

**Fanvestments Corporation**  
*Global Investments - Global Returns*  
Invest today, Build Wealth Forever

FVAM Fund Quarterly Portfolio Report  
Q4 - 2016

***Fanvestments FVAM Diversified Multi-Asset Private Alternative Investment Fund (FVAM)***

This Report describes the Fanvestments Diversified Multi-Asset Private Alternative Investment Fund (the “Fund”, “FVAM”). Fanvestments Corporation (the “Management”), a Rhode Island S-Corporation, serves as the Fund’s Management Business. The following summary highlights information about the fund, during and as of the 4th Quarter of 2016 (October through December), with some highlights into 2017, and info about the fund’s investment strategy and expectations. Except where the context otherwise requires or indicates, in this report, (i) “Fanvestments,” “the Business,” “we,” “us”, “Firm”, “management” and “our” refer to Fanvestments Corporation and/or owner, and its Primary offering, with respect to FVAM, a Private Alternative Investment Fund, referred to as “the Fund”, “the portfolio”, or “FVAM”.

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## PRINCIPAL INVESTMENT STRATEGY

The FVAM Fund consists of a diversified portfolio of mixed asset-types, with a majority focus on equity investment ("stocks"), as well as fixed income (bonds and credit), commodities and currencies, for the goal of price & capital appreciation, and to drive long-term positive durable returns through all types of economic and global financial cycles. Fund applies multiple strategies, from fundamental research to technical analysis, and overlaying the global macro environment. Other strategies, such as currently within biotech, the fund is looking for companies that are trying to find the cure for major diseases, currently more focused on cancers and zika. Price tends to trump timeframe, but the fund does expect to hold most investments mid-to-long term, with a target range of 1-4 years, some shorter, some longer. The Fund is actively-managed with a blended investment style, looking for Value plus growth, more of a "buy the blood" as a fundamental mind-set, based on fundamental and technical analysis and overlaying a larger macro study, looking for growth and value, and will also seek to find opportunity within event-driven strategies, such as mergers, FDA approvals, and buy-out opportunities. Part of the investment style is to bring together a diversified multi-asset "401k retirement" portfolio approach, combined with hedge fund, conglomerate/institutional style investing involving individual stock picking along side minimal hedging against general market risk, as well as having low market correlation producing fund-specific returns. "401k meets hedge fund". The FVAM fund will also invest in other investment funds and ETF's from time to time, to obtain that much more diversification, and to lower overall volatility and risk. Searching all size business all around the world, but currently limited to only investing within U.S. exchanges. The fund seeks to diversify Globally, not just within sectors and Businesses globally, also across multiple asset classes between Stocks, Bonds, Credit, Commodities, and Currencies. Exposure and strategy will change from time to time, as opportunity of making money make more money necessitates. To mandate diversification, individual stock positions are mostly limited to less than 5% of the overall portfolio, with current averages at 1-2% per position. The 5% holding max could have an exception if the position, invested asset, is not an "individual-stock" investment, with the same examples as above, possibly within another diversified ETF, index fund, bond market or credit exposure. The fund does use multiple hedging strategies to protect from general stock market volatility, as well as downside risk within the individual positions, or macro issues such as commodities, currencies, and economic cycles. Overall hedging exposure is kept low, utilizing more of a hedge by allocation strategy, i.e... Sell some gains, lighten up on higher risk, roll into bonds, and lower risk (lower reward) exposure, such as short-term treasuries, money market and cash. Since FVAM is not intending to mirror, or match the assets or performance of any other index or ETF, the fund's performance will not have intension to directly match the performance of any other investment vehicle, ETF, or Index or have the same timing as the overall markets. An index, like the S&P 500, is also a collection of assets, with ~500 individual stock holdings, with a daily-monthly-yearly total return. FVAM's intent is to have created its own unique diversified multi-asset fund (stocks, bonds, credit, ETF's), with individual assets selected by Fanvestments Management, low-market-correlated performance, less volatility vs market index, utilizing a dynamic and perpetually improving investment strategy combining increased Portfolio Quality, constant Portfolio analysis, risk and allocation management, along with relentless analysis of performance metrics, mathematics and statistics with the goal of perpetual improvement.

### Q4 Highlights

Within the 4th Quarter, the FVAM fund produced a slightly positive return for the 3 months of Q4 2016, and was net positive 0.2% (20bps). The fund was negative in October, down 70bps (-0.70%), although outperforming the S&P500 which was down 2%. FVAM was positive for November and December, combining for about 90bps (0.90%). Although there is no attempt to match performance or timing of the S&P500, along with mixed-asset exposure like bonds and credit, currency and commodity, with equity exposure currently around 60% of the fund, the fund's performance and volatility is analyzed against the index, an all-stock index. Mathematics and Statistics of the performance is tracked daily and constantly being analyzed to help learn and improve the funds overall performance, while constantly learning and studying the markets performance and volatility. This also helps the fund achieve lower volatility not just relative to the S&P, but relative to itself within different timeframes. Seeing the fund's performance increase in volatility can help lead to proactive decision making on decreasing risk before its necessary, vs after. The Fund's volatility and risk can be determined directly within its mathematics, alerting management to reduce or increase risk in the overall portfolio, by decreasing or increasing allocation within asset classes and investments. For example, adding Bond exposure and decreasing stock exposure, reducing portfolio beta and risk within the Fund's individual positions (investments). FVAM's perpetual goal, year-over-year FOREVER, is to produce a positive yield targeting a 10-15% return, but also be less volatile, less risky, more diversified then the overall public markets, and to have a low correlation to the actual market the fund is being compared to.

Using daily statistics studied over longer periods of time, the funds own volatility, more importantly the funds change in volatility from time to time, management has the ability to lower risk in the portfolio to produce lower overall volatility in the fund.

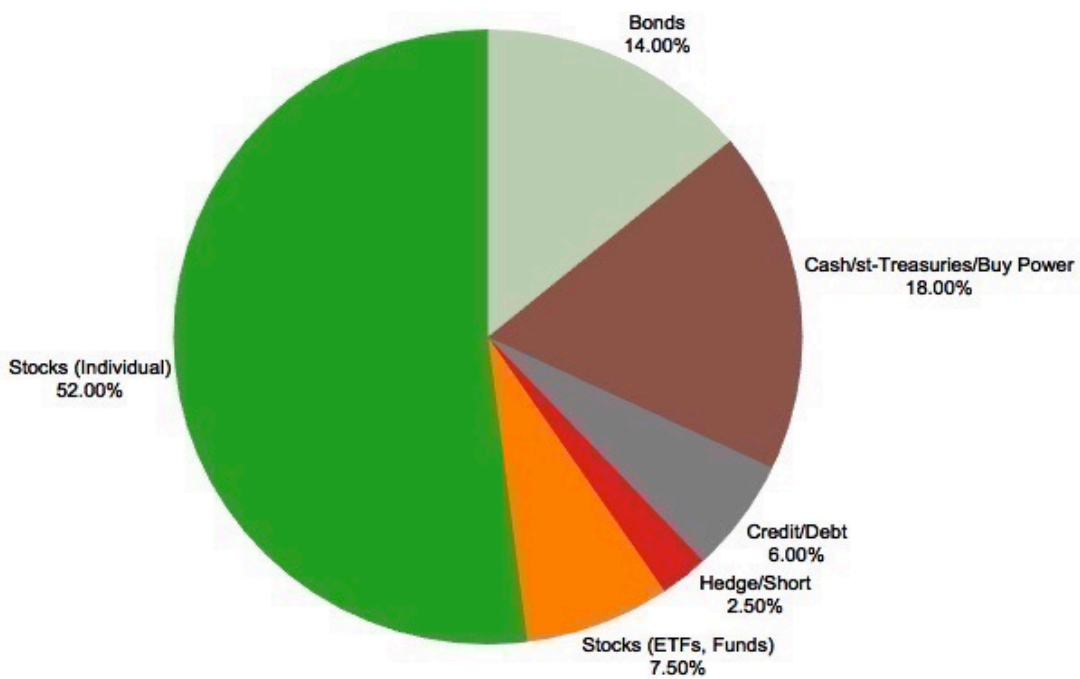
Just to mention a couple notable recent positive performance contributors in the fund. The Fund owns Clovis Oncology (\$CLVS) at an average price of around \$33.50, which is currently priced above \$65/share, currently holding in good for a double, at least. Part of the position, about 1/3, was sold in the high \$50's. Clovis is within the Healthcare - BioTech/Pharma sector. Looking for Clovis to increase in price above \$100/share in the mid-term (6-12 months), and would most likely be a seller of at least half if it was to breach \$100 but then fall back under. Fund remains long \$UCO, which made money in 2016, now up small for 2017. UCO (ProShares Ultra Crude Oil) is a fund that tracks the price of Oil with 2x the price action. Meaning if Oil is up 1% on a given day, UCO would be up 2% approximately, and same on the downside. Position also remains to have a covered call strategy against, selling upside calls short against the long stock position (covered vs naked). This means along with being long UCO, the fund is also short call options that decrease in price when the price of the asset decreases (and vice-versa), and are covered by owning the stock, vs being "naked short" options which can be extremely risky. This adds some level of protection to the position, as well, if UCO and the price of Oil continue higher, most of the investment will be sold at a higher price than current if that short call is exercised by the long owner of the options. If oil stays flat or goes lower, the option portion will profit from the options expiring worthless, offsetting some of the downside in the UCO position. As (if) Oil increases, the short options can be rolled up to a higher price. Primary strategy at this point is to make some money while Oil stays flat to gradually higher, eventually be sold up higher by the options. At that point, could wait for a period of short-term volatility and downside in Oil, and possibly re-enter under \$45 for WTI.

