

# Seven Absolute Return Program

Multi-asset class long / short momentum program

Private Placement for qualified investors only

[Updated as of July 31, 2024]

**SEVEN CAPITAL MANAGEMENT**

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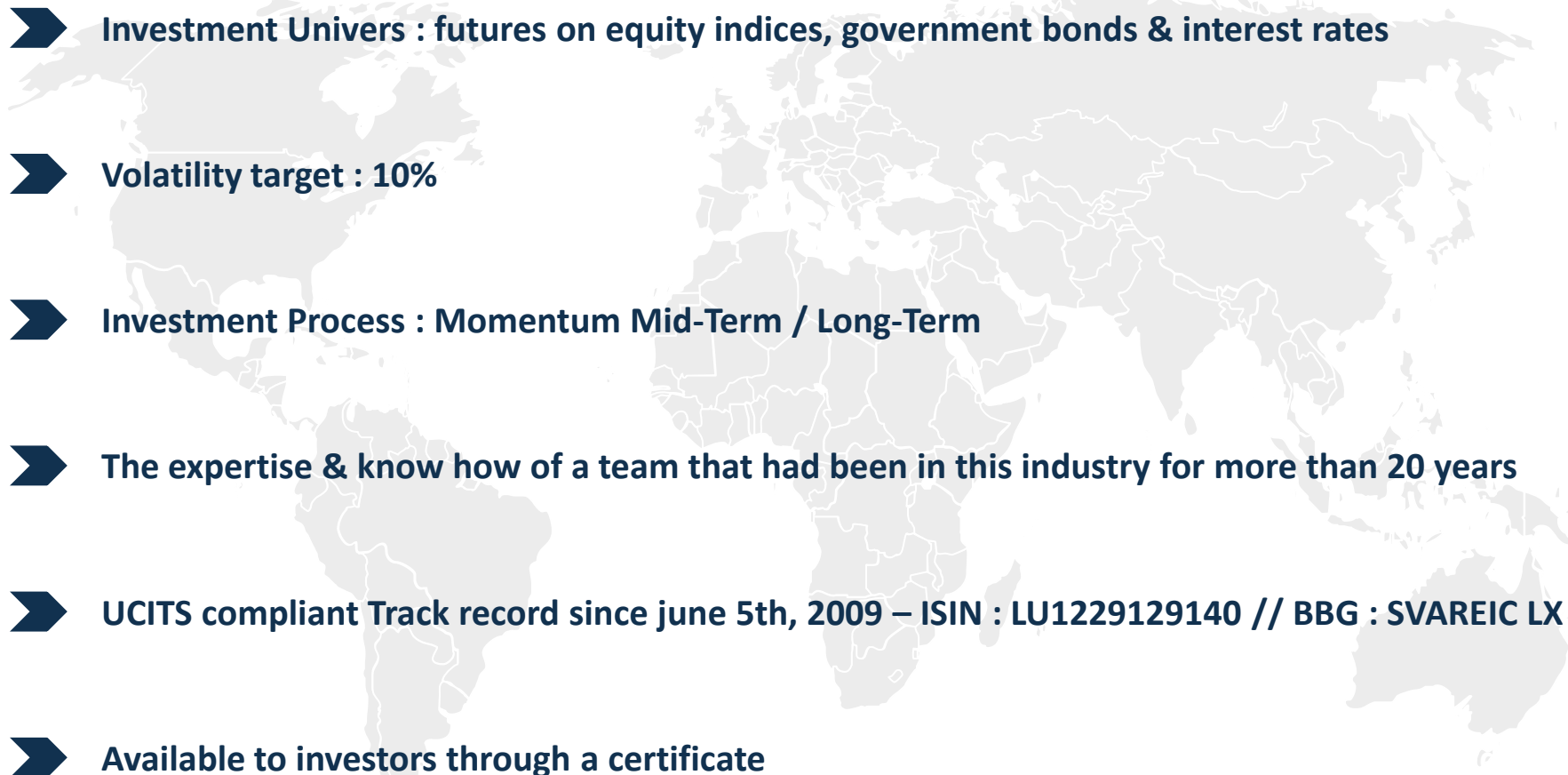
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Past performance is not a reliable indicator of future performance

## Seven Absolute Return Program : a Long-Short directional program

- 
- **Investment Univers : futures on equity indices, government bonds & interest rates**
  - **Volatility target : 10%**
  - **Investment Process : Momentum Mid-Term / Long-Term**
  - **The expertise & know how of a team that had been in this industry for more than 20 years**
  - **UCITS compliant Track record since June 5th, 2009 – ISIN : LU1229129140 // BBG : SVAREIC LX**
  - **Available to investors through a certificate**

