

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

FVAM Fund Quarterly Portfolio Report
Q1 - 2017

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 1st Quarter of 2017 (January thru March), 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”.

Contact and Social Media:
Fanvestments, Corporation
Matthew Fanning – Owner / Founder / CIO / Fund Manager
mfanning@fanvestments.com
www.fanvestments.com
Twitter: @fanvestments
facebook.com/fanvestments
Wordpress/Blog: fanvestments.wordpress.com

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, growth and value, 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. 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 and will also seek to find opportunity within event-driven strategies, such as mergers, FDA approvals, momentum and fund flows, as well as 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, but 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 intention 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.

Q1 Highlights

Within the 1st Quarter of 2017, the FVAM fund produced a positive return, and was net positive 1.3% (130bps). The fund was just about flat in March, while the S&P500 also ended around the flat line for the month. The fund was positive for January and February, combining for 1.3% (0.9% and 0.4% respectively). On an annualized basis, using the same quarterly return would net out to a 5.8% return for the year. This is getting closer to a primary performance goal of a 10%+ return. Although there is no attempt to match the 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. The fund averaged about an 8bp standard deviation, meaning the on average the fund moved up or down by 8bps (0.08%) per day through the 1st quarter. In comparison, the S&P500 averaged a 40bp (0.4%) standard deviation, moving just about 5x more per day.

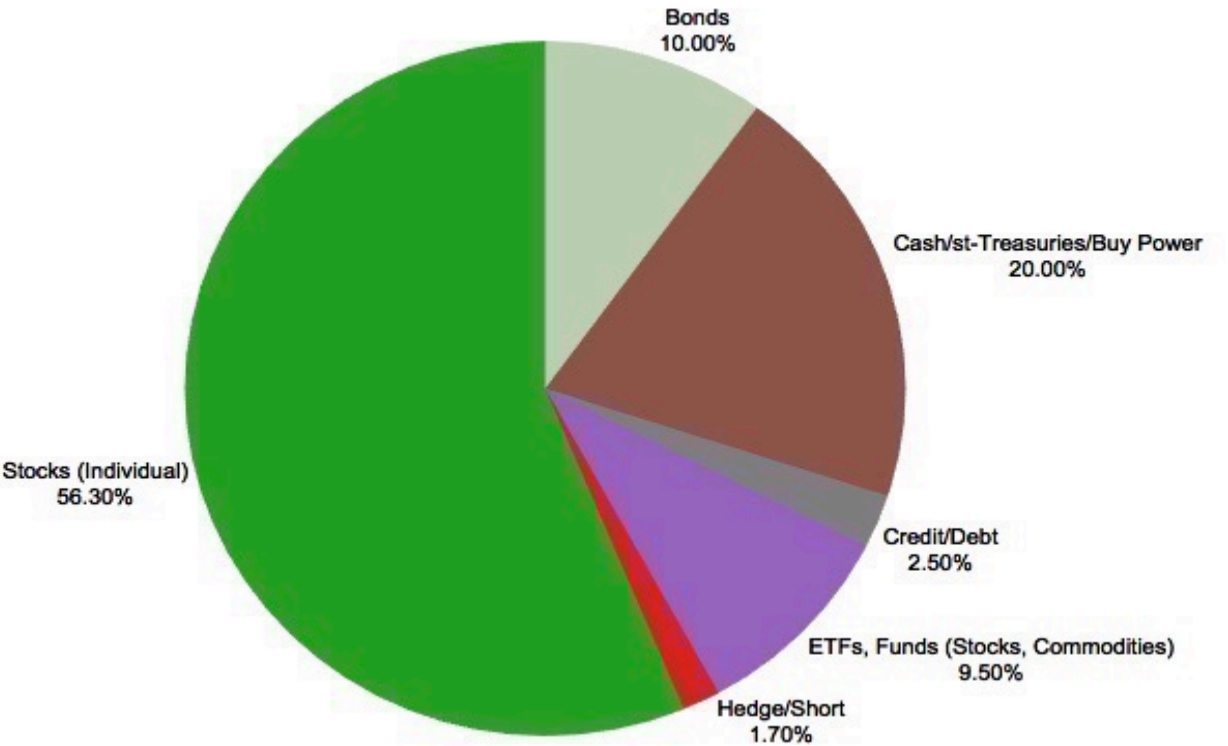
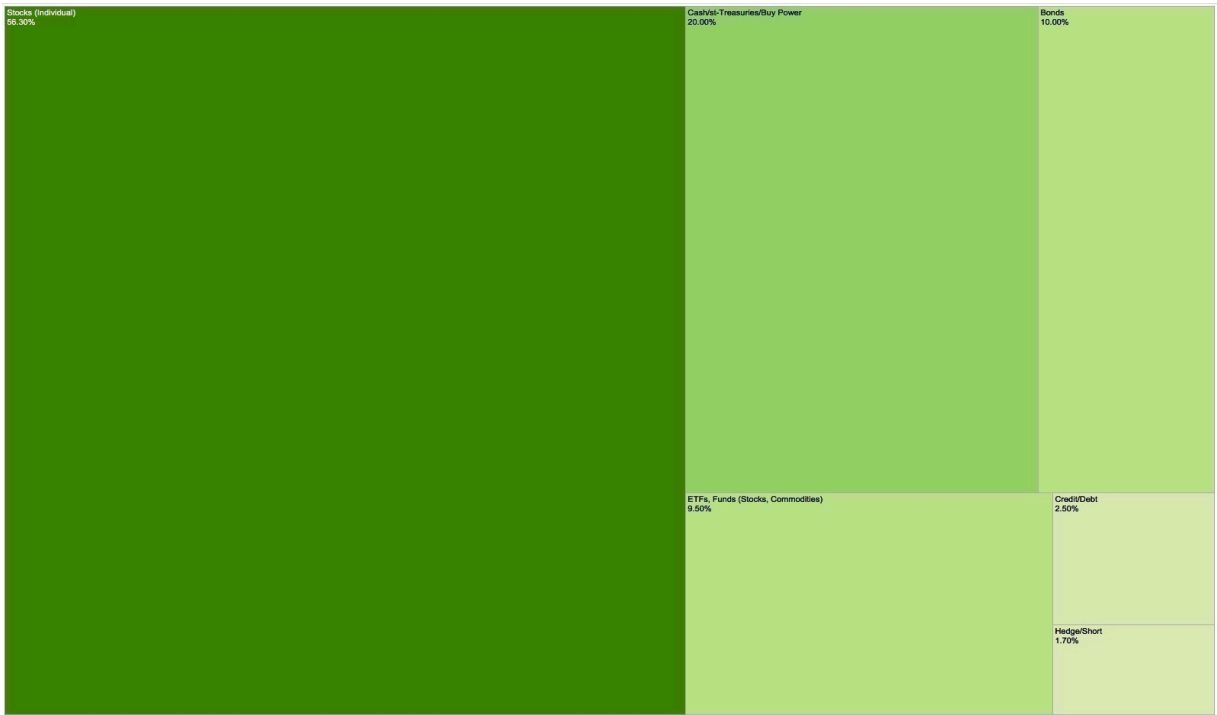
This is one level of volatility being tracked for the fund, as well as relative stats compared to the S&P500 index. The portfolio and its performance is what produces the statistics. By studying these stats, the portfolios's risk and/or volatility has the ability to be dialed up or dialed down. This may be executed by higher or lower risk assets, more stock exposure, less stock exposure, sector allocations, more bond exposure or less bond exposure, or by decreasing/increasing hedge exposure.

