



THIRTY EIGHT CRESCENT

A S S E T M A N A G E M E N T

Alpha Seekers_SG

Uday Sharma
Sonakshi Rohra

About Us

Who We Are



Thirty Eight Crescent is a global macro focused, long-only fund established in 2016. Our focus is to integrate quantitative investment strategies with political & economic movement to maximize returns.

Where We Work



Currently headquartered at 38 Nanyang Crescent, Singapore. We have offices spread over the Asia Pacific region, at Mumbai, Hong Kong and Sydney. We also have research offices in London & New York.

Who We Work With



Our current investors are high net-worth (HNW) individuals and new as well as established business families from the US, Singapore, India and Australia.





Thirty Eight Crescent strongly believes in excellence through a scientific approach to global macro-based strategies in trading.

Since its inception in 2016, Thirty Eight Crescent has shown impeccable growth in strategy and performance.

Our autonomous multinational office structure allows fund managers to have their expertise and views appropriately utilized in our global macro portfolio strategies.

Supported by state-of-the-art proprietary trading algorithms developed in-house by our quantitative researchers, Thirty Eight Crescent actively seeks competitive returns relative to its contemporaries in Singapore and the rest of the world.



Why Us?



Our Team



Uday Sharma
Co-Founder, Managing
Partner

Uday, a CFA charterholder, got his Master's in Financial Engineering from University of California, Berkeley and worked at Citadel Securities as a quantitative researcher for five years.

He is passionate about studying the markets and hunting for investment opportunities. In his free time, he reads non-fiction.

Sonakshi Rohra
Co-Founder, Managing
Partner



Previously a senior Quantitative Trader at Jane Street, Sonakshi received her PhD in Mathematics from the Massachusetts Institute of Technology in 2016.

She loves the synergy between Mathematical Models and Financial Markets.

In her free time, she loves to visit art galleries and listen to jazz.



Investment Products



Major Government Bonds

Major government bonds are purchased to provide a steady source of return during this period of volatile markets

Options

Options are actively traded to hedge against the risks associated with volatile equity markets during this period. Straddles help to capture any return from extreme swings in the market and butterfly spreads hedge against the straddles²



Futures

Futures contracts are traded for commodities markets to diversify the portfolio further from financial markets.



Exchange Traded Funds (ETFs)

Equity index funds and some commodities are traded using ETFs across various markets throughout the globe



Asset Allocation Strategy (FY 2020)

AUM: \$340.4 million

Fiscal YTD return: 1.59%

The allocation is the least as bond markets are hit severely by COVID-19.

Investments were made only in countries like China and Australia that had started showing signs of recovery from the virus^{3,4}.

Bonds

9.9%

Equity Indices: Options

21.4%

Fiscal YTD return: 74.5%

Options help speculate the direction of indices such as Russell 2000 and infamously volatile NASDAQ. With COVID-19 severely boosting technology-backed companies and Brexit in the UK, options in these markets boosted returns and protected losses.

Fiscal YTD return: 60.22%

In addition to precious metals, investment in soybean futures, due to anticipated easing of trading restrictions between US and China, one of the biggest importers of soybean from the US⁵. Invested using ETFs, which is a physically-backed strategy, along with futures.

Commodities

16.2%

52.5%

Equity Indices: Long-only

Fiscal YTD return: 96.7%

A bulk of our AUM is devoted to buying the dips in various equity markets across the globe. Diversification eliminates unsystematic risk and leverage boosts returns.

