

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

FVAM Fund Quarterly Portfolio Report  
Q4 - 2022

***Fanvestments Private Diversified Alternative Investment Fund (FVAM)***

This Report describes the Fanvestments 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 2022, 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 investments ("stocks"), as well as occasional exposure between commodities, fixed income and currencies. Fund has a dual goal of capital appreciation AND preservation, to drive long-term positive durable returns through all types of economic and global financial cycles. FVAM's primary exposure focus is mostly within individual stocks with a long-bias. The fund applies multiple strategies, from fundamental research looking at earnings, revenue, growth rates, and valuation, to analyzing historical data and projecting future expectations. Combining fundamentals with technical analysis ("technical"), studying charts and price action for trends, as well as trend change, price and timeframe analysis, overbought and oversold indicators, and volume spikes leading to capitulation. The macro environment is very important as well, and will overlay macro research on top of other research and overall portfolio analysis. Other strategies, more of a focus within a sector, such as biotech, looking for companies that are trying to find a cure for major diseases. Within Technology, to find innovation helping to disrupt and shape the future, such as AI, Big Data, Cloud, Analytics, FinTech (financial technology), as well as to find the Founders that are all-in and have a sense of brilliance. Price and Returns tend to trump timeframes, "PriceFrame" being a far more important metric than timeframe, but the fund does expect to hold most investments for multiple years, mid-to-long term.

The Fund is actively-managed with a blended investment style, looking for Growth at a great Value, Growth-on-Sale (GOS), utilizing more of a "buy the blood" strategy, buy low-sell high, as a fundamental mindset. The fund will also seek to find opportunities within event-driven strategies, such as mergers, FDA approvals, momentum and fund flows, as well as unusual options action and potential buy-out/merger opportunities. Part of the investment style is to bring together a diversified multi-asset "401k retirement" portfolio approach, combined with hedge fund, institutional style investment involving individual stock picking alongside minimal hedging against general market risk, as well as having low market correlation producing fund-specific returns. Only on a limited basis, and kept to very small exposure at most times, the fund does use multiple hedging strategies to protect from general stock market volatility, as well as downside risk within individual positions, or macro issues such as economic cycles, recessions, geopolitics. In most hedge or short exposure cases, the fund will utilize options strategies for short exposure vs outright selling short, such as index/ETF options, VIX (volatility) options, positional hedges. Overall hedging exposure is kept low, utilizing more of a hedge by allocation strategy. Such as Diversification and Position sizing, asset allocation management, always monitoring positional exposure relative to the risk of that position and overall portfolio size. As well as other portfolio management strategies such as performance monitoring and risk management, constantly studying fund volatility and day-to-day performance statistics.

The FVAM fund, is designed to be an all weather, "all markets", style fund, meaning the fund can navigate through all types of economic and market cycles, taking advantage of the upside and withstanding periods of major market selloffs. Currently, FVAM generates a large amount of index outperformance when the overall markets are down, while the Fund is majority long-biased. FVAM is not a "thematic" fund, and its diversified, risk-sensitive strategies are built to suit investors of all-ages, from younger just starting to invest, through all stages of retirement. FVAM is built to be worthy of a large portion of an overall portfolio, to pair perfectly alongside something like a 60-40 style strategy, and is built to be a forever investment. 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 any intention to directly match the performance of any other investment vehicle, ETF, or Index or have the same timing as the overall markets. FVAM's intent is to have created its own unique investment vehicle, with individual assets selected by Fanvestments Management, minimal market correlation, and less volatility vs market indices. Although compared to the S&P 500, this is not the fund's true benchmark, as the index is a US large-cap index. FVAM is diversified among multiple market caps, multiple strategies, and has international exposure. Utilizing a dynamic and perpetually improving investment strategy combining increased Portfolio Quality, constant Portfolio analysis, non-stop financial market study, risk and allocation management, along with relentless analysis of performance metrics, mathematics and statistics, with the goal of perpetual improvement. Matching up technical analysis for timing with Fundamental analysis for valuation, and overlaying Macro environment research to help find Global trends and determine overall Market risk.

**Make the Money Make More Money.**

#### **Q4 Highlights**

For the 4th Quarter of 2022, the FVAM fund finished positive, producing a 1.98% return. The fund was up 1.24% in October, up 1.95% in November, and down -1.21% in December. On a relative basis for the full-year 2022, based on an internal performance tracker of 35 index/sectors, FVAM outperformed by ~10% on an overall average basis. The Nasdaq alone was down just over 33% in 2022, FVAM down 8.1%, outperforming by almost 25%. For the Quarter, the S&P 500 was up 8%, with the small cap etf IWM, up 6.5%. The ACWX etf, which tracks stocks around the world excluding the United States, was up 13.5% for the quarter. Cathie Wood's ARKK growth & innovation fund, was down about -14%, with the Nasdaq100 (QQQ) up 1%. Although there is no attempt to match the performance or timing of the S&P 500, along with mixed-asset exposure, multi-cap and multi-strategy, lower risk & volatility, and with equity exposure around 83% of the fund, the fund's performance and volatility is also analyzed against the index, an all-stock and strictly large-cap index. Another reference point, a more relative and important benchmark for the fund, is Warren Buffett's Berkshire Hathaway. Using the BRK/b shares, Berkshire was up just over 15% for the 4th quarter of 2022.

The fund's top performing investments for 2022 were World Wrestling Entertainment (WWE), Vertex Pharma (VRTX), and Teladoc (TDOC) short (via puts) as the top three. Following them up was Hedge Position short SPY (via puts), Abbvie (ABBV), Moderna (MRNA), Bed Bath & Beyond (BBBY, options), Manchester United (MANU, options), United States Oil Fund (USO, short via puts), and Halliburton (HAL) rounding out the top 10 performing positions. Of those top 10; Teladoc, Bed Bath & Beyond, USO, Halliburton have all been sold in full for sizable gains. Fund continues to hold small positions in MANU and Moderna, but sold most for gains. Core position in WWE was sold in full, and sold most of core positions in Vertex and Abbvie, with the remainder of these positions sold in-full in Q1 '23. In the quarter, Splunk, Twilio and Draftkings were all sold, taking small losses on all 3. Fund sold Nvidia in-full for a small gain, and trimmed its position in Paypal, taking some loss. The fund increased core investments in Tesla (TSLA), Disney (DIS), and increased non-core positions in Crispr (CRSP), and Moderna. Minor reduction in AMD. The fund initiated new core positions in Google (GOOGL), Bank of America (BAC), and Las Vegas Sands (LVS). Google was initiated in October at just below \$102, with a current average cost at \$94/share into Q1-2023. Based on its Q4-2022 earnings report, Google produced quarterly revenue of \$76.1 Billion, and \$282.8 Billion in Revenue in 2022, with a market cap of \$1.2 Trillion. Overall operating income for the year decreased 5% to \$74.8 billion. 12-month price target at \$128, about 40% upside, which would be ~6.5x Sales. Longer-term out 2-3 years looking for \$191, using an average of 6% year-over-year revenue growth, and 7x Revenue. Can read more about Google here: [Google Q4-2022 Earnings Report](#)