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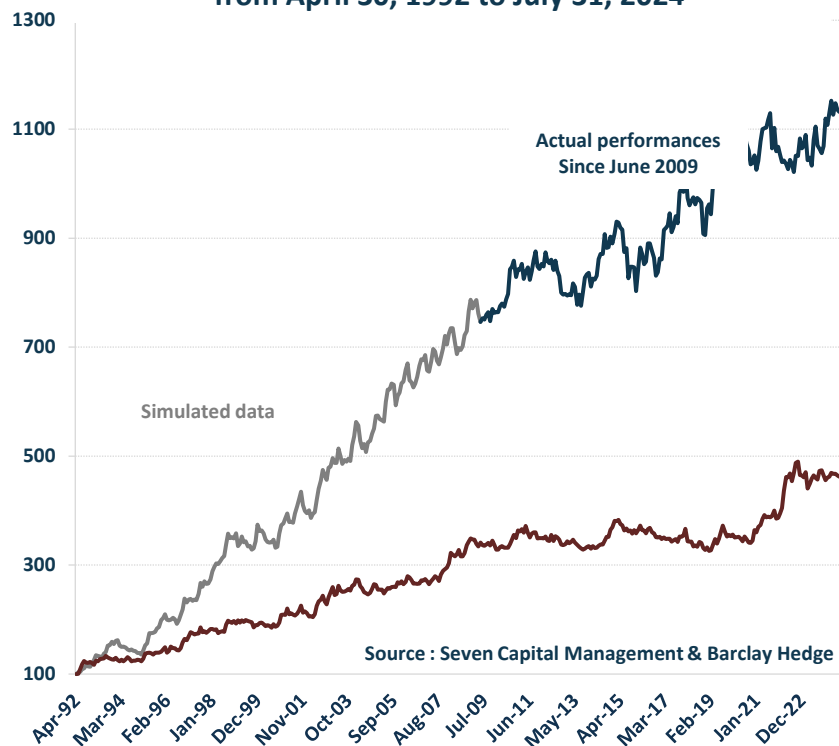
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# Seven Absolute Return Program

## Historical performances net of management fees

### Seven Absolute Return vs. Barclay Systematic Trader Index

from April 30, 1992 to July 31, 2024



Monthly data

	Seven Absolute Return	Barclay Index
Annualized return :	7,81 %	4,86 %
Annualized volatility :	9,87 %	8,58 %
Sharpe ratio (rf = 0 %) :	0,79	0,57
Max Drawdown :	-16,31 %	-14,83 %

Correlation rate : 49 %

*“ At Seven Capital Management we are convinced that by applying rules-based strategies relying on sound trading principles and strict risk management we will over the long run generate strong returns for our investors ”*

