

# Swaen Melis Fund

## Monthly Report: July 2024



### Dear Investors,

We are excited to introduce Swaen Melis Fund (SMF), formerly Swaen Fund Ltd. We realize that a growing number of investors would like to have an absolute return focus and be less exposed to volatility. We have seen over the years that alternative investments have been able to be less vulnerable to traditional market events and have achieved attractive returns. We have a focus on minimizing negative draw downs and maximize steady returns.

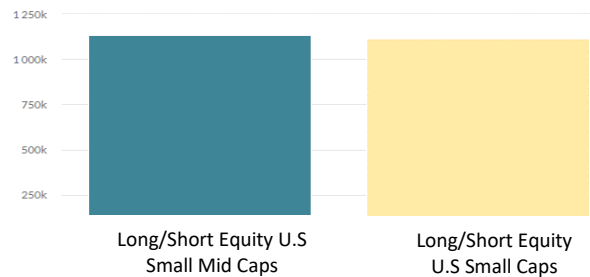
**Investment Strategy:** A carefully curated portfolio of top performing funds, carefully selected, mainly alternative strategies, with a 10% plus annual return target of absolute sustainable returns with controlled volatility. The fund is a fund of funds, which has benefits such as: diversification, unique access, less volatility and lower barrier of entry. A highly diversified hedge fund portfolio in a single allocation.

**Multi Manager Approach:** We have designed a multi manager investment approach, this will lead to achieve greater diversification and also we are committed to continue to rebalance whenever needed. Each manager has a specific investment mandate or strategy that are not correlated to traditional markets and are investing across different asset classes, regions and investment styles. The portfolio is divided among several managers who are each responsible for managing a portion of the assets according to their specific area of expertise.

### Data (as at 31 July 2024) Lead Series\*

NAV/Share (Lead Series*)	107.23
Fund AUM (USD)	17.56 mio
Current Month (July 2024) Return	-0.04%
2024 YTD Net Return	4.13%
Annualized Volatility	6.88%

### Top 2 Positions

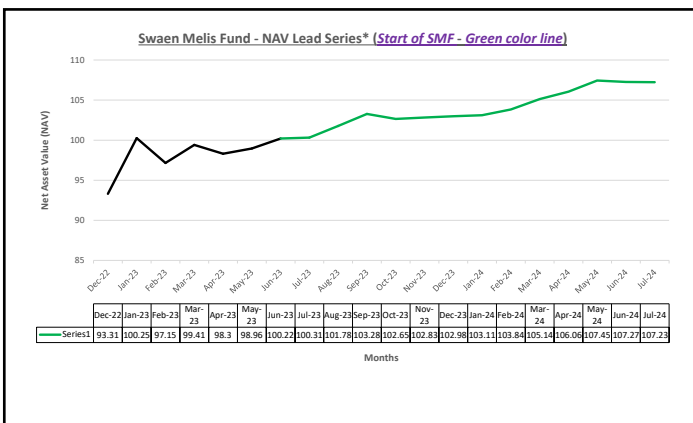


### Performance and Portfolio Overview : Lead Series\*

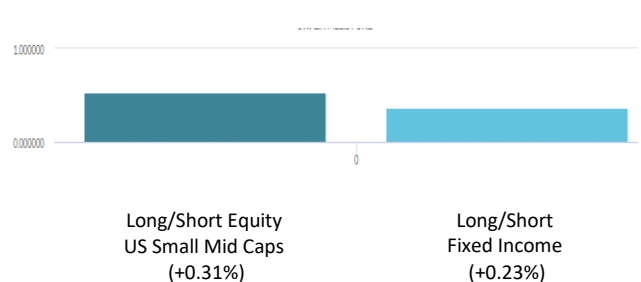
Year	Jan	Feb	Mar	Apr	May	Jun	Jul**	Aug**	Sep**	Oct**	Nov**	Dec**	YTD
2024	0.13	0.71	1.25	0.88	1.31	-0.17	-0.36						4.13
2023	7.44	-3.09	2.32	-1.11	0.67	1.27	0.098	1.46	1.48	-0.13	0.18	0.14	10.37

\*The statistics shown are for lead series. For individual investor performance, investors should rely on information contained in account statements produced by the fund's administrator.

