

AMC- C&S Volatility Opportunity Certificate

April 30, 2021

Strategy Description

The C&S Volatility Opportunity strategy is designed to produce good quality risk adjusted returns by focusing on options markets. Asset classes include equities, indices, commodities, interest rates and digital assets. The primary markets are the S&P500, Eurostoxx, DAX, Gold, Silver, Treasury Bonds and Treasury Notes. The objective is to produce absolute returns.

Positioning is opportunistic and depends on analysis of option volatility surfaces and maturity structures. Each of the markets has a deep and liquid options market traded on major exchanges. Positions can be delta long or delta short through options combinations.

Portfolio Comment

April performance was positive by 1.03%.

The goal when launching a new product is to ensure that any initial drawdown is kept to a minimum. Following the negative performance in March, this entailed a cautious approach to start the month of April. As P/L began to improve, risk appetite also increased. In the ideal world, a good performance in the first few months can create a P/L buffer which can then be utilized in the form of larger position sizes. This process began in late April and is continuing into May. One risk measure is net market value of options which has increased from 2.8% in March to 5.3% at the end of April. The goal is not to deploy cash quickly. The goal is to selectively increase risk by spending as little net premium as possible while still maintaining substantial upside.

The majority of the positive return in April was generated in S&P June call ratios. In March we identified the cheapest implied vols In May, June and July call options and sold more expensive options against them in a ratio. The value of these positions increased in April after suffering in March.

Call ratios and call spreads in the Nasdaq and the Russell 2000 performed negatively as these indices underperformed the S&P.

We also own S&P put butterflies with maturities in May, June and September. The butterfly sharply reduces the cost of an outright put. We further reduce the cost by financing the butterflies with short puts in a ratio at much lower strike prices, maintaining a small short delta. This technique has worked very well and the negative contribution of S&P puts and hedges has been modest at about -25bp, even though we have owned puts all the way up from March. The largest of the put butterflies is the Sept 4100-4000-3900 put fly. Most of the position cost has been financed by July puts way below the money. This position is designed to benefit from a scenario in which the uptrend in the S&P loses steam in the summer.

We used weakness in the price of Gold during April to increase our net long delta. The main positions are a December 2000-2200 Call ratio and an August 1900-2000-2100 Call butterfly. Both of these positions were doubled in size as we seized the opportunity to reduce the average costs.

In Silver we are positioned slightly net long. The main position is a July 25-27-29 call fly. This trade will benefit in the scenario in which Silver maintains its current range. We also have small net long delta call ratios in July and December maturities.

In the interest rate sector, we have owned put butterflies on the long bond futures and call butterflies on the Ten Year note futures. This position would benefit the most if the 30-10 yield difference would increase beyond 70bp. The 30-10 has been stuck in a range between 65bp and 70bp. So, the trade has not worked from that angle. However, small profits have accrued because of the butterfly positioning.

Current Figures

NAV	999.69
Issue Price	1000.00
Fund Launch	1st March 2021
12 months high	1000.00
12 months low	989.45
Number of positive months	1
Number of negative months	1
Cash	92%
Margin Utilization	48%
Issue Size	1.3 m

Certificate Facts

ISIN	CH0592028051
Valor	59020805
Strategy Manager	Cura & Senectus Investment AG, Vaduz
Issuer Company	Incorporated cell of Swiss Asset Segregated Platform: Asset Segregated SPV no. 26 Jersey
Paying Agent	ISP Securities AG, Zurich
Clearing / Settlement	Six SIS AG, Olten
Issue Date	1st March 2021
Issue Price	1000 USD
Price Calculation	Daily Buy/Sell only between working hours from 8 a.m. to 5 p.
Accounting Currency	USD
Minimum Investment	1 Certificate and multiples of 1 Certificates
Minimum Investment Amount at Issuance	USD 50'000
Management Fee	1.25% p.a.
Performance Fee	20% with high-water mark
Setup Fee	CHF 5000
Issuance Fee	100bps
Trading Frequency	Daily (secondary market) Private Placement Switzerland
Calculation Agent / Swiss Paying Agent	ISP Securities AG
Administration Fee	0.75% p.a.
Secondary Market Spread	Up to 100 bps
Offering	Private Placement for qualified investors ONLY Not for public distribution
Jurisdiction	Swiss law

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C&S VO Certificate Performance

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2021			-1.06%	1.03%									-0.01%
2022													

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