

# WAVEFRONT ALL-WEATHER FUND L.P.

Fundserv Code: WAF100



The WaveFront All-Weather Fund L.P. is an absolute return fund designed to produce stable, superior returns through both favorable and unfavorable economic and market conditions.



#### Research Driven

Broad application of WaveFront's robust research capabilities



#### Quantitative Multi-asset

Optimal assembly of core asset classes via quantitative approach



#### Long-Term Growth

Seeks long-term returns uncorrelated to traditional investments



#### Special Situations

Overlaid exposure to unique, high return opportunities

## PERFORMANCE SUMMARY

| Average Return (%)              | 3 MOS | YTD   | 1 YR  | 3 YR | INCEPTION |
|---------------------------------|-------|-------|-------|------|-----------|
| WaveFront All-Weather           | -1.66 | -3.76 | -0.04 | -    | 10.32     |
| HFRI Composite Hedge Fund Index | -1.09 | -6.67 | -6.26 | -    | 5.75      |

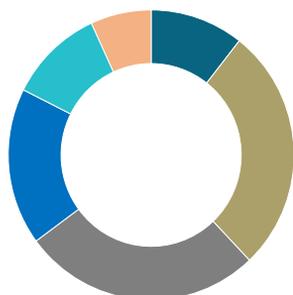
*Note: Annualized if greater than a year*

## Monthly Performance (%)

|      | Jan  | Feb  | Mar  | Apr | May  | Jun  | Jul | Aug  | Sep  | Oct  | Nov  | Dec | YTD   |
|------|------|------|------|-----|------|------|-----|------|------|------|------|-----|-------|
| 2022 | -3.4 | 4.4  | 3.4  | 0.5 | -4.4 | -2.3 | 0.3 | 0.3  | -2.3 |      |      |     | -3.76 |
| 2021 | 0.0  | -0.3 | -2.7 | 2.5 | 3.3  | -1.1 | 1.0 | 0.3  | -0.9 | 4.3  | -2.4 | 2.0 | 5.98  |
| 2020 | 5.2  | 1.8  | 6.7  | 4.7 | -0.9 | 1.2  | 8.2 | -0.6 | -4.4 | -0.8 | 0.7  | 4.5 | 28.89 |
| 2019 |      |      |      |     |      |      |     |      |      |      |      | 0.5 | 0.46  |

## PORTFOLIO SUMMARY (AS OF SEPTEMBER 30, 2021)

### Asset Allocation



|                       | Portfolio % |
|-----------------------|-------------|
| ● Global Equity       | 10.58       |
| ● Gold                | 27.35       |
| ● Diversified Futures | 26.96       |
| ● Fixed Income        | 17.52       |
| ● Real Estate         | 10.73       |
| ● Special Situations  | 6.86        |

September 2022

## Recent Monthly Performance\*

WaveFront: -2.3% HFRI HF Comp: -2.8%

## Investment Objective

Stable, superior returns through both favorable and unfavorable economic and market conditions.

## Investment Strategy

The Fund pursues return stability by diversifying across multiple uncorrelated and complimentary global asset classes and strategies. Asset classes include equities, real-estate, fixed income, Gold and other commodities and currencies. Investment strategies include value, momentum, macro and options-based strategies.

Superior returns are sought through portfolio tilts driven by macroeconomic factors and quantitative measures of risk and return. In addition, 'Special Situation' investments are overlaid onto the core portfolio when generally overlooked market disequilibria that offer the potential for low risk and high returns are identified.