FVAM's Top 3 performing investments for the 1st quarter were Alibaba Group (BABA), Clovis Oncology (CLVS), and Square Inc. (SQ). For Alibaba, fund has a current average price of \$103/share, with the current stock price just above \$123/share. One way to explain Alibaba is the "amazon of china", and if compared to the stock price of Amazon, puts my longer term expectation of its stock price at over \$1000/share. I also believe Alibaba is much more than the "amazon of china", and with the size of china, and the fact Alibaba is growing globally, there is no reason baba can't surpass the \$1000 price tag. Another strategy of the fund is to find the founders that are brilliant and fully involved with their business, "All In". Jack Ma, founder of Alibaba is just that. Last quarter, baba's core commerce had revenue growth of 47%, with international commerce retail revenue increasing over 300%, and cloud computing growth, one of the hottest segments in tech today, of 103%. Can read more about the quarter on their investor site, alibabagroup.com or summarized on yahoo finance @ <https://finance.yahoo.com/news/edited-transcript-baba-earnings-conference-192041325.html> Another top performer for the quarter in the Fund was Square (SQ). Fund owns SQ at just over \$9/share, currently Square's stock price is over \$21/share. Square also has a similar founder strategy, Jack Dorsey, who is not just the owner of Square, is also a co-founder/creator of Twitter, and a profound genius. Last quarter, Square had total net revenue growth of 39%, with Gross Payment volume at 43% growth, and adjusted revenue growth of 73%. Square is building a \$60 Billion commerce ecosystem. Can read more about Square's earnings and their most recent investor day at <https://s3.amazonaws.com/square-production/documents/investor-relations/presentations/05-17-investor-day.pdf> Longer term expectation of Square's stock price is over \$100/share, with a mid-term goal around \$50, and lately there has been some chatter of buy-out interest from Visa.

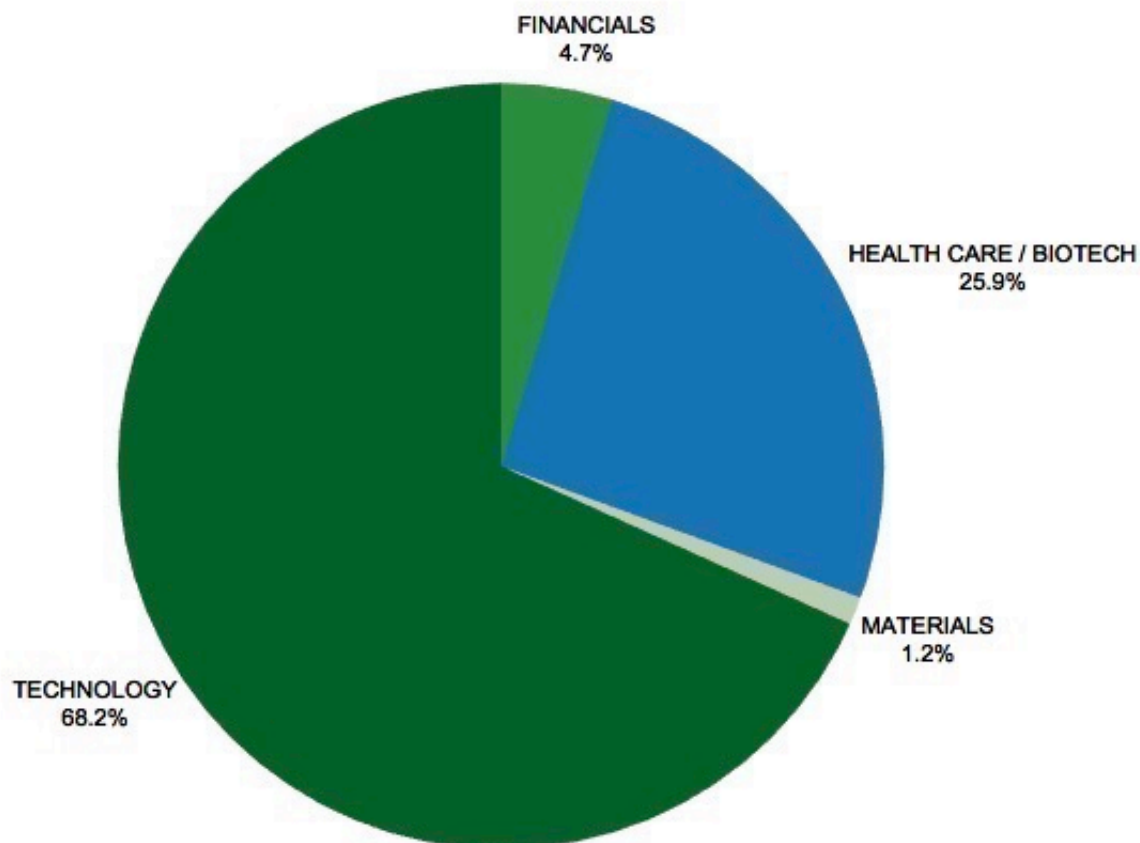
My investment experience now involves close to 15 years of investing , including within the Fanvestments FVAM fund and personally prior to the inception of Fanvestments and a positive overall track record, averaging about an 8% return year-over-year between 2004-2013 (averaging a 14% return yearly taking 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. 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. Although the fund's performance is tracked against the S&P500, that is just one barometer. Other and more important barometers personally is to track the performance against major billionaire conglomerates, such as Warren Buffett's Berkshire Hathaway, Carl Icahn's IEP, or Bill Ackman's Pershing Square. Goal is to Get that 10%+ return the fund is looking for every year, expecting some of those years to have larger outsized gains up and above, and to produce a floor, always trying to be flat-to-up at the least. A 4-5% floor, with a 10%+ goal, less-than-market volatility & correlation, with ability and the exposure, risk, to produce outsized gains. Most billionaire investors didn't become billionaires due to index investing, but having exposure to multiple asset classes, and individual stocks with some allocation to market indexes and bonds. The FVAM fund, although will always have a target return goal of 10% or more, has the potential to have years with 50-60% returns, if not some years, out right doubling. Personally over the last 15 years, I've had a few years with 30-40% returns, and have heard about billionaires talk about having at least a few years over the long haul with over a 500% return.

Below shows reporting created & analyzed within Data Analytics software, Tableau Software, which has data integration into the fund's internal database/spreadsheets. (*Data as of March 2017)

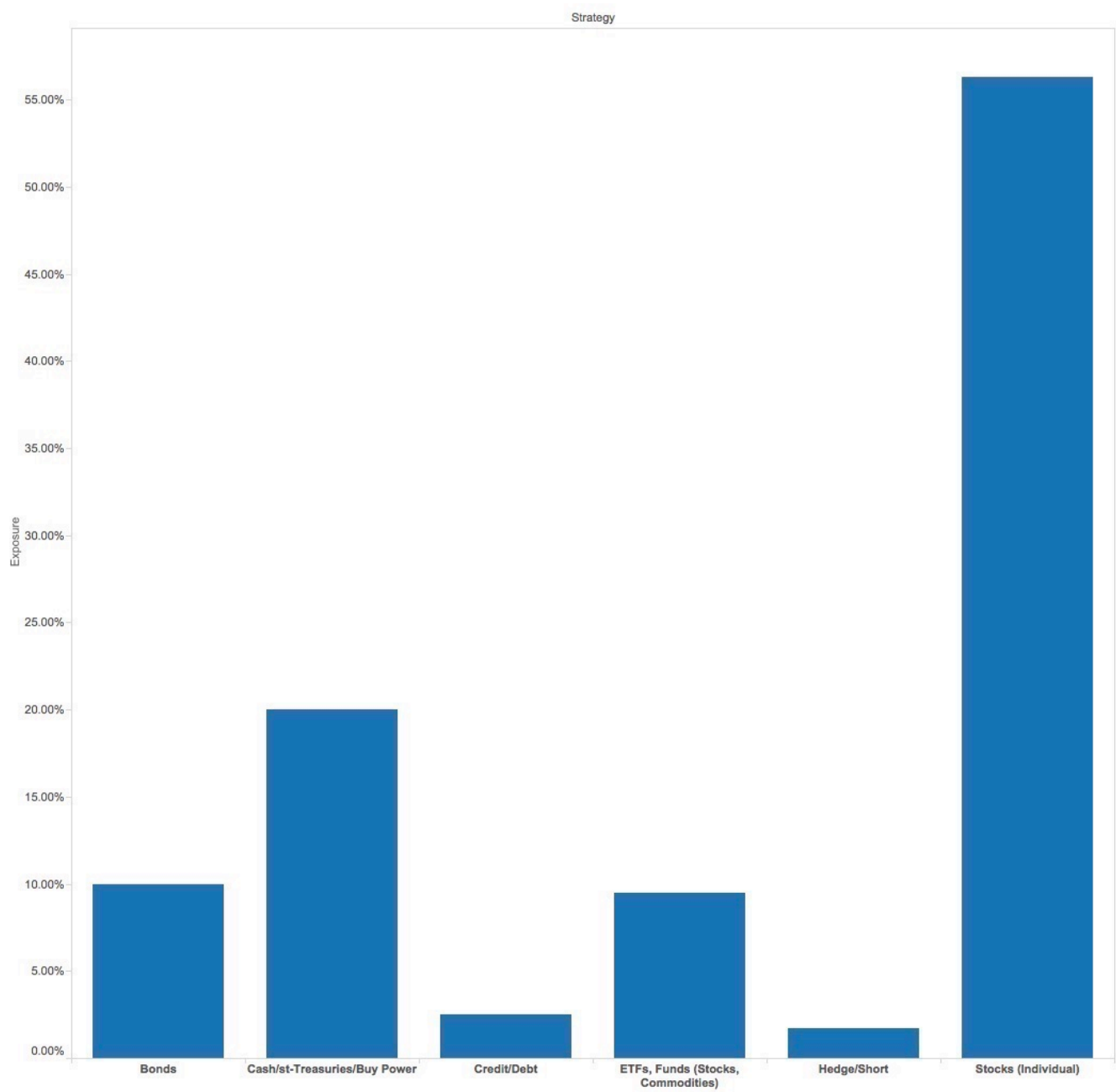
High Level allocation heat map and pie chart



