

# Wermuth Eastern Europe Long/Short Strategy

## September 2021

### Investment philosophy

The Wermuth Eastern Europe Long/Short Strategy ("WEELS") applies a long-biased, trend-following equity long/short model focusing on Russian equities. It is a "fossil free" or "divest-invest" strategy in that no investments will be made on the long-side into companies engaged mainly in the exploration and production of fossil fuels or holding some of the largest fossil fuel reserves in terms of CO2. On the other hand, short positions in fossil fuel companies will be taken, earning money as the global energy transition to renewables takes place. The proprietary software driving the strategy allows fully automated trade execution at high speed. It takes the lessons learned from 20 years of trading and enforces execution with reduced possibility of human error or interference by emotional attachment to certain positions. The combination of long and short strategies with an expected net exposure range of minus 60% to plus 200% allows the strategy to benefit from both rising and falling markets. 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, consistently delivers opportunities for this strategy to generate returns.

### Monthly net returns

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	WEELS	RTSI\$*
2021	3.72%	-0.15%	2.90%	-0.60%	3.00%	2.54%	-2.39%	-0.08%	5.76%				15.40%	28.13%
2020	1.31%	1.27%	-0.83%	5.20%	3.87%	-2.47%	-3.25%	0.35%	-0.54%	-0.72%	9.44%	5.95%	20.52%	-10.42%
2019	-1.12%	-2.89%	1.32%	3.33%	3.43%	2.73%	0.96%	1.11%	-0.42%	6.84%	-0.40%	5.77%	22.22%	44.93%
2018	-1.12%	-1.75%	-4.35%	6.72%	-2.93%	3.88%	3.16%	-0.57%	7.83%	-6.89%	1.03%	-2.92%	16.15%	-7.42%
2017	-0.77%	-2.43%	-1.82%	-0.57%	-7.88%	-3.82%	-6.00%	8.13%	1.39%	-1.54%	5.45%	-3.09%	-13.15%	0.18%
2016	2.28%	-0.39%	11.76%	8.44%	-4.95%	-0.22%	0.21%	1.22%	2.79%	-1.20%	2.74%	12.07%	38.90%	52.22%
2015	2.26%	3.79%	0.65%	11.27%	-8.04%	-1.30%	0.68%	3.54%	-4.62%	5.77%	1.47%	0.53%	15.75%	-4.26%
2014	-3.40%	2.52%	-0.16%	-7.23%	10.48%	0.33%	-2.37%	-1.38%	-3.16%	1.59%	3.84%	7.24%	7.24%	-45.17%
2013	2.04%	-7.32%	-1.91%	-1.48%	-6.20%	-0.76%	3.31%	-2.29%	8.70%	0.03%	-5.35%	2.14%	-9.74%	-5.77%
2012	6.61%	4.49%	-3.68%	-4.39%	-8.35%	2.48%	0.48%	-5.63%	2.72%	-4.91%	1.10%	7.40%	-3.11%	10.75%
2011	8.57%	5.19%	1.27%	-0.58%	1.08%	-2.37%	-1.12%	-2.06%	-1.23%	16.09%	-2.28%	-9.94%	10.89%	-21.94%
2010	1.80%	-5.55%	5.07%	-4.21%	2.74%	-10.40%	4.02%	-11.41%	0.32%	5.81%	-4.56%	12.77%	-6.22%	22.54%
2009	0.58%	10.71%	30.27%	21.27%	50.02%	-15.03%	2.41%	-4.75%	10.77%	5.01%	-6.18%	9.23%	160.78%	128.62%
2008	-6.52%	5.00%	-4.51%	-4.31%	15.64%	-7.18%	-2.66%	-3.24%	2.86%	11.08%	-21.04%	4.44%	-14.56%	-72.41%
2007	0.32%	1.72%	3.84%	3.99%	-0.56%	6.83%	5.54%	-6.53%	7.98%	3.80%	0.14%	-0.28%	29.27%	19.18%
2006	19.60%	11.57%	0.05%	17.74%	6.16%	12.24%	-1.70%	-2.71%	-2.72%	-2.48%	8.79%	8.56%	100.69%	70.75%
2005									18.70%	3.64%	9.75%	1.97%	37.67%	27.61%

