



# EXCA ONE Fund Brochure

[www.exca.com](http://www.exca.com)

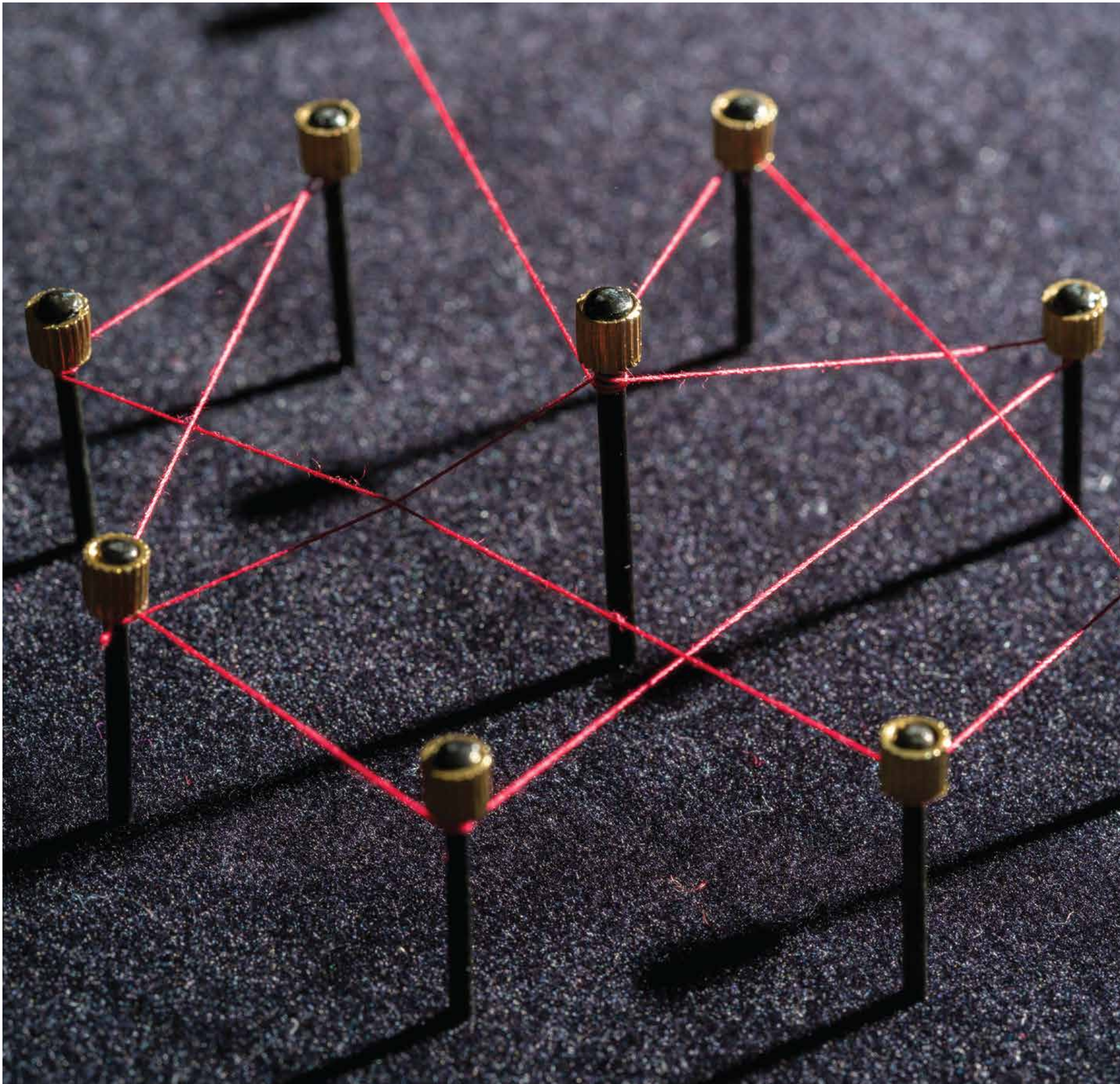
**Risk Warning:** Past performance is no guarantee of future results. Not insured by the government, not guaranteed by any partners, not a bank deposit product, may lose value; for complex investment products, please discuss with your financial consultant and/or legal advisor. Eligibility restrictions apply.



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# ORGANIZATIONAL **STRUCTURE**

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## **Simplified**

We do not have layers upon layers of management but have a simple horizontal organizational structure, where individuals are given the freedom to manage themselves and think outside of the box.

## **Streamlined**

We form external partnerships to outsource certain functions so we can focus on the core business.

## **Agile**

Exclusive Change Capital, as the delegated portfolio manager and an authorized marketing distributor, is a boutique firm able to make quick, salient decisions without the bureaucratic constraints of larger, complex firms.

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# THE EXTERNAL MANAGER

The Fund is managed by Fortified Capital Ltd (The “External Manager”). The External/Compliance Manager (or, AIFM) is responsible for the overall management of the Fund. The External Manager is authorized by CySEC as an Alternative Investment Fund Manager (the “AIFM”) in accordance with the Alternative Investment Fund Managers Law of 2013 (“AIFM Law”) as amended and is regulated by CySEC under license number AIFM02/56/2013. The Fund has been registered by the External Manager in the RAIF Register, which is maintained by CySEC in accordance with Article 138 of the AIF Law, and is indirectly regulated by CySEC through its external Manager.



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## THE PORTFOLIO MANAGER

The External Manager has delegated the duty of Portfolio Management and Distribution to Exclusive Change Capital Ltd. Exclusive Capital is the initiating entity of the ExCa Prime Family of Funds and seed shareholder of this, the ExCa ONE Fund.

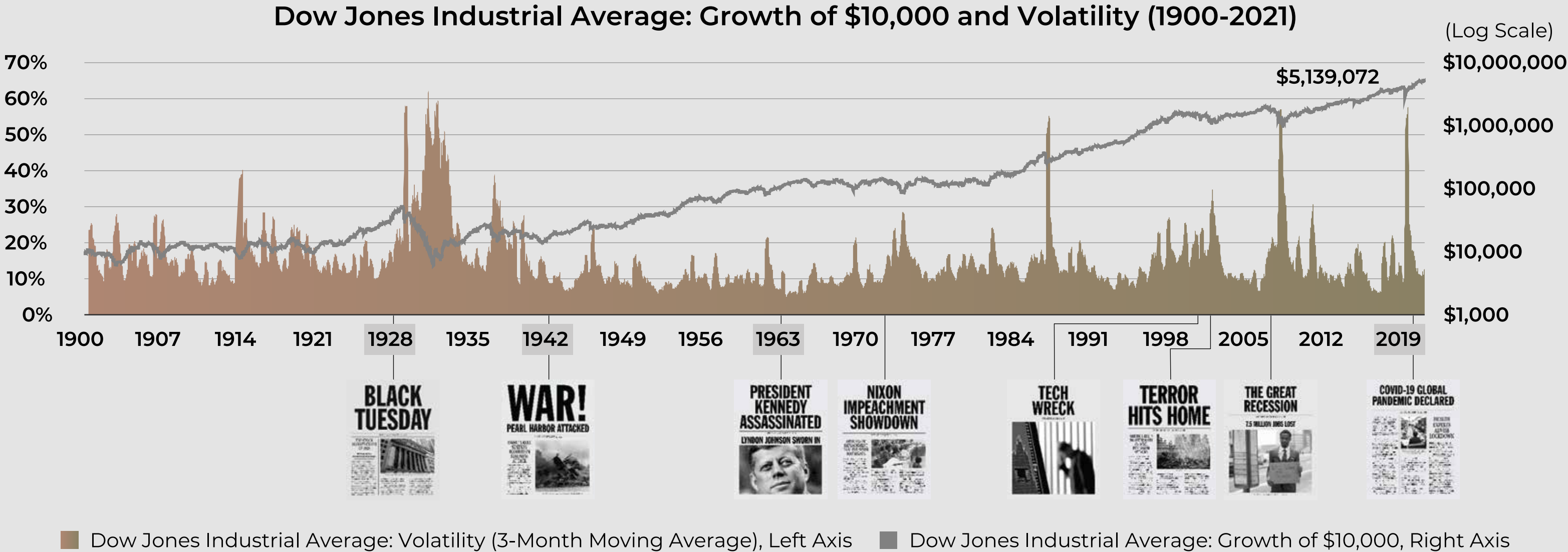
Exclusive Change Capital traces its history to 1990s Hungary. The local office (HE337858) set up shop officially on 13/11/2014 with the namesake arm registered +as a regulated entity obtaining Cyprus Securities and Exchange Commission ("CySEC") license 330/17 with the right to offer an array of diverse investments on 08/08/2017.

The Exclusive Capital brand (EE45471) was permitted for business in Cyprus on 30/03/2017. Subsequently, the EXCAPRIME RAIF V.C.I.C. PLC (HE409449) was established in Cyprus on 21/05/2020 as a public company limited by shares incorporated under the Companies Law, Cap.113. It was listed in the RAIF Register maintained by CySEC on 03/08/2020 to operate as a Registered Alternative Investment Fund ("RAIF") - an open-ended umbrella Investment Company of Variable Capital in accordance with Part VIII of the Alternative Investment Funds Law 124(I)/2018.

The EXCA Prime Fund has come as a natural progression to our existing operations. The Company is authorized to create Investment Compartments addressed to Professional and/or Well-Informed investors, with the idea to add to the Family of Funds uniquely designed valuable investment vehicles.

# REALITY CHECK

## Every Generation Faces Its Share of Challenges



**Source:** Bloomberg L.P., 12/31/21. Volatility is measured by the standard deviation of price moves on returns of the index. The line is showing the price return for the Dow Jones Industrial Average Index. Standard deviation is a statistic that measures the dispersion of a dataset relative to its mean. The chart is a hypothetical example shown for illustrative purposes only and does not predict or depict the performance of any investment. An investment cannot be made directly into an index. See appendix for index definitions.



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# MACRO OUTLOOK



## Key Points

Historically, investing in stocks has been one of the best ways to build wealth, because of their long-term growth potential relative to bonds and/or cash.

