

# Wermuth Global Crash Insurance Strategy

## December 2020

### 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.

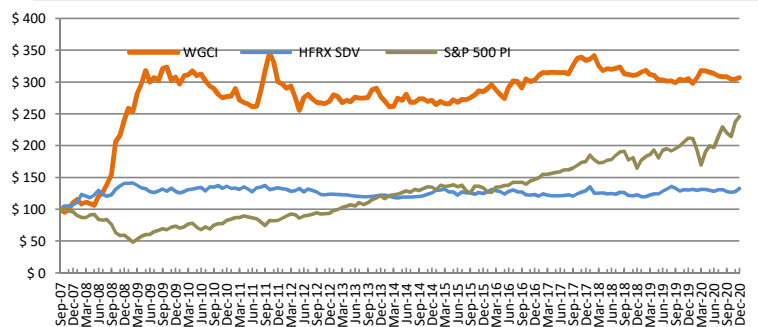
### Monthly net returns

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	WGCI	S&P 500	HFRX* YTD
2020	-2.37%	2.89%	3.78%	-0.21%	-0.63%	-0.58%	-1.31%	-0.40%	0.02%	-2.80%	0.02%	0.75%	-1.01%	16.26%	1.84%
2019	1.25%	1.03%	-2.16%	-0.46%	-0.73%	0.06%	-0.72%	0.27%	-1.15%	1.99%	-0.66%	0.87%	-0.47%	28.88%	6.13%
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%	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	206.8%	32.4%	146.0%
Compound annual growth rate	8.8%	2.1%	7.0%
Best month	33.6%	11.6%	12.7%
Worst month	-9.3%	-7.4%	-17.0%
Percentage of up months	51.6%	50.3%	63.5%
Percentage of down months	48.4%	49.7%	36.5%
Standard deviation	16.1%	8.8%	16.0%
Sharpe ratio	54.9%	24.5%	43.9%
Sortino ratio	128.9%	43.0%	56.5%
Correlation with WQGS	100.0%	9.3%	-22.4%
Skewness	265.2%	54.5%	-60.5%
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.

*NOTE: This document does not constitute an offer to invest or a solicitation of an offer to invest in this strategy in any jurisdiction in which an offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation and is for information purposes only. The value of the investment may go down as well as up and investors may get back less cash than originally invested. Past performance is not necessarily a guide to future performance. An investment in the strategy in whatever form is not the same as a deposit with a banking institution. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.*

### Comparison to peers: Jan 2008 - December 2020