\*\*Transition of Strategy: Start of Swaen Melis Fund (SMF) in July 2023



### Top Portfolio Attributions



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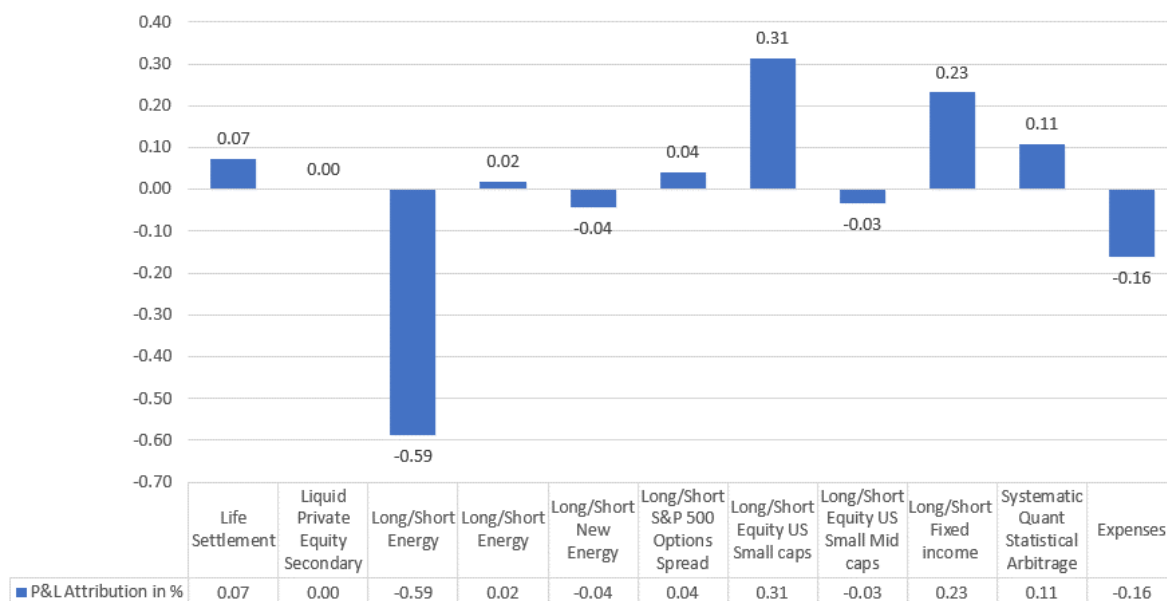
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*\*Dear investors, Monthly Commentary will highlight our underlying alternative managers.*

**Profit and Loss Attribution in % (End July 2024)**



### Swaen Melis Fund (SMF)

**Annual target return 10-15%.**

One fund of 10 hedge funds.

Generate a positive return in all environments.

SMF minimum investment \$100k, underlying managers mostly have minimums of \$1ml+

Underlying managers:

1. AuM \$100 ml+
2. Reputable and very experienced managers
3. Annualized returns of 10%+
4. High Sharpe ratio
5. Uncorrelated returns
6. Max quarterly redemption liquidity

Below managers are part of Swaen Melis Fund (SMF).

### Manager 1 : Levered Equity market neutral US small and mid caps (Company AuM 791ml)

**Annualized return 20.30%** (last 3 years) and annual return 16.60% (last 5 years).

2024 +6.49% (through July), 2023 +17.65%, 2022 +23.85, 2021 +22.94%, 2020 +7.83%, 2019 +9.82%, 2018 -3.39%, 2017 +3.63%, 2016 +5.40%, 2015 +3.82% (all net returns since March 2015).

Monthly redemptions with 30 days' notice.

Minimum investment \$250k.

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### **Manager 2 : Long/short Energy (AuM \$840ml)**

#### **Fund 1**

**Annualized return 14.80%**, Sharpe Ratio: 1.2 (net returns since July 19).

2024 +3.00% (through July), 2023 +3.70%, 2022 +11.20%, 2021 +19%, 2020 +33.80%, July – Dec 2019 +6.60% (all net returns).

