisse
- Remained generally bearish on gold into 2014 and 2015

Major Bottom in U.S. Stocks in late February 2009

- Shifted from a 100% to 125% long position in our U.S. market-timing system at DJIA 7,250
- Declared a major bull market was in place by March 2009 based on valuations, historically oversold conditions, positive technical divergences, highly bearish sentiment, and relative strength in market-leading retail stocks

Short Position in U.S. Stocks in October 2007

- Shifted to a net 50% short position in our U.S. market-timing system at DJIA 13,956, near the peak of the bull market in U.S. stocks
- Shorted due to slowing global earnings growth, along with negative divergences with U.S. small and mid-cap stocks not confirming the rally in U.S. mega and large cap stocks

Secular Bull Market in WTI Crude Oil in August 2004

- Became long-term bullish on crude oil prices due to maturing conventional fields, increased demand from China and India, and the lack of inventory growth
- With WTI at \$45 a barrel, we projected oil prices to reach \$80 or even \$100 a barrel over the next several years; with gasoline prices reaching US\$4.00 a gallon

Major Bottom in Precious Metals in Late 2000

- Asserted that the 20-year secular bear market in gold and silver prices ending due to Fed easing, the unprecedented U.S. current account deficit, and widespread capitulation among long-term precious metals investors
- Bought gold and silver coins at \$275 and \$4.75 an ounce, respectively

Major Peak in U.S. Technology Stocks in Early 2000

- Asserted that the structural bull market in U.S. stocks that began in 1982 was ending
- Sold all technology holdings went 100% short through LEAP put options on the NASDAQ's biggest companies

* Track record from MarketThoughts LLC and other publications