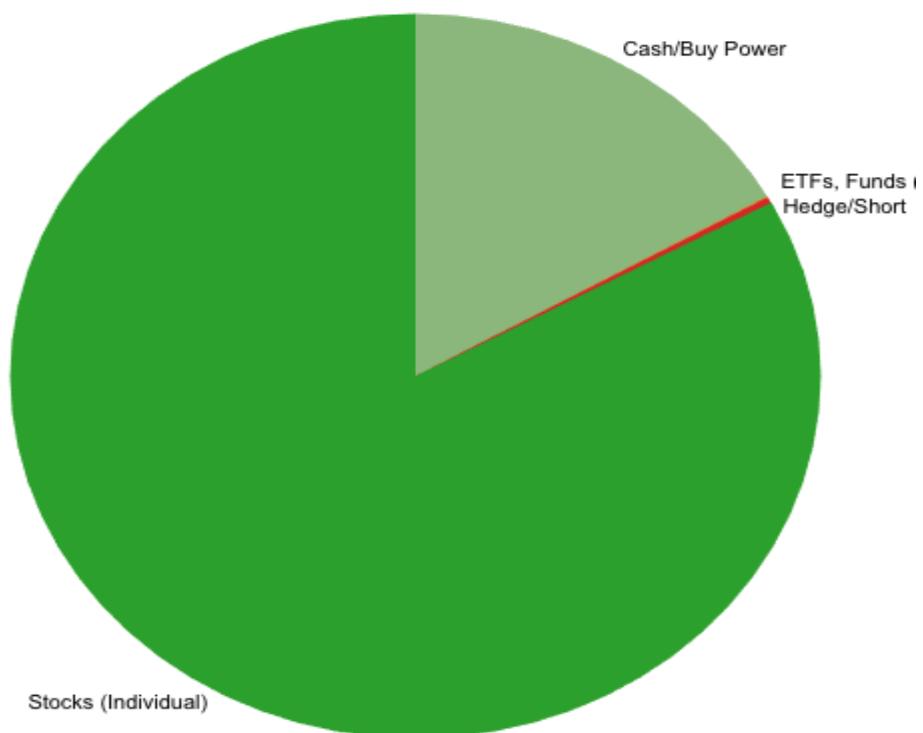
Looking into Q4 2022, new core positions were initiated in global biopharma company GSK (GSK), and entertainment company Live Nation Entertainment (LYV). Positions in Boeing (BA) and DiamondBack Energy were sold in-full, both for small gains. Pfizer, with position just initiated last quarter, was sold in full, taking a small loss. A revisit of their fundamentals compared to latest earnings prompted reasoning to sell (and sell in full). Position sold around \$46/share, with PFE continuing lower, and early March sitting around \$39. Fund added to positions in Madison Square Garden Sports (MSGs), Verizon (VZ), Walgreens (WBA) and Google (GOOGL).  
GSK is a global biopharma company, mainly involved with specialty medicines and vaccines. Developing cancer medicines, immune-mediated conditions, HIV, respiratory diseases, vaccines to help fight a range of diseases, and general medicine for asthma and COPD. The fund has an avg. cost @ \$35.41/share for GSK, with the stock currently just above \$35 in mid-March. 12-month price target at \$47, about 35% upside, averaging 8x book value, 2.5x sales and future EPS guides, and also comes with a 4% dividend. Longer-term out 2-3 years looking for \$60, 70% upside, using an average of 9% year-over-year revenue growth, and 2.5x Revenue.  
Can read more about GSK here: [GSK Quarterly Results](#)

Live Nation Entertainment (LYV) is a live entertainment company, operating through Concerts, Ticketing, and Sponsorship & Advertising segments. From promoting live music events and providing event services, to ticketing services, especially from [livenation.com](#) and ticketmaster, as well as selling placement for advertising and sponsorships. The fund started buying LYV in January and has an average cost just under \$77, with the stock around \$70. 12-month Price-target at \$118, ~70% upside, using multiple metrics but averages out to 1.6x sales. Longer-term target @ \$193, if can average 7% sales growth with a 2x-sales multiple.

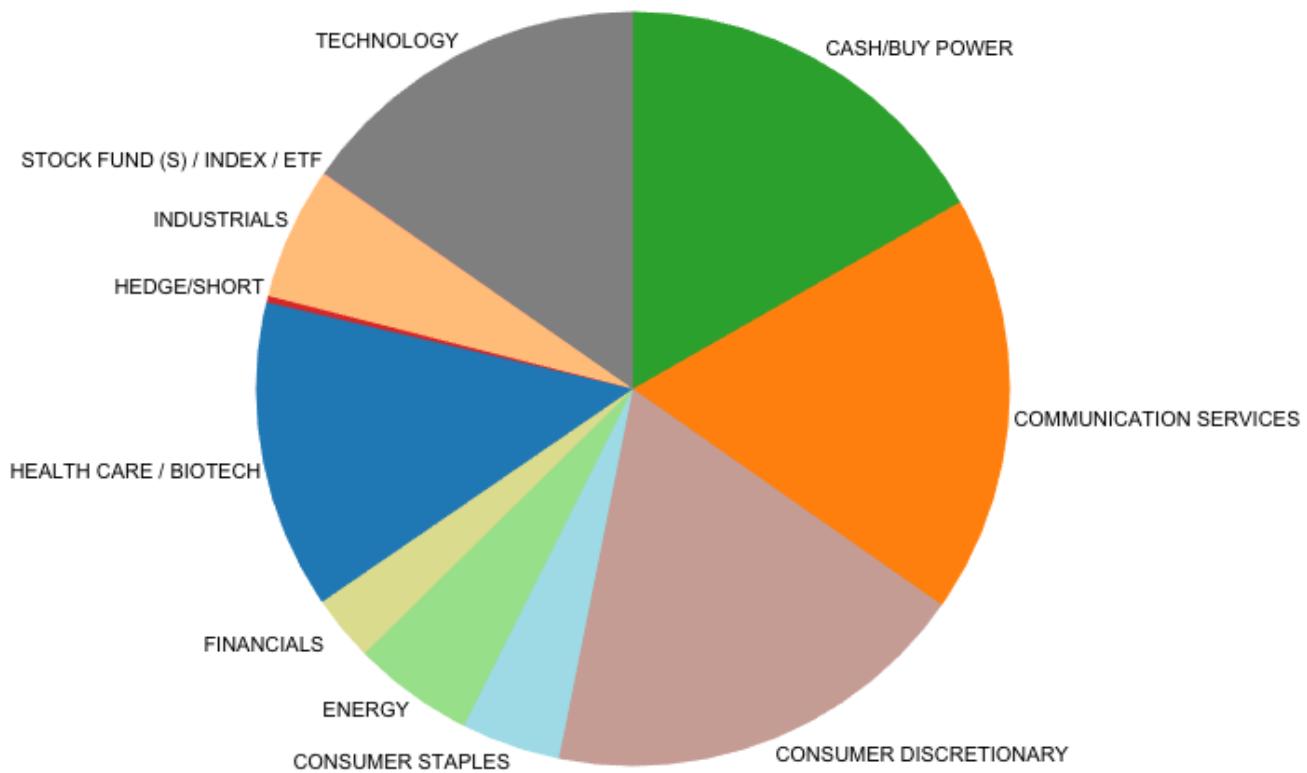
Can read more about Live Nation here: [Live Entertainment Investor Relations](#)

Below shows reporting created & analyzed within Data Analytics software, Tableau Software, which has data integration into the fund's internal database/spreadsheets. (\*Portfolio Data as of December 2022)

High Level allocation heat map and pie chart:



Below shows the further breakdown of only the fund's individual stock exposure.

