WAVEFRONT
GLOBAL ASSET MANAGEMENT

ABOUT WAVEFRONT

Founded in 2003, WaveFront is a privately-owned global asset management company based in Toronto, Canada. Today, we manage assets for individual and institutional investors in Canada, the United States, and South Korea across a diverse range of investment strategies and solutions.

For more information, please visit our website.

July 2023

WaveFront Global Investment Program

Monthly Commentary

WaveFront's Global Investment Program returned -0.51% in July, outperforming the benchmark SocGen CTA Index for the second consecutive month (by +56 bps) which returned -1.07%.

July's excess return was largely the result of our portfolios long positions in soft commodities. Other profitable sectors included equity indices and currencies. Energy and agricultural commodities were the only sectors that produced negative returns during the quarter, with positions in grains experiencing the most significant decline.

Performance Summary

as of June 31, 2023 | Annualized if greater than one year

(%) Return	MTD	YTD	1yr	3yr	5yr	10yr	Incp*
WaveFront Program	-0.5	0.6	0.1	18.3	13.4	5.3	6.6
SG CTA Index	-1.1	-2.8	-0.7	8.5	6.2	4.0	3.4

*Inception on May 1, 2007

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

As we journey into the latter half of 2023, we are pleased to note that our Program has yielded a net annualized returns of 6.59% since inception. This represents +320 bps of excess return over our benchmark, the SocGen CTA Index, which has returned of 3.40% since the inception of the Program. The BTop50 Index, which replicates the overall composition of the managed futures industry, has generated 3.08% in annualized return during the same period, further emphasizing the superiority of WaveFront's systematic trading program over its peer group.

MARKET COMMENTARY

July 2023 marked a significant period of change in global financial trends, with key market dynamics illuminating the interplay between various sectors and regions.

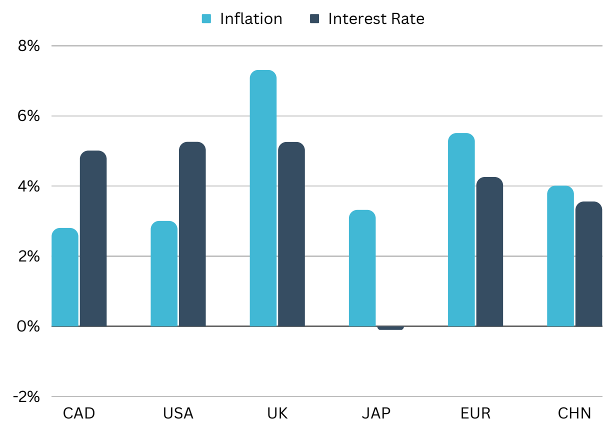
Emerging markets led the charge, outpacing developed counterparts in the equity markets. This positive shift was fueled by lower inflation rates in several developed markets, most notably the US. The resilience of smaller companies was also a standout, showing an upward performance trajectory. In tandem, corporate bonds surged ahead of government bonds. Investors, however, should approach these developments with caution, as past trends do not always predict future performance.

In the US, persistent growth and declining inflation spurred the advancement of equities. The Federal Reserve responded by raising interest rates by a quarter percentage point, providing no firm commitment to future hikes. This left many speculating that this could be the last in this cycle, and fostered optimism around a potential "soft landing" - a slowing growth and controlled inflation without inciting a recession. Various sectors showed mixed results. Energy stocks emerged as leaders, owing to anticipation of tighter supply and positive growth data. Substantial growth was seen among certain tech, media, and banking stocks, but healthcare and consumer staples sectors trailed behind, albeit without experiencing overall negative returns.

On the global front, riskier assets performed robustly throughout July, even as government bonds faltered. Unexpectedly low US inflation figures gave rise to hopes for a more stable US economy. The US Federal Reserve and the European Central Bank raised interest rates by 0.25%.

