



# STAY-C Strategy Commodity Index (ER)

## Methodology

- The STAY-C Strategy Commodity Index (ER) ("STAY-C") is an active commodity futures index based on mathematical algorithms.
- STAY-C picks the most promising commodities from a universe of 24 exchange traded commodity futures.
- The strategy is rule-based.
- The strategy is long only and never uses leverage >1.
- The investment exposure is between 0 and 1.
- Selection of the index components is performed weekly.
- Rebalancing: weekly.
- Weighting scheme: equal weighted.
- Maximum weight for any commodity: 20%.
- Number of index components: variable between 0 and 10.
- Current universe: Aluminum, Cocoa, Coffee, Copper, Corn, Cotton, Gas Oil, Gold, Heating Oil, Lead, Lean Hogs, Live Cattle, Natural Gas, Nickel, Platinum, Silver, Soybean Meal, Soybean Oil, Soybeans, Sugar, Unleaded Gasoline, Wheat, WTI Crude Oil, Zinc.

## Alpha Sources

Typically, the correlation between commodities is low. Thus STAY-C selects each commodity individually. To be considered for STAY-C, a commodity must meet strict criteria such as positive momentum over different time periods. To ensure its stability and validity in different market environments, the algorithm and its parameters were developed in a unique way looking back as far as 1970.

Two main factors are leading to the outperformance of STAY-C:

- 1.) In periods of commodity bull markets and sideways markets, STAY-C can deliver better results than the broad commodity indices through its focus on commodities that are likely to outperform.
- 2.) In a difficult environment for commodities, market exposure will be reduced– if necessary to 0. This mitigates drawdowns significantly and amplifies outperformance.

## Live Track Record

Since its launch in May 2007, STAY-C managed to minimize losses markedly in difficult periods such as in 2008. Moreover, it participated and even outperformed in bull markets.

In contrast to what is often common in the industry, the chart shows only the live track record as it has been calculated by respected index calculation agents like the German Exchange (Deutsche Börse), which inter alia also calculates the DAX. In addition, back-test calculations up to 1970 are available.

Since its launch, STAY-C has beaten its benchmark BCOM more than threefold.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD	Since Launch
STAY-C	12.8%	26.8%	4.4%	22.7%	-13.4%	8.9%	-6.6%	-1.3%	-3.7%	6.7%	-8.5%	-8.1%	6.3%	2.1%	24.1%	85.1%
Bloomberg	6.1%	-36.5%	18.7%	14.7%	-11.9%	-1.1%	-9.6%	-17.0%	-24.7%	11.4%	0.7%	-13.0%	5.4%	-3.5%	22.7%	-45.0%
Outperformance	6.7%	63.3%	-14.3%	8.0%	-1.5%	10.0%	3.0%	15.7%	21.0%	-4.7%	-9.2%	4.9%	0.9%	5.6%	1.3%	130.1%

## Key Figures

General information	Key metrics	Portfolio	Awards
Launch date: 4.5.2007 Bloomberg: C2IQSTAY Index Index calculation agents: iQ-FOXX (since 1.7.2016) Deutsche Börse (until 30.6.2016)	STAY-C Ann. return: 4.3% Volatility: 12.5% Max drawdown: -38.4% Sharpe ratio: 0.34 Index value: 185.10 BCOM: Benchmark index Date: since inception to 30.11.2021		

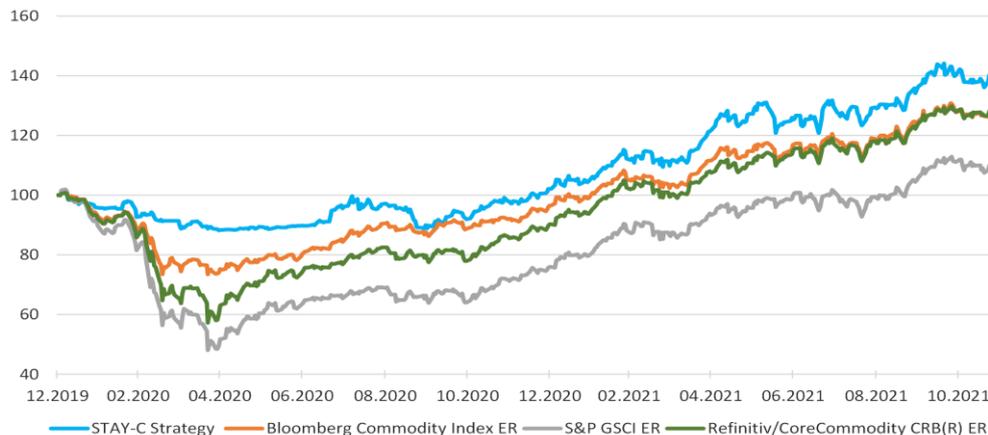
## November Commentary

Towards the end of November, fears of a widening of the pandemic put pressure on commodity prices. The Bloomberg Commodity Index lost 7.3%, the Stay-C Strategy Commodity Index 9.7%. The outperformance was -2.4%.