Portfolio fiscal YTD return: 78.04%



Equity Indices: Long-Only

\$23.65M

SPDR Portfolio S&P 500
ETF (SPLG)

\$15.68M

Invesco QQQ ETF
(QQQ)

\$20.37M

SPDR Dow Jones
Industrial Average
ETF Trust (DIA)

Total Investment
\$357.4M
with
2x Leverage

\$52.72M

iShares Core Heng
Seng Index ETF

\$61.75M

iShares Core Nikkei
225 ETF

\$91.73M

Fubon Technology
Taiwan ETF

\$90.26M

NZ Top 50 ETF (FNZ)

\$1.24M

iShares Russell 2000 ETF

Government Bonds

\$13.48M

China 1-Year Government
Bond

\$10.11M

Australia 1-Year
Bond

Total Investment
\$33.7M
with
No Leverage

\$6.74M

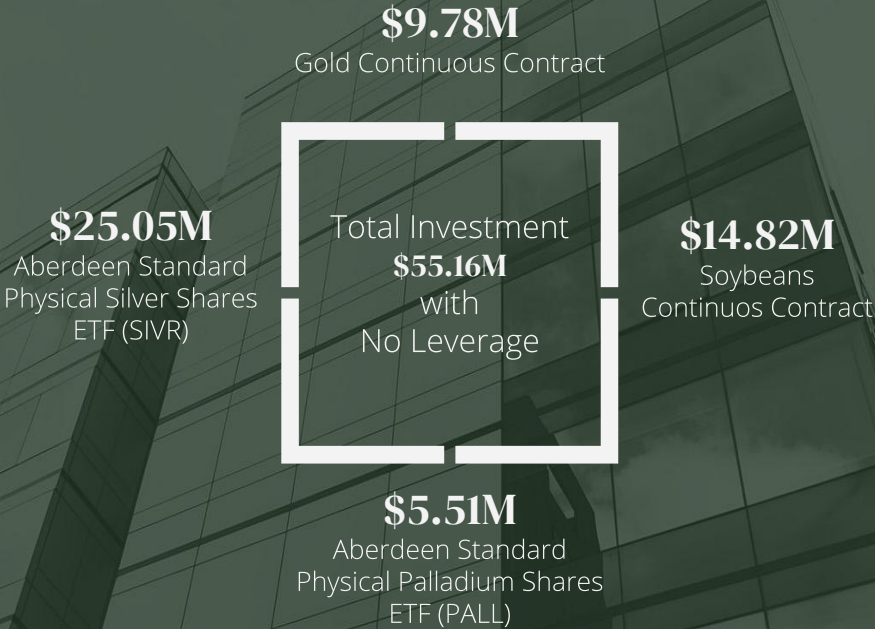
UK 1 Year Gilt

\$3.37M

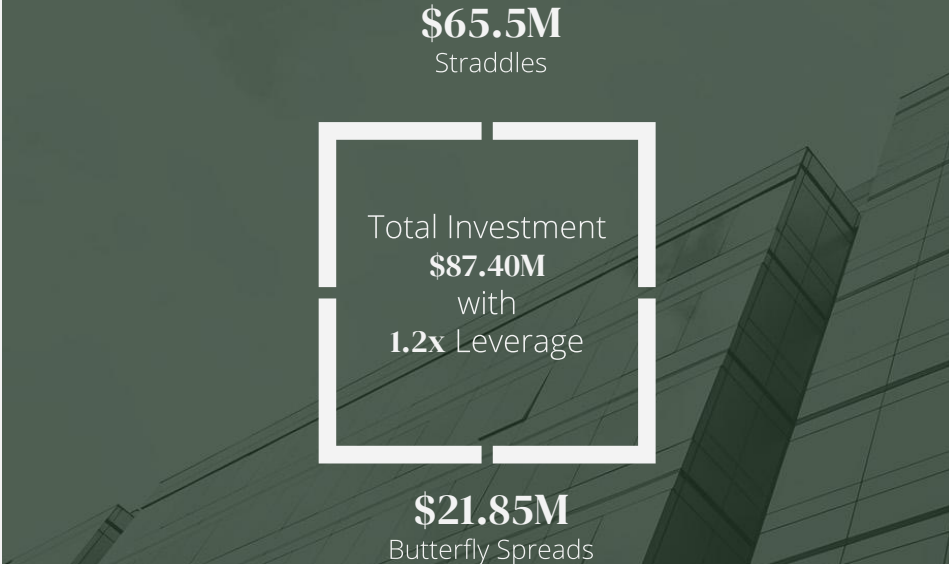
US 1 Year Treasury Bill



Commodities



Equity Indices: Options



Historical Performance