Inflation & Interest Rates

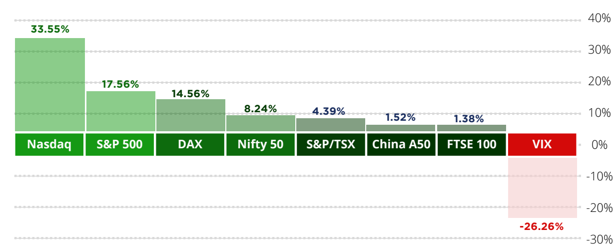
By Country or Region, as of latest published data (June 2023)



Data source: Bloomberg and WaveFront Global

Year-to-date Performance

Major World Equity Indices as of July 31, 2023



Data source: Bloomberg and WaveFront Global

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Government bonds worldwide took a hit, recording negative returns overall for July. However, short-term trends in the yield curve suggested a slowdown in central bank rate hikes could be on the horizon. Increases were seen in ten-year bond yields from the US, Germany, France, Italy, and Spain, while two-year yields decreased. Positive inflation news led UK investors to retreat from higher rate expectations, resulting in a decrease in both two-year and ten-year yields. UK government bonds outperformed other major markets as a result. On the other side of the world, the Bank of Japan injected volatility into the market by adjusting its yield curve control policy, leading to a sell-off of Japanese government bonds.

Amidst these varied trends, commodity markets registered a positive performance in July, as per the S&P GSCI Index, primarily fueled by the energy sector. All subcomponents of industrial metals and agriculture saw robust price gains. Within precious metals, silver outpaced gold with a more substantial price increase.

Futures Markets Performance Summary

Major Futures Markets, YTD Performance as of July 31, 2023

Energy	Grains	Softs	Currency	Meats	Metals	Equities
Oil WTI 81.80 **+1.92% YTD**	Oats 436.25 **+18.79% YTD**	Org. Juice 316.20 **+54.36% YTD**	GBP 1.2841 **+6.26% YTD**	Fdr Cattle 249.20 **+36.00% YTD**	Gold 2009.20 **+10.02% YTD**	Nasdaq 100 15,857 **+43.86% YTD**
Oil Brent 85.43 **-0.56% YTD**	Wheat 665.75 **-15.94% YTD**	Cocoa 3,548.00 **+36.46% YTD**	CAD 0.7595 **+2.75% YTD**	Live Cattle 179.53 **+13.70% YTD**	Copper 4.0080 **+5.18% YTD**	S&P 500 4,614 **+19.50% YTD**
Natural Gas 2.634 **-41.14% YTD**	Corn 504.00 **-25.72% YTD**	Cotton 84.72 **+1.08% YTD**	JPY 0.7082 **-8.11% YTD**	Lean Hogs 86.00 **-8.11% YTD**	Silver 24.97 **+3.87% YTD**	DJIA 35,695 **+7.24% YTD**

Data source: Bloomberg and WaveFront Global Asset Management Corp.

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Despite these evolving market conditions, commodity markets still show signs of strength, particularly within agricultural commodities. As prices continue to rise, central banks' actions underscore their limited control over "cost-push" inflation driven by commodity prices, supply constraints, and increasing wage pressure. This situation reiterates the continued inflationary risk and potential for a new phase in the commodity supercycle.

Looking beneath the surface of these trends, one finds that global demand for commodities is growing, while supply struggles to keep pace. This disequilibrium manifests itself most starkly in the agricultural sector, affecting everyday costs. Even as oil and copper retract from their 2022 highs, less-discussed commodities such as sugar, cattle, and cocoa reach new heights, pushing up living expenses.

It's important to acknowledge the undercurrents beneath the seemingly calm market surface. While commodity headlines may seem placid, the market undercurrent remains potent and fraught with risk. At WaveFront, we remain committed to trend following, cognizant of the risks and opportunities lurking below the surface. As we move forward, our focus is to stay prepared, constantly watching, waiting, and executing in response to these underlying market dynamics. As we close out July, our strategy is shifting; from being flat or net short in energies and grains, we are moving to net long. Despite the calm waters, we are ready to navigate the swift current below.

LINKS WORTH SHARING:

Here are a few links that we believe are worth clicking on to keep informed: ·

- The war on inflation isn't over yet, despite what some people think
- China's economy is showing signs of serious trouble — and the problems are still mounting
- Global food prices rise after Russia ends grain deal and India restricts rice exports
- The death of hobbies - How side hustles turned everyone's leisure activities into work
- Old houses now cost as much as new houses

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