

**Fanvestments Corporation**  
*Global Investments - Global Returns*

FVAM Fund Quarterly Portfolio Report  
Q2 - 2016

***Fanvestments FVAM Equity Long-Bias Private Alternative Investment Fund (FVAM)***

This Report describes the Fanvestments FVAM Equity Long-Bias Private Alternative Investment Fund (the "Fund"). 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 2nd Quarter of 2016 (April thru May), and info about the fund's management business, Fanvestments, Corporation,. 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".

Contact and Social Media:  
Fanvestments, Corporation  
Matthew Fanning – Owner / Founder / CIO / Fund Manager  
[mfanning@fanvestments.com](mailto:mfanning@fanvestments.com)  
[www.fanvestments.com](http://www.fanvestments.com)  
Twitter: @fanvestments  
Wordpress/Blog: [fanvestments.wordpress.com](http://fanvestments.wordpress.com)

## PRINCIPAL INVESTMENT STRATEGY

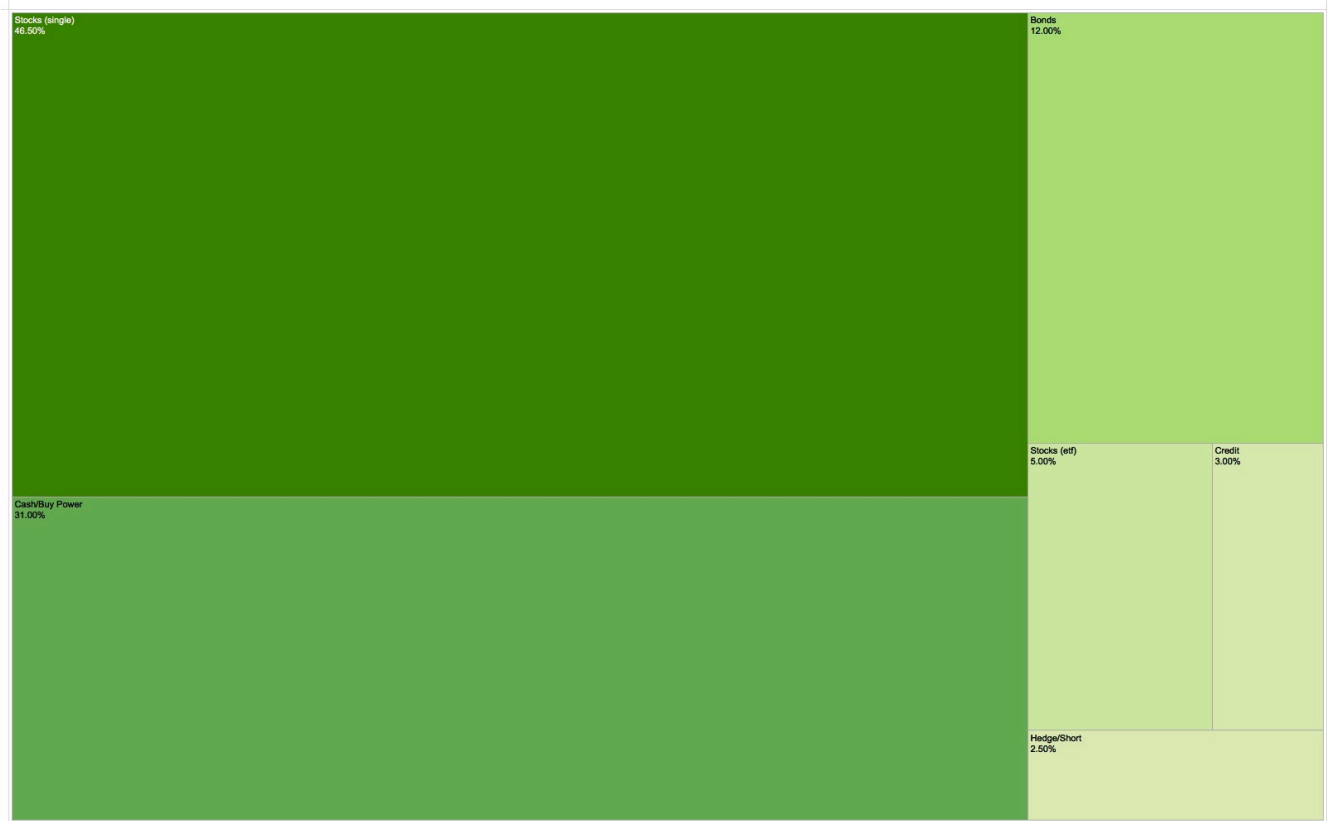
The FVAM Fund consists of a portfolio, a collection of assets, with a majority focus on equity investment ("stocks") for the goal of price & capital appreciation, growth and value, as well as fixed income (bonds and credit), to drive long-term positive durable returns through all types of economic and global financial cycles. Price tends to trump timeframe, but 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 and has a blended investment style, looking for Value plus growth, and will also seek to find opportunity within event-driven strategies, searching all size business all around the world, but currently limited to only investing within U.S. exchanges. Exposure and strategy will change from time to time, as opportunity of making money necessitates. To mandate diversification, individual stock positions are mostly limited to less than 5% of the overall portfolio, with current averages at 2-3% per position. The 5% holding max could have an exception if the position, asset, is not a "single-stock" investment, with the same examples as above, possibly within another diversified ETF, 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. Since FVAM is not intending to match the assets of any other index or ETF, fund's performance will not have intention to directly match the performance of any other investment vehicle, ETF, or Index. An index, like the S&P 500, is also a collection of assets, currently with just over 500 individual stock holdings, with a daily-monthly-yearly total return. FVAM's intent is to have created its own index, hence, become its own market, with individual assets selected by Fanvestments Management, non-correlated performance, less volatility, utilizing a dynamic perpetually improving investment strategy.

