



Elevation Capital Fund

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## Monthly Report

March 2022

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For Professional Investors Only



## Elevation Strategy Description

This strategy covers the highest volume equities, bonds, currencies and commodity futures and spot FX pairs. It automatically scans for and selects the best trades meeting our criteria for multiple timeframes (from 15 mins to 1 month). Our risk management, which uses predetermined caps and moderate use of leverage, is designed to deliver an attractive return with controlled risk and low equity drawdown. Before placing an identified trade, it evaluates if correlated trades are already live and will not allow over concentrated risk exposure to similar profile of trades. All trades are placed with risk management in place in terms of size and stop-loss and take-profit limit orders. Overall strategy leverage and liquidity (usually 50% max) and maximum number of active positions (4 to 5) are enforced and 90% of trading days finish with a flat trading book (minimising overnight risk).

### Net Returns

Mar 2022 **0.68%**  
 YTD 2022 **2.48%**  
 Last 12 Months Total Return 18.47%  
 (Elevation Tech AATS)

### Mar 2022 Highlights

Max Drawdown **0.97%**  
 Sharpe Ratio **2.00**  
 Standard Deviation **0.46%**

## Monthly Commentary

### Macro Economic / Geopolitical

Inflation continues to spike higher everywhere, driven by higher commodity prices across the board and that has triggered monetary authorities to start tightening. The major question is if this inflation is transitory, due to post covid-19 imbalances and supply chain disruption or more persistent due to supply shocks driven by sanctions on Russia and loss of access to Ukrainian production. The Ukraine crisis and western sanctions on Russia are unprecedented in scale with freezing of Russian assets including central bank reserves and the removal of most Russian banks from the SWIFT global payments system, will have many effects both intentional and unintentional, both in factory input costs and energy supply. The US inflation report put the headline year on year at 7.9%, and this number is probably yet to feel the full effect. Eurozone inflation is close behind at 7.5% up from 5.9%. Food inflation

and its consequences are the one to keep an eye on as both the loss of Russia / Ukrainian wheat production and the supply of fertiliser are set to hamper world wide agricultural production. Already some countries are seeing public protests at the price rises.

### Markets

The month started with high levels of uncertainty due to the conflict in Ukraine. The Fed tightened in March, the first since before the covid crisis. This possibly signals that this was already decided ahead of events in Ukraine as the 7.9% (and 6.4% ex Energy and Food) US inflation report meant that existing inflation due to the covid supply imbalances. The Fed's rhetoric has also shifted from 'transitory' to 'stubborn' inflation. So with 6 more rate rises implied and with the yield curve flattening it is hard to see major asset classes like stocks and bonds doing well until the market can see

the light at the end of the 'rate tightening' tunnel. The US 2Y/10Y treasury yield spread narrowed from 150bps to 4bps at time of writing, which if this turns negative a recession normally follows within the next 2 years. The SP500 staged a recovery from the lows of February, mainly as value and cyclical became in focus along with utilities and energy stocks.

### Our Performance

Our AATS delivered a net return of 0.68% for the month. The big picture geo-political and the markets are at a crossroads, which can lead to mixed signals and increased volatility which are not ideal. Our monthly Sharpe ratio is 2.0 which is 2 units of return for every 1 unit of volatility risk. This gives us a positive risk/reward profile and a 1st quarter performance of 2.48%.

Historical Monthly Return of the AATS employed in this strategy Elevation Technologies\*.

Returns	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.99%	0.81%	0.68%										2.48%
2021	3.46%	2.16%	1.49%	2.76%	2.20%	2.92%	1.35%	1.27%	1.26%	-0.29%	1.88%	2.64%	23.10%
2020	0.74%	4.28%	3.04%	1.45%	3.19%	1.91%	4.89%	2.85%	1.50%	5.82%	1.64%	1.62%	32.93%
2019	4.47%	2.84%	4.03%	2.54%	2.91%	-2.57%	2.95%	0.94%	1.40%	-1.31%	1.99%	1.04%	21.23%
2018	0.57%	2.91%	-0.57%	3.71%	0.27%	1.87%	0.59%	2.49%	0.04%	1.02%	-0.12%	1.37%	14.15%
2017	9.47%	5.84%	4.03%	1.54%	1.91%	1.61%	1.57%	0.71%	0.04%	0.16%	1.22%	1.25%	29.35%

\*the performance history of the AATS predates the inception of ECF, i.e. going back to 2017.



## Fund Facts

Fund Base Currency	Euro
Minimum Subscription	Euro 125,000
Minimum Subsequent Subscription	Euro 100,000
Subscriptions	Monthly
Liquidity	Monthly (15 business days' notice)
Lock-up	120 days
Management Fee	2%
Performance Fee	30% Class A / 20% Class B (with High-Water Mark)
Hurdle Rate	2% Quarterly (with High-Water Mark)
Entry Fee	1%
Clearing Broker House	INTERACTIVE BROKERS
Fund Administrator	AMICORP - Luxembourg
Legal Advisor	BSP - Luxembourg
Auditors	PWC - Luxembourg
Global Infrastructure	AMAZON AWS

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