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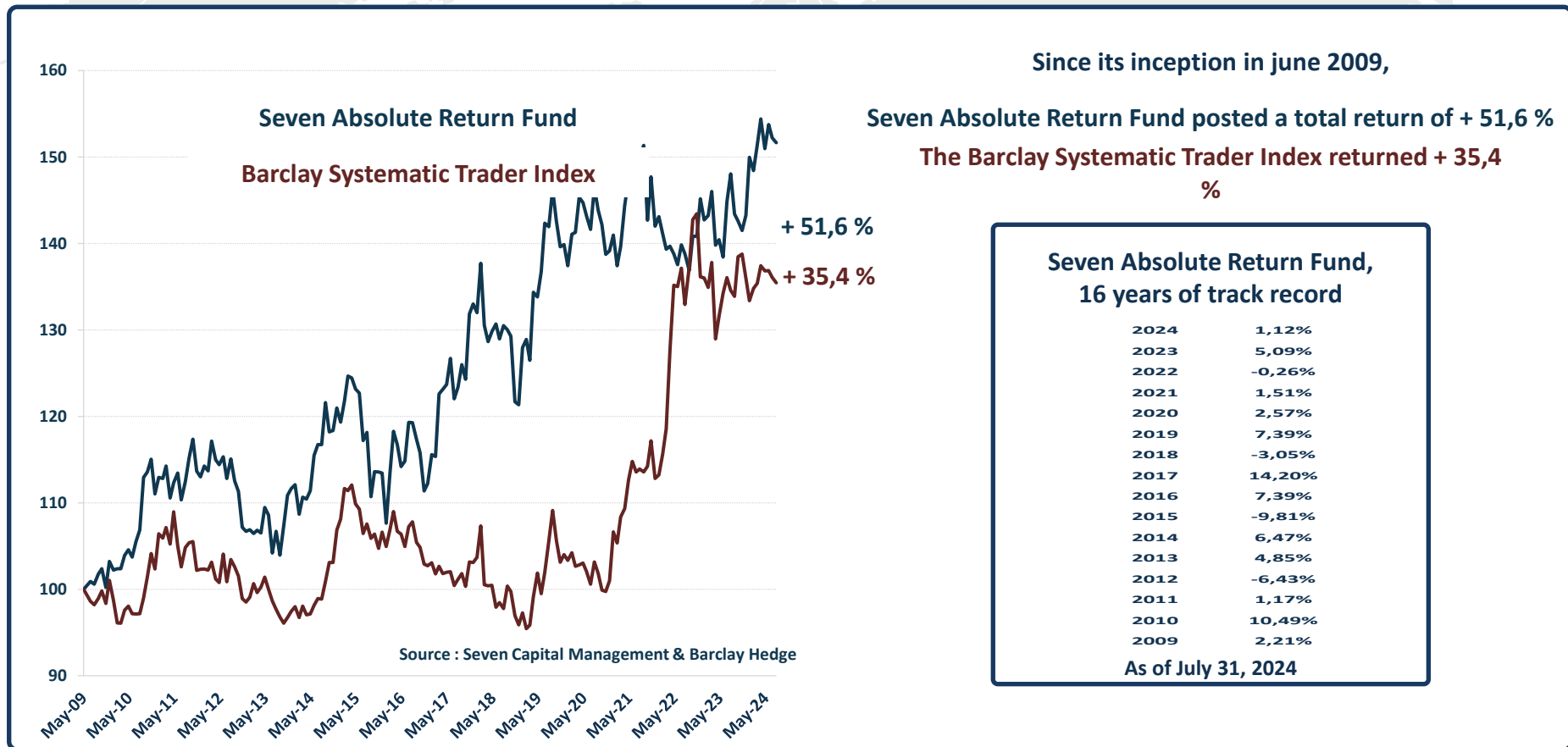
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# Seven Absolute Return Program : a UCITS compliant Track record

Track record of the Seven Absolute Return Fund since its launch on launched on June 5<sup>th</sup>, 2009



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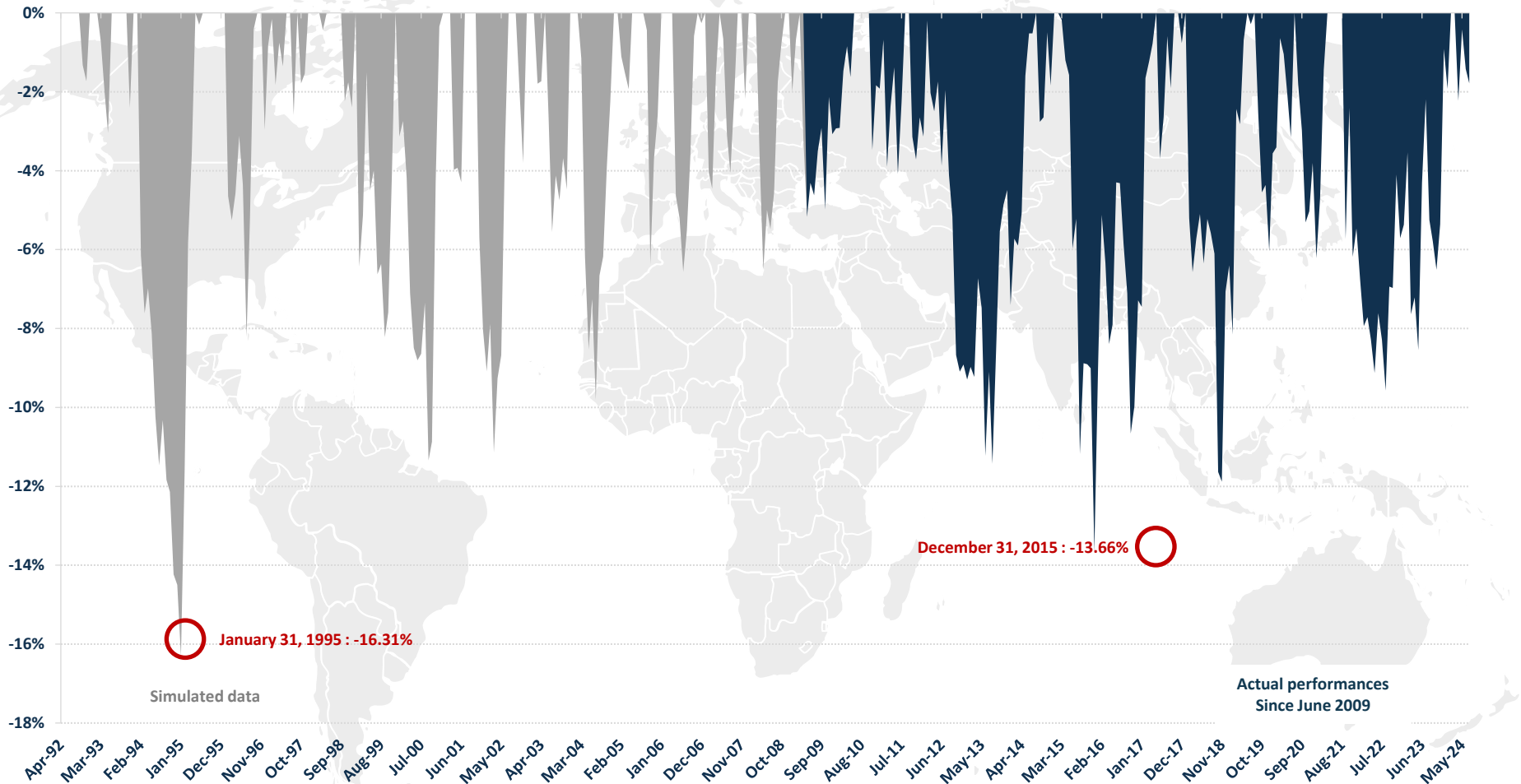
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# Seven Absolute Return Program : Drawdown historical evolution



