

# AMC- C&S Volatility Opportunity Certificate

August 31, 2021

## Strategy Description

The C&S Volatility Opportunity strategy is designed to produce quality risk adjusted returns by focusing on options markets. Asset classes include equities, indices, commodities and interest rates. 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

August performance was negative by 1.44%. This was driven primarily by losses in Gold, Silver and Treasury Bonds. Risk was reduced sharply in early August and then gradually re-built with emphasis on gold options.

**GOLD** - The price was volatile in August. During the first week of August, the Gold price was holding above support at \$1808. When this level broke on August 6th, we closed the majority of positions in Gold and Silver. This proved to be the correct move as the price moved sharply lower on August 9th-10th; this included a „flash crash“ in which the futures price fell to \$1678, before quickly recovering to \$1730. The Gold price then recovered to \$1775-\$1795, sharply outperforming Silver. The price has been subdued in late August with the result that implied volatilities have come down to their cheapest levels in three years. We have taken advantage of this to position in six month Gold option combinations which have potential to generate a 40% portfolio return by February. The net market value of these call options is 3.1% of NAV. There is a separate report on this trade which is available upon request.

**SILVER** - As Silver fell below \$25.25 on August 6th, the base case scenario changed and we closed 95% of the exposure. While there could be plenty of upside in Silver, the options markets is different in an important respect from that of Gold. The vol of vol in Silver is much higher; this means it is prudent to position in butterflies instead of in ratios. This results in higher net premium paid and therefore ,higher potential erosion. The greater opportunity is in Gold options and we have concentrated our effort there.

**SPX OPTIONS** - We purchased an October call ratio at a good level and are running this position. In addition we have a December put fly. The positions are small at 0.5% of NAV. This is by design as the potential return on margin is significantly higher in Gold options than in SPX options.

**US TEN YEAR NOTE and LONG BOND.** We currently have no position.

**OVERALL** - We reduced risk sharply on August 6th and over the following days. This discipline is in place to help ensure that a 5% loss did not get much worse. The portfolio is 96% in cash. The bulk of the risk is now in the Gold theme and we must be patient to see if a trend unfolds in our favour.

## Current Figures

NAV	951.40
Issue Price	1000.00
Fund Launch	1st March 2021
12 months high	1025.75
12 months low	951.40
Number of positive months	2
Number of negative months	4
Cash	96%
Margin Utilization	60%
Issue Size	0.9 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 - 8 am. to 5 pm.
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	0.50% p.a.
Secondary Market Spread	Up to 100 bps
Offering	Private Placement for qualified investors only Not for public distribution
Jurisdiction	Swiss law

**Subscription:** For subscription and trading details please contact ISP Securities AG.

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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%	2.61%	-4.67%	-1.28%	-1.44%					-4.86%
2022													

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