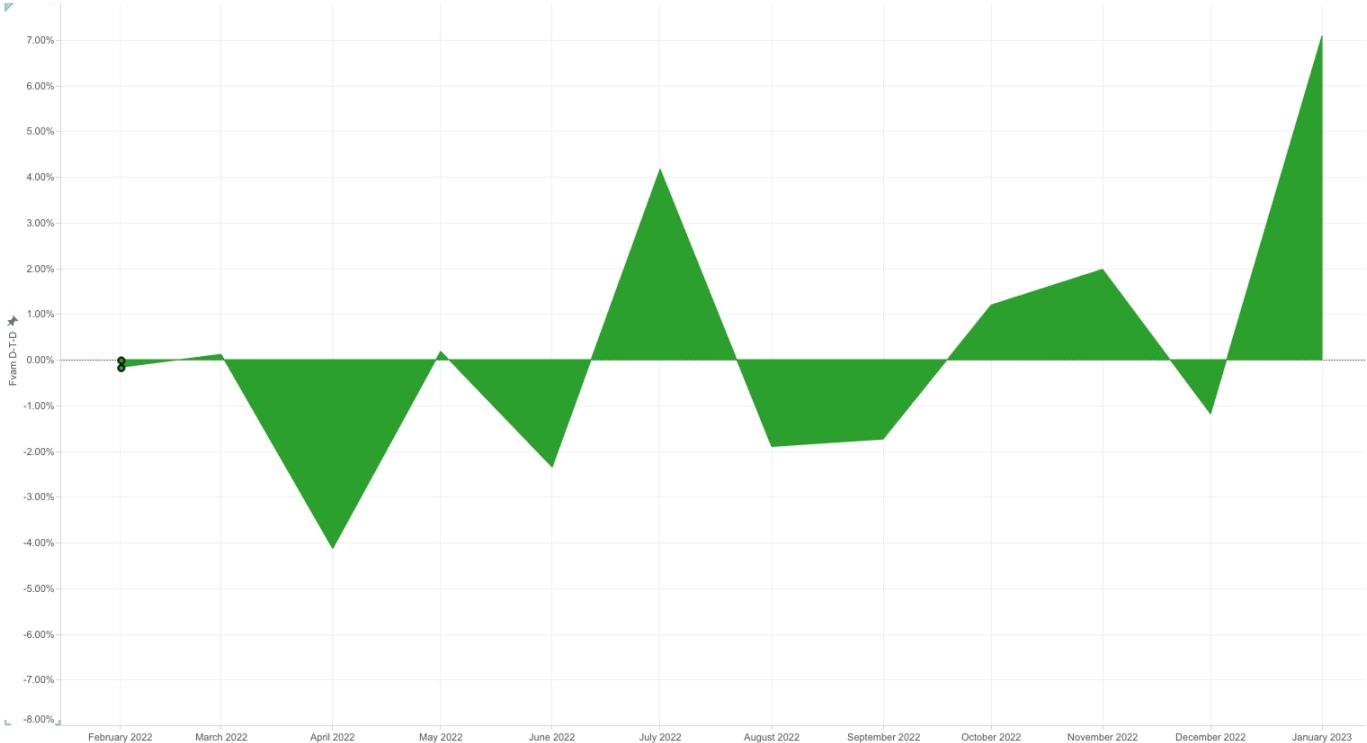


**Performance Analysis:** Analyzing the breakdown of the Fund's performance, as well as comparisons to other investment vehicles/index, such as the S&P 500, \$BRK-b (Warren Buffett's 'Berkshire Hathaway'), ACWX which tracks Global Markets minus the US (World x-US), and the Russell 2000 small cap index (\$IWM)