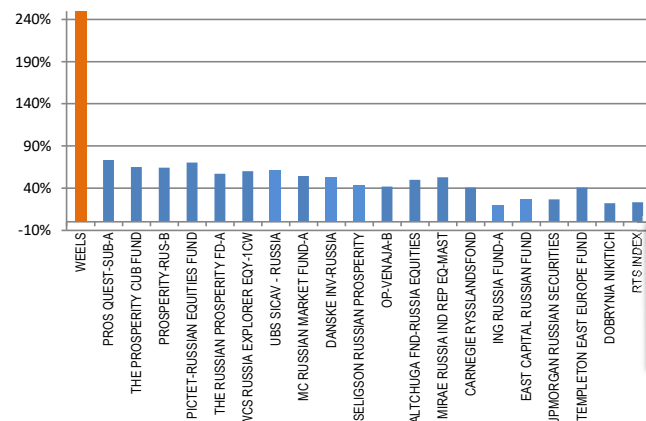
Important Note: The performance figures till April 2011 are the actual performance record of a previously managed strategy, adjusted for the current leverage, fee and currency hedging structure. Performance numbers since August 2011 have been audited. Numbers reflect \$ returns. Returns shown are net of trading costs, management and performance fees and 0.21% of other fees.

### Monthly return statistics

	WEELS	RTSI\$*
Total compounded return	2039.5%	101.6%
Compound annual growth rate	21.0%	4.5%
Standard deviation	25.4%	31.9%
Sharpe ratio	0.83	0.14
Sortino ratio	1.72	0.20
Maximum drawdown	-29.4%	-78.2%

Investment adviser: Wermuth Asset Management GmbH  
 Currency: US Dollar ("\$\$")  
 Fees: 2% Mgt fee, 20% perf fee, subject to HWM  
 Liquidity: daily

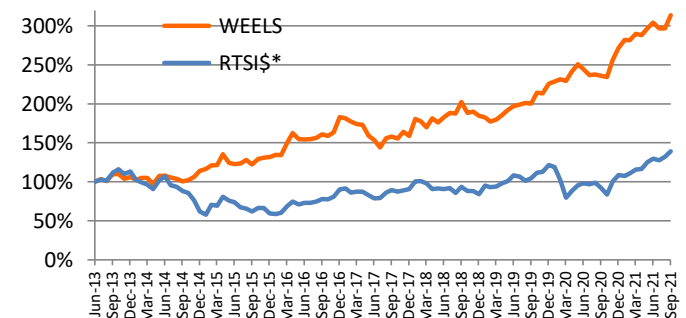
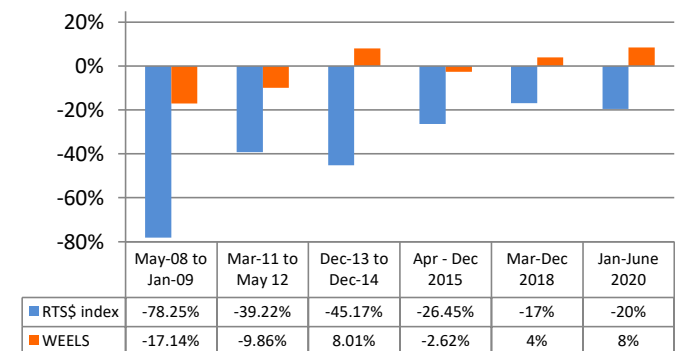
### Eastern Europe Peers' performance since 2014\*\*



\*RTSI\$ is the Russian Trading System Cash Index, calculated in \$

\*\* Source: WAM analysis, Bloomberg hedge fund screen, Jan 2014 - September 2021

### WEELS vs RTSI\$\*



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