## Fund Terms & Admin

|                    |                    |
|--------------------|--------------------|
| Inception:         | 12/1/2019          |
| Management Fee:    | 1.0%               |
| Profit Allocation: | 10%                |
| Min. Investment:   | \$5,000            |
| Auditors:          | KPMG LLP           |
| Administrator:     | SGGG Fund Services |
| Prime Broker:      | BMO Nesbitt Burns  |
| Legal Counsel:     | Fogler Rubinoff    |
| Fundserv Code:     | WAF100             |

\*PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

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## Risk & Return Characteristics

|                                      | WaveFront | HFRI HF Comp. | Difference |
|--------------------------------------|-----------|---------------|------------|
| Total Cumulative Return              | 32.06%    | 17.16%        | +14.91%    |
| Compound Annual Return               | 10.32%    | 5.75%         | +4.57%     |
| Standard Deviation                   | 10.64%    | 9.35%         | +1.30%     |
| Downside Deviation                   | 5.21%     | 6.39%         | -1.18%     |
| Sharpe Ratio                         | 0.97      | 0.61          | +0.35      |
| Sortino Ratio                        | 1.98      | 0.90          | +1.08      |
| Maximum Peak-to-trough Drawdown      | -8.21%    | -11.55%       | +3.34%     |
| Correlation to Equities <sup>1</sup> | 0.19      | 0.89          | -0.70      |

## Attribution (bps)

|     | Global Equity | Gold | Diversified Futures | Fixed Income | Real Estate | Special Situations |
|-----|---------------|------|---------------------|--------------|-------------|--------------------|
| MTD | ▼62           | ▼121 | ▲329                | ▼361         | ▼165        | ▲152               |
| QTD | ▼58           | ▼190 | ▲282                | ▼265         | ▼149        | ▲214               |

## Investment Team



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## Growth of \$100,000



**Performance Information:** PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Returns herein are calculated from gross returns of the WaveFront All-Weather Fund (the "Fund"), net of a 1% annual management fee and 10% General Partner profit allocation, as well as all trading, administrative and other actual and accrued Fund expenses.

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## MONTHLY COMMENTARY & HIGHLIGHTS

### Global Equity

Global equity detracted marginally in September as the Fund's positions in Nasdaq and China A50 futures declined. Equity benchmarks finished the month (and Q3) on a negative note, with the S&P 500 and the Nasdaq both closing at their lowest levels of the year. The Fund remains slightly underweight due to weak macro and economic conditions including moderating US economic growth against a backdrop of tightening financial conditions.

### Real Estate

Real Estate contributed negatively to overall net return in September and has endured declines in 6 of the first 8 months of 2022. Although the Fund remains underweight the asset class, rationale for commercial and industrial exposure remains intact - as a source of uncorrelated risk-on return. Despite the recent drawdown however, the Fund's utilization of its multi-factor REIT selection model has still outperformed passive alternatives year-to-date.

### Gold

The Fund's gold exposure contributed negatively in September as prices declined for the sixth consecutive month on the back of a surging US dollar and higher bond yields. The Fund's allocation to Gold remains at baseline levels. Gold's inclusion, as an effective hedge against unanticipated economic shocks and an excellent source of rebalancing premium is unchanged. Exposure to Gold will continue to be highly liquid, cost-effective, cash-efficient futures for the foreseeable future.

### Fixed Income

Fixed income was the largest net detractor to performance in September, as the asset class continues to decline in response to rising interest rates, but now with a more pronounced backdrop of slowing economic growth. The Fund's allocation to fixed income has been reduced substantially on a cash basis due to increased volatility, while exposure via long-dated TIPS remains unchanged. While we expect more volatility in the asset class ahead, the diversification properties, and potential for slower growth continue to support inclusion, and rebalancing into the asset class will accelerate if volatility tapers off.

### Diversified Futures

Diversified global futures exposure was the largest positive contributor to performance this month as trend-based strategies continued to outperform. Allocation to the asset class remains at baseline, however rebalancing out of Diversified Futures (due to relative outperformance), has been ongoing.

### Special Situations

The Fund's special situation exposure was the second largest positive contributor to performance in September, as European interbank lending rates continued to rise, and active management of the exposure level has become increasingly important. The research team continues to explore additional exposures that have the potential for unique, low risk, high return investment opportunities.



WaveFront Global Asset Management Corp. is a privately-owned global asset management company based in Toronto, Canada. WaveFront's highly experienced team of investment professionals, bolstered by research relationships with faculty at the University of Waterloo and Princeton University, help us seek to deliver consistent and stable returns through various market and economic conditions.

For more information, please visit [www.wavefrontgam.com](http://www.wavefrontgam.com)