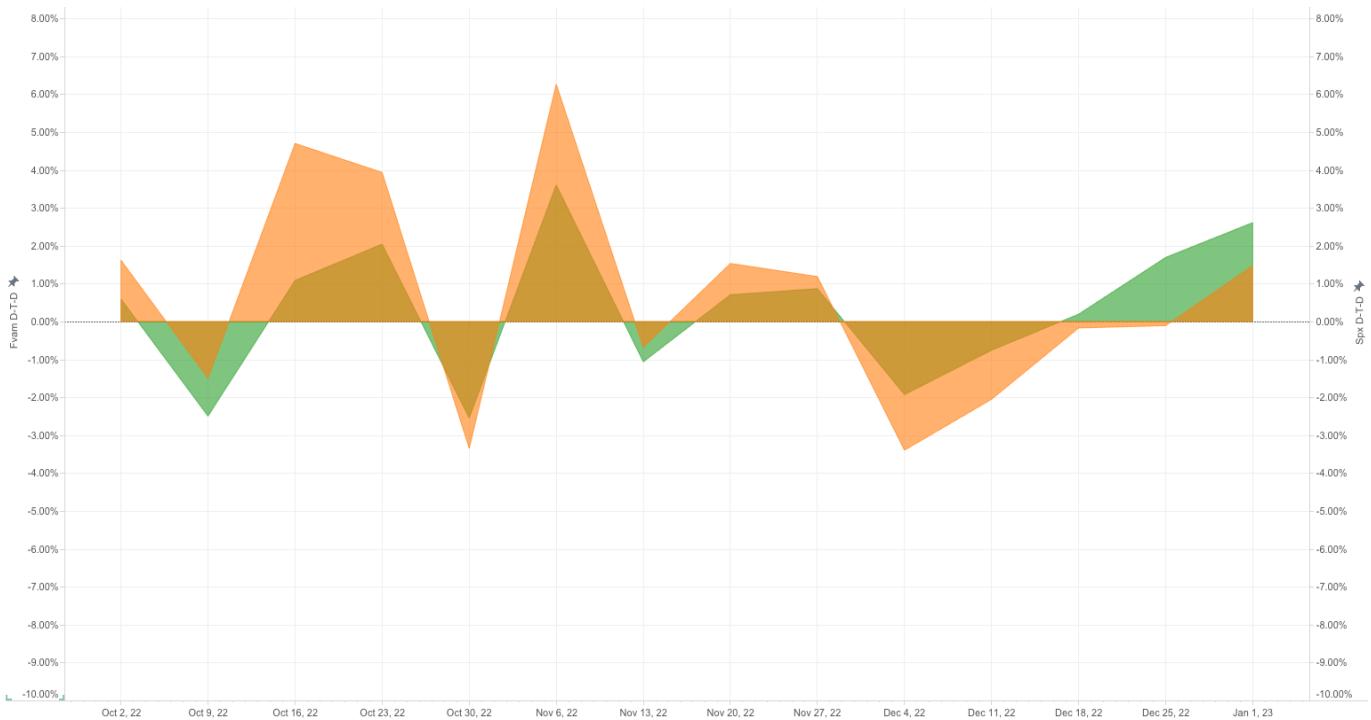
FVAM fund, 4th Quarter 2022 , Weekly



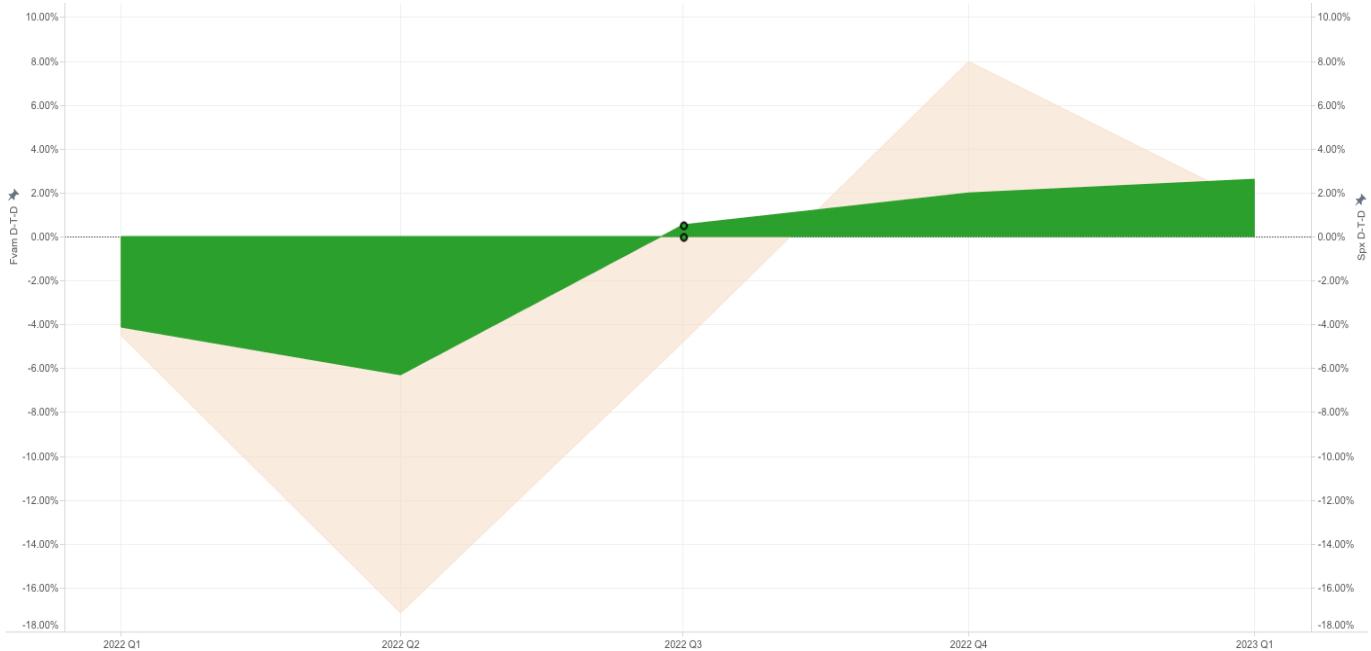
FVAM fund, One-Year, Monthly (Jan '22 thru Jan '23)



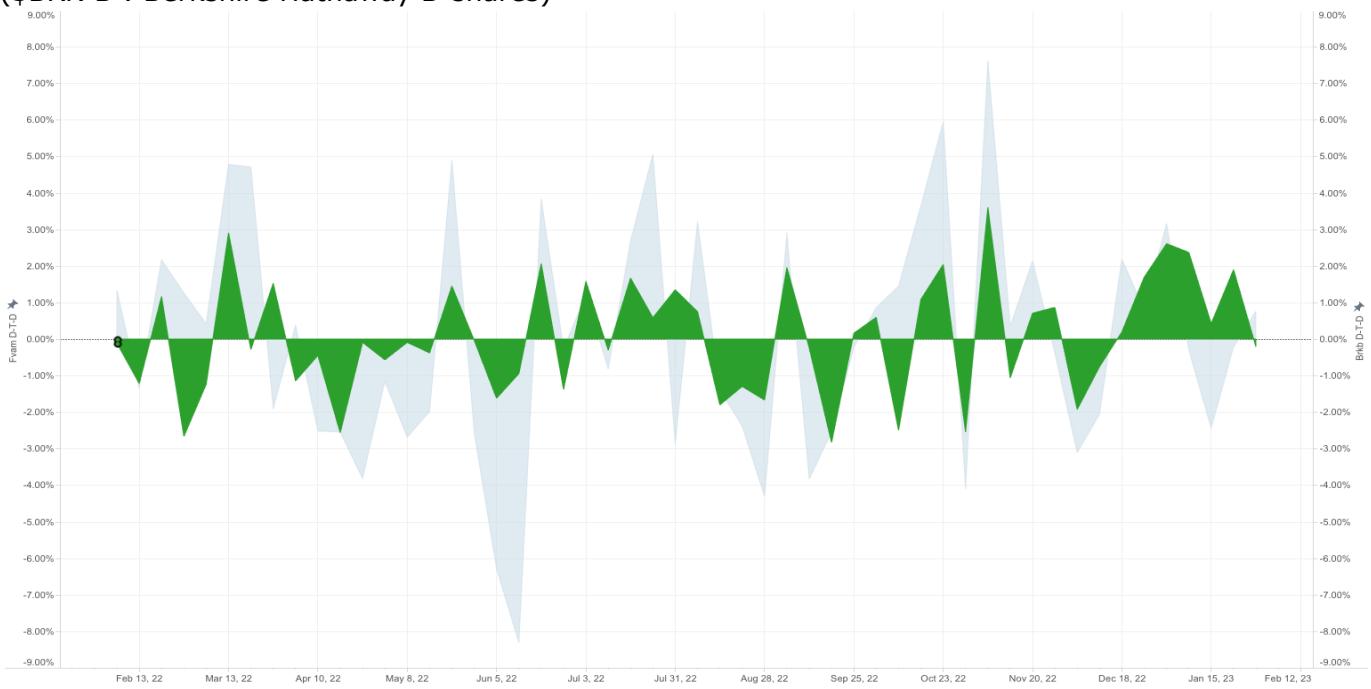
### FVAM fund (green) vs SPX (S&P 500, orange), Q4 2022, weekly