Below shows the breakdown of the fund's individual stock exposure. Individual stock exposure is about 56% of the overall fund (as displayed above), this visual below breaks out that 56% by itself. Currently, the heaviest focus of that exposure is allocated towards Technology and Bio-Tech / Pharma investments.

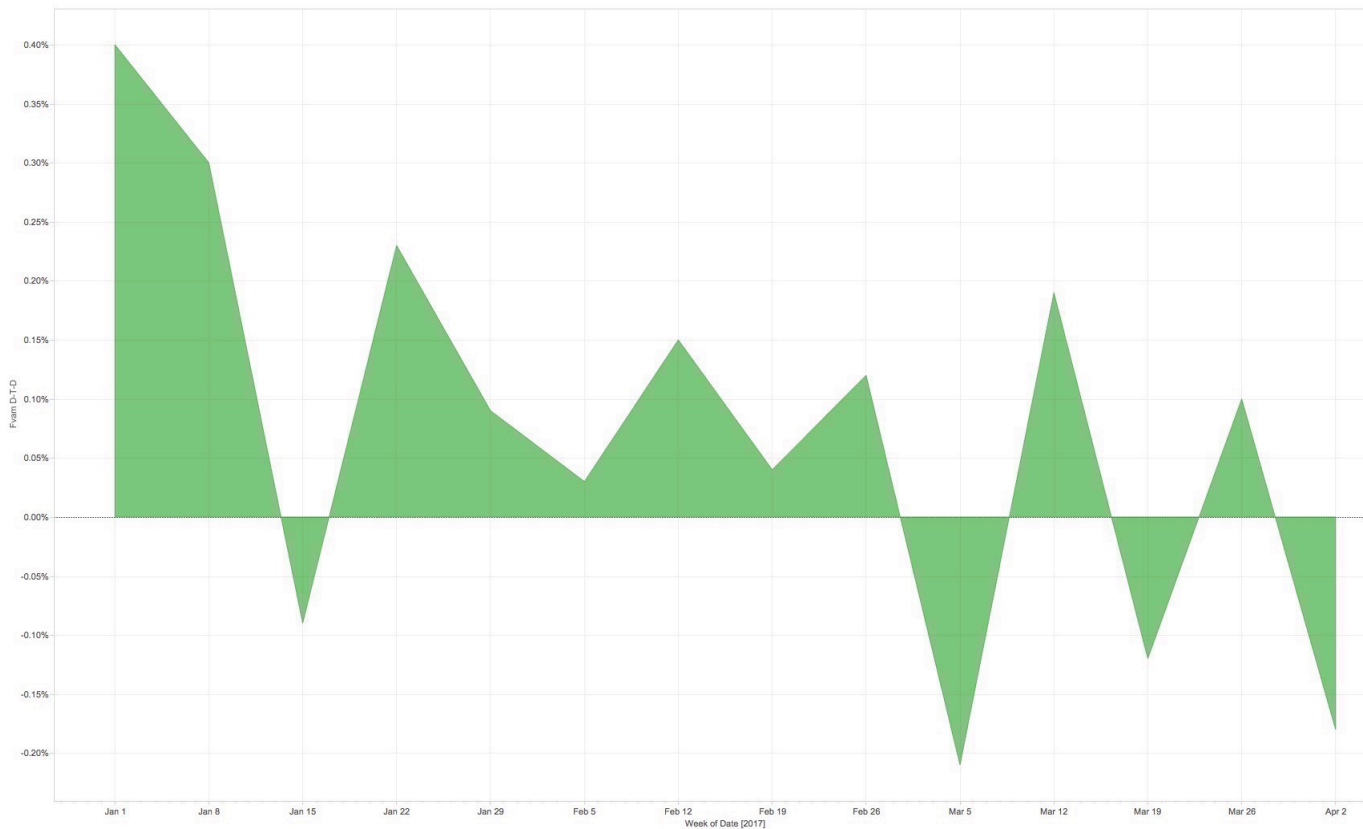


Allocation Breakdown (Strategy Breakdown , bar chart)