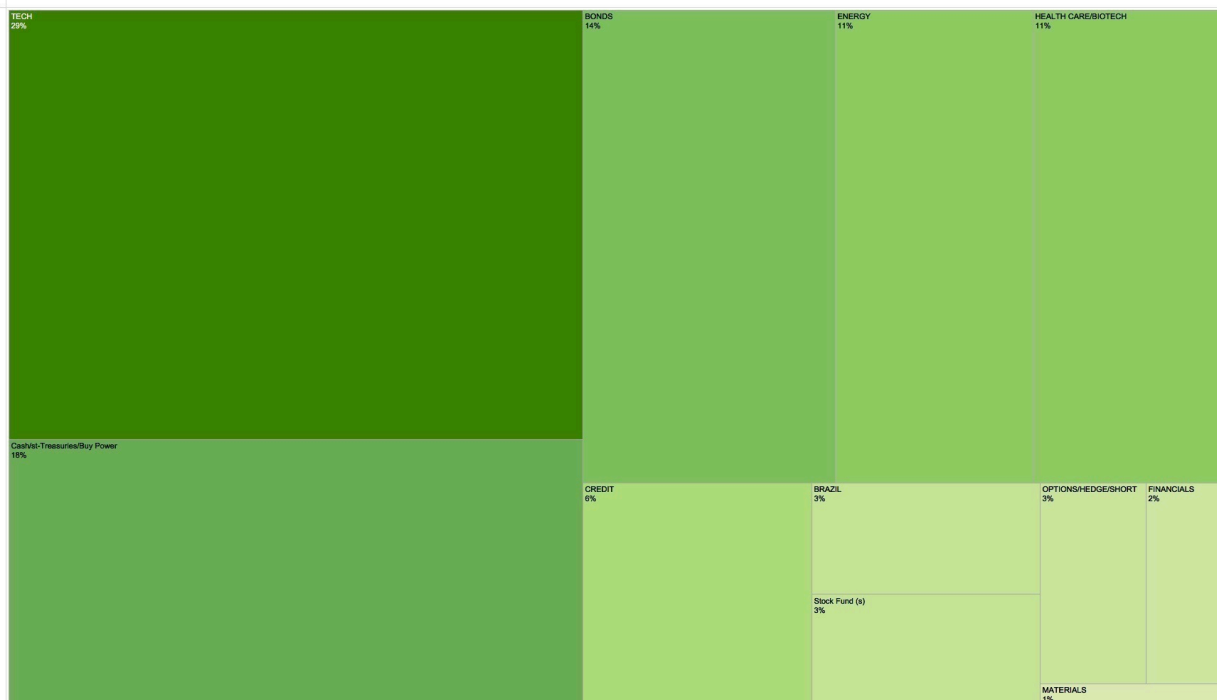
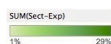
Overall, the Fund was down about 3% YTD net in 2016, most of that from January, and has been steadily improving. Some of the lag stems from hedging strategies, now fine-tuned and/or reduced, if not removed all together from the overall investment strategy. Also, waiting too long to integrate original and successful investment approach, within previous "401k investment" approach. Involving over 10 years of investing personally prior to the inception of FVAM and a positive overall track record, averaging about an 8% return year-over-year between 2004-2013 (averaging a 14% return yearly taking out 2008). As well as adding back exposure to bonds/fixed-income, a long-lived strategy to roll into lower risk while still making some return, awaiting better opportunity to re-deploy capital to higher risk - higher reward equities. Without January (or x-Jan), the fund was positive about 3% for the year. One highlight from 2017, overcoming a few years of negative performance in January, FVAM was net positive just under 1% for January 2017.

Main goal is Stability, persistent and steady positive returns, diversification globally and between multiple asset classes, (i.e.. bonds, commodities, stocks, funds) with the ability and opportunity for outsized gains, from equity risk and individual stock exposure. Goal is to Get that 10%+ return the fund is looking for every year, expecting some of those years to have outsized gains up and above, and to produce a floor, always trying to be flat-to-up at the least. 4-5% floor, with a 10%+ goal, less-than-market volatility & correlation, with ability and exposure to produce outsized gains.

Below shows reporting created & analyzed within Data Analytics software, Tableau Software, which has data integration into the fund's internal database/spreadsheets. (\*Data mostly from End-of-Year, 2016)

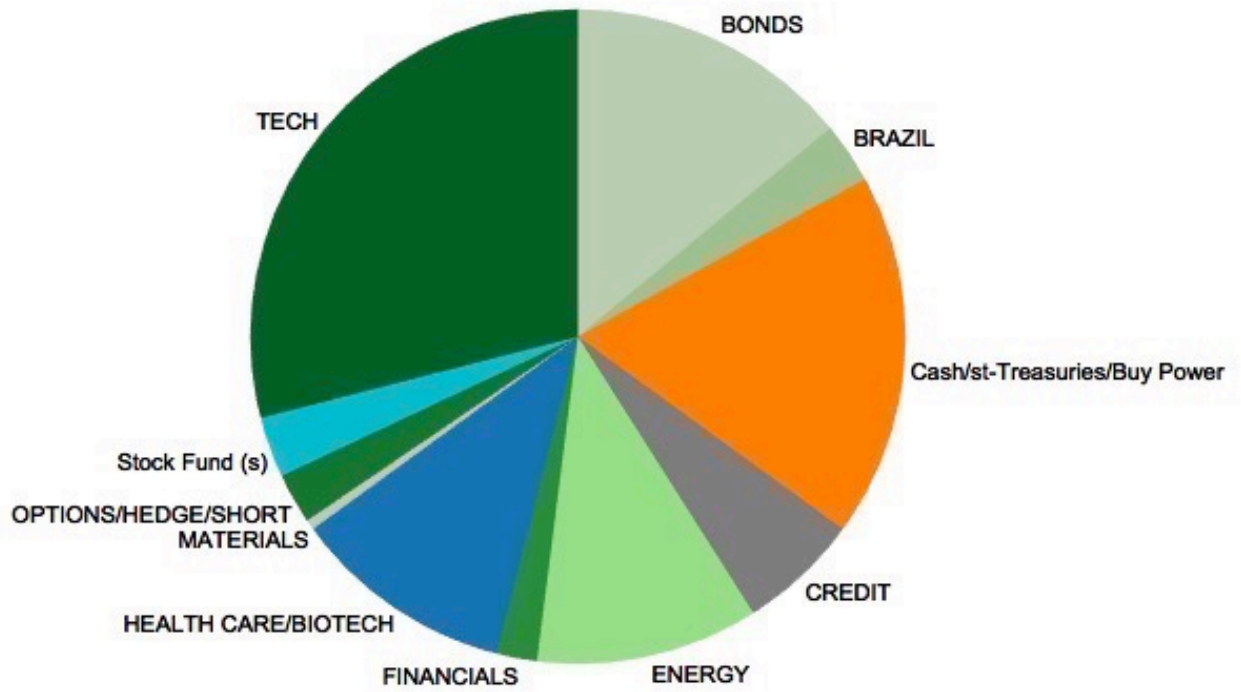
High Level allocation heat map and pie chart