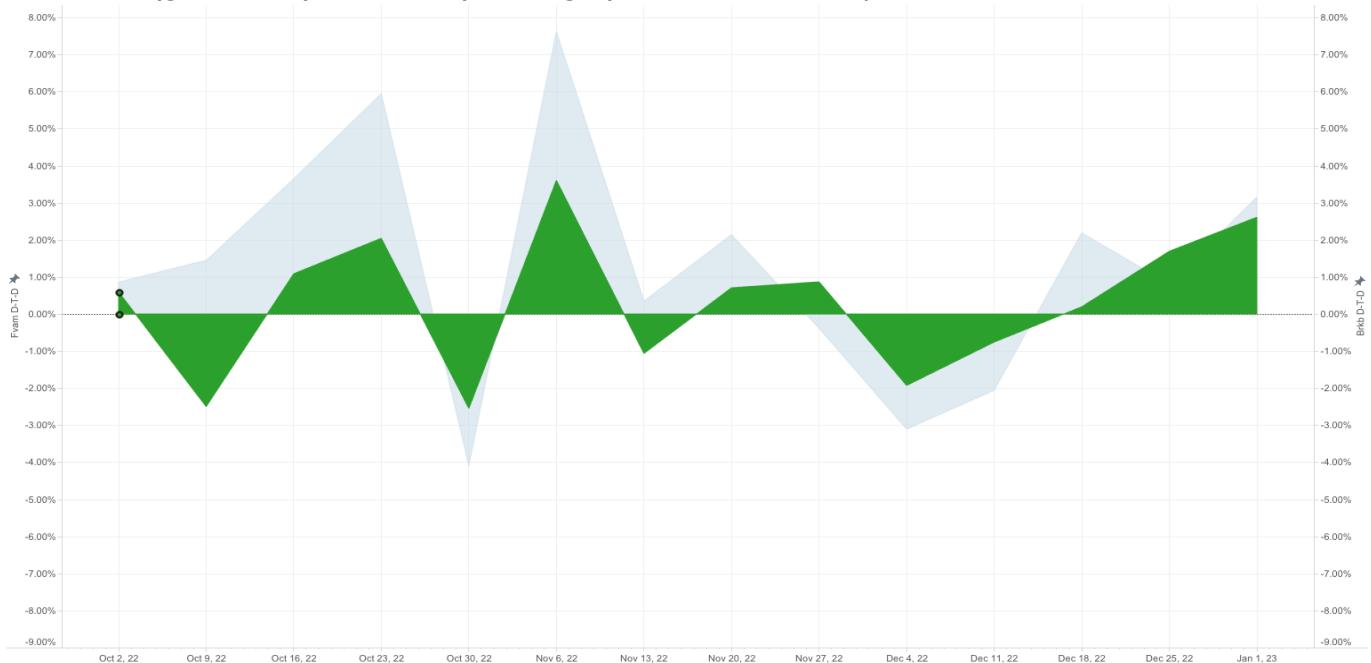
### FVAM fund (green) vs SPX (S&P 500, orange), 1-year, Quarterly (Jan '22 thru Dec '22)



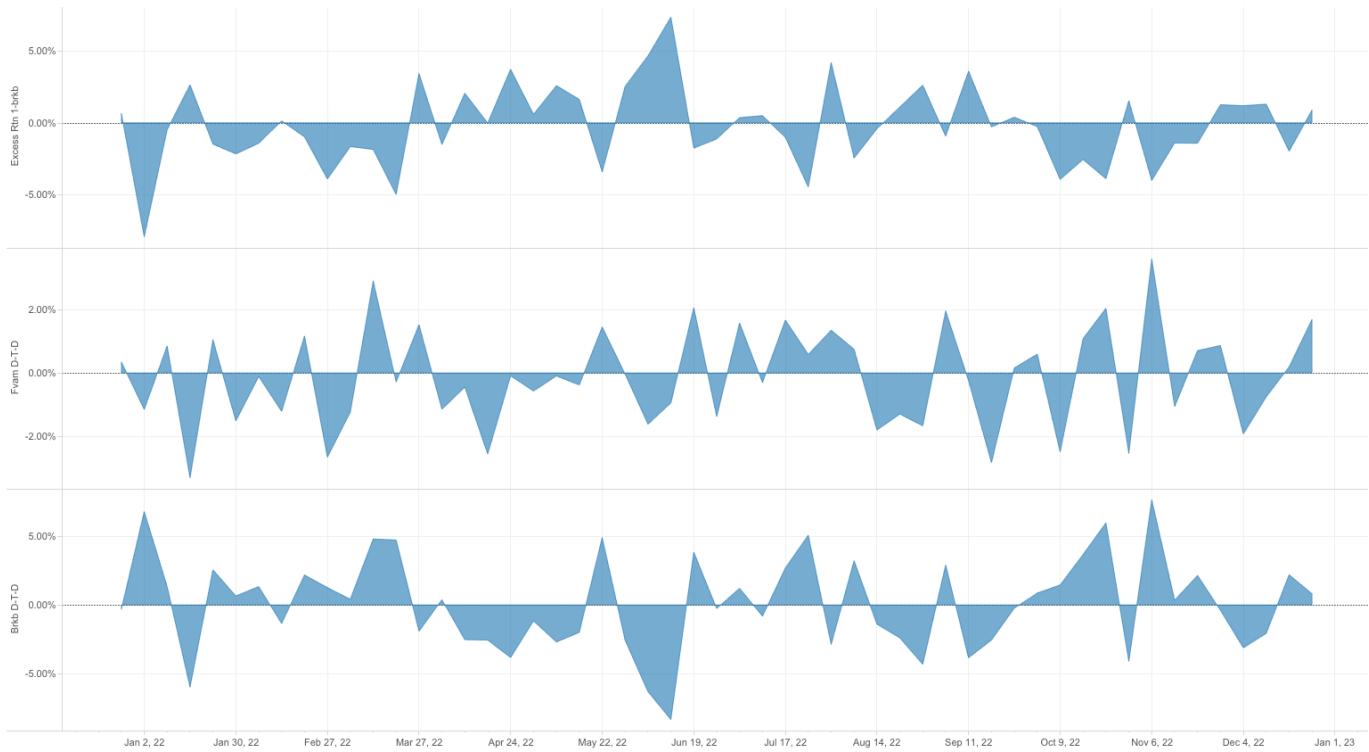
FVAM fund (green, left) vs BRK/b (blue, right), 1-year (thru January), Weekly  
(\$BRK-B : Berkshire Hathaway B-shares)



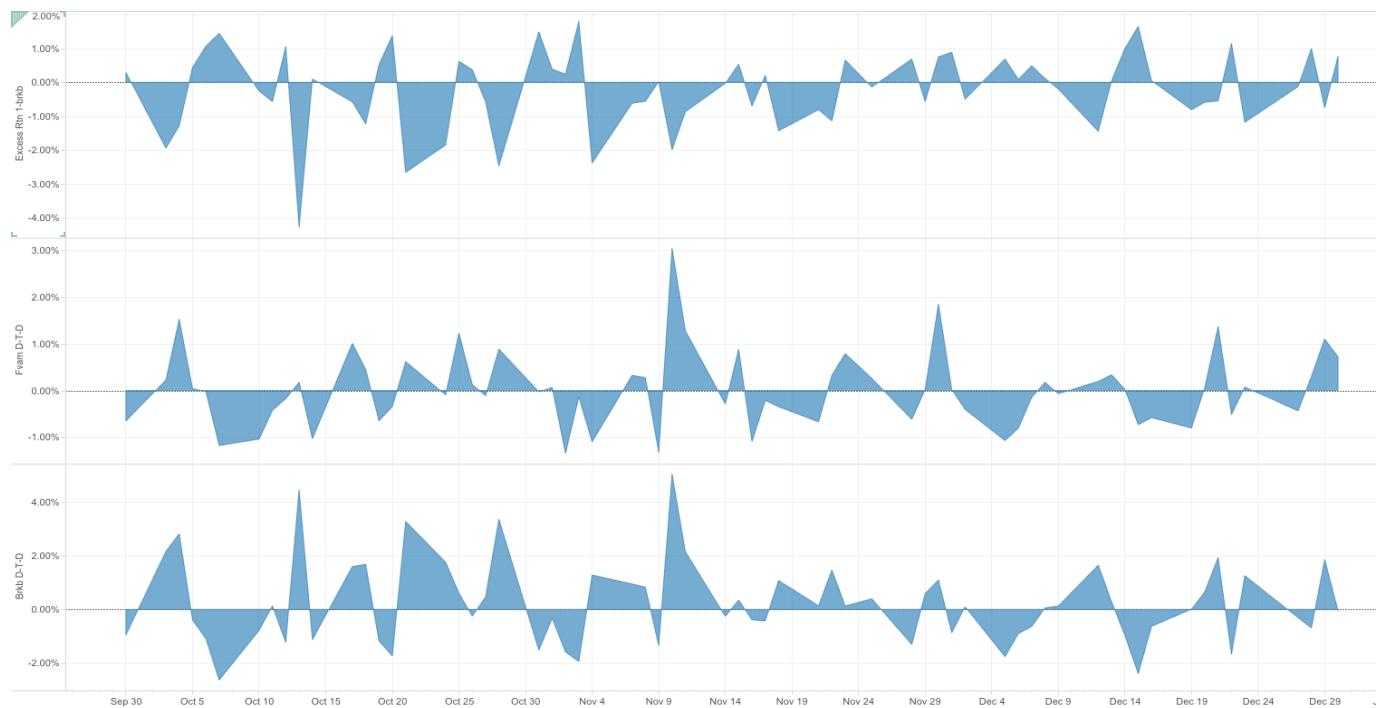
FVAM fund (green, left) vs BRK/b (blue, right), Q4 2022, Weekly