Through the Quarter, the fund made some moderate allocation changes, reducing exposure to individual stocks while adding exposure to fixed income via bonds and credit. One example, 10-12% of the fund is now invested in HYG, which is an ETF (exchange traded fund) that tracks higher yielding bonds. Another newer position, the fund is currently about 3% invested in PCI, which is the Pimco Dynamic Credit Income Fund. This not only will help reduce overall volatility and risk in the portfolio, they are primarily yield investments, with both paying 5-10% dividend yields. The allocation to fixed income relative to individual stocks, will constantly be studied and adjusted. Dialed up, Dialed down. The fund currently also has a higher than normal allocation to cash, "dry powder". This is more short-term based on current market price levels, as well as to bring down the funds overall volatility. Close to half of that cash allocation is already earmarked to be put to work, just being extremely patient, waiting for the right price levels, individual stock analysis, as well as the overall macro environment not just within the US, but Globally, from the US to Asia to Europe. While the fixed income exposure is meant to lower the fund's volatility, the upside can be more muted than with individual stocks. The fund's strategy is for this bond exposure to still produce an 8-12% total return (price appreciation plus the dividends). This exposure is to help put a floor in the fund while still producing a solid return, then on top of that would be the higher risk, higher reward exposure, with individual stocks as well as baskets of stocks. Example of "basket" is the funds exposure to DBBR, which is an ETF that tracks the Brazil stock market, and also pays a high-yield dividend. Overall, the Fund is still down about 4% YTD, most of that from January, and has been slowly improving. Since January (or x-Jan), the fund is currently up 2%, net. For the 2nd Quarter, the fund was net positive 0.4%. For June, the fund was slightly positive (+0.1%) while the S&P500 was down just over 1%. Currently in July, the fund is in the green, slightly positive by 0.25%  
Better Investments, Better Mathematics, Decrease Downside, Increase Upside, perpetually, FOREVER.