Low net exposure strategy focused on the battery theme/energy transition (or "new energy" parts of the markets) which includes companies across the value chain (battery manufacturing, intermediaries, raw materials, end markets, and renewables).

Also available in UCITS fund.

Monthly redemptions with 30 days' notice.

Minimum investment \$1ml.

#### **Fund 2**

**Annualized return 46.69%**, Sharpe Ratio: 1.30 (net returns since Jan 19).

2024 +14.60% (through July), 2023 -3.60%, 2022 +46.10%, 2021 +107.20%, 2020 +81.90%, 2019 +39.50% (all net returns).

Energy-related focused on long and short opportunities within energy companies and energy-related derivatives.

Monthly redemptions with 30 days' notice.

Minimum investment \$1ml.

### **Manager 3 : Fixed income manager (Company AuM about 1.5bn+)**

**Annualized return 14.16%** (net returns since July 2003).

2024 +15.69% (Through July 24), 2023 +22.01%, 2022 -10.89%, 2021 -0.62%, 2020 +16.15%, 2019 +8.23%, 2018 +1.33%, 2017 +11.72%, 2016 +18.14%, 2015 +9.06%, 2014 +10.39%, 2013 +16.00%, 2012 +34.12%, 2011 +25.31%, 2010 +20.63%, 2009 +57.40%, 2008 -3.98% (all net of fees).

The investment strategy focuses on relative value fixed income investment opportunities in European fixed income markets with a Scandinavian bias.

The fund trades and invests long and short in government, mortgage, covered and index-linked bonds with a minimum credit rating of Aa3 or equivalent and both listed and OTC fixed income derivatives.

Monthly redemptions.

Minimum investments EURO/\$100k.

### **Manager 4 : Life Settlement Fund (AuM about \$734ml)**

**Annualized return 13.80%** (since February 2014).

Last 1 year +7.60%, last 2 years 20.70% and last 3 years 33.00%.

Low drawdown 2.4%.

Average monthly return 1.1%.

Positive months 96.8%.

Insurance Backed Assets: Insurance liabilities rank above an insurance company's commitments to equity and bond holders.

The fund's investment strategy is to achieve long term capital growth through the acquisition and trading of US life insurance policies, commonly known as Life Settlements, which are issued by US life insurance companies. The manager has over 25 years' experience managing in secondary insurance markets.

Quarterly redemptions with 90 days' notice.

Minimum investment \$125k.

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### **Manager 5 : Liquid Private Equity Secondary's fund (AuM \$748ml)**

**Annualized return 16.05%**, while the MSCI world index gained 12.65% (net of fees since Aug 2019).

The offer quarterly subscription, the next subscription dealing day is July 1.

Drawdown 3.1%.

Purchase of assets at a discount to NAV.

Invested across 200+ funds and 1500+ companies.

Portfolio of mature fund interests (typically 3-8 years old & substantially funded).

85%+ of the portfolio is in secondary's with <\$ 100ml deal sizes - space ignored by larger funds.

Extremely low default rate remains at 0.7%, which is also the lowest amongst their peers.

Quarterly redemptions (subject to a one year lock-up period).

Minimum investment \$125k.

Not for US investors.

### **Manager 6 : Long Short spread trading in S&P 500 options (AuM \$787ml)**

**Annualized returns 16.58%** (net returns since May 2016).

2024 +7.60% (through July), 2023 +16.51%, 2022 +12.53%, 2021 +15.62%, 2020 +17.28%, 2019 +18.31%, 2018 +10.68%, 2017 +24.03%, 2016 +12.86% (8 months) (all net returns). Take advantage of the systemic mispricing of options whereby the seller is paid a premium (implied volatility) over the historical volatility of the underlying asset.

Invests in both long and short S&P 500 options.

Buys protection both above and below where it sells premium.

Dollar cost average into volatility with a dynamic approach to exposure.

The majority of premium reinvestment purchases the layer which provides a large tail hedge within the portfolio to ensure the portfolio is always net unleveraged at any expiration in time.

Quarterly redemptions with 45 days' notice.

Minimum investment \$1ml.