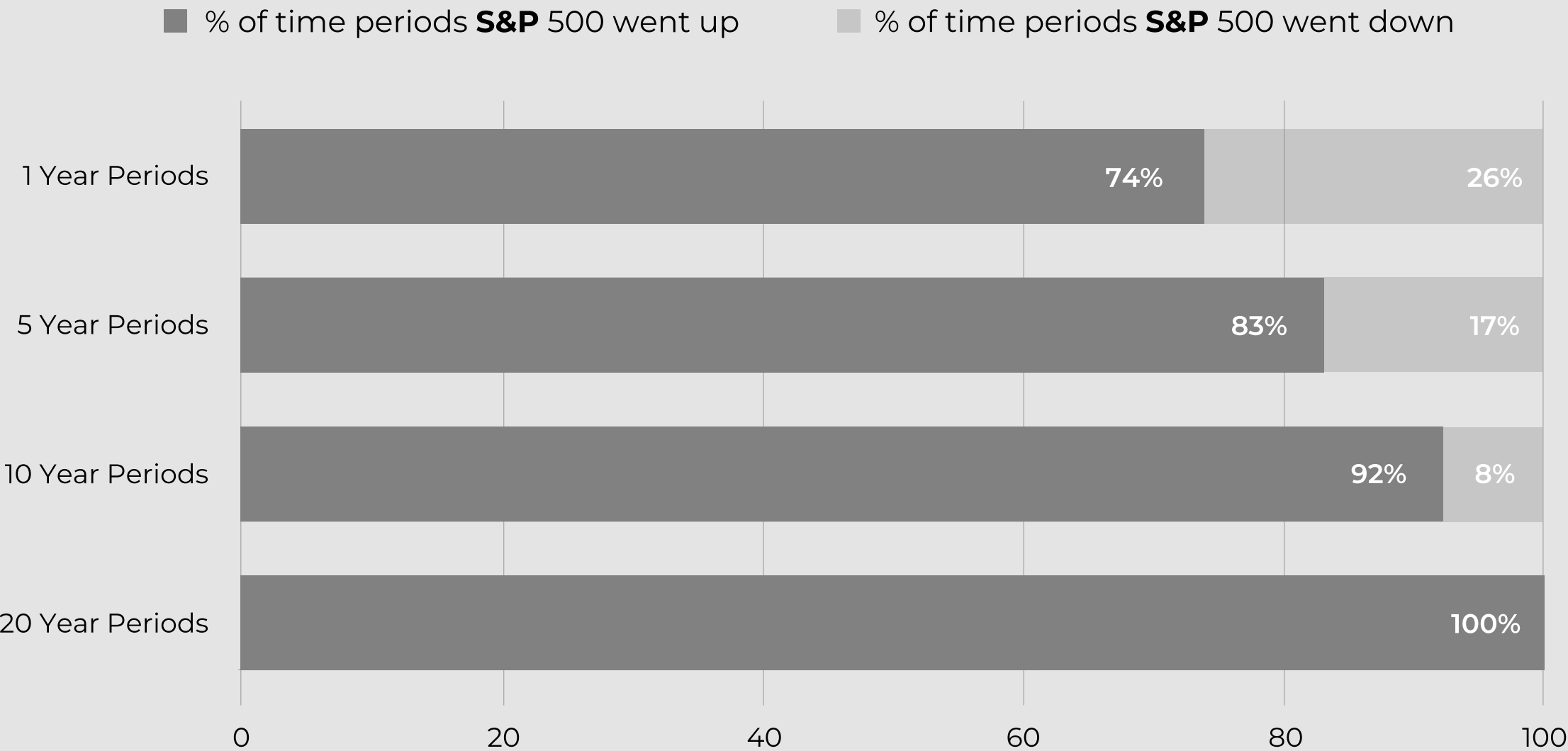
Yet many investors underinvest in stocks or try to time the market.

In either case, investors could be missing opportunities.

That’s because over long periods of time, the stock market has historically generated positive returns.

## Building wealth takes time. Think long term.

Stocks have generated positive returns 100% of the time over 20 year periods as of 12/31/22



**As part of a well-balanced portfolio, consider stocks for their long-term growth potential.**

*Credit to MFS Investment Management Company for sourcing and compiling the data.*

*Monthly data as of 30 December 1949 to 31 December 2022. S&P 500 Index price returns are gross and in US dollars.*

*The investments you choose should correspond to your financial needs, goals and risk tolerance. For assistance in determining your financial situation, consult an investment professional.*

**Source:** Factset. The historical performance of the index cited is provided to illustrate market trends, it does not represent the performance of a particular MFS investment product. The S&P 500 (Price Return) Index is a commonly used measure of the board stock market. Index performance does not take into account fees and expenses. It is not possible to invest directly in an index.

*Common stocks generally provide an opportunity for more capital appreciation than fixed-income investments but have also been subject to greater market fluctuations. Keep in mind that all investments do not guarantee a profit or protect against a loss.*

**Past performance is no guarantee of future results.**

# BULLS VS BEARS

Historically, bull markets have beaten bears and driven long term gains.

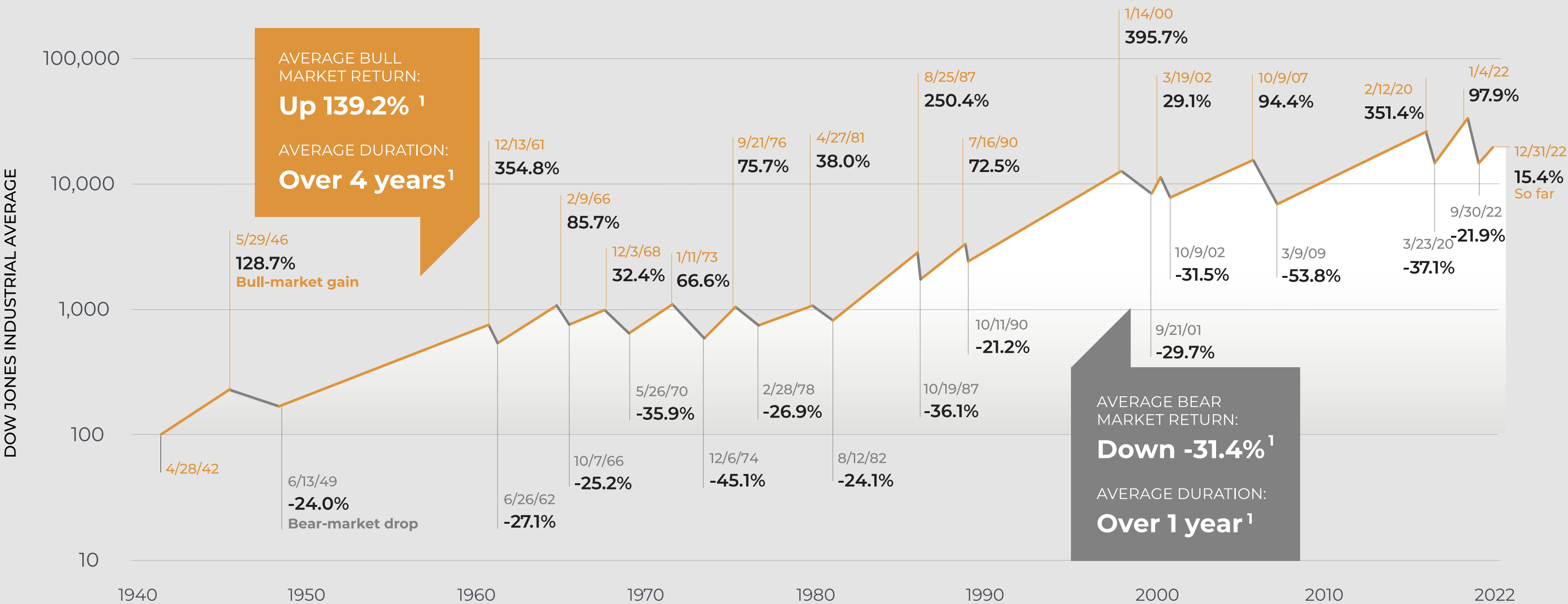
History of Dow Jones Industrial Average, 4/28/42 - 12/31/22

## Key Points

Markets are always moving - up, down and sideways. They rarely go straight up.

Over time, stock markets have moved higher, bouncing back from what prove to be short-term declines.

And if you sell when the market falls, you'll likely miss a rebound and any subsequent gains, possibly falling short of your goals.



Investing for the long term and having a disciplined plan can help you work toward reaching your goals.

Credit to MFS Investment Management Company for sourcing and compiling the data.

Source: SPAR, FactSet Research Systems Inc. It is not possible to invest in an index.

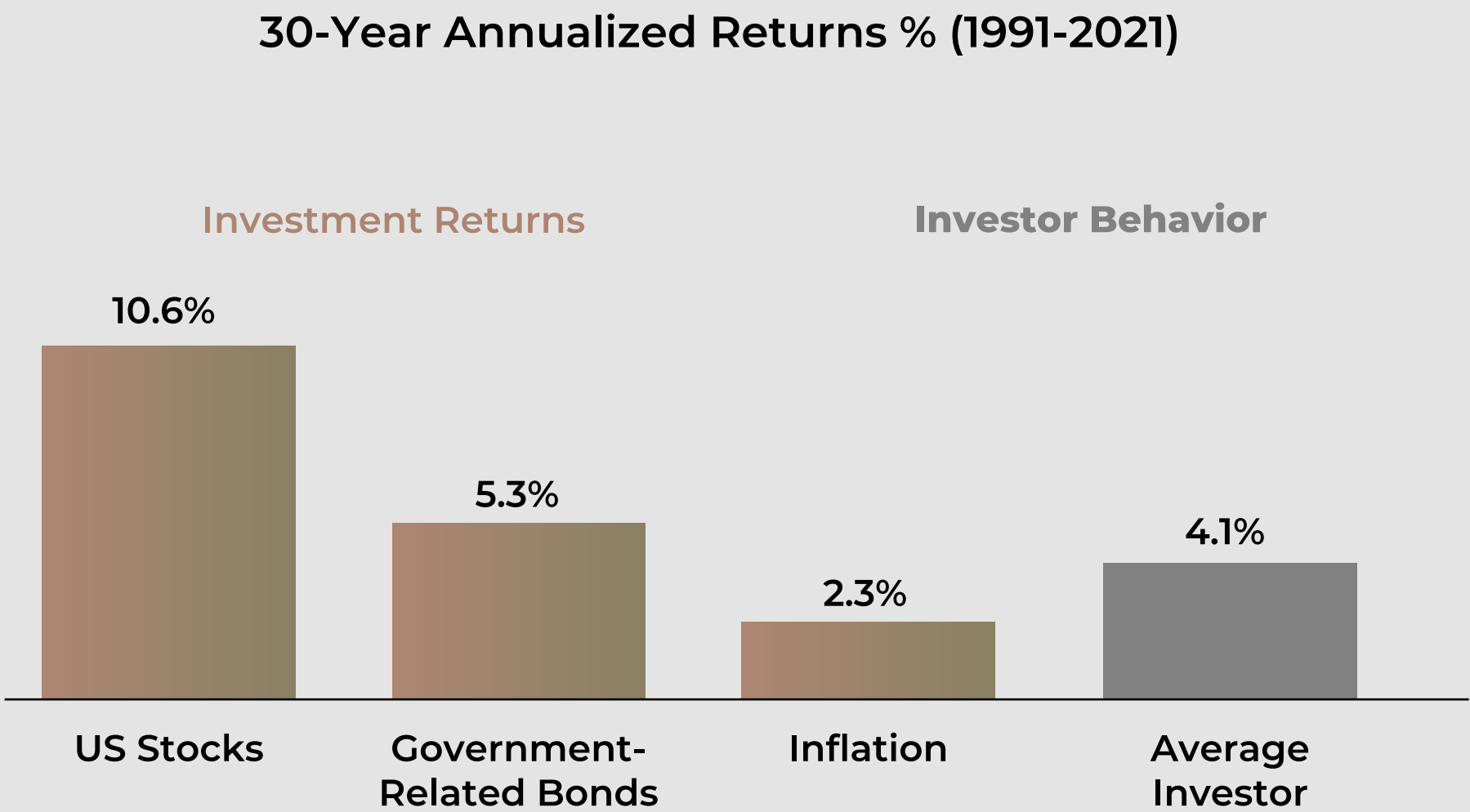
<sup>1</sup>Dow Jones Industrial Average, 4/28/42-12/31/22. Returns are shown based on price only.