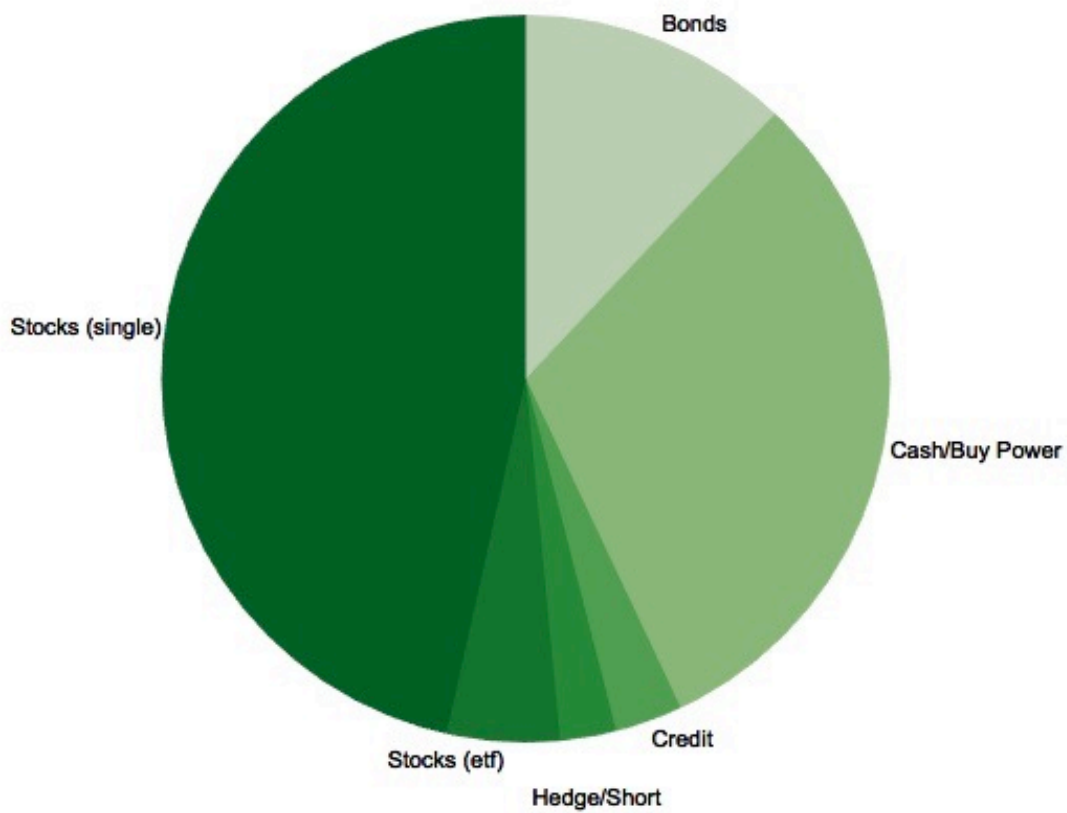
Main goal is Stability, slow and steady returns, diversification globally and between multiple asset classes. Goal is to Get that 10%+ return the fund is looking for every year, expecting some of those years to have outsized gains, and always trying to be flat-to-up at the least. With that stability, begets growth. Quietly, have been working towards a September goal to start ramping up on the business growth side, with a pipeline that is actively growing, and some in the very near term.  
Thank You all.

Below shows reporting i've created within Data Analytics software, Tableau Software, which has data integration into the fund's internal database/spreadsheets.

Portfolio Allocation Breakdown (Heat Map)