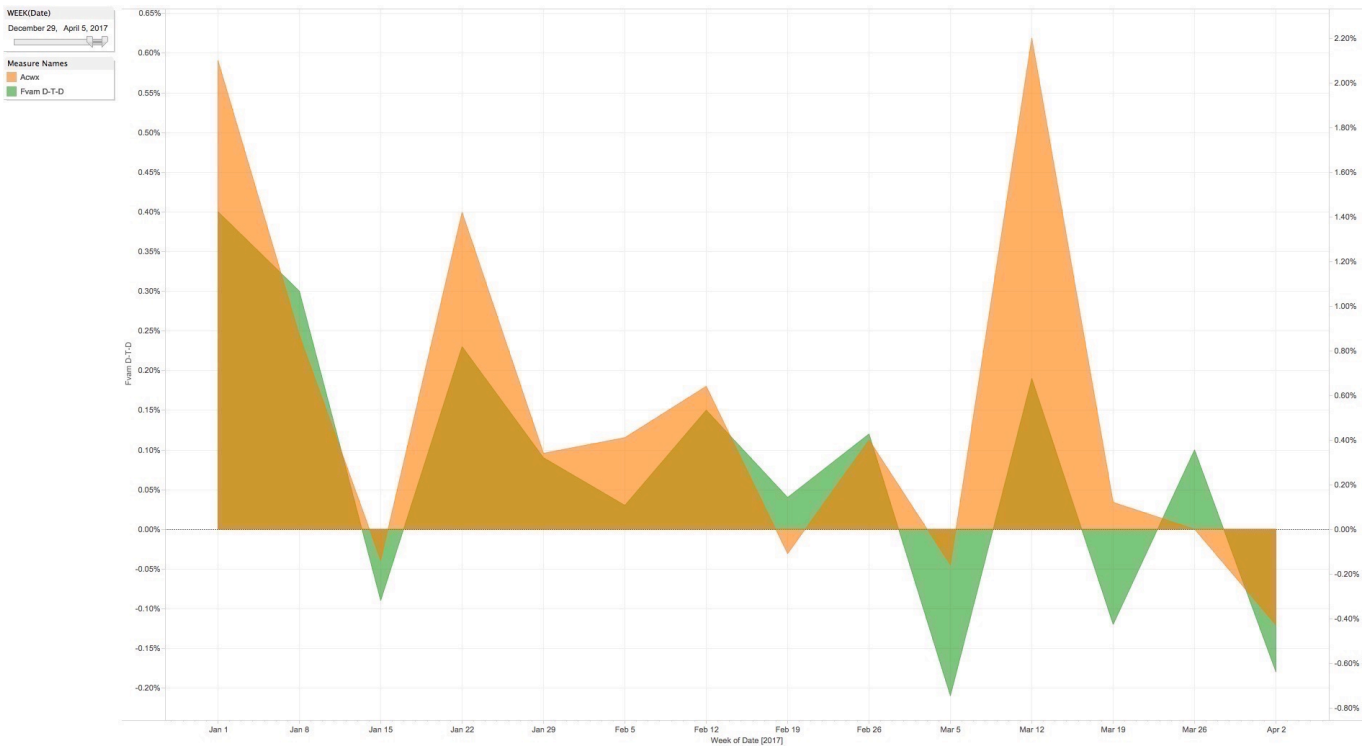


Performance Analysis: below shows the breakdown of the performance, as well as comparisons to other investment barometers such as the S&P500, \$BRK-b (Warren Buffett's 'Berkshire Hathaway'), and ACWX which tracks the world minus the US (World x-US)

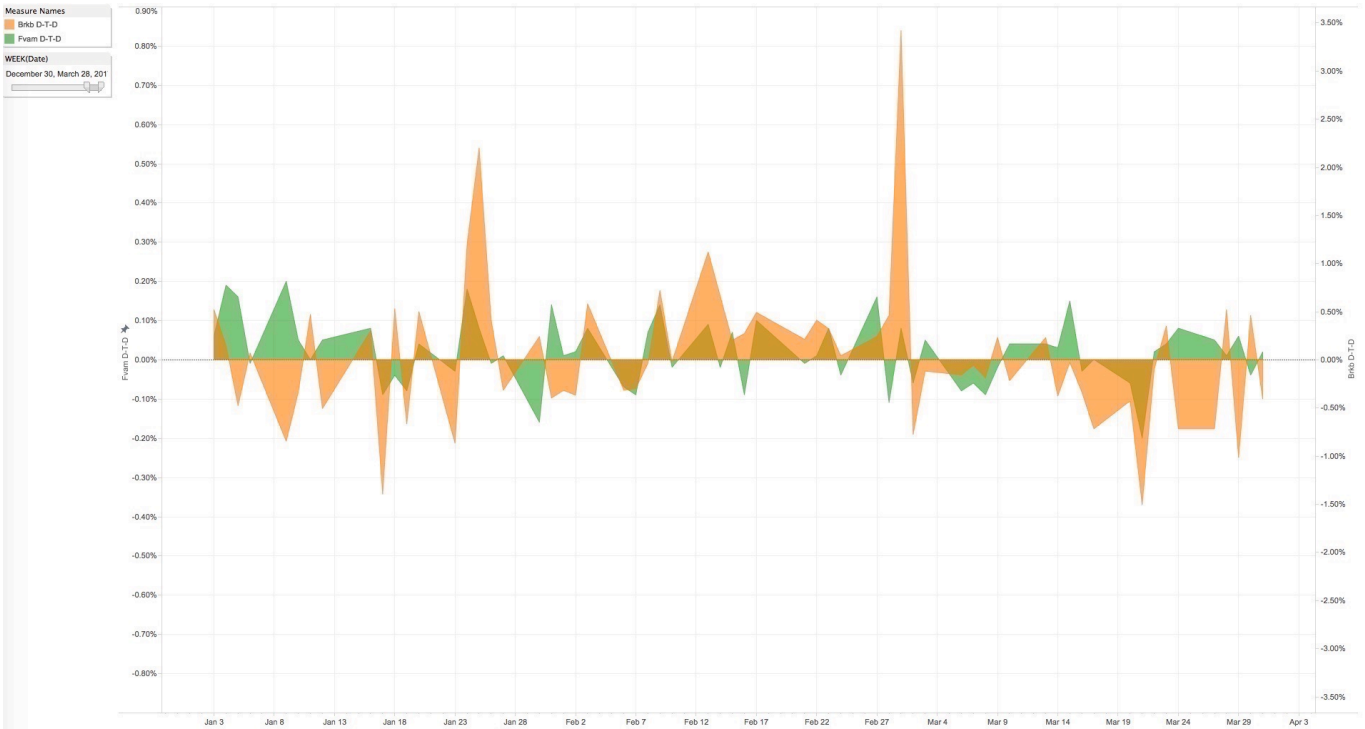
FVAM fund, 1st Quarter 2017 , weekly



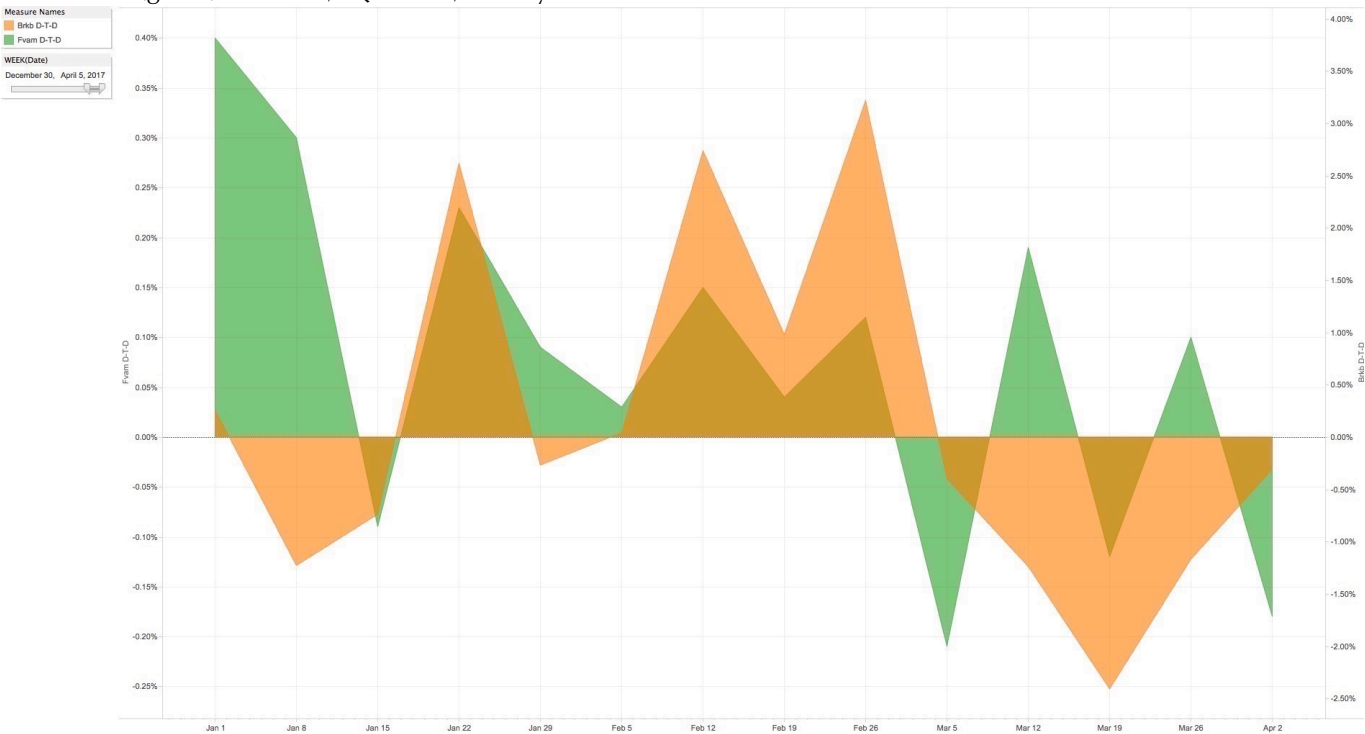
FVAM fund (green) vs ACWX (World Index without US, orange) , Q1 2017, weekly