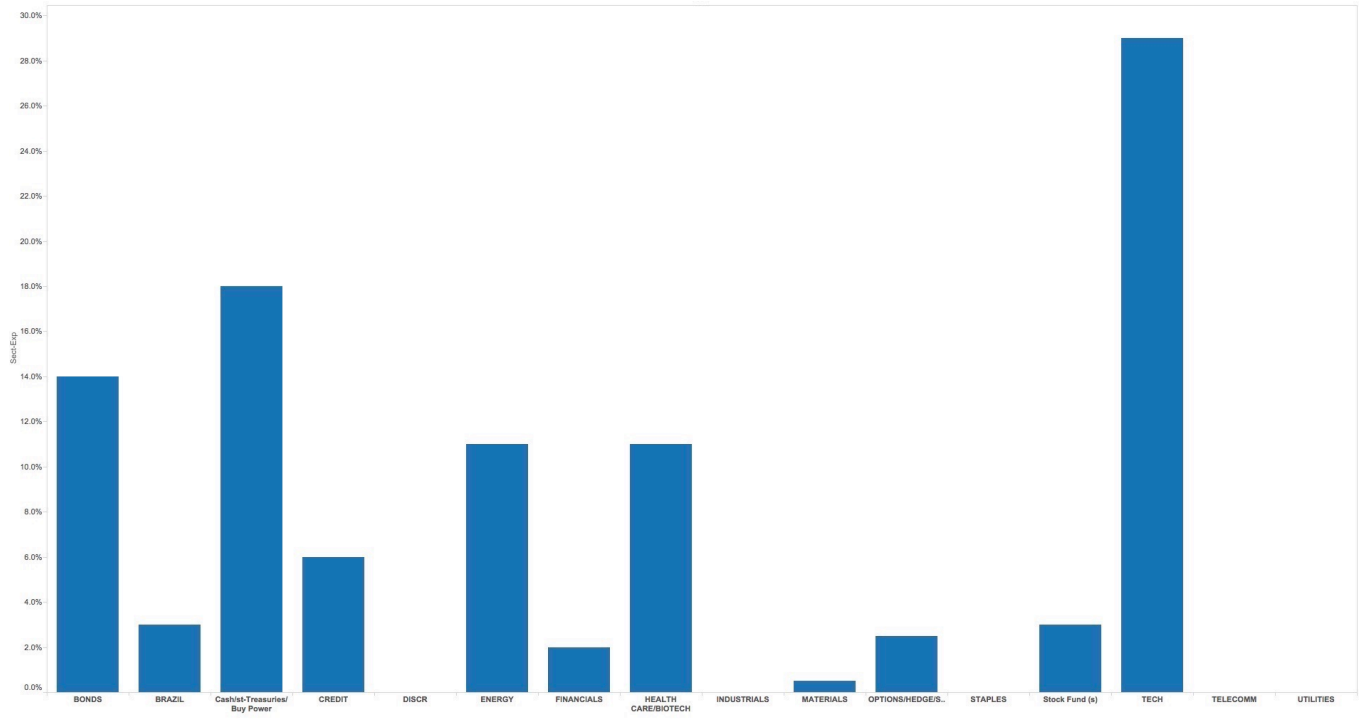


|  |              |                    |
|--|--------------|--------------------|
| <b>HIGH-YIELD BOND ETF</b>               | <b>HYG</b>   | <b>BONDS</b>       |
| <b>ALIBABA</b>                           | <b>BABA</b>  | <b>TECH</b>        |
| <b>PIMCO CREDIT&amp;MORTGAGE ETF</b>     | <b>PCI</b>   | <b>CREDIT</b>      |
| <b>QUALCOMM</b>                          | <b>QCOM</b>  | <b>TECH</b>        |
| <b>SQUARE</b>                            | <b>SQ</b>    | <b>TECH</b>        |
| <b>CLOVIS ONCOLOGY</b>                   | <b>CLVS</b>  | <b>HEALTH CARE</b> |
| <b>HESS</b>                              | <b>HES</b>   | <b>ENERGY</b>      |
| <b>CYPRESS SEMICONDUCTOR</b>             | <b>CY</b>    | <b>TECH</b>        |
| <b>MSCI BRAZIL EQUITY ETF</b>            | <b>DBBR</b>  | <b>MARKET</b>      |
| <b>PROSHARES ULTRA CRUDE OIL ETF</b>     | <b>UCO</b>   | <b>ENERGY</b>      |
| <b>PERSHING SQUARE HOLDINGS (ACKMAN)</b> | <b>PSHZF</b> | <b>STOCK FUND</b>  |
| <b>INOVIO PHARMACEUTICALS</b>            | <b>INO</b>   | <b>HEALTH CARE</b> |
| <b>NUMERIX</b>                           | <b>NMRX</b>  | <b>TECH</b>        |
| <b>CTI BIOPHARMA</b>                     | <b>CTIC</b>  | <b>HEALTH CARE</b> |
| <b>CALADRIUS BIOSCIENCES</b>             | <b>CLBS</b>  | <b>HEALTH CARE</b> |
| <b>REGIONS FINANCIAL</b>                 | <b>RF*</b>   | <b>FINANCIALS</b>  |
| <b>CEMEX</b>                             | <b>CX*</b>   | <b>MATERIALS</b>   |
| <b>NATIONAL BANK OF GREECE</b>           | <b>NBG*</b>  | <b>FINANCIALS</b>  |
| *smaller/stub position                   |              |                    |

Allocation Breakdown (pie chart)

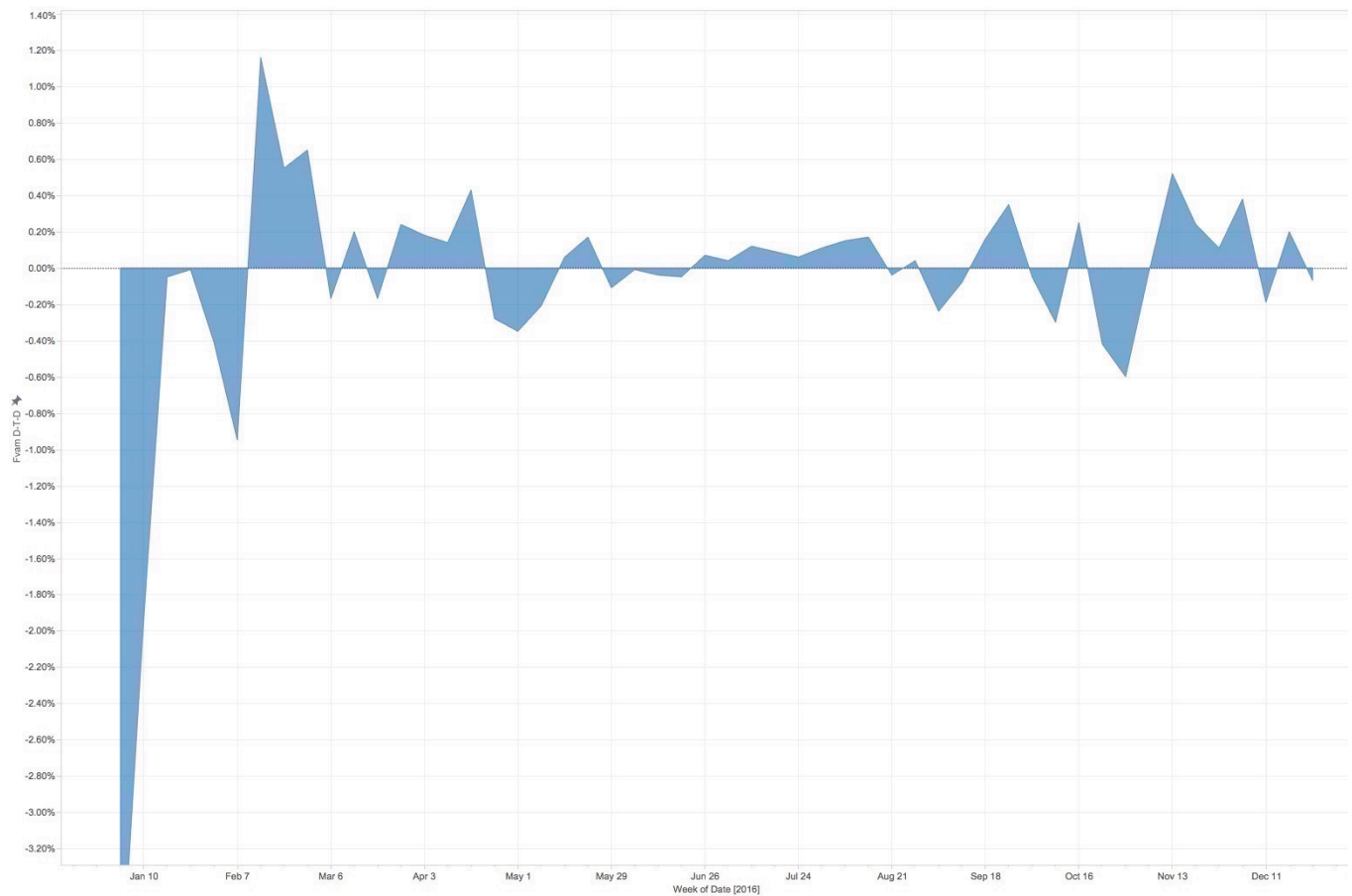


Allocation Breakdown (bar chart)



