

Wermuth Global Crash Insurance Strategy

March 2019

Investment philosophy

The Wermuth Global Crash Insurance ("WGCI") applies a short-term, trend-following equity long/short model, focusing on highly liquid US listed securities. The strategy is designed to generate absolute returns and provide a fat tail risk protection. WGCI pursues a divest-invest strategy in that it does not go long any of "The Carbon Underground 200" names, but it does take short positions in them. The strategy is thus particularly well designed to do well in case of a global financial crisis caused by the bursting of the carbon bubble. The proprietary software allows fully automated trade execution at high speed. The combination of long and short strategies with an expected net exposure range of minus 100% to plus 100% allows the strategy to benefit from both rising and falling prices. The strategy is diversified among numerous long/short sub-strategies and, on average, 20-50 instruments that are selected from about 2,000 eligible single instruments. The main objective for this strategy is to achieve long-term capital growth with controlled risk. High volatility in the market, or in specific sectors or instruments, consistently delivers opportunities for this strategy to generate a return profile that tends to correlate with volatility. It is therefore useful for the diversification of clients' risk portfolios.

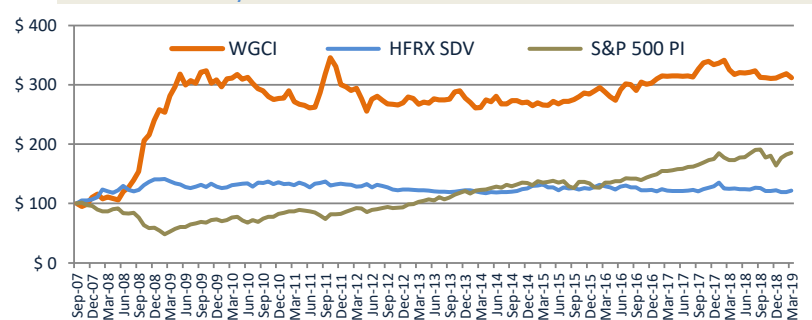
Monthly net returns

| Year | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | WGCI | S&P 500 | HFRX* YTD |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|-----------|
| 2019 | 1.25% | 1.03% | -2.16% | | | | | | | | | | 0.09% | 13.07% | -0.52% |
| 2018 | 0.64% | 1.52% | -4.62% | -2.44% | 0.99% | -0.29% | 0.48% | 0.60% | -3.26% | -0.23% | -0.53% | 0.31% | -6.80% | -6.24% | -5.08% |
| 2017 | 2.53% | 1.44% | -0.15% | 0.31% | -0.15% | -0.03% | 0.12% | -0.69% | 4.39% | 3.26% | 0.61% | -1.52% | 10.42% | 19.42% | 5.05% |
| 2016 | 1.83% | 1.97% | -2.61% | -2.60% | -2.30% | 6.43% | 3.50% | -0.40% | -3.28% | 4.80% | -1.24% | 0.57% | 6.30% | 9.54% | -1.44% |
| 2015 | -2.46% | 1.89% | -1.33% | -0.18% | 2.57% | -1.60% | 1.70% | -0.03% | 1.11% | 1.64% | 2.22% | -0.49% | 5.00% | 9.54% | -0.73% |
| 2014 | -2.58% | -3.34% | 0.12% | 4.96% | -1.18% | 3.50% | -4.51% | -0.05% | 2.07% | 0.05% | -1.48% | 0.57% | -2.25% | 11.39% | 2.72% |
| 2013 | 3.75% | -0.83% | -3.55% | 1.31% | -0.61% | 2.57% | -0.60% | -0.04% | 0.46% | 4.45% | 0.76% | -4.40% | 2.91% | 29.60% | -1.07% |
| 2012 | -1.18% | -2.22% | 1.27% | -5.93% | -7.61% | 7.88% | 1.90% | -2.54% | -2.14% | -0.30% | -0.37% | 1.30% | -10.29% | 13.41% | -7.40% |
| 2011 | 0.08% | 4.39% | -6.28% | -1.48% | -0.84% | -1.49% | 0.33% | 9.55% | 10.73% | 8.81% | -4.26% | -9.29% | 8.37% | 0.00% | -1.79% |
| 2010 | -3.66% | 4.45% | 0.44% | 1.94% | -2.44% | 0.89% | -3.38% | -2.70% | -1.35% | -3.39% | -1.75% | 0.81% | -10.01% | 12.78% | 6.02% |
| 2009 | 7.60% | -1.78% | 10.86% | 5.38% | 7.31% | -5.71% | 2.36% | -1.47% | 6.17% | 0.77% | -6.42% | 1.74% | 28.34% | 22.97% | -9.04% |
| 2008 | 4.76% | -6.67% | 3.06% | -2.39% | -2.25% | 13.44% | 5.31% | 9.73% | 10.80% | 33.65% | 4.91% | 11.11% | 117.57% | -38.20% | 31.55% |
| 2007 | | | | | | | | | | -4.98% | 4.04% | 11.61% | 10.33% | -3.90% | 7.15% |

Important Note: All returns shown are based on real trading. For the period October 2008 to December 2013 KPMG audit reports are available. Numbers reflect \$ returns. All historical returns shown are net of trading costs, management and performance fees and 0.21% of other fees, including director fees, administration fees, audit fees etc.

| Monthly return statistics | WGCI | HFRX* | S&P 500 |
|-----------------------------|--------|--------|---------|
| Total compounded return | 211.7% | 21.9% | 85.6% |
| Compound annual growth rate | 10.4% | 1.7% | 5.5% |
| Best month | 33.6% | 11.6% | 10.8% |
| Worst month | -9.3% | -7.4% | -17.0% |
| Percentage of up months | 52.9% | 50.7% | 63.8% |
| Percentage of down months | 47.1% | 49.3% | 36.2% |
| Standard deviation | 17.1% | 9.1% | 15.0% |
| Sharpe ratio | 0.61 | 0.19 | 0.37 |
| Sortino ratio | 1.46 | 0.34 | 0.45 |
| Correlation WQGS with | 1.00 | 0.10 | -0.23 |
| Skewness | 2.47 | 0.58 | -0.78 |
| Maximum drawdown | -26.1% | -16.9% | -52.6% |

WGCI vs HFRX Systematic Diversified CTA Index*



General information

| | |
|--------------------|-------------------------------|
| Investment adviser | Wermuth Asset Management GmbH |
| Currency | US Dollar ("\$\$") |
| Management fees | 2% |
| Performance fees | 20%, HWM |

*HFRX Systematic Diversified CTA Index (Bloomberg ticker: HFRXSDV) is an index of hedge funds which use systematic, mostly trend-following strategies as a basis of the investment process. HFRX is a family of hedge fund indices calculated by Hedge Fund Research, Inc. (HFR). CTA stands for Commodity Trading Advisors.

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Comparison to peers: Jan 2008 - March 2019