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# STAYING INVESTED

## What Has the Greatest Impact on Investment Results?



**Sources:** Federal Reserve, Bankrate.com and Barclays Live, as of 12/31/21. The hypothetical tax rate used in the chart on the left is the highest marginal tax rate of 35.0% before 2013 and 39.6% between 2013-2017 and 37% after 2018. The 4.3% Affordable Care Act surcharge was not considered. Tax rates and brackets are subject to change. Changes in tax rates and tax treatment of investment earnings may affect the results shown. Investors should consult a tax advisor. Hypothetical Interest Rate Moves: Barclays Live, as of 12/31/21. Hypothetical returns for the Bloomberg US Aggregate Bond Index are based on the current yield to maturity of 2.32%, the current duration of 5.87 years. Duration is a measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates. The charts are for illustrative purposes only and do not predict or depict the performance of any investment. An investment cannot be made directly into an index. See appendix for index definitions.



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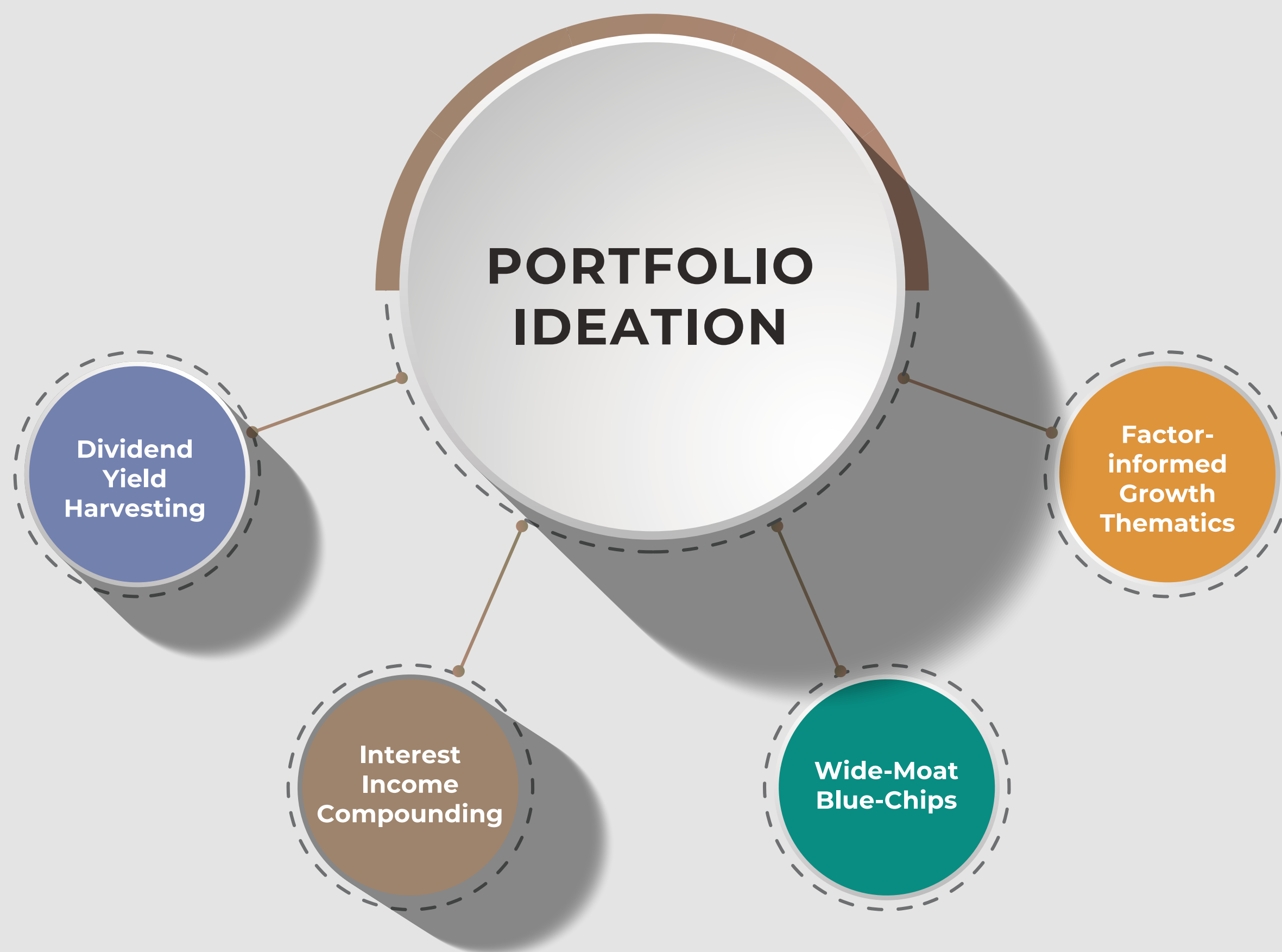


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# EXCA PRIME

The **Umbrella Fund(s)** aims to provide uniquely diversified investment compartment mandates for investors going long. We employ multi-asset strategies managed as Smart Betas.

# EXCA ONE

## Investment Objective

This 70/30 Balanced Income Total Return Portfolio aims to be a balanced income and growth strategy for most all seasons, usurping the old 60/40. At core, the objective is to steadily build portfolio value by moderating volatility across a variety of challenging economic environments; the fund holds sway with behemoth company underpinnings while maintaining an opportunistic tilt forward.

## Strategy Description

**There is a dual thesis:**

The first part encapsulates a yield-harvesting dividend reinvestment and interest-compounding approach which supports limiting downside capture.

The second part is broken further into a growth component of wide-moat blue-chip companies alongside factor-optimized macro-thematics, for a blended appreciation with a focus on fundamentals.

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# A **BLUE-CHIPS** PRIMER

## Characteristics of Blue-Chip Companies

### Earnings Potential

Dividend track record  
Moat advantages

### Holding Market Sway

Diversified from volatility  
Large capitalization

### Operationally Sound

Proven business model  
Intellectual property portfolio

### Leading the Industry

Index listed  
Household names

### Delivering Consistent Results

Producing over the long term  
Healthy balance sheets



*Credit to: Rida Morwa 2023 @SeekingAlpha.com*

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# THEMATIC INVESTING FACTOR CHARACTERISTICS



## Secular Trends

Long term political, economic technological and social trends.



## Sector Independent

Cuts across countries and traditional sectors.



## A Changing World

Captures trends that reflect how the world is changing.



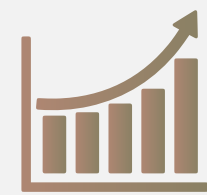
## Security Selection

Identifies companies with exposure to different target themes.

Source: Morningstar Data (2020)

## What Are The Benefits of Thematic Investing?

Thematic investing enables investors to understand and proactively manage how themes impact portfolios by complementing traditional portfolio design.



Thematic investing gives investors exposure to long-term structural trends



Positions portfolios relative to long-term risks and stranded business models.



Provides exposure to several themes that can be quantified, analyzed and managed.

Maintain Source: Morningstar Source: Visual Capitalist



## Low Volatility

### What is it?

The low volatility factor attempts to capture excess returns to stocks with lower than average risk.

### How you may experience it

If you want a writing career with relatively reliable income, you'll likely choose to be a marketer at a large company rather than a self-employed author.



## Quality

### What is it?

The quality factor attempts to capture excess returns to stocks that are characterized by low debt, stable earnings growth and other "quality" metrics.

### How you may experience it

When you're purchasing new tires for your car, you might consider the following characteristics, Tread Longevity Warranty, Safety Ratings.



## Momentum

### What is it?

The momentum factor attempts to capture excess returns to stocks with stronger past performance.

### How you may experience it

When you're deciding what to watch, you may choose a TV show that has high audience ratings. You'll likely also recommend it to your friends, which further boosts viewernumbers.



## Value

### What is it?

The value factor attempts to capture excess returns to stocks that have low prices relative to their fundamental value.

### How you may experience it

If you want to get a good deal, you may look for items that are on sale.

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# MACROTREND DIVERSIFIER THEMES

## Healthcare

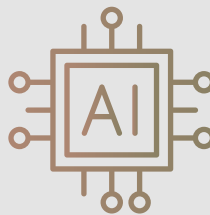
- Biotech (mRNA, CRISPR-Cas, robotics) - Y
- Medical Devices (prosthetics, wearables, transplant/implants) - Y
- Tele-Health (e-diagnosis, remote surgery, virtual hospitals) - M
- Pharmaceutical (generics, licensing, FDA approvals/pipeline) - Y
- Insurance (regulated medical plans, unified common profile) - X
- Facilities (real estate leasing, hospital property management) - Y
- Clinical software (specialty clinic, consumer access) - Y
- Computing (cancer protein misfolding, fMRI diagnostics) – M
- Pet Care (veterinary sciences, nutrition and treatments) - M
- Stem Cell Research (limb regeneration, anti-aging/longevity) - M
- Sanitation/Hygiene (MRSA, C.diff, CoViD) - M
- Supplements – X
- Retail Pharmacies (outlet dispensing, patient administration) - M

## Green Energy

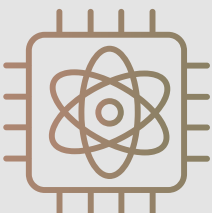
- Carbon Off-sets (emissions’ credits exchanges) - Y
- Renewables (wind, solar, hydro, geothermal) - Y
- Alternatives (portable nuclear, green hydrogen) - M
- Natural Resources (specialty materials) - Y
- Architecture/Re-engineering (grid, energy storage) – Y
- Servicing (filters, disposal) - M



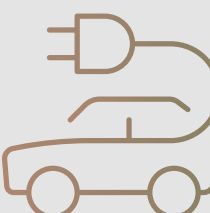
**Space Technology**  
(propulsion, materials)



**Artificial Intelligence**



**Quantum Computing**



**Electric Vehicles**



**Agricultural Technology**  
(seeding, harvesting)



**Grid Infrastructure**

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# HIGH CONVICTION SECURITY SELECTION

## Fundamental Analysis

The strategy takes a bottom-up approach to investing, looking at company-specific fundamentals. These include, but are not limited to:

- ✓ Earnings growth, including future expected results, dividend track record, price at +/-52wks, SMA50d
- ✓ Revenue growth, net income margins, sales trajectory
- ✓ Financial statements such as balance sheet, income statement, cash flow, industry news, contract agreements, regulatory approvals, fines and citations
- ✓ Price-to-earnings (P/E) in lifecycle vs industry (peers), book value, cash ratio, return on equity, return on invested capital, net profit margin
- ✓ Statements of changes in owners' or stockholders' equity
- ✓ Research and economic reports, analyst opinions, earnings' calls
- ✓ The pedigree and tenure of the company's board, leadership team, stakeholder opportunities and vulnerabilities, proxy voting meetings, market sentiment

## Morningstar Criteria

Industry Group	Morningstar Fair Value	Equity Style Box	Fixed-Income Style	\$ Current Price	52 Week High	52 Week Low	% Below 52-Week	\$ Market Value	Number of Fund Owning	Morningstar Rating For Funds
% Expense Ratio	Financial Health Grade	Fund Manager Tenure	% Forward Dividend Yield	Duration	Economic Moat	Profitability Grade	Beta 3 Year	Morningstar Return	Standard Deviation 3 Year	