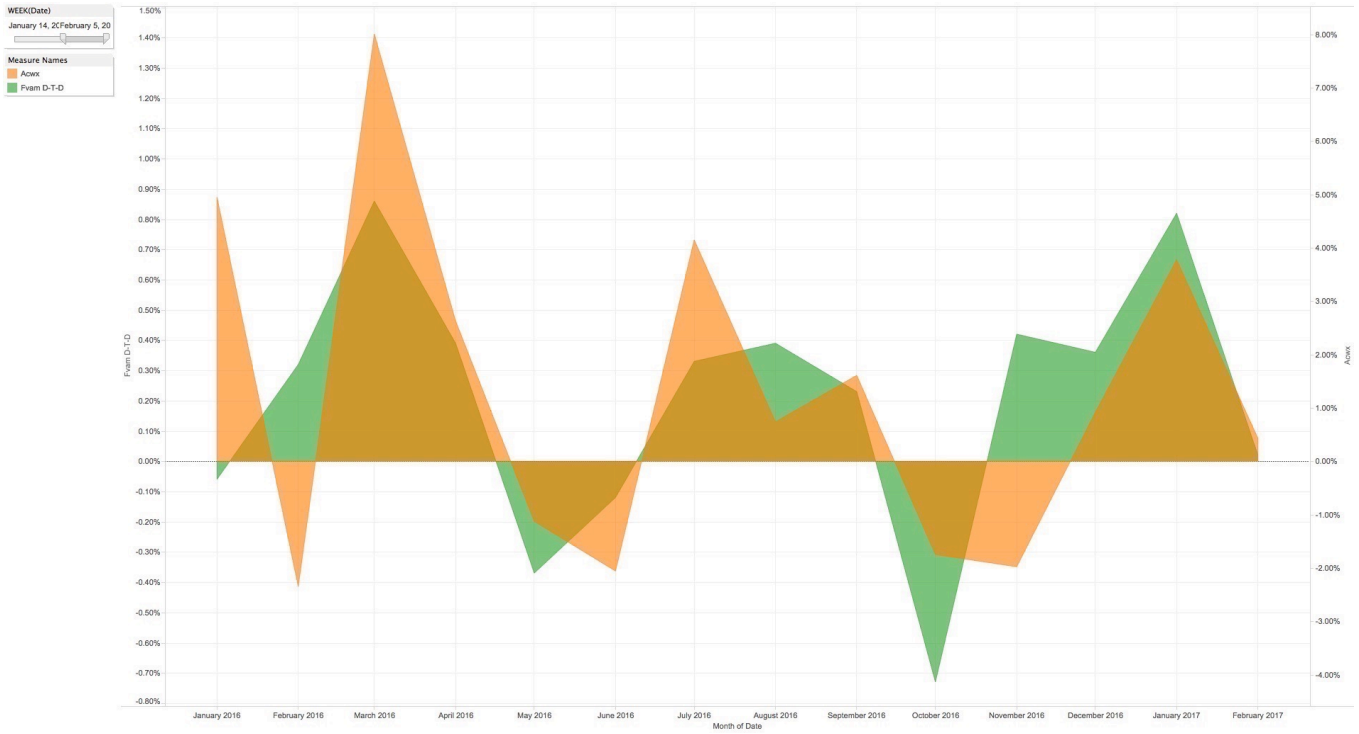
Performance Analysis: below shows the breakdown of the performance, as well as comparisons to other investment barometers such as the S&P500, \$BRK-b (Warren Buffett's 'Berkshire Hathaway'), and ACWX which tracks the world minus the US (World x-US)