FVAM vs BRK/b and relative return (FVAM vs BRK/b), weekly, YTD thru December  
 (excess: positive = outperformance, negative = underperformance)



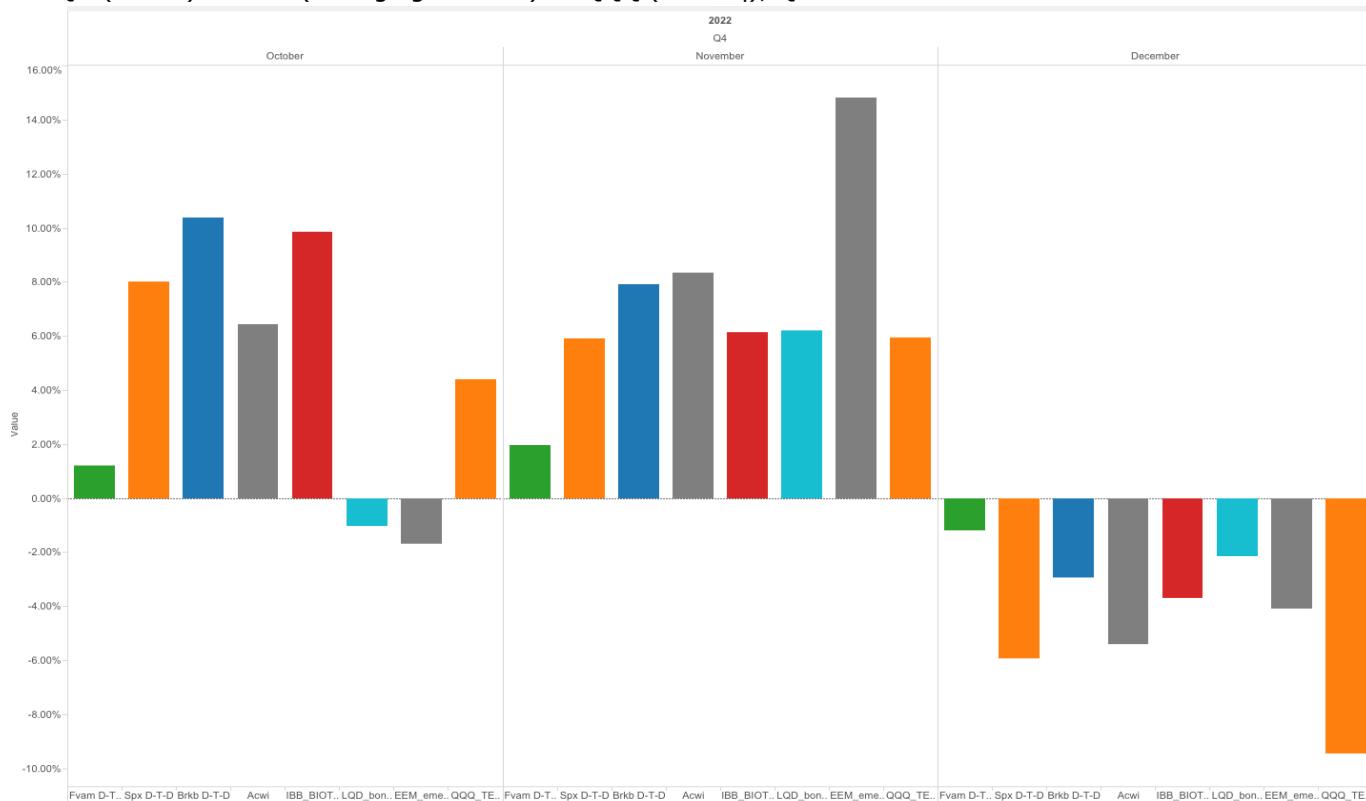
FVAM vs BRK/b and relative return (FVAM vs BRK/b), daily, Q4 2022  
 (excess, positive = outperformance, negative = underperformance)



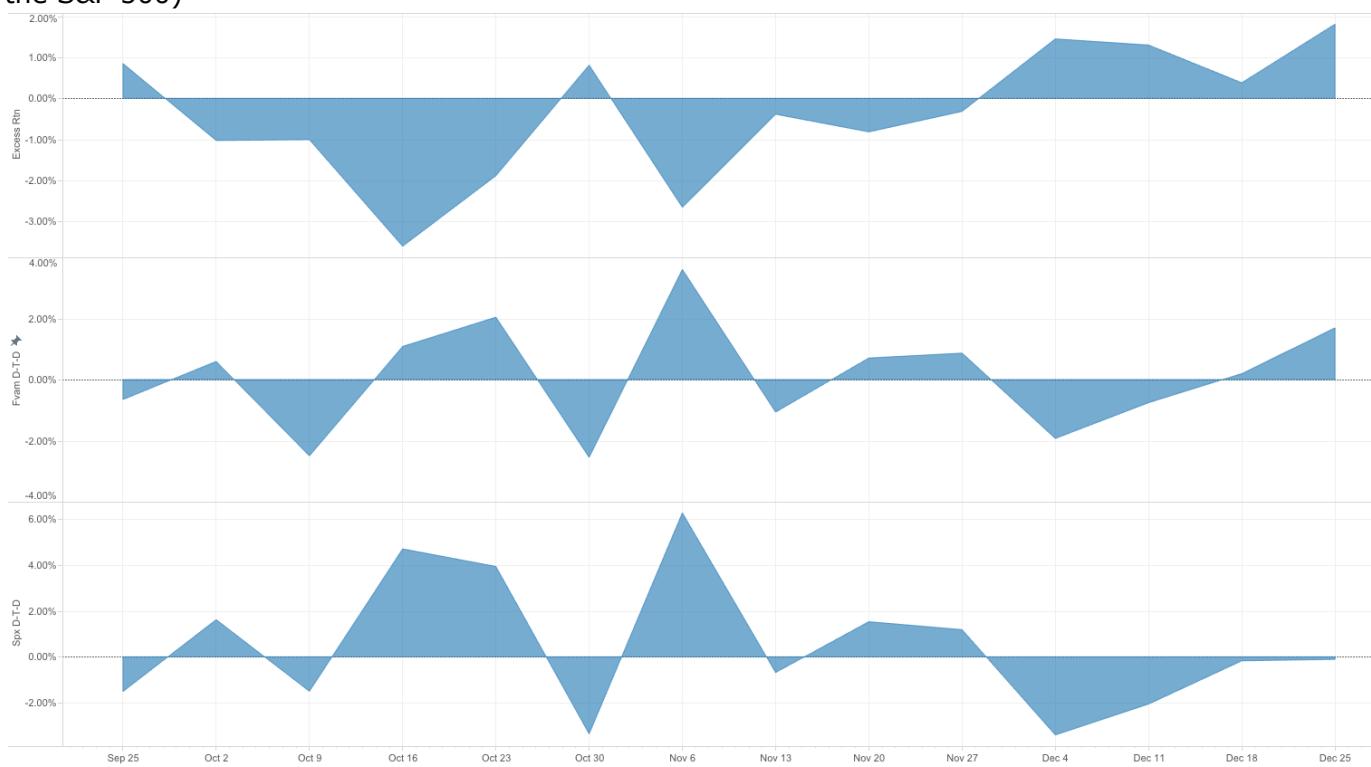
FVAM (Green) vs S&P500 vs IBB (BioTech Index Fund) vs BRK/b (Berkshire Hathaway), 4th Quarter - 2022



