



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](#).

October 2023

WaveFront Global Investment Program

Monthly Commentary

WaveFront's Global Investment Program returned -1.00% in October, versus the benchmark SocGen CTA Index return of -1.02%.

Overall, the Program has generated over 180.7% of net total returns since its inception, or +6.4% net annualized. This represents +278 bps of excess return over our benchmark, the SocGen CTA Index, which has returned 3.6% over the same period. The BTop50 Index, which replicates the overall composition of the managed futures industry, has generated 3.2% in annualized return during the same period, further emphasizing the superiority of WaveFront's systematic trading program over its peer group.

Performance Summary

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

6.4%

CAGR

181%

Total Return

0.39

Sharpe Ratio

0.76

Sortino ratio

(%) Return	Oct	YTD	1yr	3yr	5yr	10yr	Incp*
WaveFront Program	-1.0	-1.6	-8.6	18.7	14.2	5.2	6.4
SG CTA Index	-1.0	0.7	-4.5	11.1	7.1	4.5	3.6
BTop 50 Index	-0.7	1.8	-2.8	11.2	7.6	4.0	3.2

*Inception on May 1, 2007

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

Net short positions in fixed income led sector contributors in a month characterized by declining prices in risk assets combined with higher risk-free rates across the curve. Program performance was also benefited by net short positions in currencies and equities. Net long energy holdings were the largest detractor by sector in October followed by softs which also posted net losses during the month. The dynamic nature of the Program's exposure selection criteria and risk management model saw further overall risk reductions from previous month's levels.

MARKET COMMENTARY

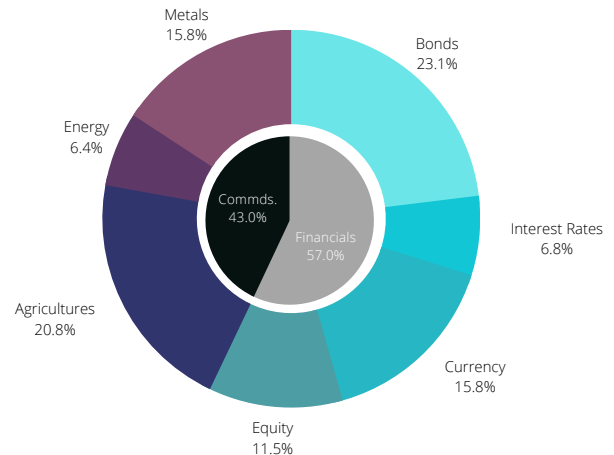
October proved challenging for global equity markets, extending the downturn that has characterized recent months. The S&P 500 retreated to May levels, shedding 94.25 points to close at 4,193.80, impacted by persistent yield spikes and geopolitical unease stemming from tensions in Gaza. Similarly, the TSX's 667.80 point decline to 18,873.47 pushed it into the red year-to-date, reflecting widespread concern over tightening financial conditions, inflationary persistence, and subdued reactions to corporate earnings.

Despite the Bank of Canada maintaining interest rates at 5%, the market absorbed the nuanced message of its monetary policy report: inflationary pressures are gradually abating, but the journey back to the 2% target is slow, with expectations set for mid-2024. This mirrors broader economic indicators, where softening consumption and investment weigh on growth, yet labor market tightness continues due to demographic shifts.

In the U.S., the Federal Reserve kept rates steady in its October 31–November 1 meeting, a decision that reflects a nuanced interpretation of recent economic data, including a persistent core inflation and an upside surprise in GDP growth for Q3 at a robust 4.9% annual rate, powered by a surge in personal spending. However, expectations are set for a cool-down in Q4.

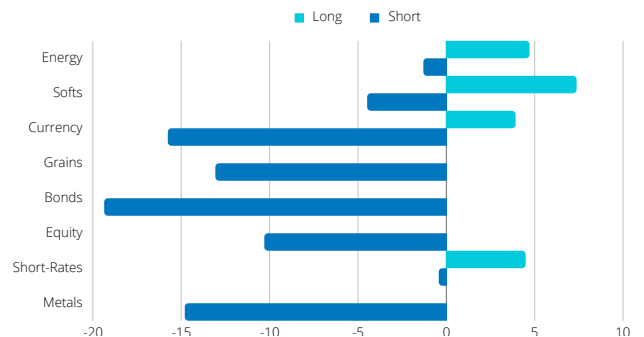
Program Sector Exposure

By Risk as of October 31, 2023



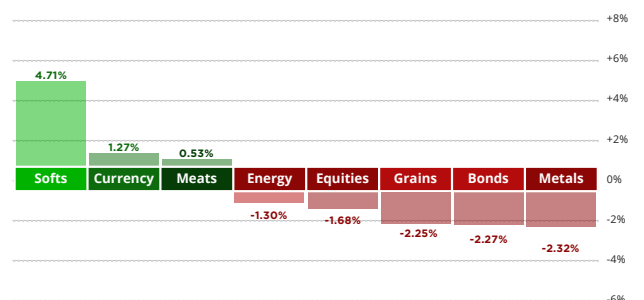
Program Sector Exposure (Long & Short)