Source : Seven Capital Management

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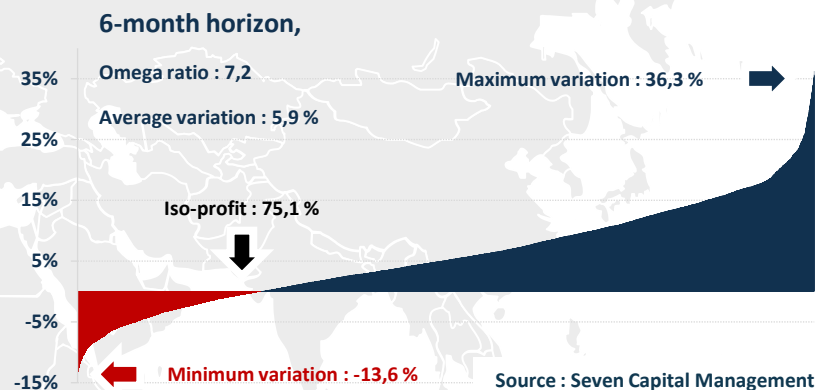
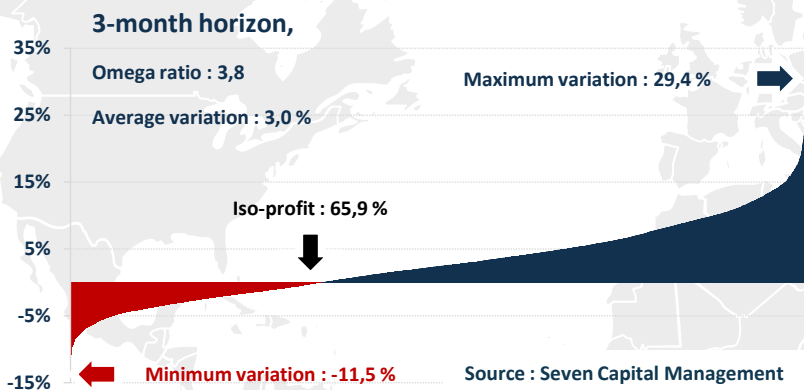
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# Analysis of iso-profit & Omega ratio – simulated & actual performances