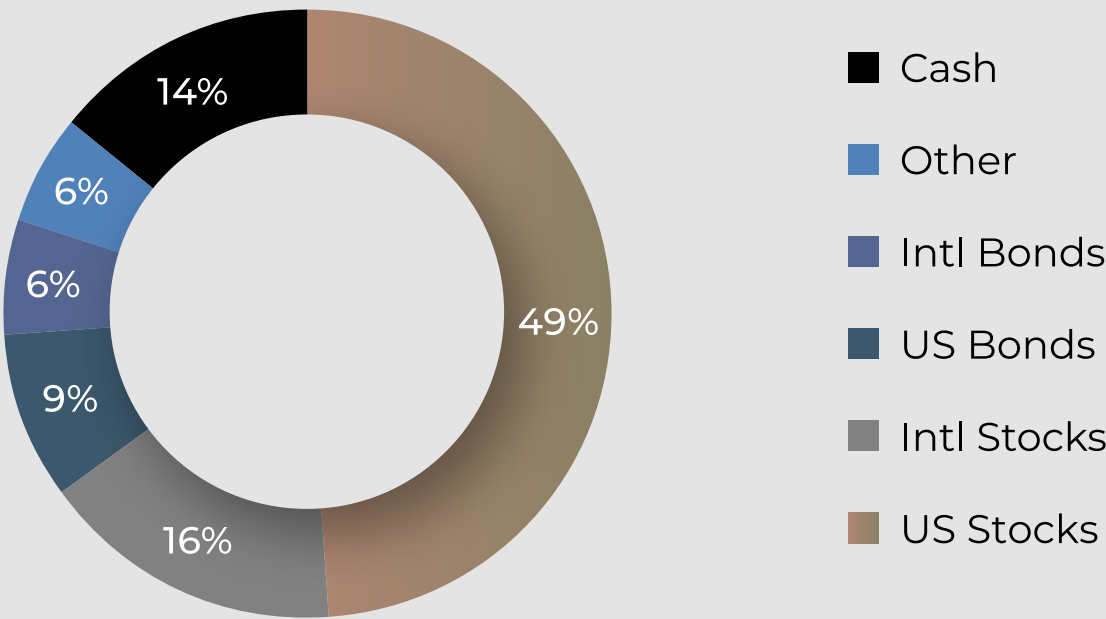
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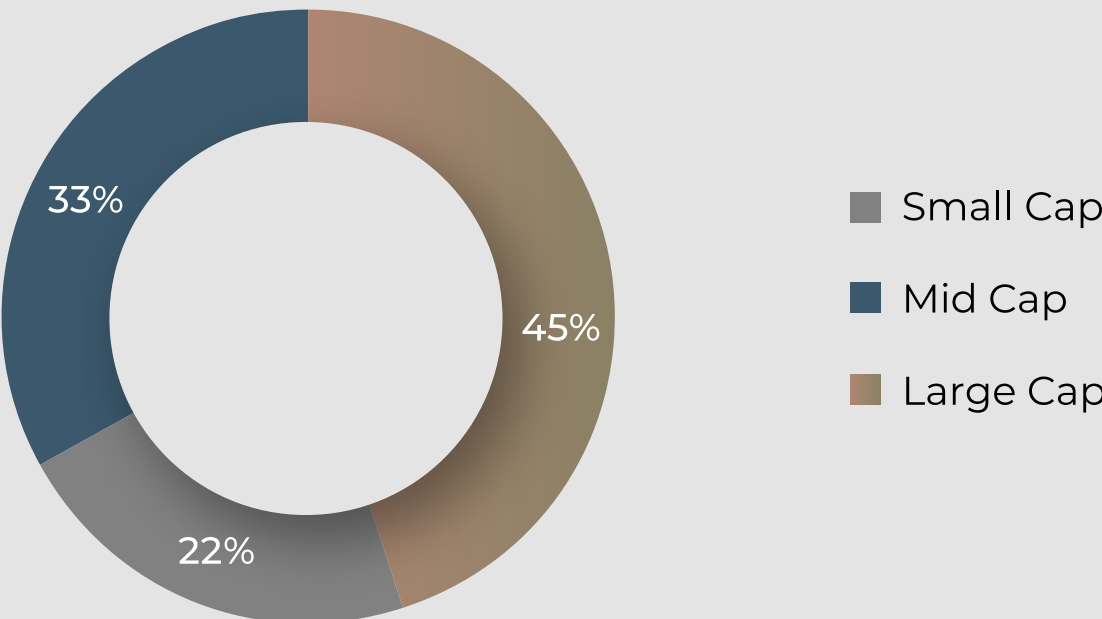
# FUND COMPOSITION

(\*timed and weighted deployment will distort contemporary composition)