FVAM fund, Full-Year 2016, weekly

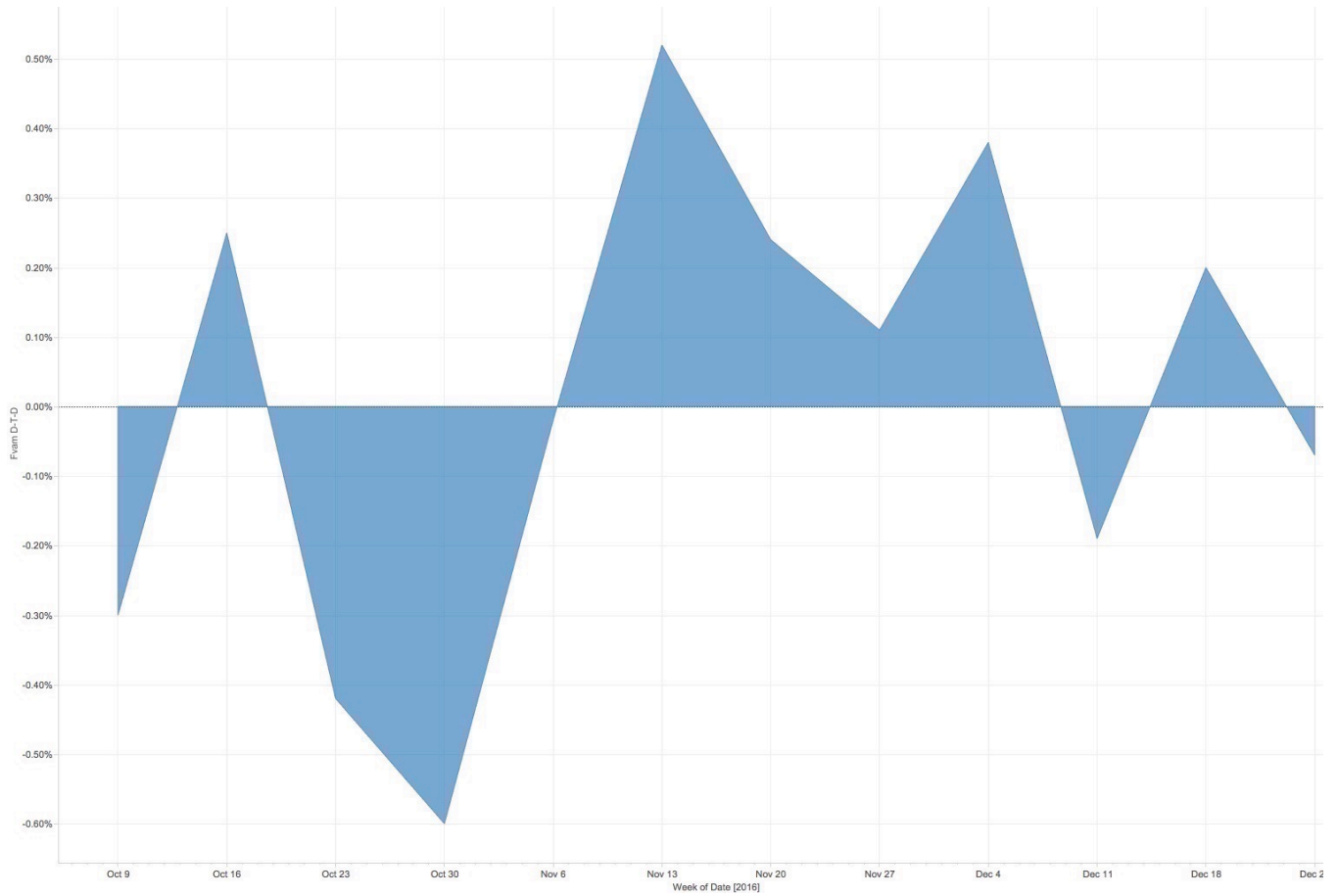




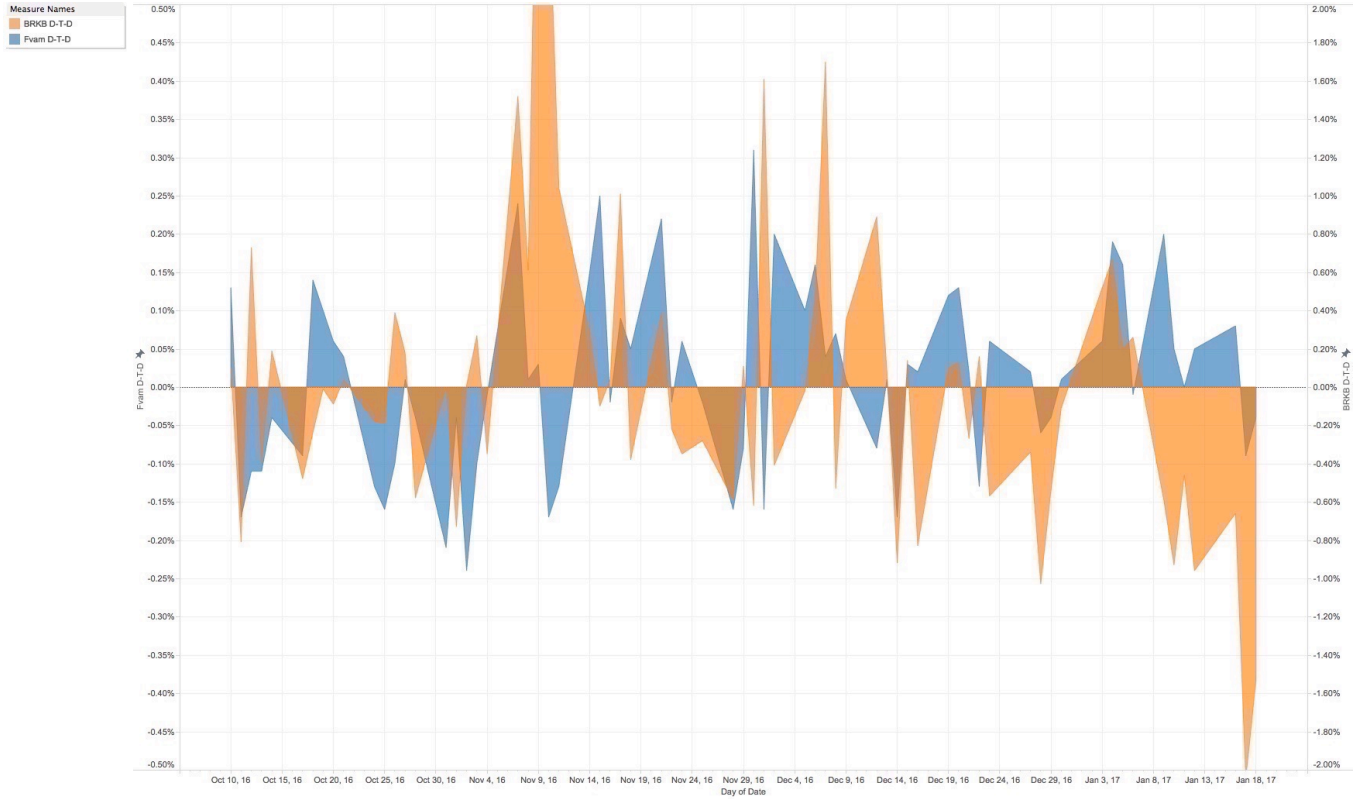
FVAM fund (green) vs ACWX (orange) , Full-Year 2016 (plus into February 2017), weekly



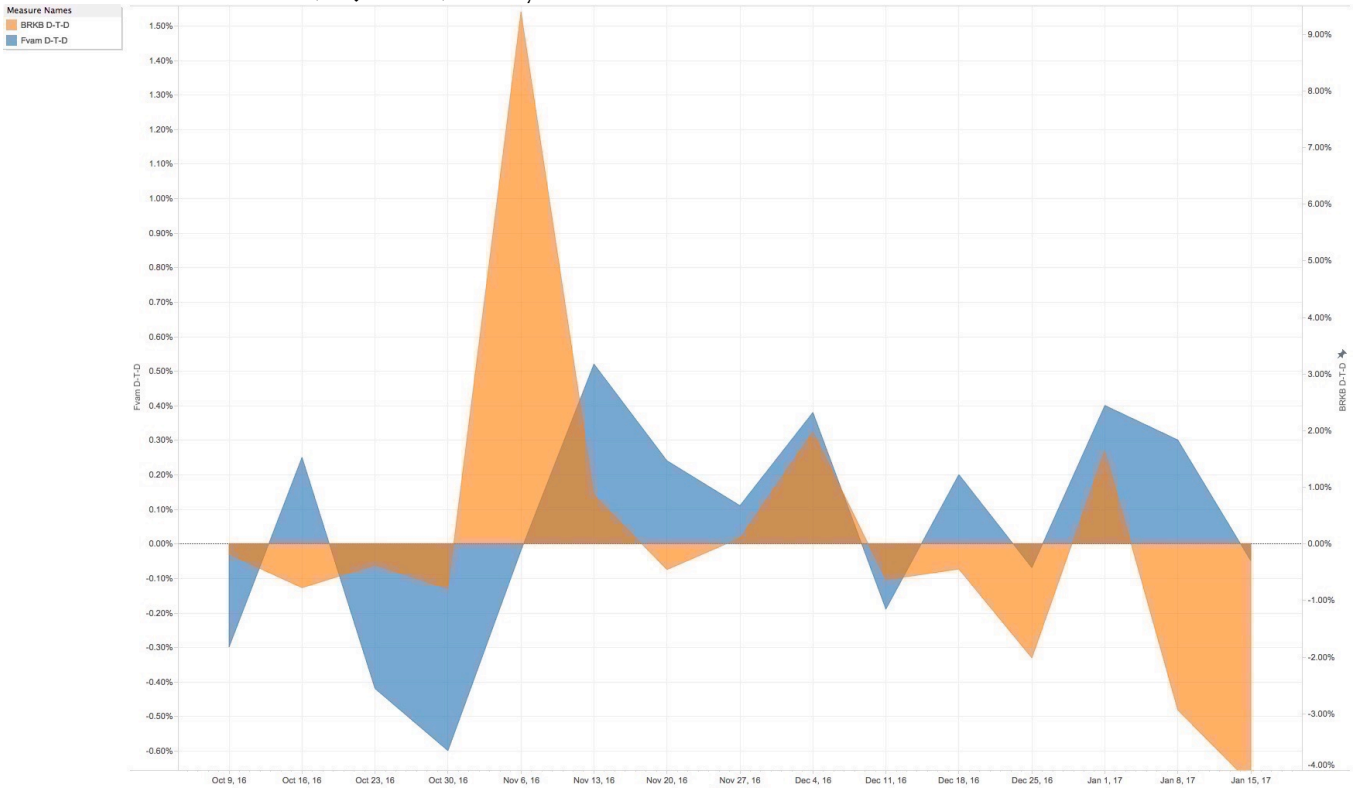
FVAM fund, 4th Quarter (Q4), 2016, weekly



FVAM fund (blue) vs BRK/b, Q4 2016, daily (\$BRKB : Berkshire Hathaway B-shares, publicly listed)



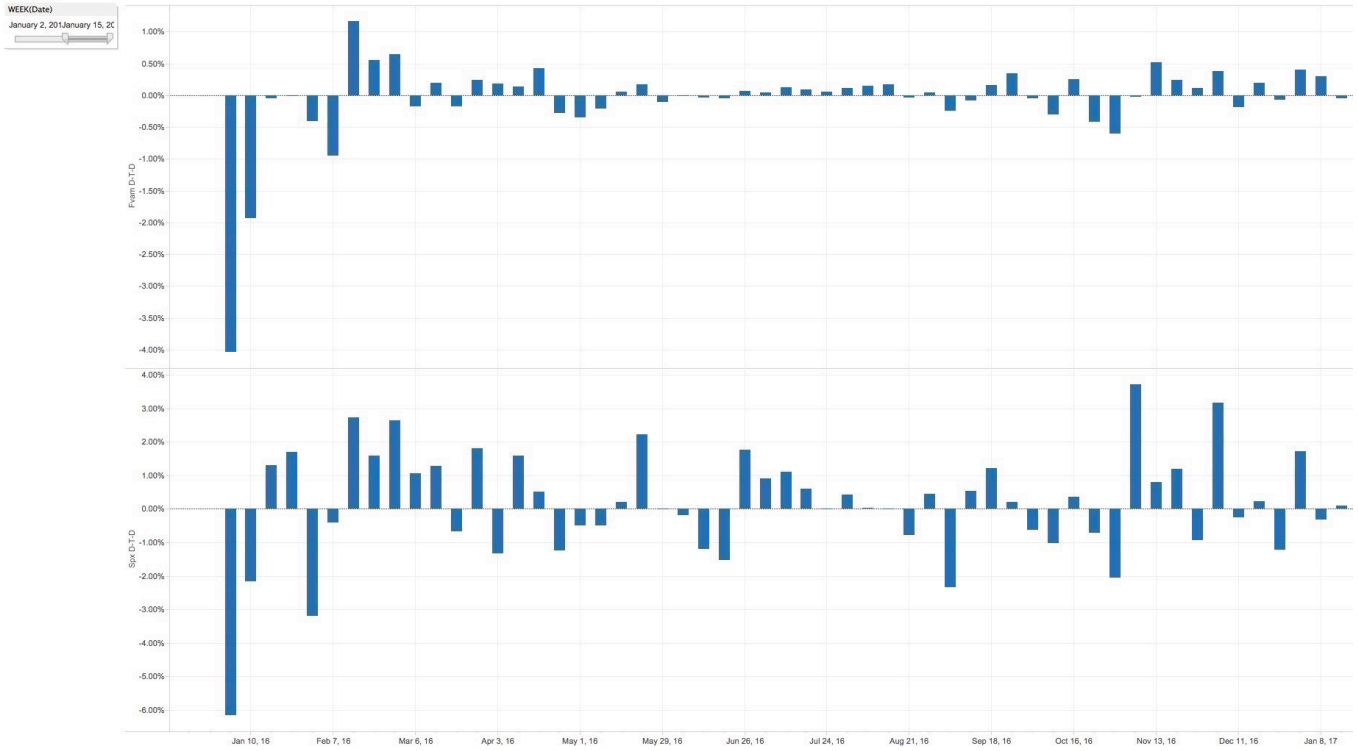
FVAM fund (blue) vs BRK/b, Q4 2016, weekly



