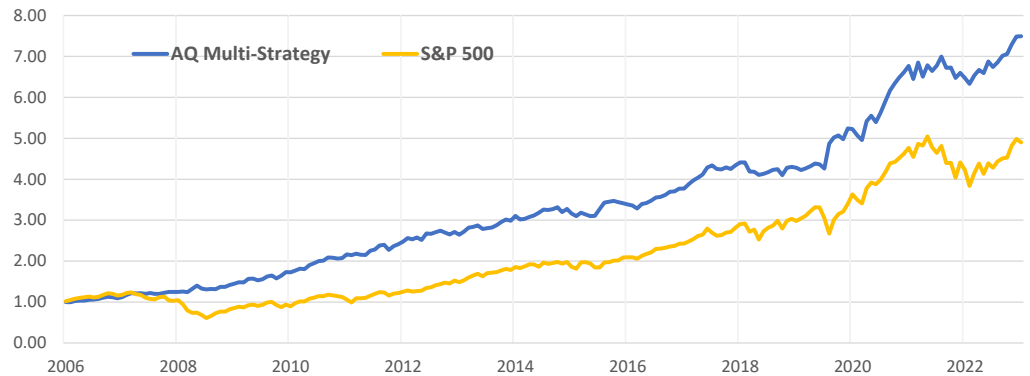


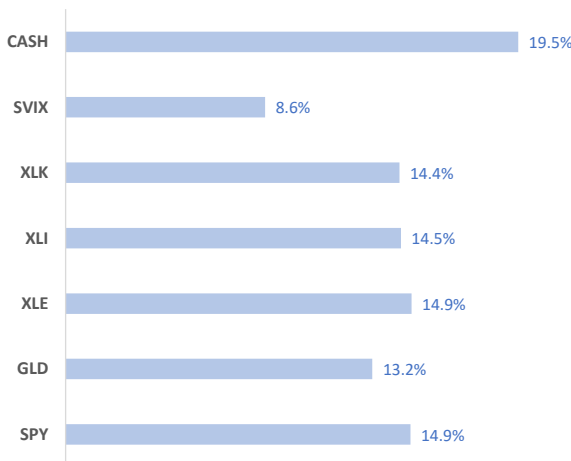
### Summary

Month-to-Date	0.1%
Year-to-Date	13.6%
Inception-to-Date	649%
3M Return	6.2%
6M Return	11.1%
Annualized Return	12.6%
Annualized Volatility	9.5%
Sharpe Ratio	1.32
Current Drawdown	0.0%
Max Drawdown	-11.1%