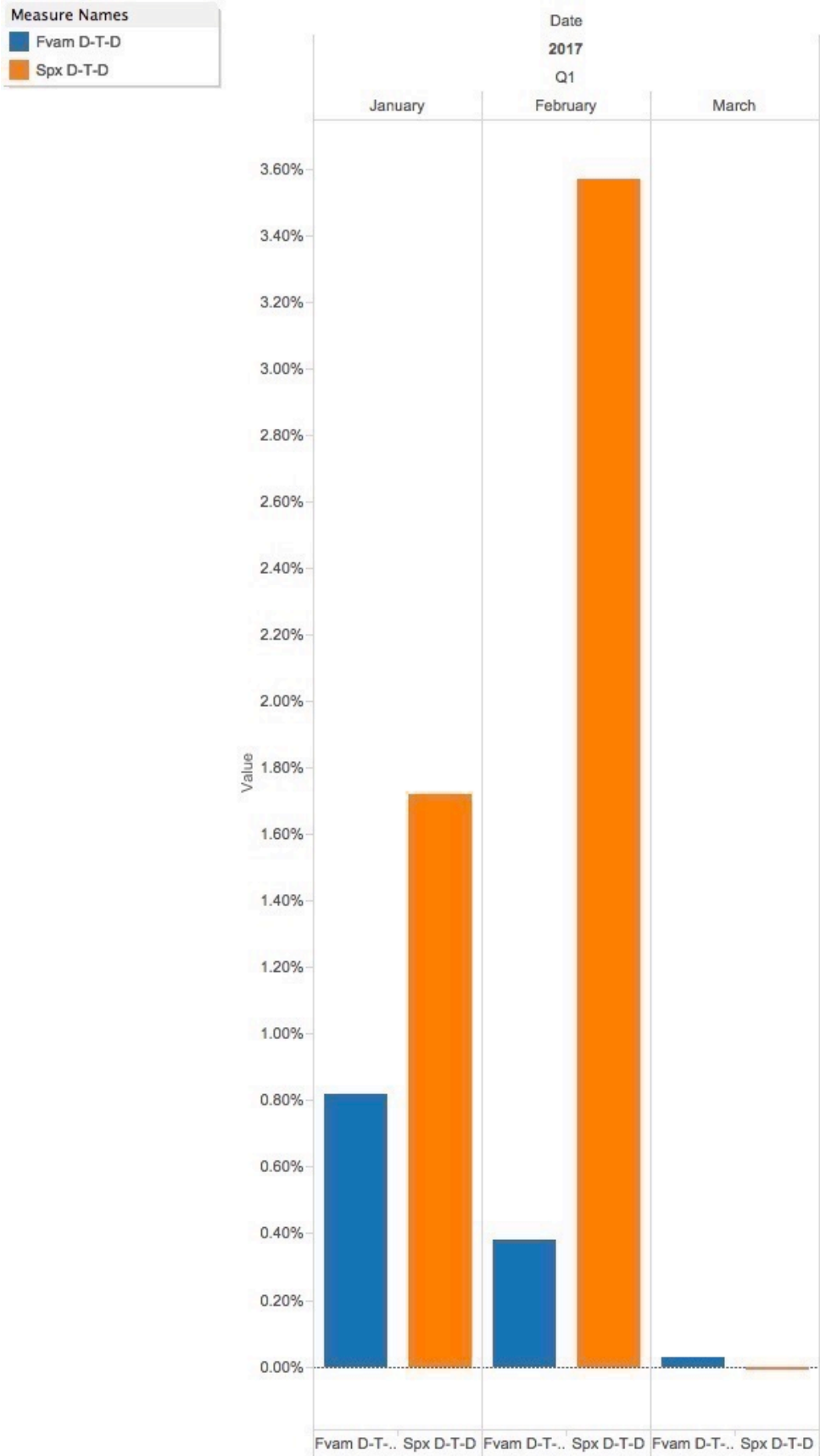
FVAM fund (green) vs BRK/b, Q1 2017, daily (\$BRK-B : Berkshire Hathaway B-shares, publicly listed)



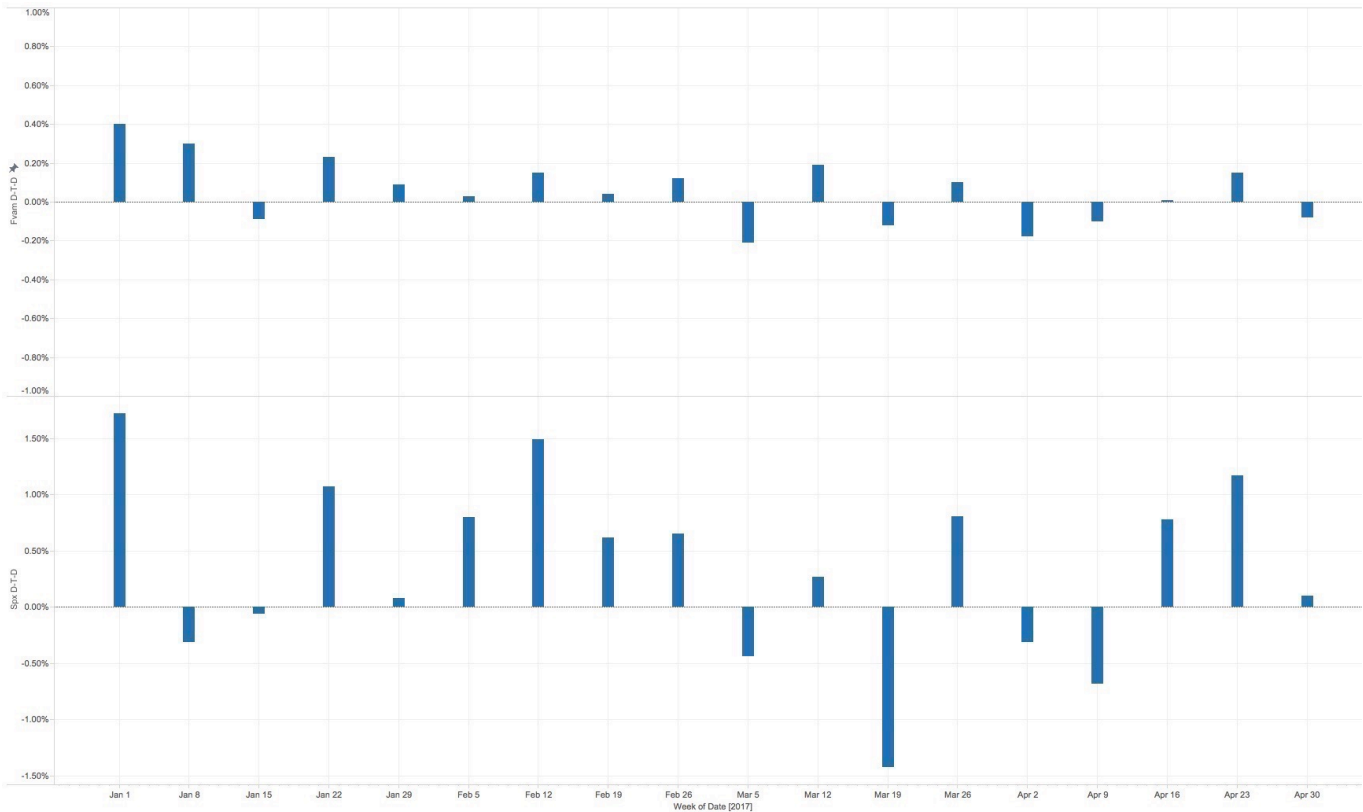
FVAM fund (green) vs BRK/b, Q1 2017, weekly