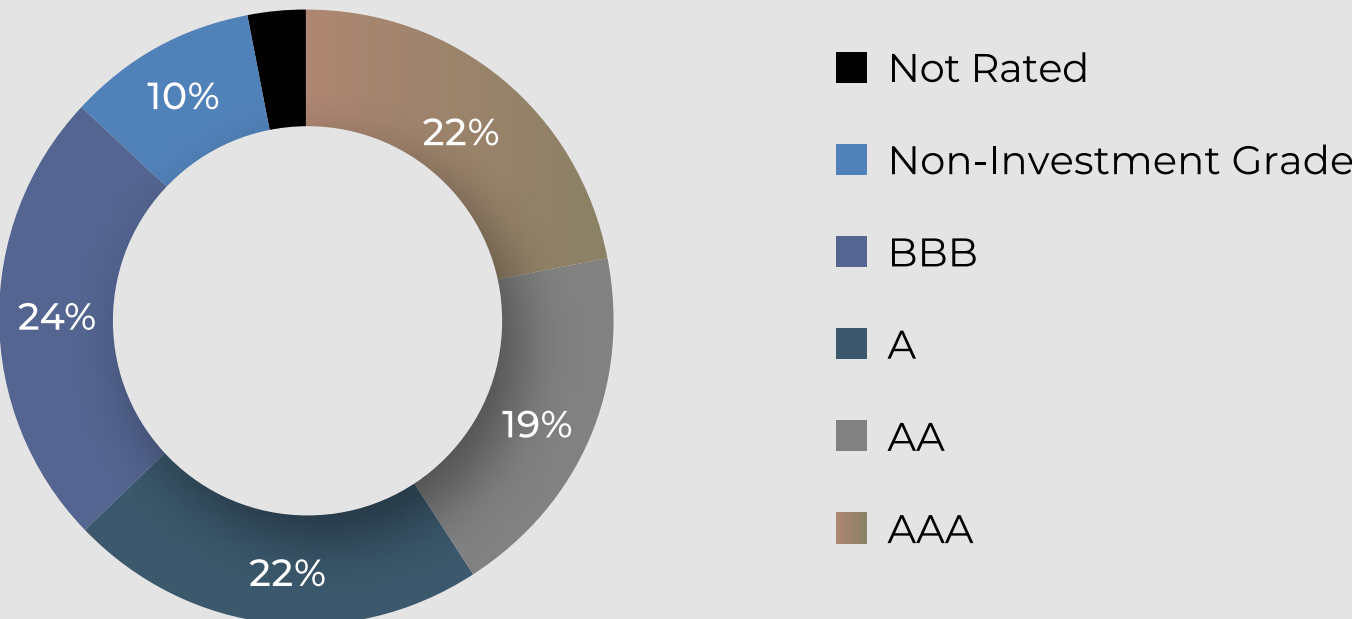
## ASSET ALLOCATION



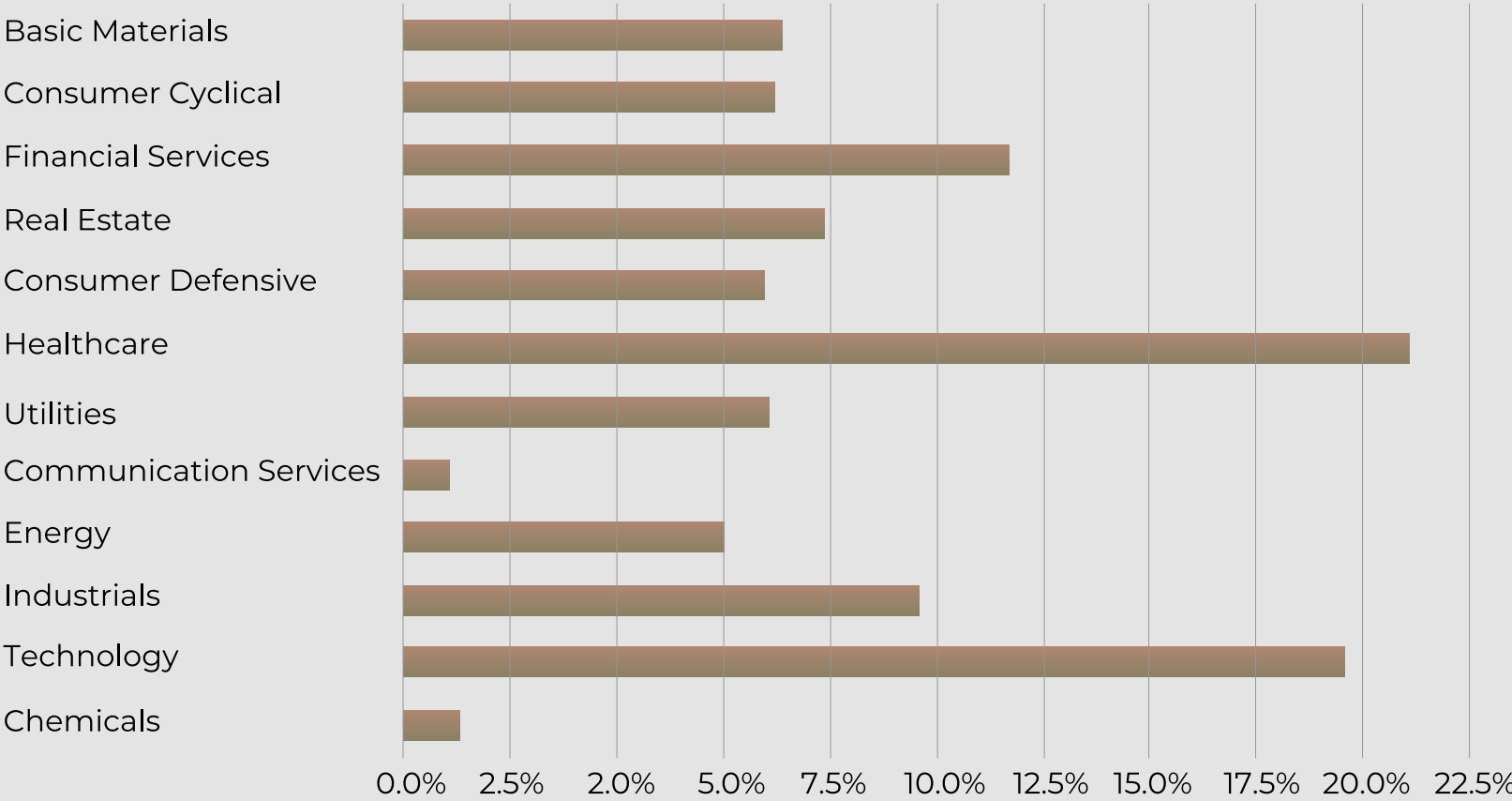
## EQUITY MARKET CAPITALIZATION



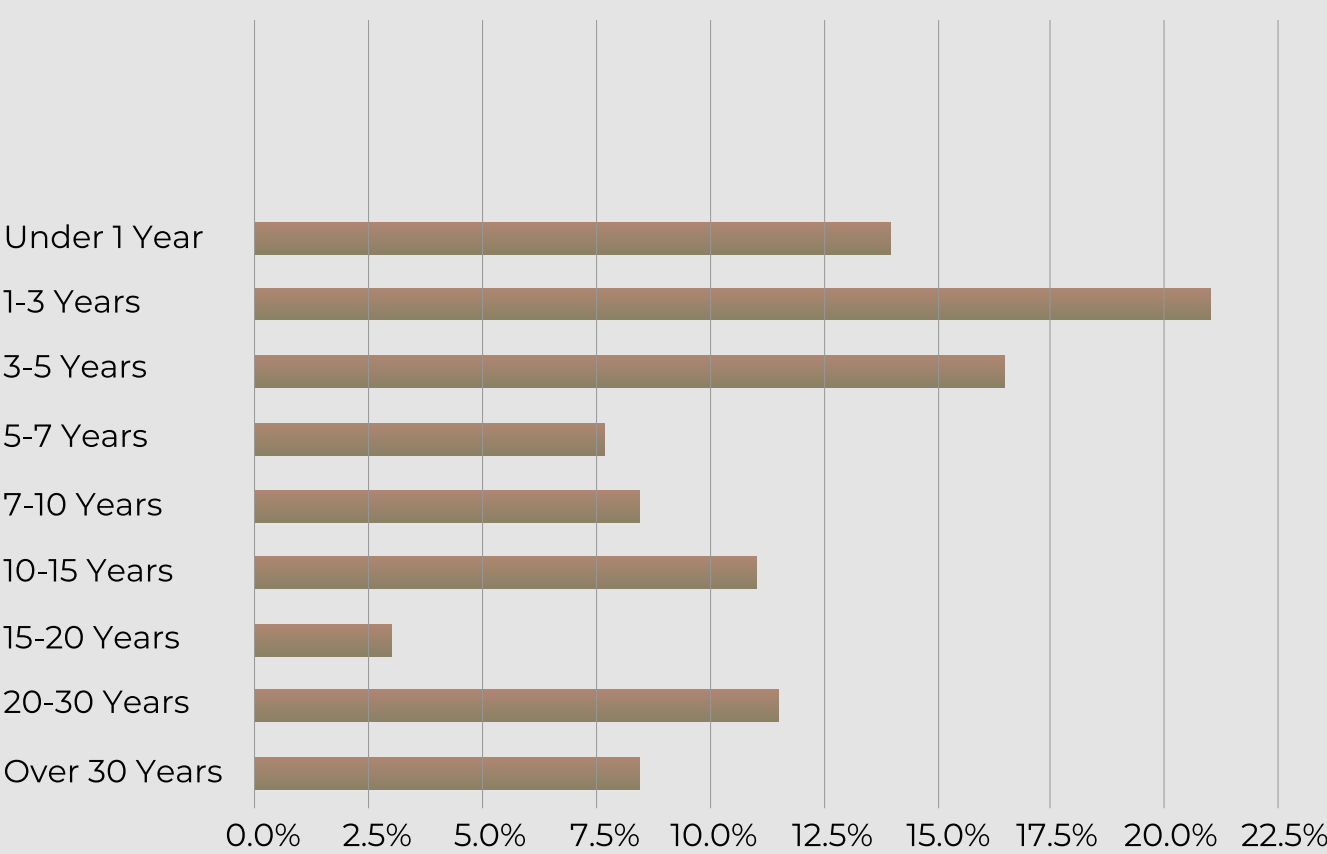
## FIXED INCOME CREDIT QUALITY



## Equity Sectors



## Fixed Income Maturity



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# PORTFOLIO REPORT

Performance Summary (\*from 01.01.2017 to 15.03.2023, including back-fills)

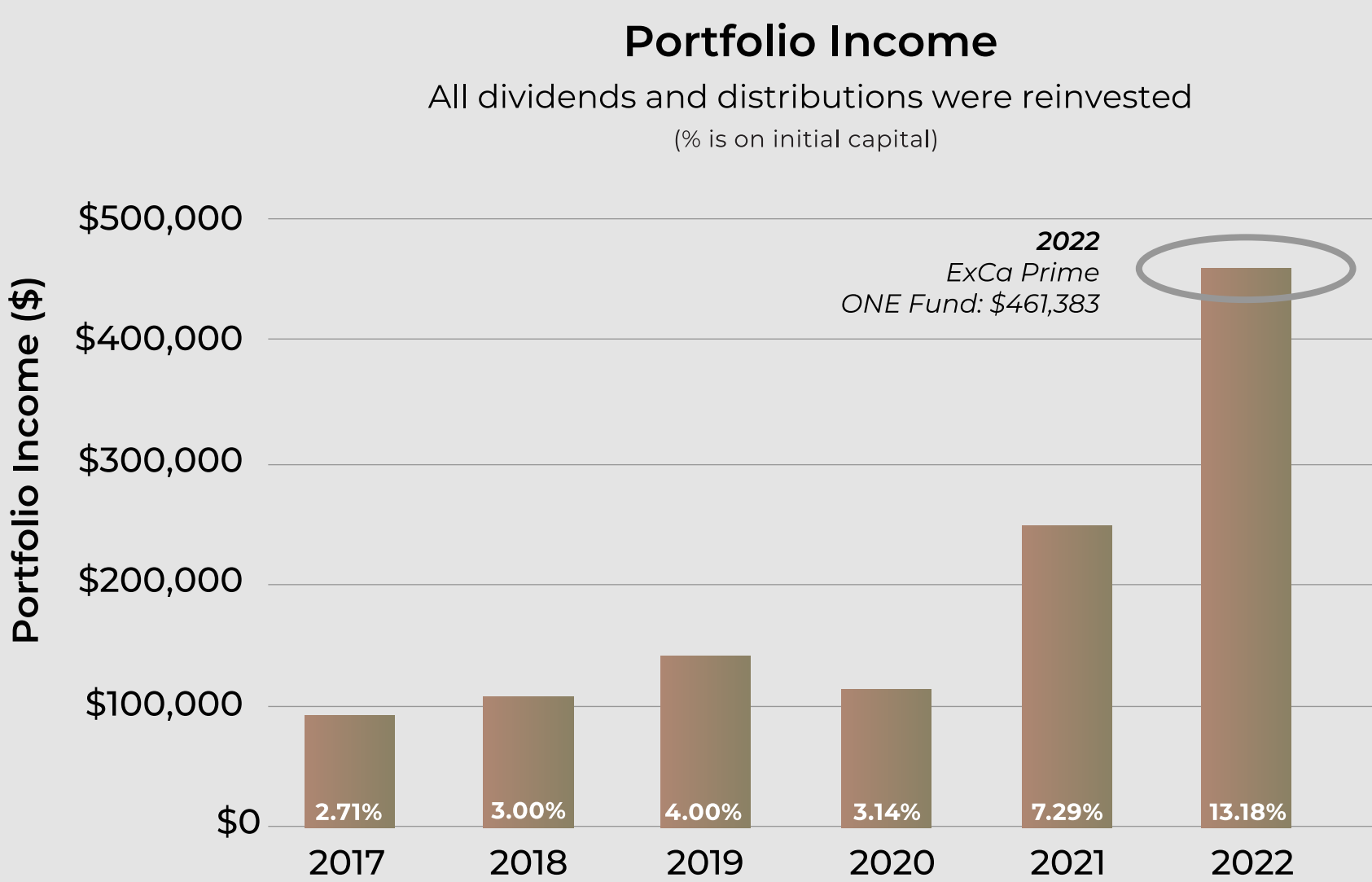
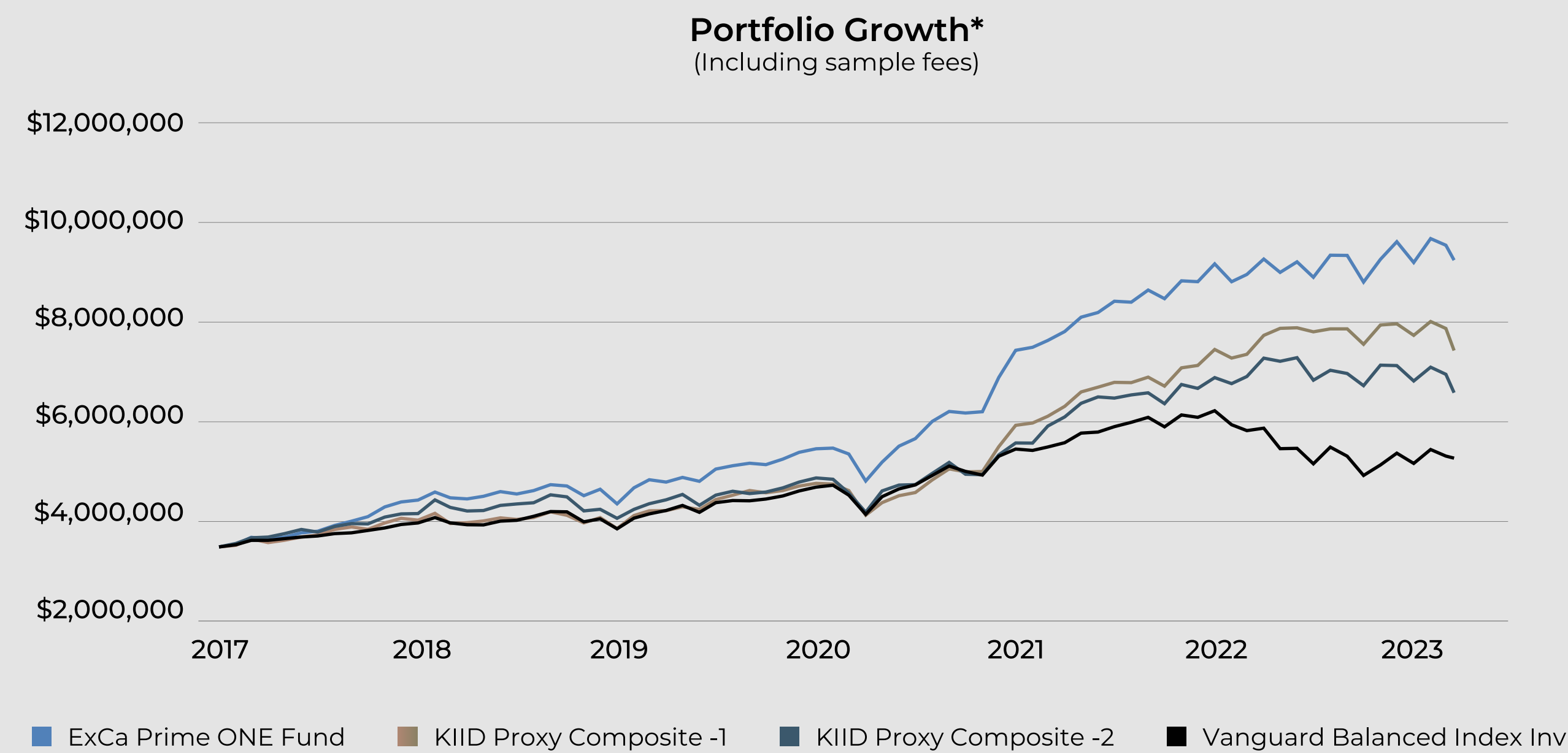
(in back-testing analysis)

Portfolio	Initial Balance	Final Balance	CAGR	TWRR	MWRR	Stdev	Best Year	Worst Year	Max. Drawdown	Sharpe Ratio	Sortino Ratio	Market Correlation
ExCa Prime ONE Fund	\$3,500,000	\$9,257,815	16.84%	18.85%	18.92%	11.81%	38.47%	0.48%	-11.58% (-12.04%)	1.41	2.56	0.91
KIID Proxy Composite -1**	\$3,500,000	\$7,443,652	12.83%	15.05%	15.04%	11.06%	27.49%	-3.93%	-12.87% (-13.40%)	1.20	2.09	0.80
KIID Proxy Composite -2**	\$3,500,000	\$6,596,357	10.67%	12.84%	12.96%	12.00%	25.42%	-3.44%	-13.58% (-14.09%)	0.96	1.59	0.88
Vanguard Balanced Index	\$3,500,000	\$5,282,195	6.81%	6.81%	6.81%	11.35%	21.67%	-16.97%	-20.85%	0.52	0.76	0.99

\*The number in parenthesis shows the calculated value taking into account management sample fees.  
\*\*Reference to a Proxy Composite here means to have the suggested ExCa portfolio re-constituted in leaner, simpler ways for purposes of transparency and ease in performance comparison (e.g. choosing just the top weighted allocations).