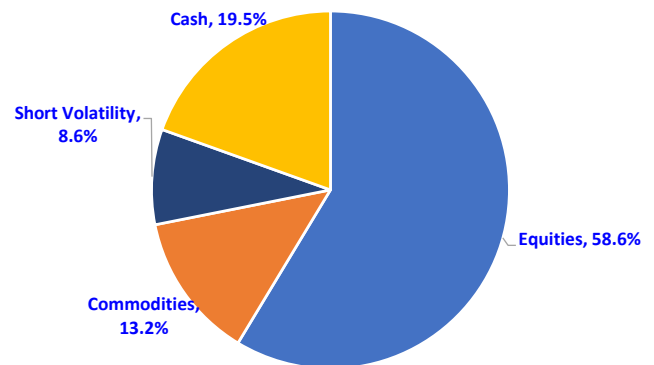
### NAV Chart



### Current Holdings



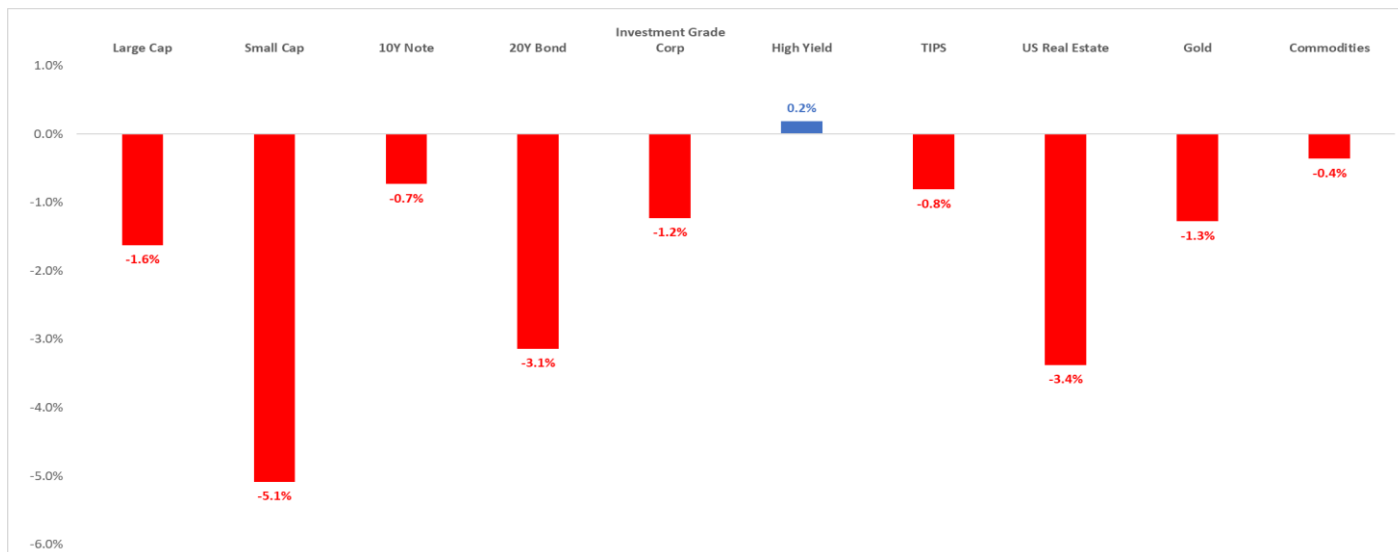
### Asset Allocation



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2006								0.2%	-0.6%	3.2%	0.7%	-0.2%	3.3%
2007	2.3%	0.5%	1.6%	2.7%	1.9%	-1.2%	-2.1%	2.2%	5.2%	3.8%	-0.5%	0.4%	17.7%
2008	-1.5%	2.0%	-1.9%	0.4%	2.1%	1.5%	0.2%	0.0%	0.6%	-1.0%	6.5%	5.9%	15.3%
2009	-5.0%	-1.7%	1.0%	-0.5%	4.4%	-0.2%	3.6%	2.0%	2.5%	-0.2%	5.7%	0.6%	12.3%
2010	-2.7%	1.5%	4.6%	1.5%	-4.4%	4.2%	5.3%	-0.4%	2.4%	2.7%	-0.5%	5.4%	20.9%
2011	2.4%	2.7%	0.5%	3.8%	-0.2%	-1.1%	0.6%	4.6%	-1.0%	1.6%	-1.3%	-0.1%	13.0%
2012	4.8%	1.4%	4.2%	0.6%	-5.1%	4.0%	2.0%	2.7%	3.5%	-1.1%	1.8%	-2.3%	17.0%
2013	6.2%	-0.4%	1.5%	1.3%	-1.8%	-1.6%	2.2%	-2.3%	2.6%	3.6%	0.8%	1.2%	14.0%
2014	-2.9%	0.6%	0.6%	2.0%	2.7%	2.1%	-1.1%	4.0%	-2.8%	0.5%	1.6%	1.1%	8.5%
2015	2.2%	2.4%	-0.4%	0.6%	1.4%	-3.4%	2.4%	-3.5%	-2.0%	2.7%	-1.3%	-1.3%	-0.5%
2016	0.2%	5.5%	4.8%	0.5%	0.6%	-0.8%	-0.8%	-0.9%	-0.8%	-2.1%	3.2%	0.8%	10.4%
2017	1.7%	2.2%	0.4%	1.3%	2.2%	0.3%	1.8%	0.0%	2.9%	2.3%	1.7%	1.9%	20.3%
2018	4.2%	1.2%	-2.1%	-0.2%	1.2%	-1.0%	2.1%	1.6%	0.0%	-5.1%	-0.2%	-1.7%	-0.2%
2019	0.5%	1.0%	1.5%	0.4%	-3.4%	4.3%	0.5%	-0.4%	-1.4%	1.0%	1.2%	1.6%	6.7%
2020	-0.5%	-2.3%	14.3%	3.0%	1.1%	-1.8%	5.3%	-0.3%	-3.0%	-2.2%	9.2%	2.6%	26.7%
2021	-2.8%	4.2%	5.0%	4.5%	2.7%	2.4%	1.9%	2.4%	-4.7%	6.2%	-5.0%	4.2%	22.1%
2022	-2.0%	1.9%	3.3%	-3.9%	0.0%	-3.7%	1.9%	-1.9%	-2.2%	3.3%	2.1%	-1.1%	-2.8%
2023	4.2%	-1.9%	1.7%	2.3%	0.6%	3.4%	2.6%	0.1%					13.6%

### Market Highlights & Portfolio Updates

#### MARKET HIGHLIGHTS



August marked a volatile month after the US stock market ramped up almost 20% in the first 7 months of this year. The S&P 500 closed lower every week in the first 3 weeks of this month. At its worst point, it was down 4.7% before rebounding to end the month lower by 1.6%.

The difficulty this month was further magnified because there are hardly any safe havens to be found this month. We have witnessed this from time to time since 2022 when Fed started its incessant rate hiking cycle to dampen inflation. While most market participants are convinced we are at or if not near the end of the cycle now, the question of how long we will stay at such rates remain elusive. After more than one and a half years, inflation still lingers and what Fed plans to do continue to cast a shadow over the financial markets.

But if you look at the data to date, you will understand why Fed retains a hawkish tone in their communications. Despite China buckling under growth problems and Europe slowing, US in contrast, is holding up exceptionally well. Business and retail spending is strong. Labor data is still robust although there are signs of tapering.

What probably prevents Fed from pushing the rates further up is the progress on inflation. The US Core PCE inflation which Fed watches finally came down to 4.2% after moving neither here nor there for the past 6 months. But it is still some way to their target of 2% which Jerome Powell have emphasized despite calls to revise this target upwards in light of changing norms.

Labor, wage growth, GDP, commodity prices, and market expectations would all have an impact on the Fed's decision. Unless these also show a sustained slowdown, particularly if inflation isn't budging much, if not, there is always the risk of inflation stalling or resurging. Thus until we see inflation dropping in a more sustainable manner or the economy slowing more, Fed is unlikely to drop its tone and risk pumping up optimism which can in turn reignite inflation and hinder their efforts.

#### PORTFOLIO UPDATES

Despite the broad-based selloff across the markets this month, our model portfolio held up well. It was up slightly by about +0.1% against the backdrop of S&P 500 falling -1.6%. The model's sector picks in Energy, Industrials, and Technology, while down overall for the month, still did relatively better than the broad market with Energy again being the only sector that bucks the trend. But the main driver that pushes our model portfolio into positive territory this month is our volatility trades. The model entered into short volatility positions as the selloff deepens in a timely move that catches volatility when it was high. The strategy made good profits as the market rebounds and volatility subsides.

Overall, the model portfolio is up +0.1% for the month bringing this year's return to +13.6% YTD.

*Eng Guan & Patrick*