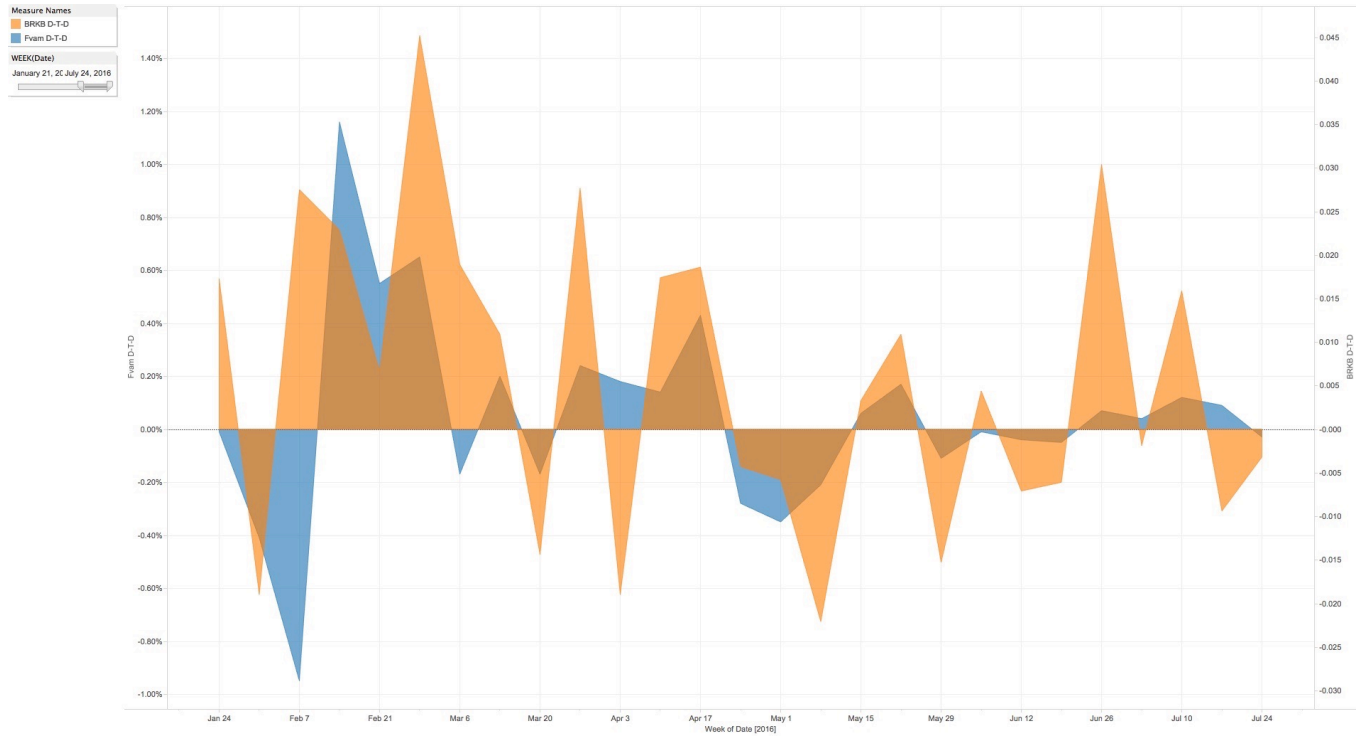


Allocation Breakdown (pie chart)