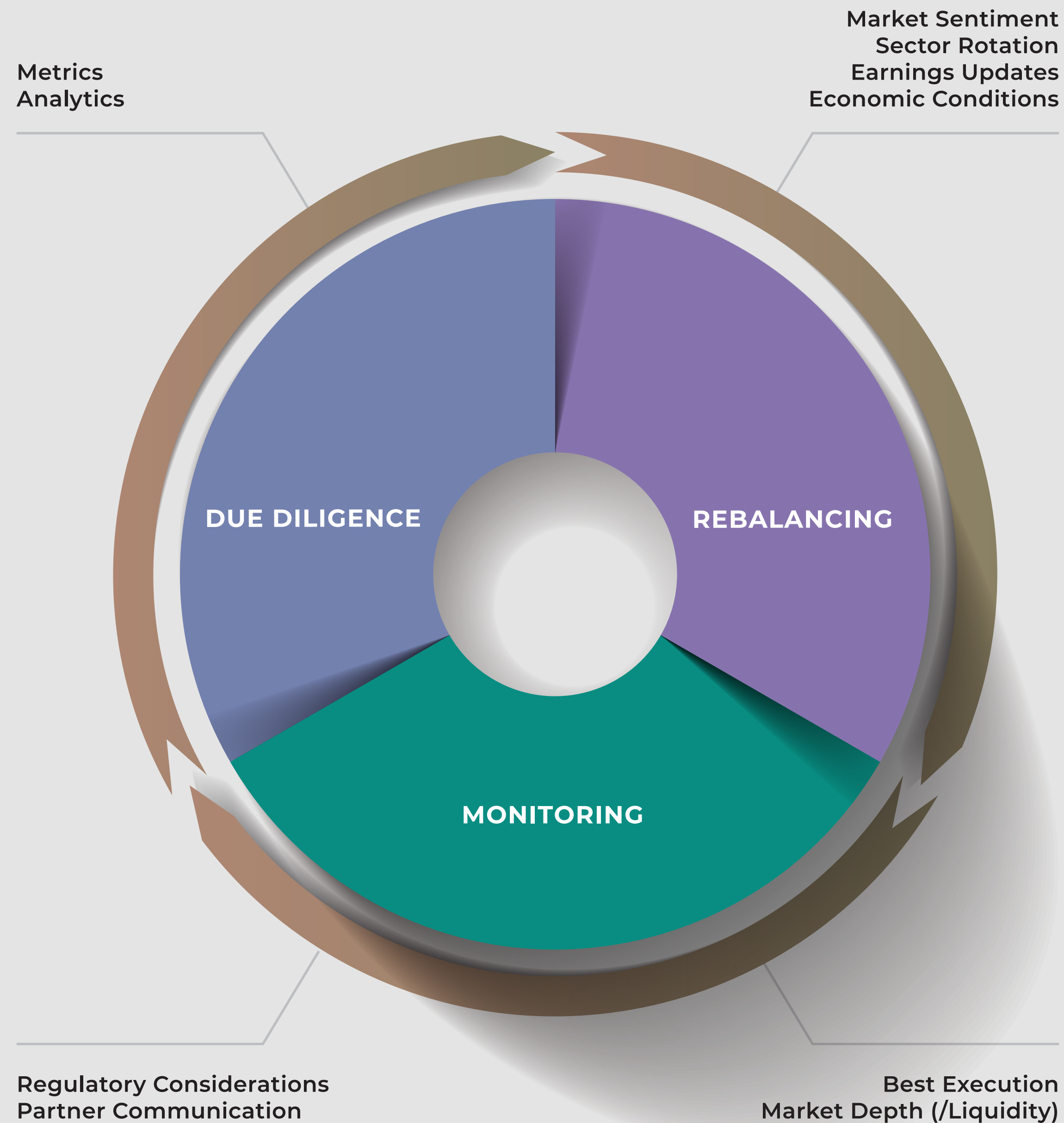
Portfolio Growth

(in back-testing analysis)



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# MANAGING RISK **WITHIN THE FUND**

- ✓ We employ rigorous oversight on the strategy and its investment style
- ✓ We can apply hedging positions, allocation to cash and derivative trading to reduce risk and volatility
- ✓ Rule-based allocation and rebalancing system
- ✓ Six Sigma ( $6\sigma$ ) inspired and lead
- ✓ Continuous portfolio monitoring and evaluation
- ✓ Controlling for VaR, downside risk, standard deviation, beta, max drawdown
- ✓ Best execution under the auspices of clearing broker
- ✓ [AIFM] Beneficial structure for liquidity monitoring (market depth)
- ✓ External auditors checks and balances for enhanced due diligence

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# PORTFOLIO METRICS



Metric	Summary	ExCa Prime ONE Fund	KIID Proxy Composite -2**	Vanguard Balanced Index Inv
Standard Deviation (annualized)	Dispersion of returns around the average	3.41%	3.47%	3.28%
Maximum Drawdown	Measure of the decline from a historical peak	-11.58%	-13.58%	-20.85%
Beta (*)	Fund's risk relative to the market or benchmark	0.95	0.89	1.00
Alpha (annualized)	Over or under-performance vs. benchmark after adjusting for risk	11.23%	6.39%	-0.00%
Sharpe Ratio	Fund return less risk-free rate (usually the Treasury bill rate) *Risk denominator is standard deviation	1.41	0.96	0.52
Sortino Ratio	Fund return less risk-free rate (usually the Treasury bill rate) *Risk denominator is semi or downside deviation	2.56	1.59	0.76
Treynor Ratio (%)	Fund return less risk-free rate (usually the Treasury bill rate) *Risk denominator is the Beta	17.75	12.95	5.95
Calmar Ratio	Annualized total return over the maximum draw-down	4.68	2.09	0.40
Active Return	How much an investment gains or loses against the benchmark	12.04%	6.03%	N/A
Tracking Error	Price behavior divergence between fund performance & benchmark's	4.97%	6.55%	N/A
Information Ratio	Fund return less benchmark return (or excess return) over price volatility	2.42	0.92	N/A
Conditional Value-at-Risk (5%)	Expected shortfall as the return in a worst case environment	-6.24%	-6.41%	-7.10%
Upside Capture Ratio (%)	Fund return possibility of when benchmark was up (higher is better)	137.29	122.74	100.00
Downside Capture Ratio (%)	Fund return possibility of when benchmark was down (lower is better)	64.47	86.94	100.00
Positive Periods	Measures months with portfolio composition positive	52 out of 75 (69.33%)	50 out of 75 (66.67%)	51 out of 73 (68.00%)
Gain/Loss Ratio	Downside risk measure as the average profit over average loss	1.38	1.09	0.76

\*Vanguard Balanced Index Investor Shares is used as the benchmark, with a separate composite as the proxy, for calculations. Value-at-risk metrics are based on monthly values.  
\*\*Reference to a Proxy Composite here means to have the suggested ExCa portfolio re-constituted in leaner, simpler ways for purposes of transparency and ease in performance comparison (e.g. choosing just the top weighted allocations).

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# FUND MANAGEMENT **UNDER THE HOOD**

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(in back-testing 01.01.2017 – 15.03.2023 | 100 Deployed Securities + 1 Cash Position)

**16 Holdings** between positive and **under -3.5%** (Historical Performance, YoY)  
**5 Holdings** only **above \$100** (Capital Appreciation & Rebalancing can change)  
**41 of 69** single Equity positions have **Economic Moats**  
45 positions have increased dividends year-on-year  
>99% of all holdings have >1 Interest Coverage Ratio  
>18% of all holdings have been issuing dividends >10yrs  
**0 Holdings** held at **over 7.5%** (Although can equal 10%)

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**Fixed income** is **>=85%** investment grade match, or better, in future deployment iterations, to a sample 60/40 fund's high quality bond holdings  
Fixed income maturity **tilts 50% under five (5) years**  
**R<sup>2</sup>** (Fund Composition Similarity) is an **>=90%** comparable match, or better to a representative 60/40 or higher equity allocation sample comparison fund  
**Dividends** come from alternatives (energy, real estate, commodities), financials, staples, telecom, emerging markets  
Healthcare (Med/Pharma/Biotech) is the leading sector allocation

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Thematics are mostly in ETFs  
Bonds are held indirectly in ETFs  
Emerging and ex-US Developed Markets Represent 10%  
Total International Exposure is limited to 15%  
Healthcare Positions (15/20) are largely held directly

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# OFFER SNAPSHOT

TERMS	
Structure	Sub-fund Strategy
Investor Type	Well-Informed, Financial Professional, Institutional
Investment Style	Medium to Medium - Long[er] Term
Investment Restriction	Pooled Units; restricted nationalities not eligible

SHARE CURRENCIES	EURO	EURO	US DOLLAR	US DOLLAR
Class	A	B	C	D
Subscription	1.75%	1.25%	1.75%	1.25%
Minimum Initial	€50,000 Professional Investors, or €125,000 Well-Informed Investors (to €499,000)	€500,000 or more (*)	€50,000 in USD for Professional Investors, or €125,000 in USD for Well-Informed Investors (to €499,000 USD equivalent)	€500,000 or more, in USD equivalent (*)
Management Fee	1.25%	0.95%	1.25%	0.95%
Performance Fee	17.5%	12.5%	17.5%	12.5%
Redemption	1.75%	1.25%	1.75%	1.25%
ISIN	TBD	CYF000001760	CYF000001786	TBD

\* Not subject to a maximum subscription amount  
Calculated as a percentage of the GAV: Gross Asset Value, p/annum

Minimum lockup period of one/first year for each investor

Additional contributions can vary, starting at €25,000 for A-Shares and €50,000 for B-Shares

Contributions are allotted a NAV appropriate to the timing of fresh funds’ arrival, pre or post the 15th of each month

Redemptions can be limited in extraordinary conditions, as set forth in prospectus

No hard hurdle applies to levying performance fees

A high watermark exists for portfolio manager, therefore applicable fees are for out-performance

Past performance is no guarantee of future results.



# STRATEGIC PARTNERSHIPS & PLATFORM TOOLS



PORTFOLIO MANAGER



EXTERNAL MANAGER



FUND ADMINISTRATOR



DEPOSITORY BANK



TRADING PLATFORM



FUND CUSTODIAN



TREPPIDES

EXTERNAL AUDITOR



COMPLIANCE SUPPORT



LEGAL ADVISOR

Seeking Alpha<sup>α</sup>

FINANCIAL ANALYTICS

PORTFOLIO VISUALIZER

COMPOSITE MODELING



RESEARCH PLATFORM

*Past performance is no guarantee of future results.*



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In relation to the Sub-Fund mentioned in this document, a Key Information Document has been published containing all necessary information about the product, the costs and the risks which may occur. The Offering Document including the Offering Supplement of the ExCa ONE Fund, Annual Report, Semi-annual Report and the Key Information Document are only available by Fortified Capital Ltd to eligible investors upon request.