FVAM (blue) vs S&P500 (orange) , 1st Quarter - 2017

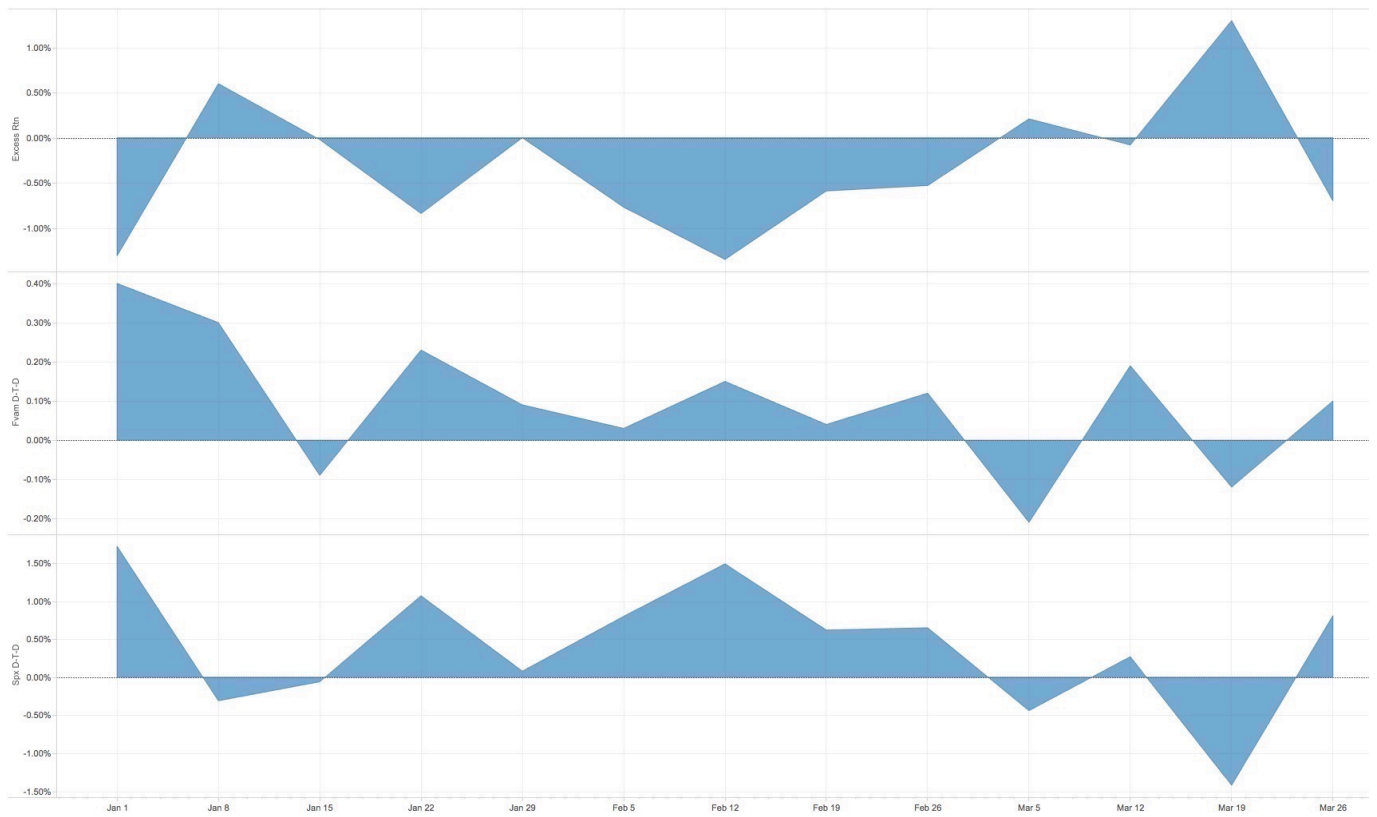


FVAM (top) compared to SPX (S&P500, bottom), Weekly, January through April

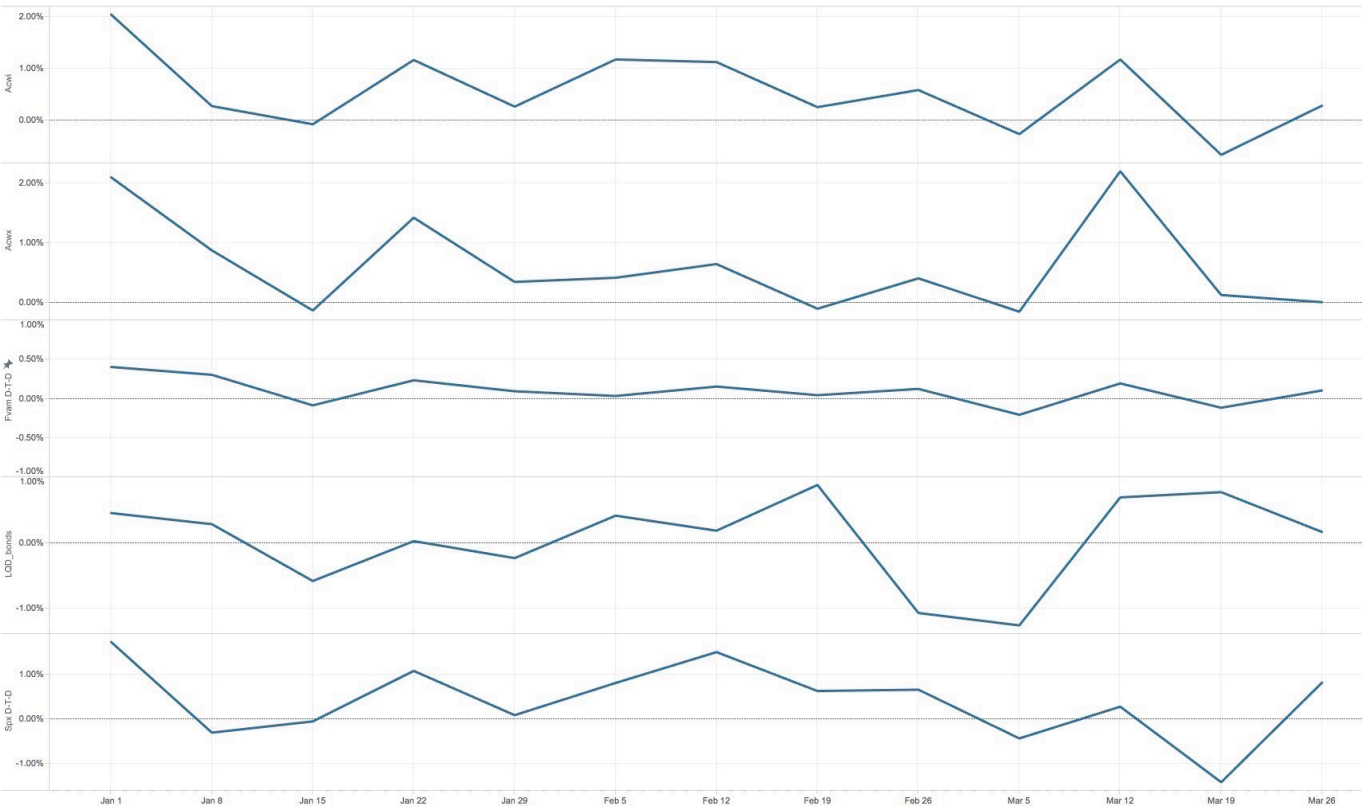


FVAM vs SPX and relative return (FVAM vs SPX), weekly, Q1