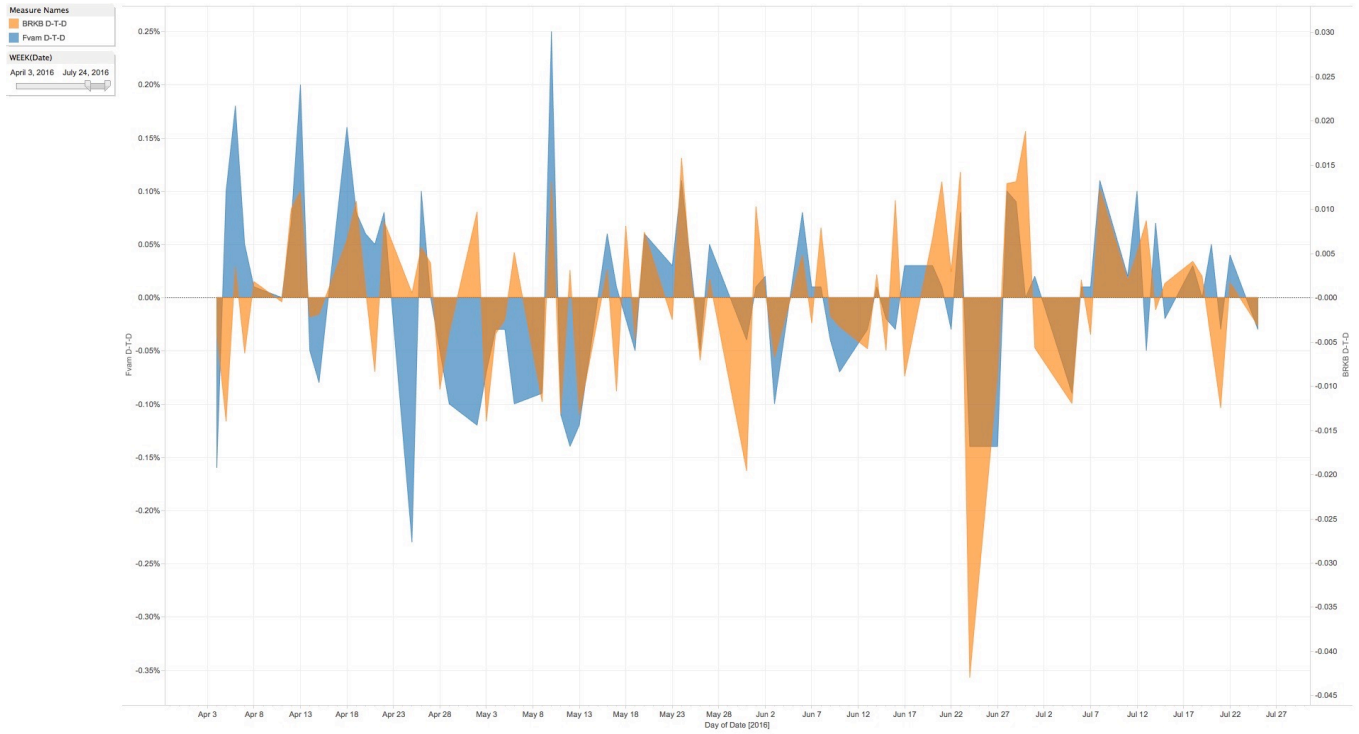


Performance Analysis: below shows the breakdown of that, and comparisons to the S&P500, as well as \$BRK-b (Warren Buffett's 'Berkshire Hathaway')

FVAM fund vs BRK/b, weekly (Berkshire Hathaway B-shares, publicly listed), year-to-date

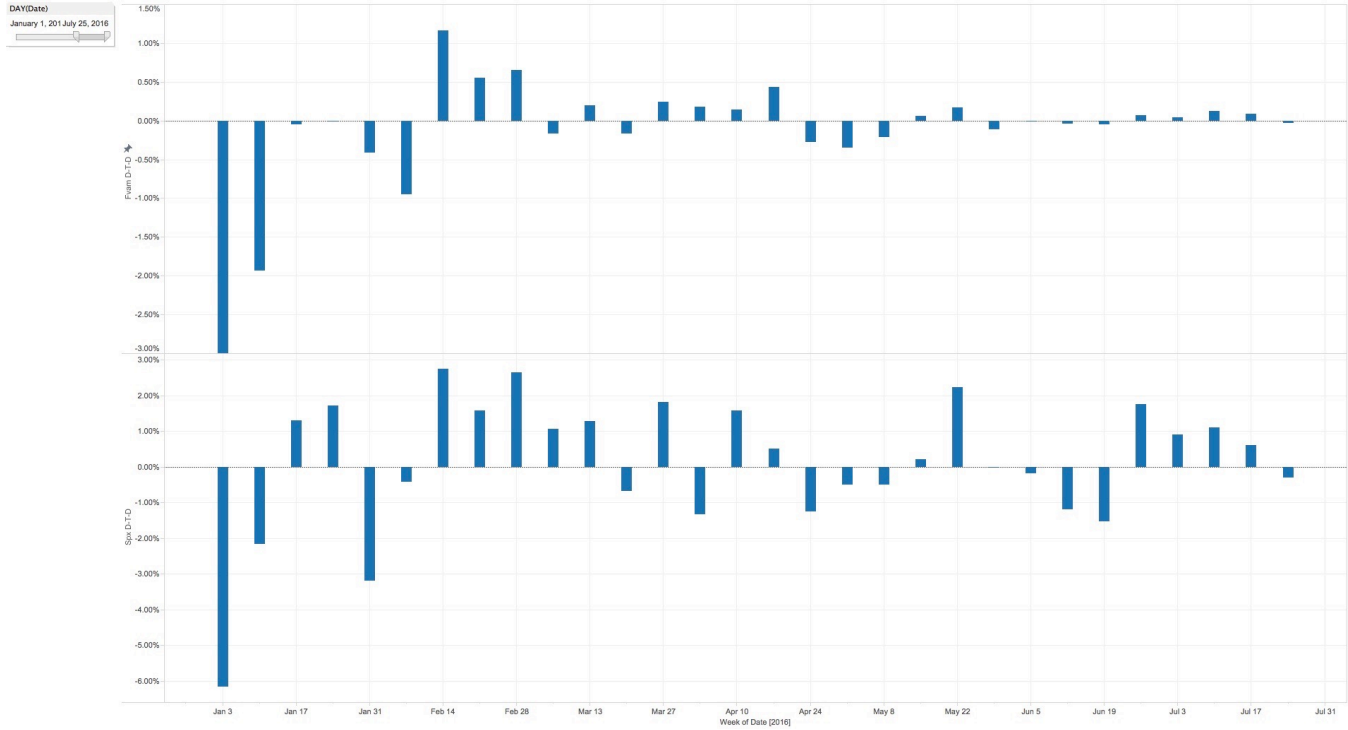


FVAM fund vs BRK/b, daily (Berkshire Hathaway B-shares, publicly listed)