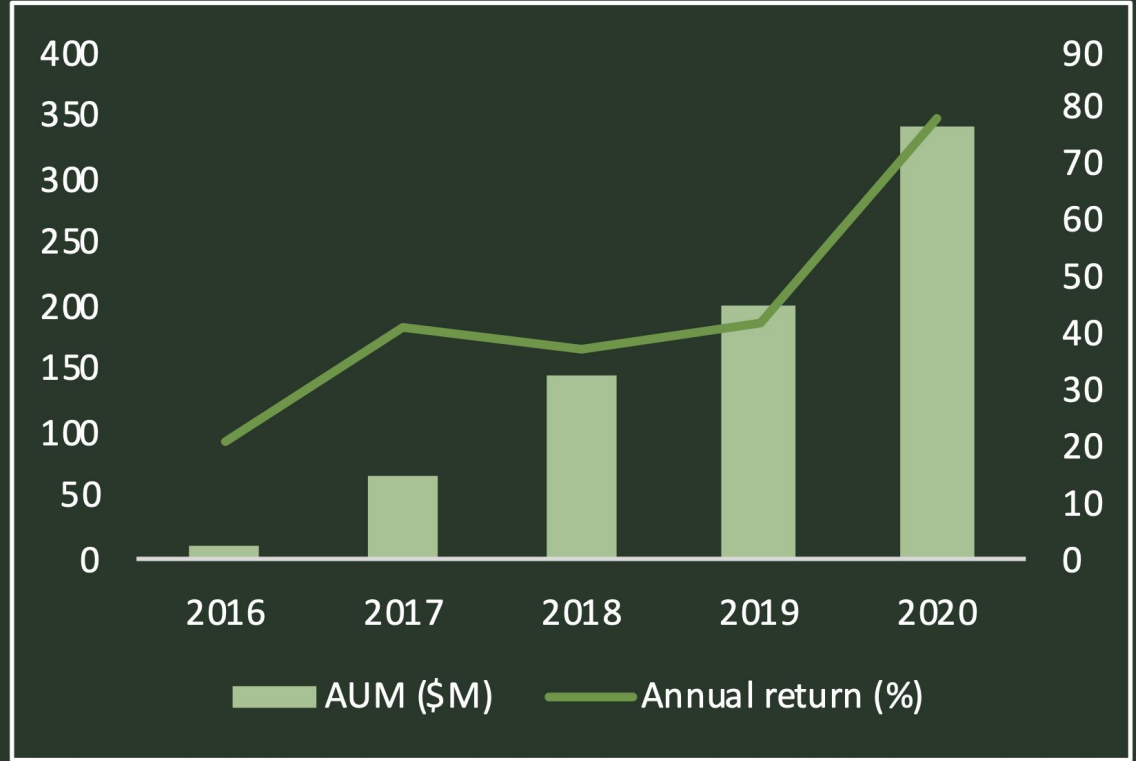
	5% Value at Risk (% of AUM)	Sharpe Ratio
2016	4.05%	0.23
2017	3.98%	0.64
2018	2.38%	1.07
2019	3.09%	0.76
2020	4.24%	1.54

Higher sharpe ratios attribute to either periods with higher returns or periods with lower volatility.

VaR is higher when volatility is higher and thus when Sharpe ratios are lower.

The fund has shown consistently high returns and an increasing AUM across the years.

The **CAGR is 249.88%**.




Global Macro: Outlook for 2021

01

Asia's Road to Recovery⁶

Most Asian Countries seem to show better economic recovery from the COVID-19 pandemic as compared to US/Europe

 Asian Fixed Income, Most Asian Equity

02

Inflation Regime⁷

With every recession comes rise in inflation, and the COVID-19 pandemic is no different.

