CARRY++

KRISTAL

Monthly Performance Update (as of 31 Aug 2020)

Market Commentary

Strategy Overview

Carry++ is a flagship strategy managed by Asheesh Chanda, CEO of Kristal.AI with inputs from various quant models developed by the team.

The Strategy follows an asset allocation strategy based on risk parity principle and deploys leverage opportunistically to benefit from market dislocations.

Strategy Management Rules

1. The strategy invests across multiple asset classes like Equities, Fixed Income, Commodities and Volatility.
2. Volatility trades are an overlay on top of the core asset allocation to generate an additional alpha.
3. Strategy employs a target volatility approach to efficiently manage the risk exposure.
4. Downside hedges are put in place to protect against adverse market movements.
5. Strategy is expected to be volatile in market environments when risk parity breaks (like March 2020)
6. Strategy manager has the discretion to deploy leverage to benefit from market dislocations.

Recommended For

This investment strategy is ideal for sophisticated investors who are willing to take more risk for high returns.

Dealing Information

Minimum Subscription: **USD 50K**
Subscription Frequency: **Weekly**
Redemption Frequency: **Monthly**
Redemption Settlement: **5 Business Days**
Management Fee: **1% p.a.; accrued daily**
Performance Fee: **10%**
Hurdle Rate: **5%**

Portfolio Dashboard:
NAV USD 116,594.223

The strategy returned 9.9% in August and 31.5% over the last three months.

The strategy has continued to deliver a positive return and is up 2x from the lows hit in March 2020.

Carry++ continues to benefit from ongoing market inefficiencies and we're treading carefully with downside hedges in place.

Carry++ and ELONs

Carry++ invests in a lot of interesting Option payoffs on single name stocks and ETFs.

ELONs (Equity Linked Option Notes) are used to express high conviction trade ideas through a combination of exotic option structures. These are also made available to investors via in-app notifications.

Some of the ideas traded include:

- Butterfly Spreads
- Ratio Puts
- Calendar spreads
- Digital Options
- Straddles
- Strangles
- Covered Calls

Stock Holdings

ETF Holdings

Return Comparison with Benchmark

	1M	3M	YTD	2019	2018	2017	2016
CARRY++ (%)	9.9	31.5	14.6	30.1	-4.7	13.2	20.5
BENCHMARK (%)	5.4	14.3	5.6	26.6	-9.1	24.3	8.4

Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015												2.64%	2.64%
2016	0.56%	5.77%	0.29%	1.13%	0.16%	6.50%	2.64%	0.83%	1.07%	-0.90%	0.09%	0.92%	20.47%
2017	0.85%	2.25%	-0.39%	1.86%	2.79%	-0.06%	-0.48%	-0.99%	0.60%	7.87%	-0.89%	-0.66%	13.17%
2018	5.68%	2.54%	-1.60%	3.06%	5.05%	-1.58%	7.65%	4.84%	0.78%	-34.66%	19.20%	-5.28%	-4.65%
2019	6.93%	-1.82%	7.78%	1.05%	-3.22%	10.89%	0.51%	3.89%	0.14%	0.92%	0.63%	-0.14%	30.14%
2020	3.00%	-6.49%	-26.62%	17.30%	5.18%	7.99%	10.74%	9.94%					14.64%

(Benchmark: ACWI)

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