The above mentioned data and information refer to the open-ended alternative investment fund (AIF) "EXCAPRIME RAIF V.C.I.C. PLC" (Registration No. RAIF37 registered by the Cyprus Securities and Exchange Commission), which is exclusively addressed to Professional and/or Well-Informed Investors and does not consist a UCITS.

The protective measures provided by the legislation to retail investors are not applicable to this Fund.

EXCAPRIME RAIF V.C.I.C. PLC is an Umbrella Fund which can accommodate multiple compartments/strategy mandates. The information on this document relates to the Sub-Fund 'ExCa ONE Fund'.

SFDR Disclosure: Unless specifically described in the Offering Supplement of a Compartment, the External Manager and the delegated Portfolio Manager do not take into account sustainability risks in its investment decision-making process currently for this Fund.

KIDs (Key Investor Document) are forward-looking and are available on-line at <https://exca.com/kids/>.

## RISK WARNINGS

There is no guarantee that an investment in the Fund will not lead to a loss. This is also the case even if there is a positive development in other parts of the financial markets. Historical performance of an investment is not necessarily a guide to future performance. Any means invested in the Fund can appreciate as well as depreciate in value and there is no guarantee that the full invested value will be returned.

Investment in the Fund involves special risks, and purchase of the shares in the Fund should be considered only by persons who can bear the economic risk of their investment for an indefinite period and who can afford a total loss of their investment.

Prospective investors should take their own independent advice prior to making a decision to invest in this Fund about the suitability of the Fund for their particular circumstances, including in relation to taxation, and should inform themselves as to the legal requirements of applying for an investment.



# APPENDIX





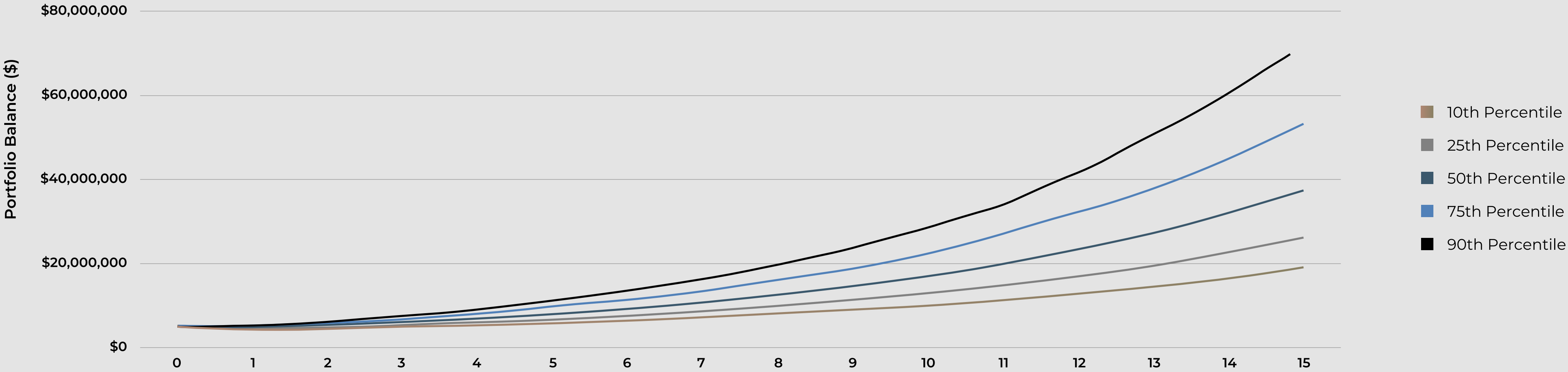
# MONTE CARLO SIMULATION RESULTS

Monte Carlo simulation results for 5000 portfolios with \$3,500,000 initial portfolio balance using available statistical model data from Jan 2017 to Dec 2022, and as available onwards. Returns calculations include sample charges to the Fund and were modeled as correlated random samples from a multivariate normal distribution. The historical pre-tax return for the selected portfolio for this period was 20.51% mean return (19.61% CAGR) with 11.75% standard deviation of annual returns. The simulated asset returns were adjusted based on provided tax assumptions, including a 15% backup withholding on dividends (as per the 1984 Cyprus – USA bilateral agreement). The sequence risk of returns was stress tested by having the worst generated annual return upfront. The simulated inflation model used historical inflation with 3.51% mean and 1.31% standard deviation based on the Consumer Price Index (CPI-U) data from Jan 2017 to Dec 2022. The generated inflation samples were correlated with simulated asset returns based on historical correlations. The available historical data for the simulation inputs was constrained by the most junior security and its backfill.

Performance Summary	10th Percentile	25th Percentile	50th Percentile	75th Percentile	90th Percentile
Time Weighted Rate of Return (Nominal)	13.72%	15.73%	18.18%	20.75%	23.10%
Portfolio End Balance (Nominal)	\$18,751,346	\$25,167,857	\$35,238,581	\$49,553,937	\$67,343,025
Maximum Drawdown (Excluding Cashflows)	-17.64%	-15.07%	-12.64%	-10.70%	-9.28%
Safe Withdrawal Rate	11.00%	12.44%	14.27%	16.31%	18.30%

\*Projections are a result of statistical forecasting and might not be indicative of future returns.

Simulated Portfolio Balances





# PORTFOLIO VALIDATION

## SAMPLE TECHNIQUES

**Asset Halving:** Reduce total securities and increasing remainder asset allocation to re-examine thesis validity.

**MF Payload:** Stripping components to constituent members so as to check for duplication and concentration.

**Equal Weighing:** Assign all tickers the same weight allocation to test gains unto constraints for impact and drift.

**Benchmarking:** Import all new time series and indices for random sampling and means regression.

**Outlier Filtering:** Exclude select symbols whose recent historic performance is extraordinary.

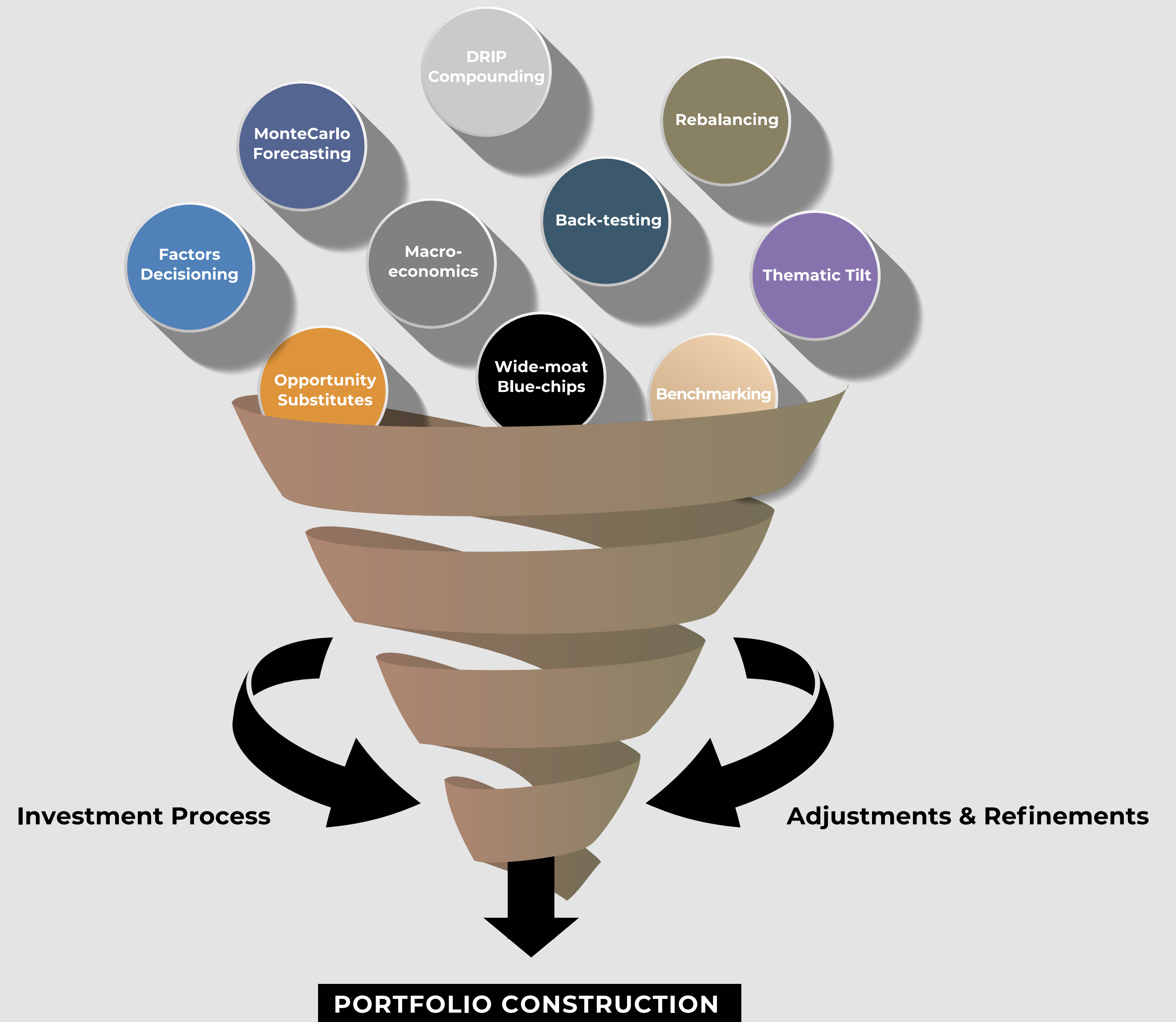
**Minimum Volatility:** Sampling of specific assets' return frequency and defensive cross-correlation.