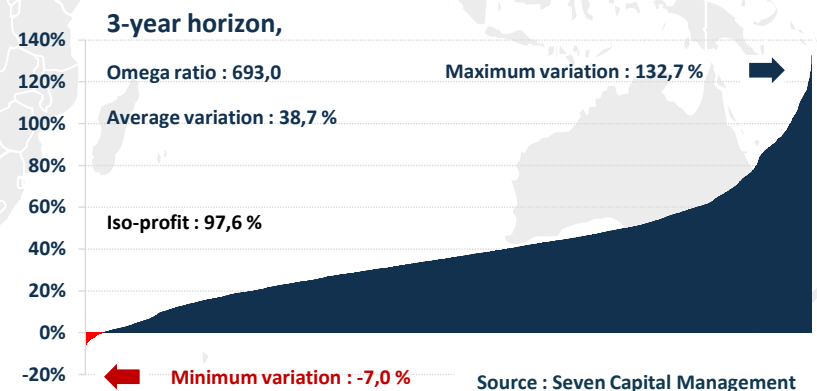
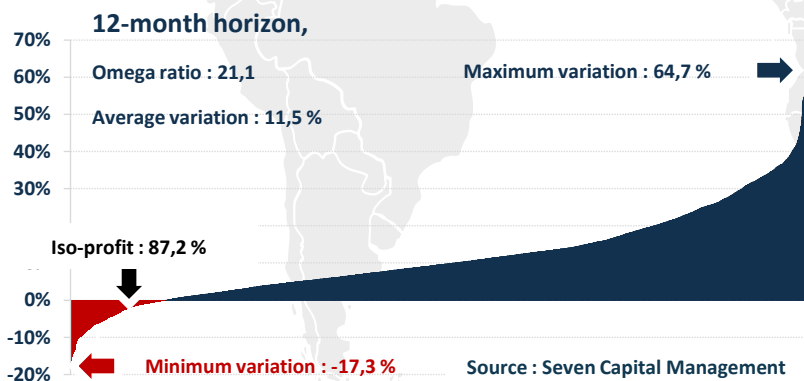
**Iso – Profit :** A fund’s historical probability of posting strictly greater-than-zero performance over a given horizon

**Omega Ratio :** Ratio of the weighted gains of a fund, to the weighted losses of this Fund, over a given horizon

**SHORT TERM**



**LONG TERM**



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# Seven Absolute Return Program : Trading signals

## A triple-core performance engine

1

### Momentum Signals

A time-tested investment approach

Newton's law applied to investing :

“ unless acted upon by external factors & forces, a market should continue to move in the same direction ”

2

### Risk Signals

Allow us to go below the surface

High level of volatility is associated with a bearish market

Low level of volatility is associated with a bullish market

3

### Macro Signals



Leading Economic Indicators tend to behave like “ canaries in coal mines ”

Analysing their trends constitute a highly valuable input

### Long bias

- ➔ Bull markets offer more reward than bear markets
- ➔ Bear markets tend to end in V - Shape reversals that can cause strong damages to Momentum strategies
- ➔ Volatility swings tend to be harder to control during bear markets

### Circuit breakers

- ➔ Disconnection between macro data and the stock market behaviour may hurt the P&L of our Macro Signals
- ➔ We have developed tools that allow us to turn off the macro trading signals when a disconnection is in place

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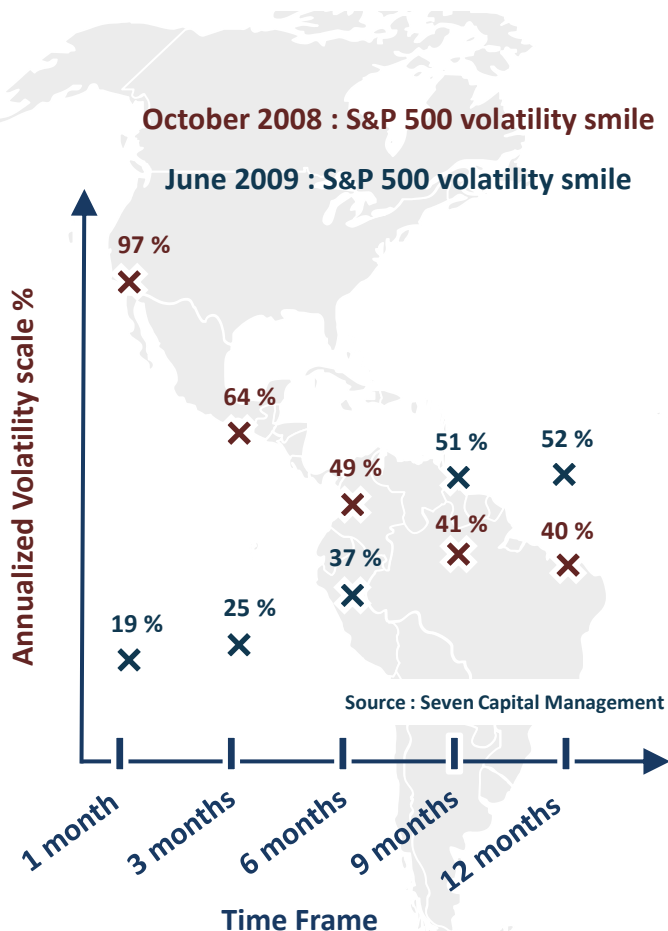
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# Seven Absolute Return Program : Risk Management at an individual market level