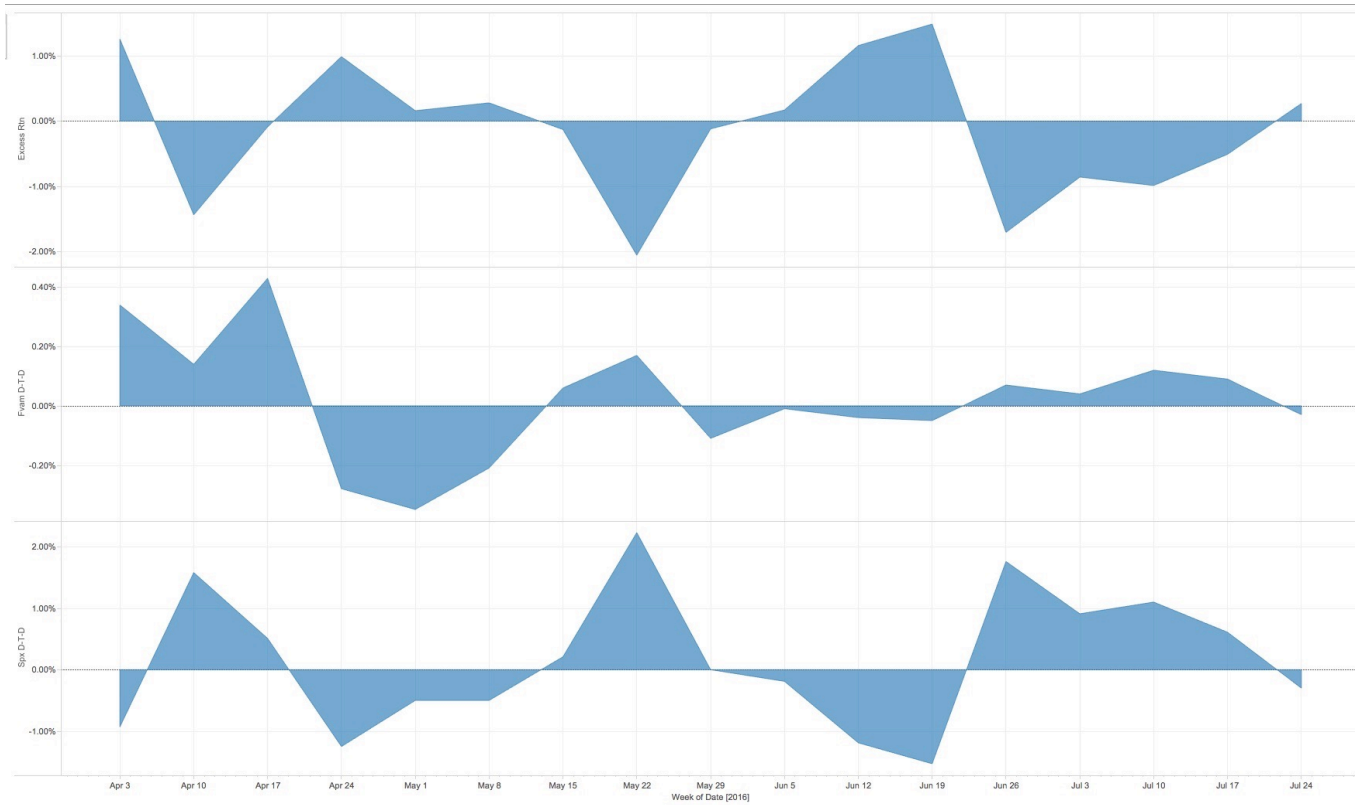


# FVAM vs S&P500

## Year-to-Date, Weekly (Week-over-Week)



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





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

