AMC- C&S Best Ideas Certificate

October 30 2026

Strategy Description

The objective of the C&S Best Ideas strategy is long-term capital appreciation and preservation of purchasing power. This is achieved through a portfolio which attempts to capture a very limited number of key macro themes with potential returns enhanced through derivative structures. All securities are liquid, exchange traded and transparent.

The initial theme of the portfolio is to capture the range bound nature of interest rate futures contracts which are tied to the Fed Funds Target Rate. In the US interest rate markets, the SOFR (Secured Overnight Financing Rate) is the contract utilized to express the market's expectations of Federal Reserve interest rate changes. The portfolio holds positions in interest rate derivatives including primarily SOFR futures and options.

Manager Comment

The key issue ahead of the Federal Reserve's October meeting was whether policymakers would continue to raise interest rates or leave them unchanged. Markets had been speculating about the possibility of a further rate hike, reflecting concerns that inflation remained stubbornly above the Fed's 2% target and that the US economy was proving more resilient than expected. Strong consumer spending, a relatively robust labour market and persistent price pressures had strengthened the argument for maintaining a restrictive monetary policy, while uncertainty over the economic outlook added to the debate.

At its October meeting, the Federal Open Market Committee (FOMC) voted 10–2 to leave the federal funds target range unchanged at 3.75%–4.00%. The decision reflected policymakers' concerns about persistent inflation and the resilience of economic activity. The two dissenting votes came from Governor Lisa Cook and Cleveland Fed President Beth Hammack, who favoured an immediate 0.25 percentage-point increase. The Fed's decision to hold rates steady therefore signaled a cautious approach, with policymakers preferring to assess incoming economic data before deciding whether further tightening would be necessary.

Risk Report

U20098440

Risk Limits	Current	Max	Min	
Delta 10Y FE	10.93	26.52	-26.52	**OK**
Gamma 10Y FE	-4.42	na	-53.05	**OK**
Theta % of acct / week	-0.43%	na	na	**OK**
Non Fixed Income NMV	2.7%	20.0%	na	**OK**
Margin/Equity	25.4%	80.0%	na	**OK**
Cash/Equity	83.9%	100.0%	20.0%	**OK**

Delta = Ten Year Futures Equivalents, duration adjusted

Gamma = localized change in TY FE Delta per 1% move in underlying.

Theta = percent of account per week. Negative = collecting

Non-Fixed Income NMV = Maximum net market value of non-fixed income positions

Margin/Equity = The amount of margin required to support the current positons

Cash = Maintain a minimum of 20%.

Certificate Facts

NAV	1113.59
Issue Price	1000.00
Fund Launch	20th August 2025
ISIN	CH1408701451
Strategy Manager	Cura & Senectus Investment AG, Vaduz
Issuer Company	Structuring Solutions PCC Ltd
Accounting Currency	USD
Management Fee	1.25%
Administration Fee	0.50%
Performance Fee	20% with hurdle and high-water mark

During October, we added to SOFR Call combinations which are designed for maximum profit if the Fed were to hike one more time before the end of the year. Following the October Fed decision, the interest rate markets adjusted to a less hawkish stance. We have now reset the hedging positions to reflect the current and likely ranges. But it is important to note that the recent pattern of returns has **not** been due primarily to directionality. Much more of the impact has been our expression of two themes: 1. We are long delta in the SOFR contracts to capture the roll to maturity. That is, the further out contracts (such as March and June) trade at a discount to front month SOFR futures. They tend to roll up toward the prevailing 3 Month T-Bill rate (sometimes with a one-month time lag). Hedges are expressed in short delta in TU and TY. 2. We position in the vol curves to be long lower implied vol and short higher implied vol. This exposure was marked against us in the recent period August 31st to Oct 22nd as shown in the table below. Note that, while the futures price declined by 23bp over this seven weeks, the long call declined in price (as expected) but the **short call actually increased in price** due to the sharp steepening of the vol curve. This sharp steepening of the vol curve is unusual but it also happened on Nov 2025. We hold on to such positions (or add to them) on the view that they will revert to intrinsic at expiry.

Option	31-Aug Price	22-Oct Price	Price Change
+ June 95.25 Call	0.62	0.48	Down .14
- June 97.00 Call	0.0475	0.0775	UP .03
SOFR June Future	95.72	95.49	Down .23

Reviewing the risk profile as shown, the Delta 10.93 means that through all the options combinations in SFR, TU and TY, the net delta is equivalent to + 10.93 Ten Year Futures Equivalents. This means that (assuming that all the positions move according to their duration and deltas) if the ten-year yield were to decline by 10bp from 4.98% to 4.88%, the portfolio would gain $10,930, or 0.9% of NAV. This is a reflection of the construction of the SFR trades in which we expect the SFR contracts to roll up the curve and therefore we hold a net long bias through call options. Against this, we are hedged about 50% through option combinations in TU and TY. For reference this hedge ratio averaged 70% to 90% during much of the bond market decline of the past six months. The hedge ratio construction reflects the more positive outlook for the core strategy. The Margin/Equity of 25.4% means we have lots of room to expand the portfolio as does the cash ratio of 83.9%.

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	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2025								0.79%	6.22%	-4.65%	3.55%	7.96%	**14.13%**
2026	4.79%	-5.58%	-0.41%	2.30%	-2.61%	-1.59%	+1.97%	-0.55%	-2.95%	2.62%			**-2.42%**

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