The S&P 500 case : Our multiple time frame analysis allowed us to respond properly to a volatility curve shift



Portfolio global risk budget  $\times$  S&P 500 Weight in portfolio  
 = S&P 500 Risk budget

➤ Each volatility point receives 1/5 of the S&P 500 Risk budget

	Sub trading sizes	
	October 2008	June 2009
Volatility 1 month	1 lot	8 lots
Volatility 3 months	3 lots	7 lots
Volatility 6 months	4 lots	6 lots
Volatility 9 months	5 lots	4 lots
Volatility 12 months	5 lots	4 lots
<b>Trading Size</b>	<b>18 lots</b>	<b>33 lots</b>

In October 2008 the steepening of the volatility curve of the S&P 500 was reflected in a lower trading size

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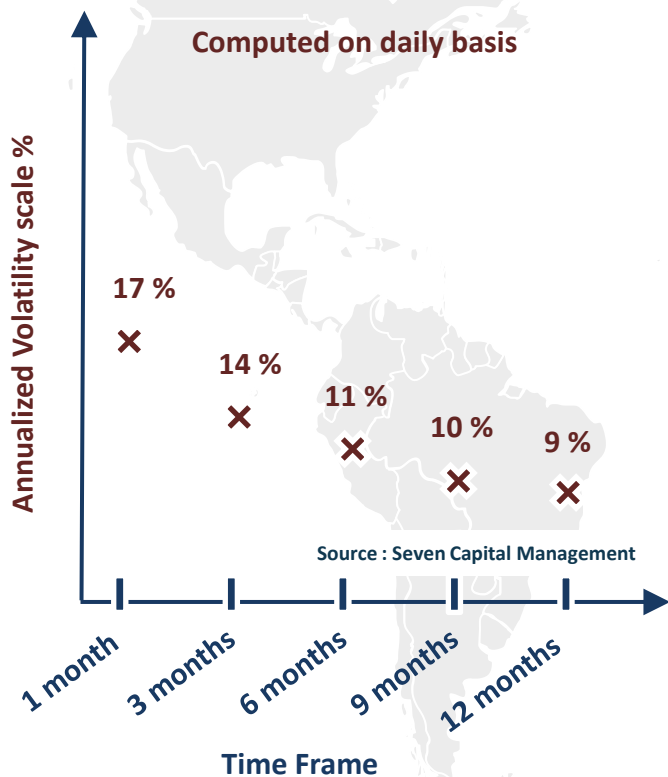


# Seven Absolute Return Program : Risk Management at the portfolio level

## Volatility management as a performance enhancement factor

### Portfolio historical volatility smile

Computed on daily basis



### Portfolio total exposure day to day management

If

Realized volatility

≠

Volatility Target

10 %



Trading sizes adjustment

- ✓ Ensures a proper calibration of the portfolio exposure
- ✓ Allows a better management of tail risks
- ✓ Makes it easier for the final investor to properly size its investment

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# Seven Absolute Return Program : Investment univers

## Interest Rates

Eurodollar  
Euribor

## Government Bonds

2-Year T-Note  
5-Year T-Note  
10-Year T-Note  
U.S. Treasury Bond  
Schatz  
Bobl  
Bund  
J.G.B

## Stock Indices

eMini S&P 500  
eMini Nasdaq  
eMini Dow Jones  
CAC 40  
DAX 30  
DJ EuroStoxx 50  
IBEX 35  
Footsie 100  
OBX  
Nikkei 225  
Hang Seng  
MSCI Singapore  
Nifty  
JSE Top 40

- ❖ Exchange listed products
- ❖ Highly liquid products
- ❖ UCITS compliant products
- ❖ Traded on major future exchanges









Non exhaustive list

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# Seven Absolute Return Program