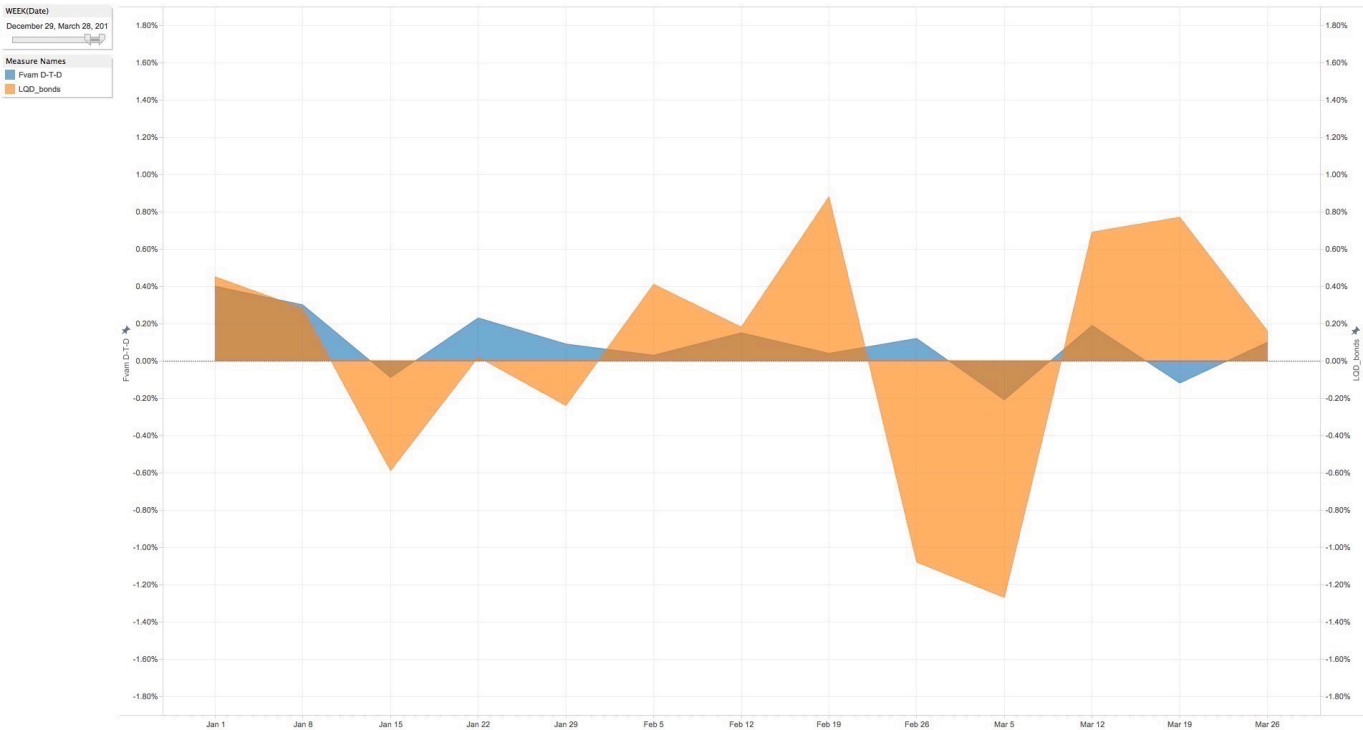
(*excess return shows FVAM vs SPX, shows by how much FVAM is outperforming or underperforming the S&P500)



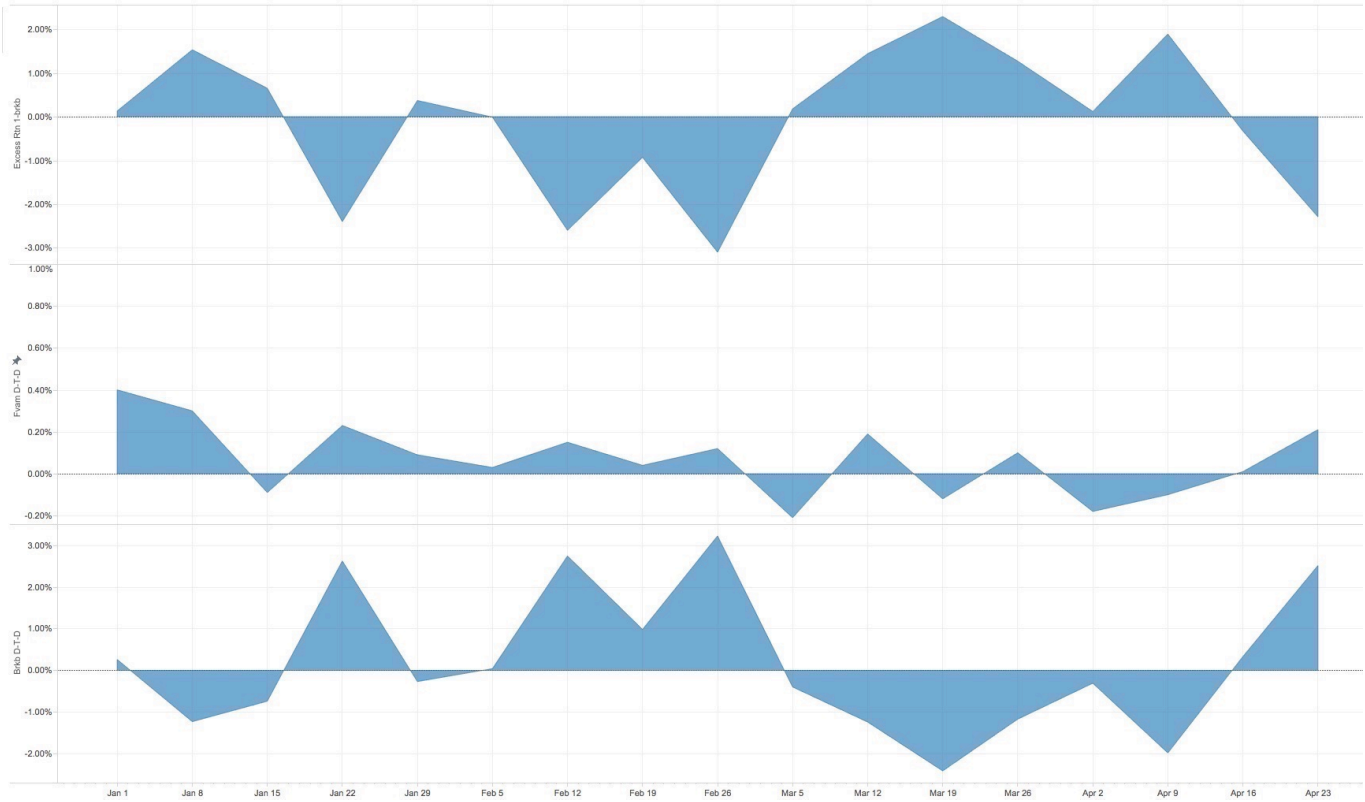
FVAM vs ACWI vs ACWX vs LQD (bonds) vs SPX, weekly, Q1