By Risk (%) as of October 31, 2023



Program Sector Performance

Year-to-date performance by sector as of October 31, 2023



Data source: Bloomberg and WaveFront Global

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Futures Markets Performance Summary

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

Energy	Grains	Softs	Currency	Meats	Metals	Equities
Oil WTI 81.02 +0.68% YTD	Oats 389.25 +5.99% YTD	Org. Juice 417.70 +102.37% YTD	GBP 1.2152 +0.45% YTD	Fdr Cattle 237.20 +29.12% YTD	Gold 1,994.30 +9.20% YTD	Nasdaq 12,851 +22.78% YTD
Oil Brent 87.41 +1.75% YTD	Wheat 556.25 -29.77% YTD	Cocoa 3,817.00 +46.81% YTD	CAD 0.7207 -2.32% YTD	Live Cattle 183.75 +18.69% YTD	Copper 3.5750 -6.24% YTD	S&P 500 4,194 +8.62% YTD
Natural Gas 3.58 -20.11% YTD	Corn 478.75 -29.44% YTD	Cotton #2 81.22 -2.58% YTD	JPY 0.6592 -13.55% YTD	Lean Hogs 71.72 -18.22% YTD	Silver 22.95 -4.53% YTD	DJIA 33,135 -0.45% YTD

Data source: Bloomberg and WaveFront Global Asset Management Corp.

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The Treasury's announcement of a \$112 billion issuance, slightly below expectations, provided a temporary respite to a volatile bond market, yet the specter of federal deficits looms large. Notably, the "Magnificent 7" tech giants continued to diverge in performance, with significant implications for market sentiment and the valuation of AI advancements in equity markets.

In the broader landscape, the energy sector receded after months of gains, while utilities and technology inched forward. Surging mortgage rates dealt a fresh blow to housing prices, while inflation rates stalled, and the yield curve showed signs of normalization.

Labor market data presented a mixed picture with steady unemployment but robust job creation,

and manufacturing dipped into contraction. Retail sales demonstrated resilience, yet the housing market remained pressured by spiking mortgage rates.

Amidst these headwinds, commodities offered a silver lining, with gold prices rebounding and oil prices retreating, providing some relief at the gas pumps.

As we look ahead, we maintain a cautiously optimistic view for the Canadian market, anticipating a normalization that will unfold over the coming years. We believe that an eventual broadening of U.S. equity performance and a stabilization of interest rate expectations will revive investor confidence, which could notably benefit the TSX in the foreseeable future.

One of Canada's only
**MANAGED FUTURES
MUTUAL FUND**

Retail investors keen on a daily liquidity version of our program are invited to explore the WaveFront Global Diversified Investment Class (AHP1110), a distinctive managed futures mutual fund available in Canada.

[LEARN MORE](#)

About WaveFront's Global Diversified Program

The WaveFront Global Investment Program is an absolute return, global investment program that applies systematic trading strategies to identify and profit from long-term, fundamentally driven sources of return across a globally diversified universe of financial and commodity markets.

The portfolio is constructed through a quantitative investment process that produces long and short positions in futures and options on futures contracts covering global commodities, currencies, interest rates and equity indices. Factors considered include momentum, value, yield, volatility and correlation, in addition to macroeconomic and supply/demand variables.

For more information please visit www.wavefrontgam.com



Past performance is not necessarily indicative of future results. Futures trading is speculative and involves substantial risk. Potential investors should note that the value of an investment may go down as well as up. There is a risk that an investment will be lost entirely or in part. An investment in the Program is speculative and involves a high degree of risk and is not intended as a complete investment program. There is no guarantee of trading performance. An investment should only be made after consultation with independent qualified sources of investment and tax advice. This communication is not and under no circumstances is to be construed as an invitation to make an investment in any WaveFront program nor does it constitute a public offering to sell a fund or program. Investors should review the Offering Documents of any WaveFront Program or Fund in their entirety for a complete description of WaveFront's programs or Funds. Applications to invest will only be considered on the terms set out in the Offering Documents. The information in this material is subject to change without notice and WaveFront will not be held liable for any inaccuracies or misprints. The Monthly Rates of Return above are the composite weighted net returns of all client accounts of WaveFront managed pursuant to the WaveFront Global Investment Program, computed pursuant to methodologies approved by the U.S. Commodity Futures Trading Commission (CFTC).