	1	2	3	4	5	6	7	8	9	10	11	12	Total	Barclay Systematic
1992					3,32%	0,70%	5,19%	0,84%	4,65%	-1,32%	-0,42%	4,98%	19,14%	20,18%
1993	5,33%	7,34%	-0,75%	-1,27%	-1,06%	5,31%	2,24%	8,40%	0,41%	3,96%	-2,41%	3,73%	35,20%	8,19%
1994	0,56%	-6,14%	-1,56%	0,69%	-1,24%	-2,28%	-1,39%	1,29%	-1,68%	-0,35%	-2,38%	-0,31%	-14,02%	-3,18%
1995	-2,12%	5,66%	6,51%	2,37%	12,31%	-0,30%	0,41%	0,98%	3,70%	1,45%	6,69%	1,90%	46,43%	15,27%
1996	3,37%	-4,65%	-0,65%	0,73%	1,53%	-1,28%	-4,04%	3,28%	5,05%	4,73%	9,12%	-2,97%	14,14%	11,58%
1997	2,21%	0,67%	-1,68%	1,10%	-0,61%	5,04%	8,13%	-2,59%	3,76%	-1,79%	0,25%	2,85%	18,19%	12,76%
1998	5,43%	2,77%	2,32%	-0,44%	1,63%	2,01%	1,14%	6,83%	5,70%	-2,24%	0,49%	-0,65%	27,54%	8,12%
1999	2,62%	-6,43%	1,40%	3,81%	-3,04%	0,53%	-2,74%	0,28%	-1,98%	0,68%	3,83%	8,88%	7,20%	-3,71%
2000	-3,14%	0,41%	-1,48%	-3,05%	-1,49%	-0,34%	0,19%	1,41%	-4,31%	0,53%	7,36%	4,14%	-0,35%	9,89%
2001	1,00%	2,55%	2,23%	-3,98%	0,05%	-0,38%	4,55%	3,33%	3,16%	3,25%	-5,70%	-2,49%	7,23%	2,99%
2002	-1,12%	1,32%	-3,54%	2,12%	0,64%	5,70%	4,89%	3,39%	4,27%	-1,91%	-1,94%	4,87%	19,76%	12,09%
2003	0,40%	3,23%	-1,79%	0,06%	5,46%	-2,68%	-2,96%	1,52%	-0,66%	1,13%	-0,83%	5,92%	8,68%	8,71%
2004	3,09%	4,95%	-1,16%	-5,07%	-2,52%	1,41%	-2,76%	3,49%	0,51%	2,44%	1,70%	4,26%	10,25%	0,54%
2005	0,11%	-1,11%	-0,43%	-0,41%	6,55%	3,66%	0,07%	1,77%	-0,44%	-5,97%	2,86%	1,14%	7,57%	0,95%
2006	2,68%	0,51%	3,44%	1,73%	-4,63%	-0,59%	-1,44%	1,14%	1,97%	3,17%	1,71%	-0,26%	9,54%	2,10%
2007	1,39%	-4,05%	-0,43%	3,00%	3,31%	-0,66%	-2,44%	-1,00%	1,91%	2,53%	3,20%	-2,18%	4,31%	8,72%
2008	2,78%	1,43%	-0,04%	-3,60%	-2,97%	1,61%	-0,51%	0,99%	2,93%	1,00%	5,04%	2,73%	11,63%	18,16%
2009	-2,00%	1,35%	0,65%	-3,14%	-2,07%	0,91%	-0,33%	1,17%	0,61%	-2,13%	3,00%	-0,97%	-3,08%	-3,38%
2010	0,16%	0,01%	1,48%	0,64%	-0,78%	1,71%	1,27%	5,71%	0,56%	1,29%	-3,48%	1,70%	10,49%	7,82%
2011	-0,09%	1,27%	-3,25%	1,58%	1,02%	-2,74%	1,90%	2,46%	1,87%	-3,14%	-0,59%	1,11%	1,17%	-3,83%
2012	-0,50%	3,03%	-1,84%	-0,47%	0,78%	-2,18%	2,00%	-2,20%	-1,10%	-3,70%	-0,46%	0,20%	-6,43%	-3,20%
2013	-0,42%	0,36%	-0,28%	2,76%	-0,81%	-4,05%	2,41%	-2,57%	3,26%	3,28%	0,71%	0,39%	4,85%	-1,10%
2014	-3,05%	1,81%	-0,18%	0,87%	3,67%	1,09%	0,00%	4,14%	-2,76%	0,12%	2,21%	-1,36%	6,47%	10,32%
2015	2,02%	2,39%	-0,18%	-1,03%	-0,37%	-4,47%	0,81%	-6,30%	2,59%	-0,03%	-0,11%	-5,11%	-9,81%	-2,92%
2016	5,40%	4,27%	-1,29%	-2,18%	0,53%	3,91%	-0,02%	-1,63%	-1,32%	-3,82%	0,77%	2,98%	7,39%	-1,78%
2017	-0,18%	6,27%	0,43%	0,45%	2,45%	-3,69%	1,09%	2,12%	-1,33%	6,07%	0,89%	-0,77%	14,20%	0,59%
2018	4,33%	-5,21%	-1,44%	0,91%	0,66%	-1,32%	1,21%	-0,38%	-0,56%	-5,89%	-0,28%	5,46%	-3,05%	-6,19%
2019	0,72%	-1,87%	6,22%	-0,39%	2,19%	4,09%	-0,29%	3,04%	-2,51%	-2,09%	0,19%	-1,75%	7,39%	6,26%
2020	2,64%	0,16%	2,86%	-0,41%	-1,06%	-1,08%	3,45%	-1,82%	-1,18%	-2,40%	0,29%	1,29%	2,57%	3,16%
2021	-2,51%	1,62%	3,41%	2,09%	0,13%	0,10%	1,36%	1,06%	-5,73%	3,52%	-3,87%	0,77%	1,51%	6,17%
2022	-1,37%	-1,27%	0,25%	-0,61%	-0,92%	1,67%	-0,74%	-1,40%	2,92%	-0,04%	3,10%	-1,69%	-0,26%	20,15%
2023	0,36%	1,95%	-4,25%	0,46%	-1,44%	4,63%	2,22%	-3,13%	-0,57%	-0,77%	1,24%	4,69%	5,09%	-1,93%
2024	-1,02%	2,00%	1,97%	-2,23%	1,85%	-1,01%	-0,37%						1,12%	1,53%