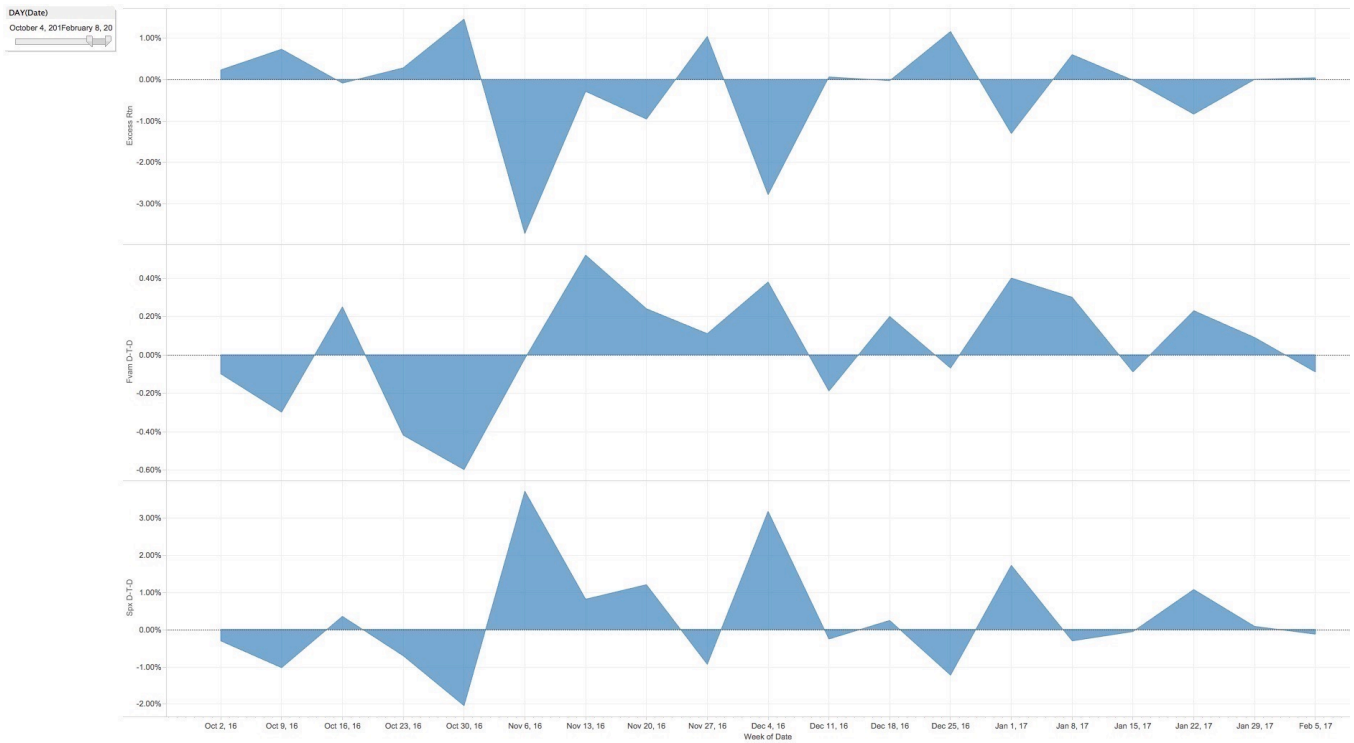
FVAM (blue) vs S&P500 , 4th Quarter, 3months - monthly



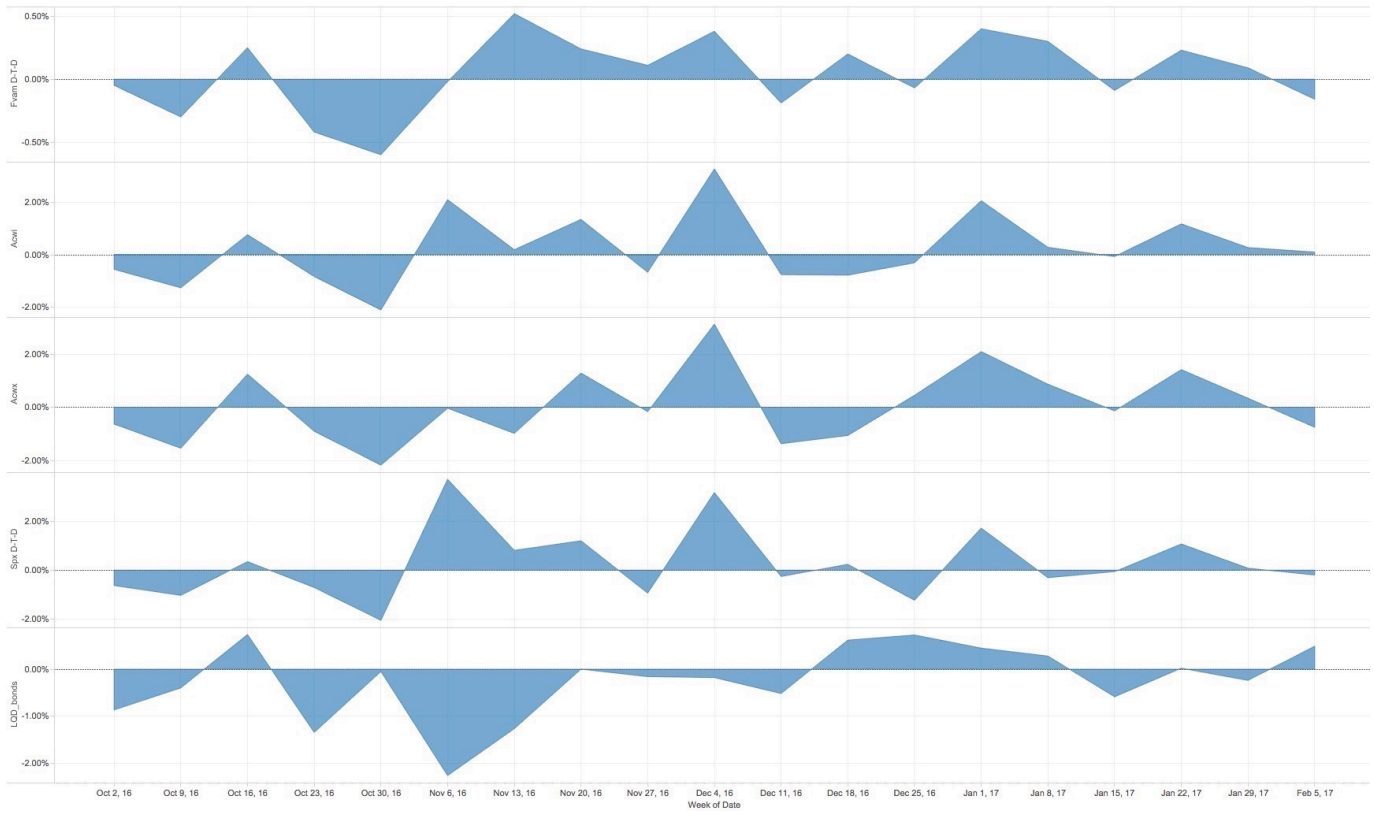
Full Year 2016, FVAM (top) compared to SPX (S&P500), Weekly (through Mid-January 2017)