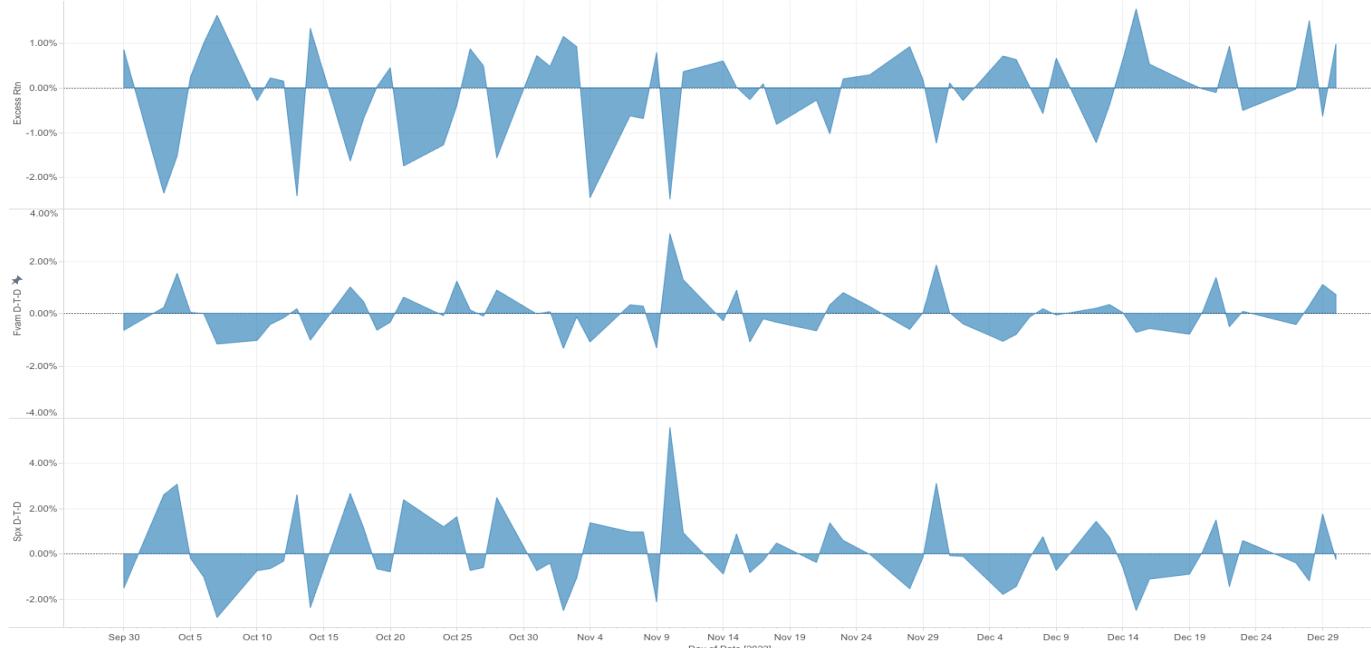
FVAM (green) vs S&P500 vs BRK/b (Berkshire Hathaway) vs ACWI (World Index) vs IBB (BioTech Index Fund) vs LQD (Bonds) vs EEM (Emerging Markets) vs QQQ (Nasdaq), Q4 - 2022



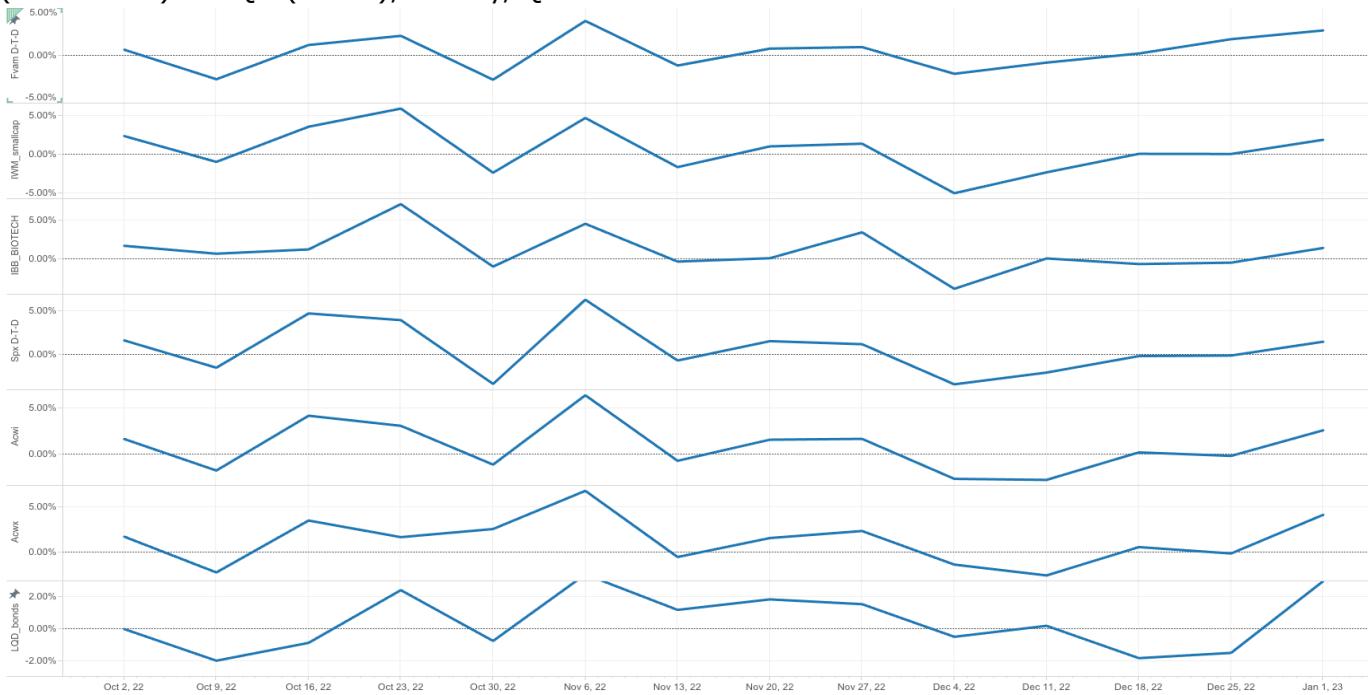
FVAM vs SPX and relative return (FVAM vs SPX), Q4 - 2022, weekly  
 (\*excess return shows FVAM vs SPX, shows by how much FVAM is outperforming or underperforming the S&P 500)