### **Manager 7 : Low Net Market Neutral Equity Energy (1bn+)**

**Annualized return 13.30%**, Sharpe Ratio: 1.1 (net returns since Jan 2004).

2024 -5.61% (through July), 2023 +11.71%, 2022 +17.40%, 2021 +22.07%, 2020 +27.52% (all net returns).

The energy transition will provide an enduring source of alpha opportunity over the next decade.

Opportunity is provided by cyclical and political disruptions inherent in energy, plus the secular disruption resulting from the ongoing energy transition.

Quarterly redemptions with 45-days' notice.

Minimum investment \$1ml.

### **Manager 8 : Low Net L/S Equity US small and midcap (AuM about \$900 ml)**

**Annualized Return 12.00%**, average low net exposure 8.4% (net returns since Nov 2008).

2024 +11.10% (through July), 2023 +14.80%, 2022 +42.80%, 2021 +21.60%, 2020 +21.40%, 2019 +22.7%, 2018 -8.70%, 2017 -5.00%, 2016 +5.10%, 2015 +8.10% (net returns since Nov 2008).

Low correlation and low beta to Russell 2000.

Monthly redemptions.

Minimum investment \$2ml.

### **Manager 9 : Systematic quantitative short term statistical arbitrage on liquid futures (AuM about \$184 ml)**

**Annualized Return 12.37%**, Sharpe ratio 1.65 (net returns since June 2013).

Class B inception in February 2022. 2024 +0.73% (through July), 2023 +21.68%, 2022 +28.53%.

Performance prior February 2022 have been calculated using Class A and C realized returns adjusted for Fee structure of Class B. 2021 +5.50%, 2020 -2.56%, 2019 +14.05%, 2018 +10.03%, 2017 +6.22%, 2016 +16.01%, 2015 +10.75%, 2014 +30.66%, 2013 +0.28% (start in June 2013).

The Fund utilizes a robust, systematic set of quantitative trading models combined with sound risk management principles to trade the most liquid international future markets across various asset classes. The program exploits stable sources of alpha such as auto-correlation and Epps effect. Each step of the investment process relies on innovative and proprietary quantitative methods. Variance's core proprietary techniques focus on trading, risk control and estimations of trading costs.

Monthly redemptions.

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## Co Founders:

**Cliff Go:** Entrepreneurial Banker for more than 30 years based in Singapore, specialized in Wealth Management and Alternative Strategies. Master of Science in Economics, VU Amsterdam, Netherlands  
[linkedin.com/in/cliffgo](https://www.linkedin.com/in/cliffgo)

**Marcel Melis:** Ultimate Hedge Fund Specialist, a 17-year successful long standing track record in finding the best Alternative Strategies, MBA of Groningen University, Netherlands  
[linkedin.com/in/marcelmelismgi](https://www.linkedin.com/in/marcelmelismgi)

<b>Swaen Melis Fund</b>	<b>Investment Manager: Swaen Capital Pte Ltd</b>
<b>Minimum Investment:</b> USD 100,000	<b>Tel:</b> +65 6331 6033 <b>Fax:</b> +65 6836 9268
<b>Pricing:</b> Monthly <b>Subscription:</b> Monthly <b>Redemption:</b> Monthly 90 days notice	<b>Early Redemption Period:</b> the period of 12 months commencing from date of issue of a Participating Share. <b>Early Redemption Fee:</b> 0 – 6 months: 1.5%; 7 – 12 months: 1%
<b>Dealing deadline:</b> 5pm Singapore time on the last business day before end of the month	<b>Address:</b> No 8 Eu Tong Sen Street #19-89 The Central Singapore (059818)
<b>Fee structure:</b> 1% Management Fee + 10% performance fee with a high water mark	<b>Swaen Melis Fund</b>
<b>Fund administrator:</b> Amicorp Fund Services Asia Limited <b>Auditor:</b> Baker Tilly (Cayman) Ltd	<b>Registered office:</b> The office of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O Box 2681. Grand Cayman KY1-1111, Cayman Islands.
<b>For further enquiries please contact:</b> <a href="mailto:cliffgo@swaencapital.com">cliffgo@swaencapital.com</a> <a href="mailto:clientservice@swaencapital.com">clientservice@swaencapital.com</a> <a href="mailto:melis@mginvestment.com">melis@mginvestment.com</a>	

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