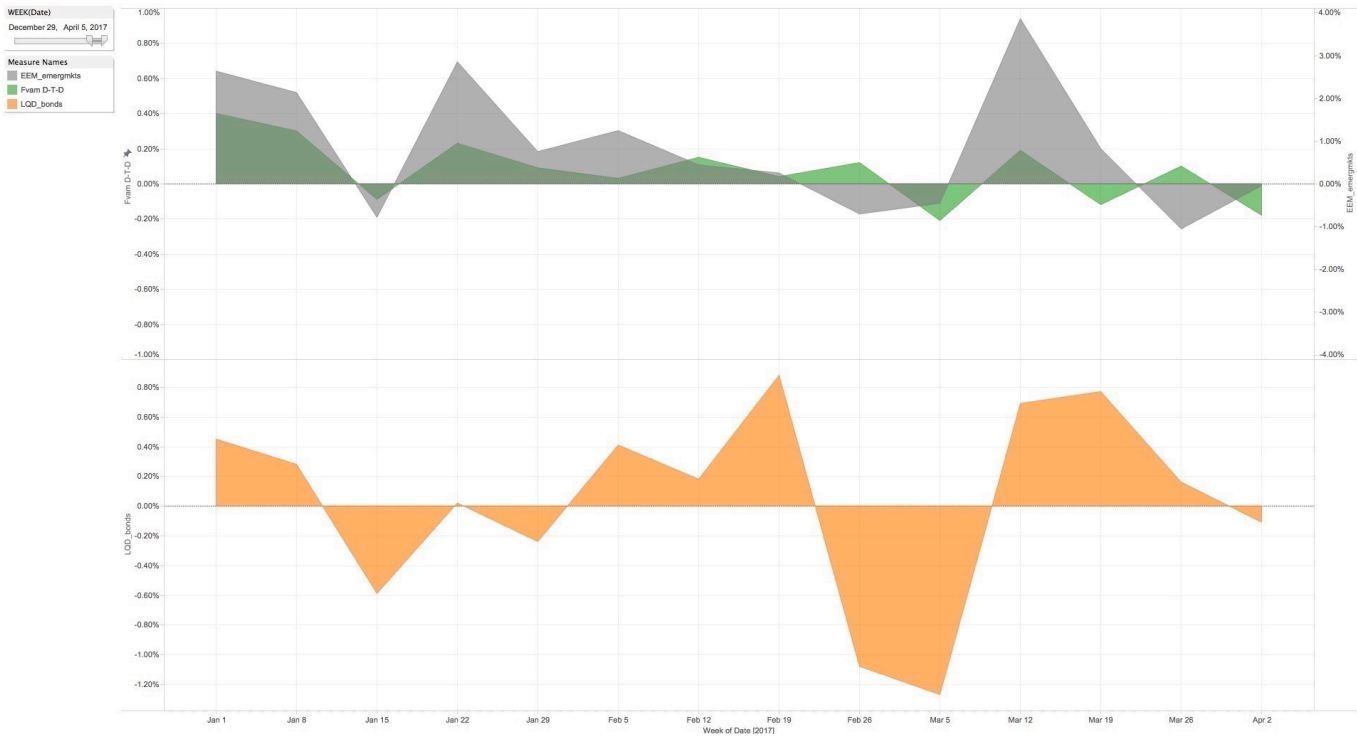
FVAM (blue) vs LQD (bonds), Q1:



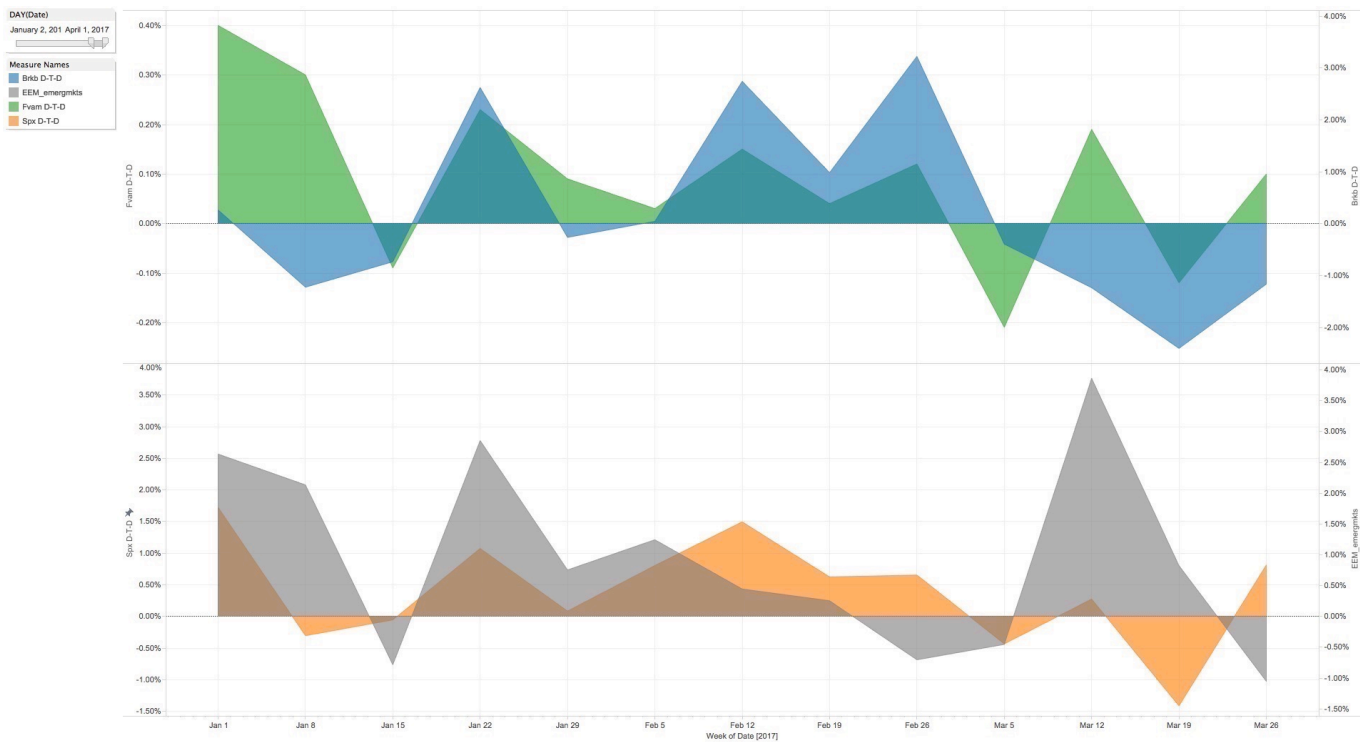
FVAM vs BRK/b and relative (excess) return (FVAM vs BRK/b), weekly, January thru April



FVAM (green) vs EEM (emerging markets ETF, gray) compared to LQD (bonds, orange), weekly, Q1



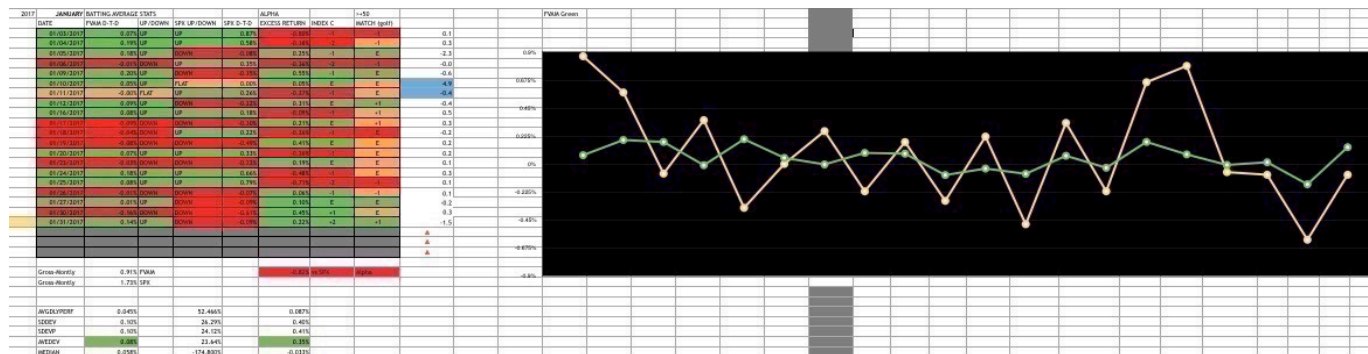
FVAM (green) vs BRK/B (blue) compared to SPX (orange) vs EEM (gray) , Weekly, Q1



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, even though FVAM is not trying to match the or mimic the actual underlying stocks, within the S&P500, or match the performance of the index. Data is tracked every day internally, and has been tracked now for a few years. (Track Record) Data shows performance for FVAM, performance for the S&P500 (\$SPX), as well as relative performance and mathematical statistics (showing risk & volatility). 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). Excess Return shows relative performance between FVAM and \$SPX (outperformance positive, or underperformance negative). Index C shows plus or minus on a progressive (rolling) basis through the month. The “match (golf)” column also shows that progressive relative performance, but for larger outperformance or underperformance, using a 50bp (+/- 0.5%) differential. For example, if FVAM outperforms the S&500 by more than 50bps, then FVAM wins that day (the “golf” term is just used to simplify the matchup similar to how match play in golf is scored, did FVAM win the day (or the “hole”)).

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.*

Heat Map for the S&P 100, breakdown of each sector, and each stock within the index along with its relative size and weight compared to the overall index
(*as of May 2017)