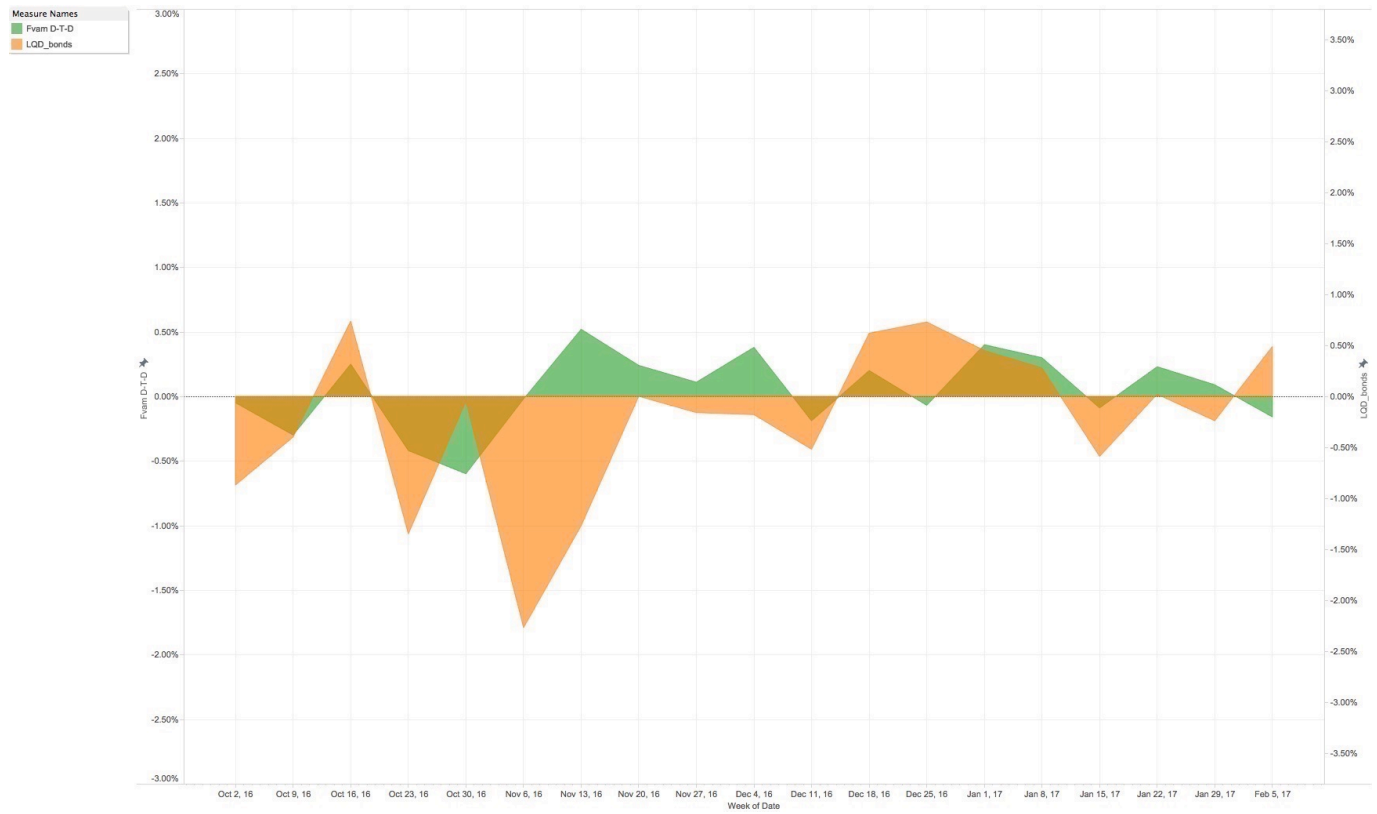
FVAM vs SPX and relative return (FVAM vs SPX), weekly, quarter-to-date  
 (\*excess return shows FVAM vs SPX, shows by how much FVAM is outperforming or underperforming the S&P500)



FVAM vs ACWI VS ACWX VS SPX VS LQD (bonds), weekly, Q4 thru Feb 2017

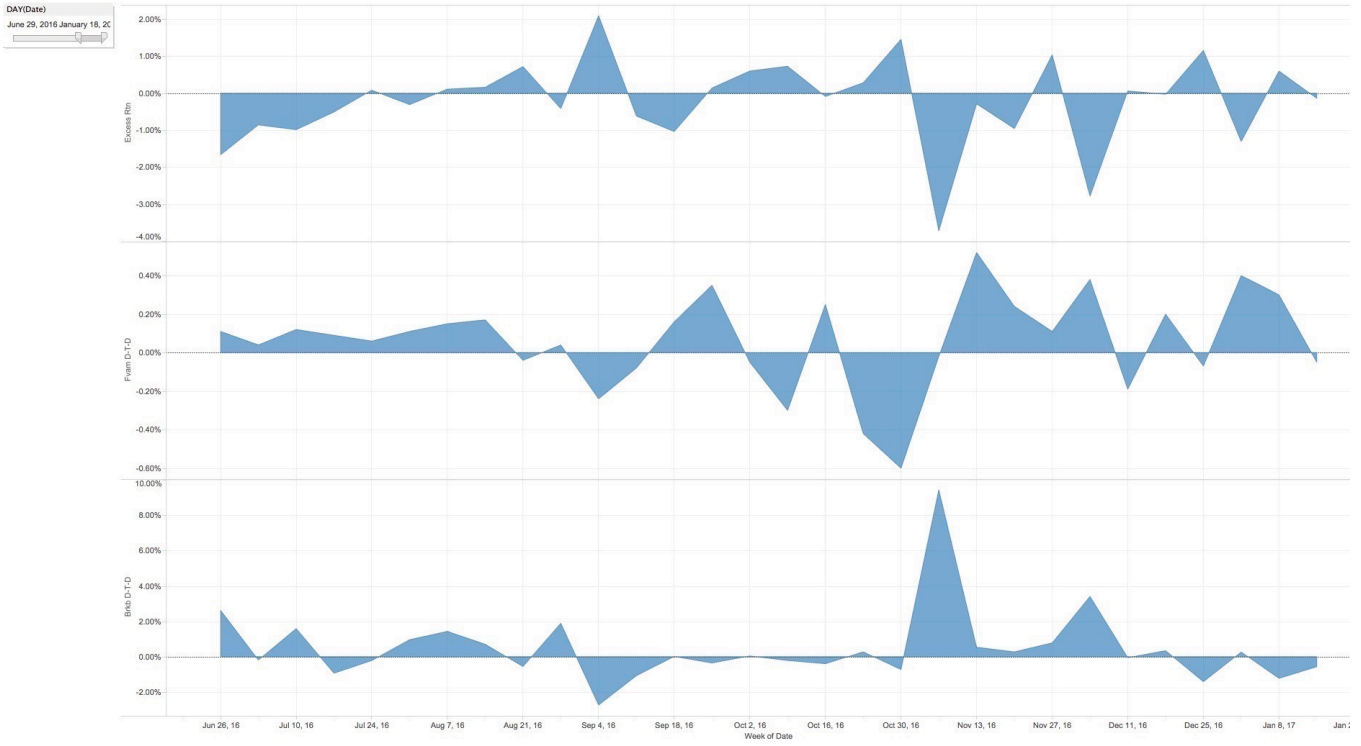


FVAM (green) vs LQD (bonds):