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# Seven Absolute Return Program – trading statistics

Period - 2009 - 2018

MARKET	Average gain (in market point)	Average loss (in market point)	Hit Ratio (positive deals / total deals)	Average holding period (positive deals)	Average holding period (negative deals)
BOBLE	4.3	0.4	50%	248	17
BUNDE	7.7	1.0	37%	215	20
CAC	357.5	84.8	29%	219	28
DAX	771.9	227.5	36%	206	35
DJmini	2,037.9	285.9	39%	269	21
EURO50	229.4	57.6	26%	200	26
EUROD	0.50	0.05	36%	339	19
EUROLIBOR	0.53	0.05	36%	330	26
FOOTSIE	425.1	132.5	34%	206	21
HANGSENG	1,183.0	449.1	33%	166	33
HOLLANDE_AEX	37.2	9.7	36%	230	22
IBEX35	805.2	283.4	25%	172	31
INDE_NIFTY	415.0	126.0	31%	151	33
JGB	2.8	0.4	44%	236	23
MSCI_SINGAPOUR	21.8	4.5	35%	190	18
NASDAQmini	727.2	100.6	35%	320	15
NIKKEI	1,721.4	328.8	34%	184	26
NORVEGE_OBX	46.9	10.1	30%	215	20
SCHATZ	1.1	0.1	46%	240	31
SOUTHAFRICA_JSE	2,507.5	720.6	20%	170	26
SPmini	220.5	33.9	39%	273	21
TBOND	7.8	1.1	30%	193	21
TNOTE10Y	4.2	0.6	38%	203	23
TNOTE2Y	0.9	0.1	29%	243	25
TNOTE5Y	2.7	0.3	39%	218	25

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In addition, prior to any transaction, investors must:

- become familiar with the key investor information document and the prospectus for each UCITS, and understand the nature, characteristics and risks of the selected investment.
- ensure that the selected investments are appropriate, whether in terms of their financial situation, their investment objectives or the risks investors are prepared to accept.

Please note that results refer to simulated past performance and past performance is not an indication of future performance. Consequently, investment decisions must not be based primarily on past performance: other items outlined in the factsheet for each UCITS must be considered. The key investor information documents and the UCITS prospectuses presented may be obtained from Seven Capital Management on written request sent to [info@seven-cm.com](mailto:info@seven-cm.com) or from the company's website: [www.seven-cm.com](http://www.seven-cm.com)

Lastly, the taxation to which any investment in UCITS units or shares is subject depends on the individual circumstances of each investor. As such, investors are advised to consult their tax advisers.

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