 Treasury Inflation Protected Securities

03

Eurozone Lockdown

With Europe amidst its third lockdown due to the new strain, the market has room for recovery from exposure to low rates.

 European Equity, German Bund

04

Biden Presidency⁸

Markets show a positive response to Biden's Presidency with reduced US-China tensions, structural growth for tech and lesser corporate taxation.

 US Equities (Specifically NASDAQ)

05

Interest Rates⁹

Lower interest rates and weaker US dollar due to reflationary policies in the US reduce the pliability of Government Bonds to hedge equity risk.

 Government Bonds  Gold Futures

06

Volatility

Vaccine-led surge in economies across the globe by January 2021 show signs of an upcoming growth period, as well as risk of another wave from new strains. Volatility of markets remains high

 Options & Futures Contracts

Potential Risks

- **Market Volatility:** (left) tail risk is the extreme downside performance period. **Higher return investments** are often **higher risk bearing**, and such tail risk **must be managed** as much as possible to **protect returns**.
- **Liquidity:** **illiquid** investments such as **bonds and certain commodities** are subject to restrictions for resale and transferability, thereby adding to liquidity risk¹⁰. This needs to be managed for **provisions of soft locks and withdrawal notices**.
- **Adverse Tax Consequences:** in individual **countries with economic or political instability** such as the UK in light of Brexit and US with new tax policies under Biden presidency.

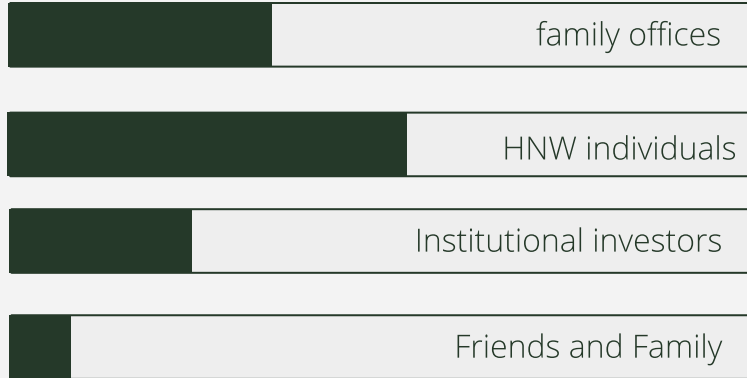
Risk Management

- In order to protect returns from market volatility, **call and put options cap our losses and maximise returns** if market movement opposes expectations.
- Illiquid investments are balanced off with a **larger portion of liquid investments in equities**. The fund also maintains a **reserve** for unpleasant situations and a **limit on illiquid assets**.
- **Investments across the globe** usually hedge against adverse tax policies which may affect market movement in one country



Our Current Investor Profile

Category



Average Investment
across current investors

USD
\$28.3M

Requirements

In accordance with Rule 501 of the Securities and Exchange Commission, accredited investors in the US would need a net worth in excess of US \$2M for individual investors and/or assets in excess of US \$5M. ¹

Minimum Initial Investment Required

Non-Accredited
Investors

USD
\$750 K

Accredited Investor: Accredited Investor:
Individual Institutional

USD
\$2M

USD
\$5M



Fee & Term Structure

Management Fee

2% of assets invested in the fund



Performance Fee

20% of return generated on investor capital

Withdrawal Notice

A Notice Period of 15 days to be given in case of a withdrawal of partial or full withdrawal of funds by investor.

Soft Lock

1 year soft lock period, during which capital may be redeemed by the investor for a penalty fee: 7.5% of redemption amount.

Time Horizon

Our portfolios are actively rebalanced by sophisticated proprietary algorithms, based on global macro market movements





THIRTY EIGHT CRESCENT
ASSET MANAGEMENT

NEW YORK STOCK

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