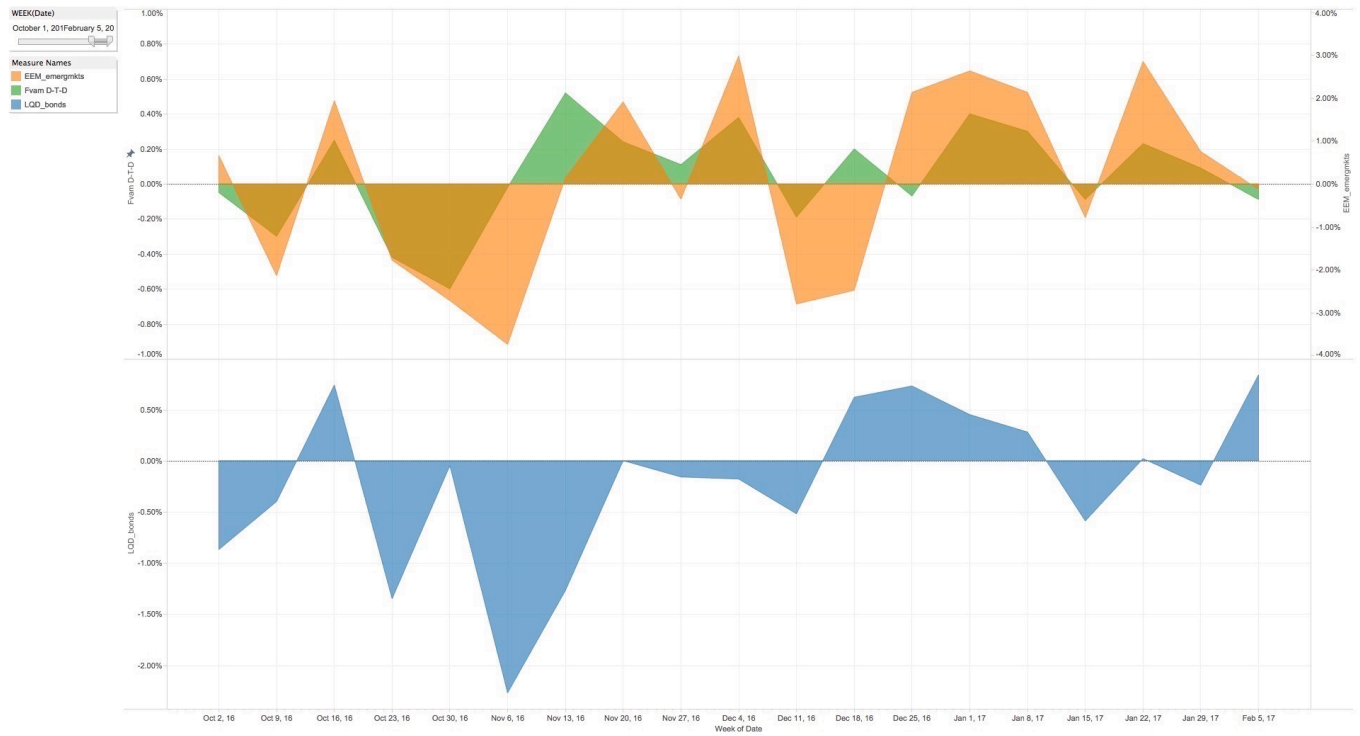




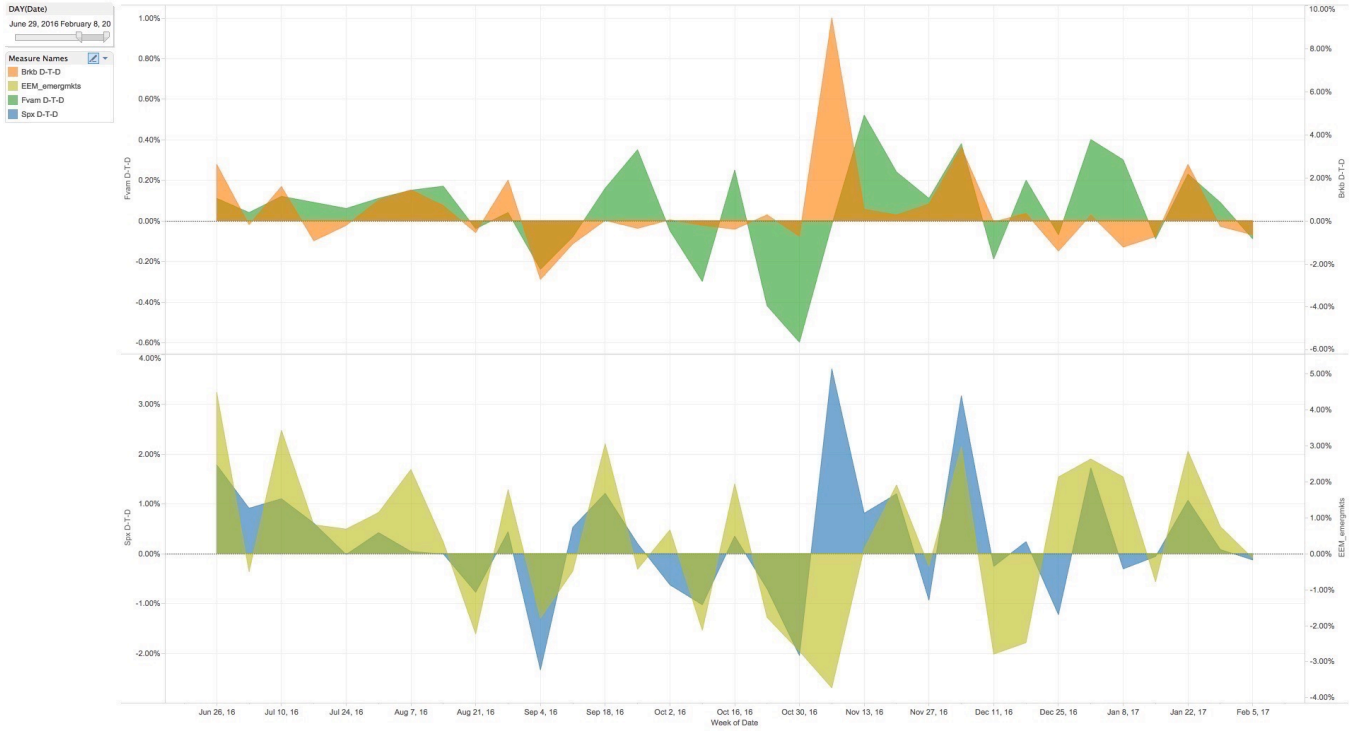
FVAM vs BRK/b and relative return (FVAM vs BRK/b), weekly



FVAM (green) vs EEM (emerging markets ETF) compared to LQD (bonds), weekly, from Oct 2016



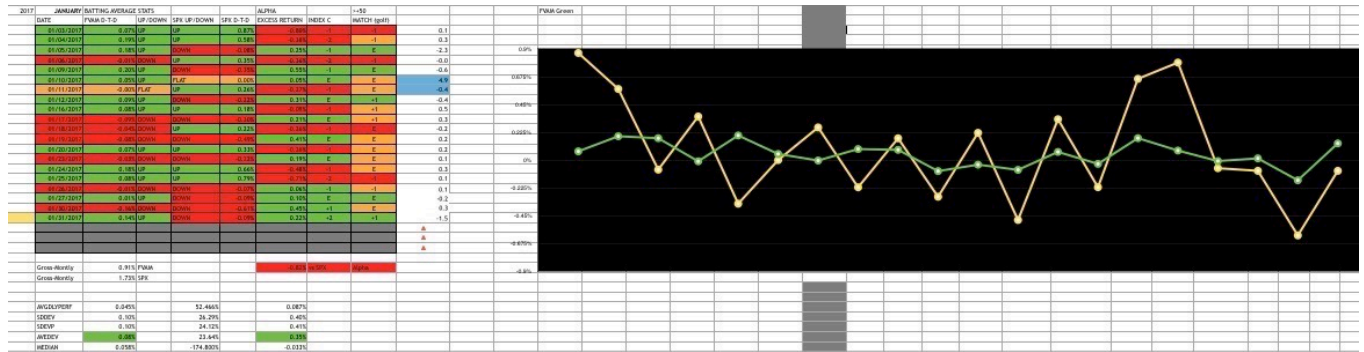
FVAM (green) vs BRK/B compared to SPX vs EEM , weekly, from July 2016 into Feb 2017



Reference 1: FVAM Fund Performance Stats (showing view into January 2017, FVAM vs SPX, Statistics)

The data below, displaying just January 2017 in this example, shows performance statistic data maintained daily, showing the FVAM fund vs the S&P500. Data is tracked every day internally, and has been tracked now for a few years. (Track Record) Data shows performance for FVAM, performance for S&P500 (\$SPX), as well as relative mathematical statistics. The chart is displaying daily performance for both FVAM (green) and SPX (yellow). Another very important factor for FVAM is to be less volatile than the SPX, which is being analyzed using Statistics, such as Standard Deviation (SDDEV).

January 2017



\*SPX (S&P500 index), BRK/B (Berkshire Hathaway) and any other index/fund/investment vehicles's performance using internal data tracking and data from multiple public internet sources, "non-official" data only.

Reference 2: Heat Map for the NYSE, breakdown of each stock within the index and its relative size and weight compared to the overall index (\*as of February 2017)

NYSE , New York Stock Exchange