**Maximum Sharpe:** Sampling of outweighed returns on a random number of risky assets.

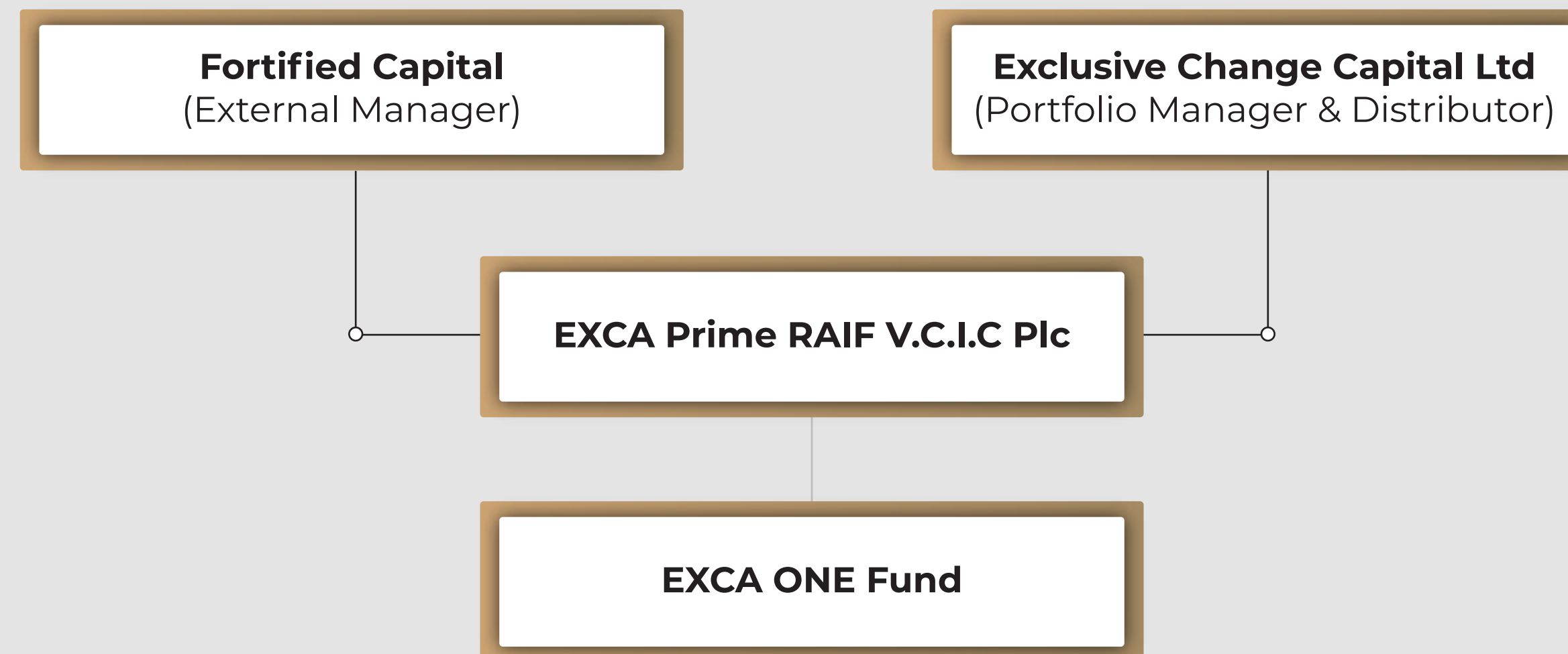
**Optimal Effient Frontier:** highest expected return for a defined level of risk or the lowest risk for a given level of expected return.

**Recreate Fund:** Or the go-do-something-else approach by taking a break and/or putting together the fund anew.

*Past performance is no guarantee of future results.*



# FUND STRUCTURE



## FUND CHARACTERISTICS

- ✓ The Investment Fund is created under a structure that allows for the creation of multiple Sub-Funds
- ✓ The Sub-Funds act independently of each other under the umbrella of the Investment Fund

*Past performance is no guarantee of future results.*



# NOTES & DISCLOSURES



IMPORTANT: The projections or other information generated by Portfolio Visualizer regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time.

- The results do not constitute investment advice or recommendation, are provided solely for informational purposes, and are not an offer to buy or sell any securities. All use is subject to terms of service.
- Investing involves risk, including possible loss of principal. Past performance is not a guarantee of future results.
- Asset allocation and diversification strategies do not guarantee a profit or protect against a loss.
- Hypothetical returns do not reflect trading costs, transaction fees, commissions, or actual taxes due on investment returns.
- The results are based on information from a variety of sources we consider reliable, but we do not represent that the information is accurate or complete.
- Refer to the related documentation sections for more details on terms and definitions , methodology , and data sources.
- Portfolio model information represents a blended portfolio consisting of the model's underlying positions and assigned weights provided by the user and rebalanced at the specified schedule. The results were constructed using net of fee mutual fund performance. Portfolio Visualizer does not provide preferential treatment to any specific security or investment.
- The results are based on the total return of assets and assume that all received dividends and distributions are reinvested.
- Market capitalization refers to the total value of all a company's shares of stock. It is calculated by multiplying the price of a stock by its total number of outstanding shares. Large cap refers to a company with a market capitalization value of more than \$10 billion, mid cap refers to a company with a market capitalization value between \$2 and \$10 billion, and small cap refers to a company with a market capitalization value below \$2 billion. For funds and portfolios the equity market capitalization is calculated based on the long position of the equity holdings.
- Credit quality measures the ability of a bond issuer to repay a bond's interest and principal in a timely manner. Ratings agencies research the financial health of each bond issuer and assign ratings to the bonds being offered. Lower-rated bonds generally offer higher yields to compensate investors for the additional risk. AAA is the highest possible rating that may be assigned to an issuer's bonds by any of the major credit rating agencies. Bonds rated AAA to AA are known as high-grade bonds, bonds rated A to BBB are known as medium-grade bonds, and bonds rated BB to C are known as non-investment grade bonds. An issuer will receive a rating of D if it is already in default on some of its debt. For funds and portfolios the fixed income credit quality break-down is calculated based on the long position of the fixed income holdings.
- A fixed income maturity date refers to the specific date on which the investor's principal will be repaid. Duration measures a bond's or fixed income portfolio's price sensitivity to interest rate changes. If a bond has a duration of 5 years, and interest rates increase by 1%, the bond's price will decline by approximately 5%. Conversely, if a bond has a duration of 5 years and interest rates fall by 1%, the bond's price will increase by approximately 5%. A fixed income portfolio's duration is computed as the weighted average of individual bond durations held in the portfolio.
- Compound annualized growth rate (CAGR) is the annualized geometric mean return of the portfolio. It is calculated from the portfolio start and end balance and is thus impacted by any cashflows.
- The time-weighted rate of return (TWRR) is a measure of the compound rate of growth in a portfolio. This is calculated from the holding period returns (e.g. monthly returns), and TWRR will thus not be impacted by cashflows. If there are no external cashflows, TWRR will equal CAGR.
- The money-weighted rate of return (MWRR) is the internal rate of return (IRR) taking into account cashflows. This is the discount rate at which the present value of cash inflows equals the present value of cash outflows.
- Total return is the combined return in income and capital appreciation from investment in an asset. Yield measures the current cash income received from investment in an asset. Bonds provide yield in the form of interest payments and stocks through dividends.
- Standard deviation (Stdev) is used to measure the dispersion of returns around the mean and is often used as a measure of risk. A higher standard deviation implies greater the dispersion of data points around the mean.
- Sharpe Ratio is a measure of risk-adjusted performance of the portfolio, and it is calculated by dividing the mean monthly excess return of the portfolio over the risk-free rate by the standard deviation of excess return, and the displayed value is annualized.
- Sortino Ratio is a measure of risk-adjusted return which is a modification of the Sharpe Ratio. While the latter is the ratio of average returns in excess of a risk-free rate divided by the standard deviation of those excess returns, the Sortino Ratio has the same denominator divided by the standard deviation of returns below the risk-free rate.
- Treynor Ratio is a measure of risk-adjusted performance of the portfolio. It is similar to the Sharpe Ratio, but it uses portfolio beta (systematic risk) as the risk metric in the denominator.

- Calmar Ratio is a measure of risk-adjusted performance of the portfolio. It is calculated as the annualized return over the past 36 months divided by the maximum drawdown over the past 36 months based on monthly returns.
- Risk-free returns are calculated based on the Federal Reserve 3-Month Treasury Bill (secondary market) rates.
- Downside deviation measures the downside volatility of the portfolio returns unlike standard deviation, which includes both upside and downside deviations. Downside deviation is calculated based on negative returns that hurt the portfolio performance.
- Correlation measures to what degree the returns of the two assets move in relation to each other. Correlation coefficient is a numerical value between -1 and +1. If one variable goes up by a certain amount, the correlation coefficient indicates which way the other variable moves and by how much. Asset correlations are calculated based on monthly returns.
- Skewness is a measure of the asymmetry of the probability distribution or returns from a normal Gaussian distribution shape about its mean. Negative skewness is associated with the left (typically negative returns) tail of the distribution extending further than the right tail; and positive skewness is associated with the right (typically positive returns) tail of the distribution extending further than the left tail.
- Excess kurtosis is a measure of whether a data distribution is peaked or flat relative to a normal distribution. Distributions with high kurtosis tend to have a distinct peak near the mean, decline rather rapidly, and have heavy or fat tails.
- A drawdown refers to the decline in value of a single investment or an investment portfolio from a relative peak value to a relative trough. A maximum drawdown (Max Drawdown) is the maximum observed loss from a peak to a trough of a portfolio before a new peak is attained. Drawdown values are calculated based on monthly returns.
- Value at Risk (VaR) measures the scale of loss at a given confidence level. If the 5% VaR is -3% the portfolio return is expected to be greater than -3% 95% of the time and less than -3% 5% of the time. Value at Risk can be calculated directly based on historical returns based on a given percentile or analytically based on the mean and standard deviation of the returns.
- Conditional Value at Risk (CVaR) measures the scale of the expected loss once the specific Value at Risk (VaR) breakpoint has been breached, i.e., it calculates the average tail loss by taking a weighted average between the value at risk and losses exceeding the value at risk.
- Beta is a measure of systematic risk and measures the volatility of a particular investment relative to the market or its benchmark. Alpha measures the active return of the investment compared to the market benchmark return. R-squared is the percentage of a portfolio's movements that can be explained by movements in the selected benchmark index.
- Active return is the investment return minus the return of its benchmark. For periods longer than 12 months this is displayed as annualized value, i.e., annualized investment return minus annualized benchmark return.
- Tracking error, also known as active risk, is the standard deviation of active return. This is displayed as annualized value based on the standard deviation of monthly active returns.
- Information ratio is the active return divided by the tracking error. It measures whether the investment outperformed its benchmark consistently.
- Gain/Loss ratio is a measure of downside risk, and it is calculated as the average positive return in up periods divided by the average negative return in down periods.
- Upside Capture Ratio measures how well the fund performed relative to the benchmark when the market was up, and Downside Capture Ratio measures how well the fund performed relative to the benchmark when the market was down. An upside capture ratio greater than 100 would indicate that the fund outperformed its benchmark when the market was up, and a downside capture ratio below 100 would indicate that the fund lost less than its benchmark when the market was down. To calculate upside capture ratio a new series from the portfolio returns is constructed by dropping all time periods where the benchmark return is less than equal to zero. The up capture is then the quotient of the annualized return of the resulting manager series, divided by the annualized return of the resulting benchmark series. The downside capture ratio is calculated analogously.
- All risk measures for the portfolio and portfolio assets are calculated based on monthly returns.
- Gross expense ratio reflects the total annual operating expenses paid by each fund. Net expense ratio reflects what investors were charged after waivers, reductions, and reimbursements.
- Price to earnings (P/E) ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. For funds the price to earnings ratio is computed as the weighted average of fund holdings.
- The annual results for 2023 are based on monthly returns from January to March.
- The month-to-date return for March 2023 includes daily returns from 03/01/2023 to 03/15/2023.
- Drawdown analysis is calculated based on monthly returns excluding cashflows and management fees.
- The results assume annual rebalancing of portfolio assets to match the specified allocation.
- The time period for one or more assets was extended based on the configured asset backfills.
- The annual income is calculated from the difference between monthly total returns and split adjusted monthly price changes and thus includes both dividends and capital gains distributions.
- The annual yield as a percentage is based on the portfolio asset allocation and is not impacted by cashflows.
- The selected fee structure '100k\_Scaled@3.5MM' is applied to the configured portfolios but not the benchmark.
- Fund fundamentals data as of 03/15/2023. (c) 2023 Morningstar. All Rights Reserved. The fund fundamentals information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.





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