This behavior is within the scope of the momentum strategy. The protect mechanism typically does not prevent short-term drawdowns to fully participate or even outperform in bull markets.

STAY-C was fully invested throughout November. Comparing the end of the month with the beginning, sugar has replaced lead.

Since the beginning of 2020, STAY-C has outperformed all major commodity indices. The drawdown during the corona crash was significantly less severe than that suffered by these indices.



## Implementation

Implementation is through a structured note issued by UBS London (Euro hedged, daily tradable, Aa3 Moody's; A+ S&P's). In addition to the Stay-C index, roll optimization is applied. Note: Also swaps and secured notes can be used to implement the STAY-C strategy.

## Customisation

Individual customisation is possible in many respects to fit the needs of institutional investors. Customisation includes ex-agriculture, increase of the investment allocation percentage or combinations with other strategies like seasonality or specific rolling rules.

## Company

Seasonax Capital is an innovative investment boutique for empirically backed investment decisions. The focus is on identifying market anomalies that have been barely exploited thus far and their statistically robust implementation in investment strategies. The founders have extensive experience in the field of quantitative analysis and the development of trading systems and have received numerous awards for their work (e.g. Scope Award 2019, German Precious Metal Association Prize 2017, UCITS Hedge Award 2013, Euro Fund Award 2019).



**DIMITRI SPECK**  
System Developer



**TEA MURTOVIC**  
Asset Management & Institutional Sales



**CHRISTOPH ZENK**  
Technical Director

**Contact: Seasonax Capital GmbH, Talpagasse 1A, 1230 Vienna, Austria**  
 ☎ [www.seasonax-capital.com](http://www.seasonax-capital.com) ✉ [office@seasonax-capital.com](mailto:office@seasonax-capital.com) ☎ +43 1 955 85 76

### LEGAL DISCLAIMER

This document is a customer information ("CI") within the meaning of the Securities Trading Act (WpHG), the "CI" is directed exclusively to professional clients within the meaning of section 67 WpHG (natural and juristic persons) with habitual residence or registered office in Germany and is used solely for informational purposes. Also, it was not written with the intention of providing legal or tax advice. The tax treatment of transactions depends on the personal circumstances of the respective customer and may be subject to future changes. The individual circumstances of the recipient (including the economic and financial situation) were not taken into account in the preparation of the "CI".

An investment in mentioned financial instruments / investment strategy / financial service involves certain product specific risks - e.g. market or industry risks and risk in currency, default, liquidity, interest rate and credit - and is not suitable for all investors. Therefore, potential prospects should make an investment decision only after a detailed investment advisory session by a registered investment advisor and after consulting all available sources of information. For further information, please refer to the "Key Investor Information" and the securities prospectus: [www.seasonax-capital.com](http://www.seasonax-capital.com)

Past performance is not a reliable indicator of future performance. Recommendations and forecasts are non-binding value judgments about future events and may therefore prove to be inaccurate with respect to the future development of a product. The listed information refers exclusively to the time of the creation of this "CI", a guarantee for timeliness and continued correctness cannot be accepted.

The above content reflects only the opinions of the author, a change of opinion is possible at any time, without it being published. The present "AI" is protected by copyright, any duplication and commercial use are not permitted.

Date: 3.9.2020, Editor: Seasonax Capital GmbH, Talpagasse 1A, 1230 Vienna acts as a tied agent (section 2 (10) German Banking Act (KWG)) on behalf, in the name, for account and under the liability of the responsible legal entity BN & Partners Capital AG, Steinstrasse 33, 50374 Ertstadt. BN & Partners Capital AG has a corresponding license from the German Federal Financial Supervisory Authority (BaFin) for the provision of investment advice in accordance with section 1 (1a) No. 1a KWG and the investment brokerage to section 1 (1a) No. 1 KWG.