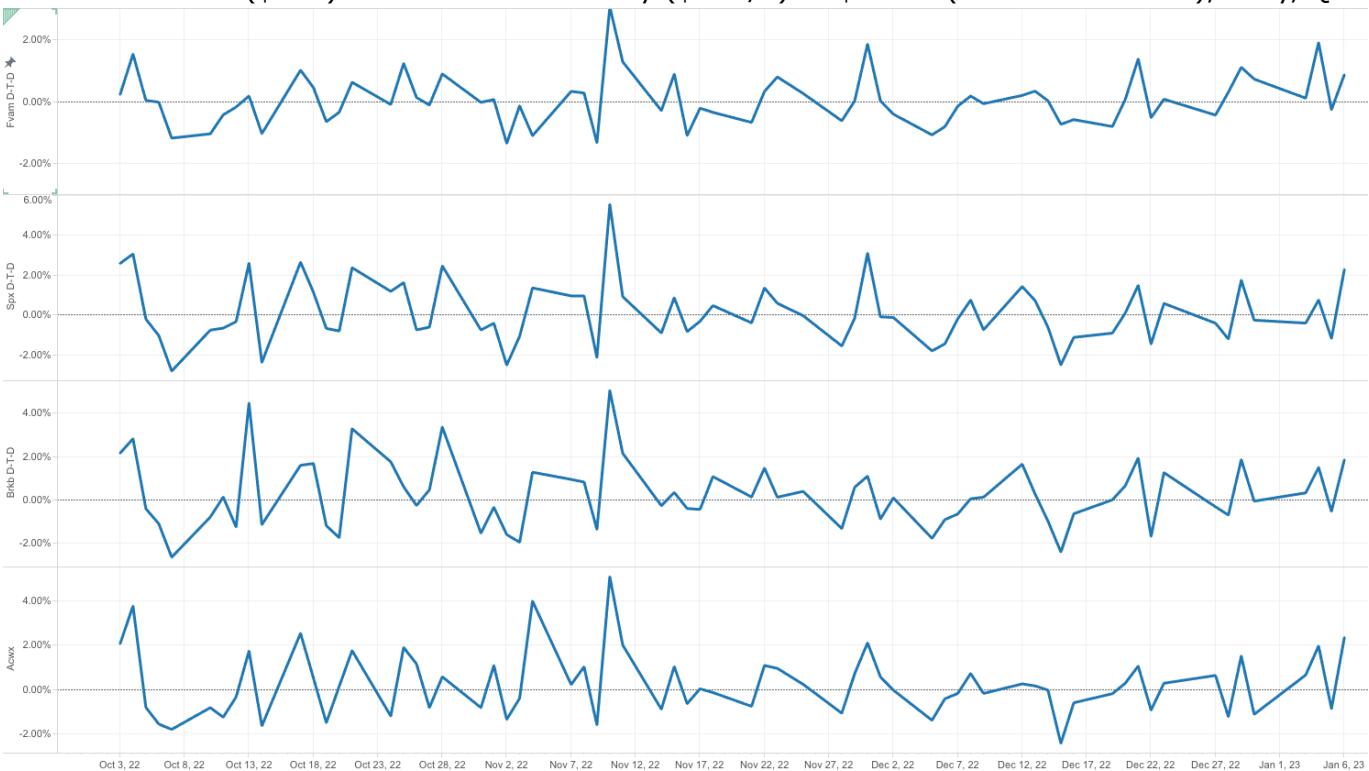
FVAM vs SPX and relative return (FVAM vs SPX), Q4 - 2022, Daily



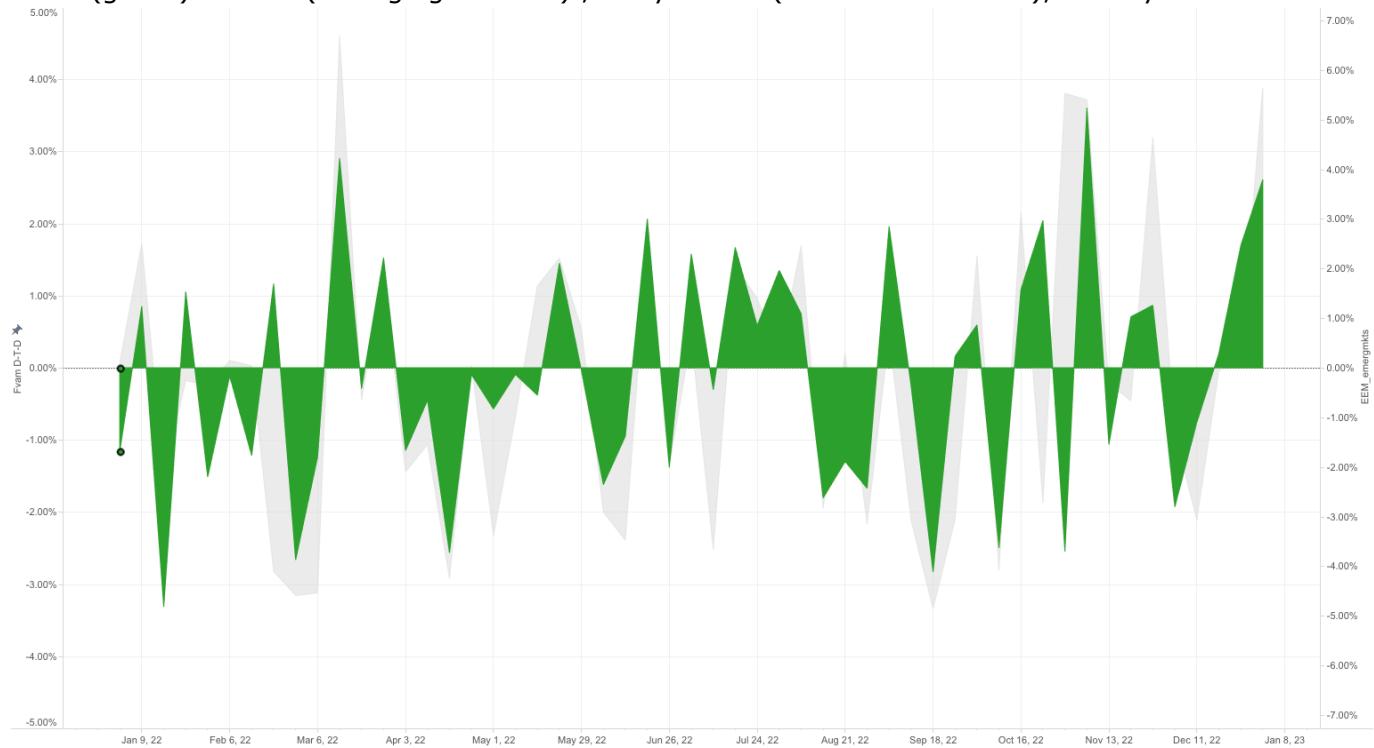
FVAM vs IWM (small caps) vs IBB (biotech) vs SPX (S&P 500) vs ACWI (world index) vs ACWX (world x-US) vs LQD (bonds), Weekly, Q4



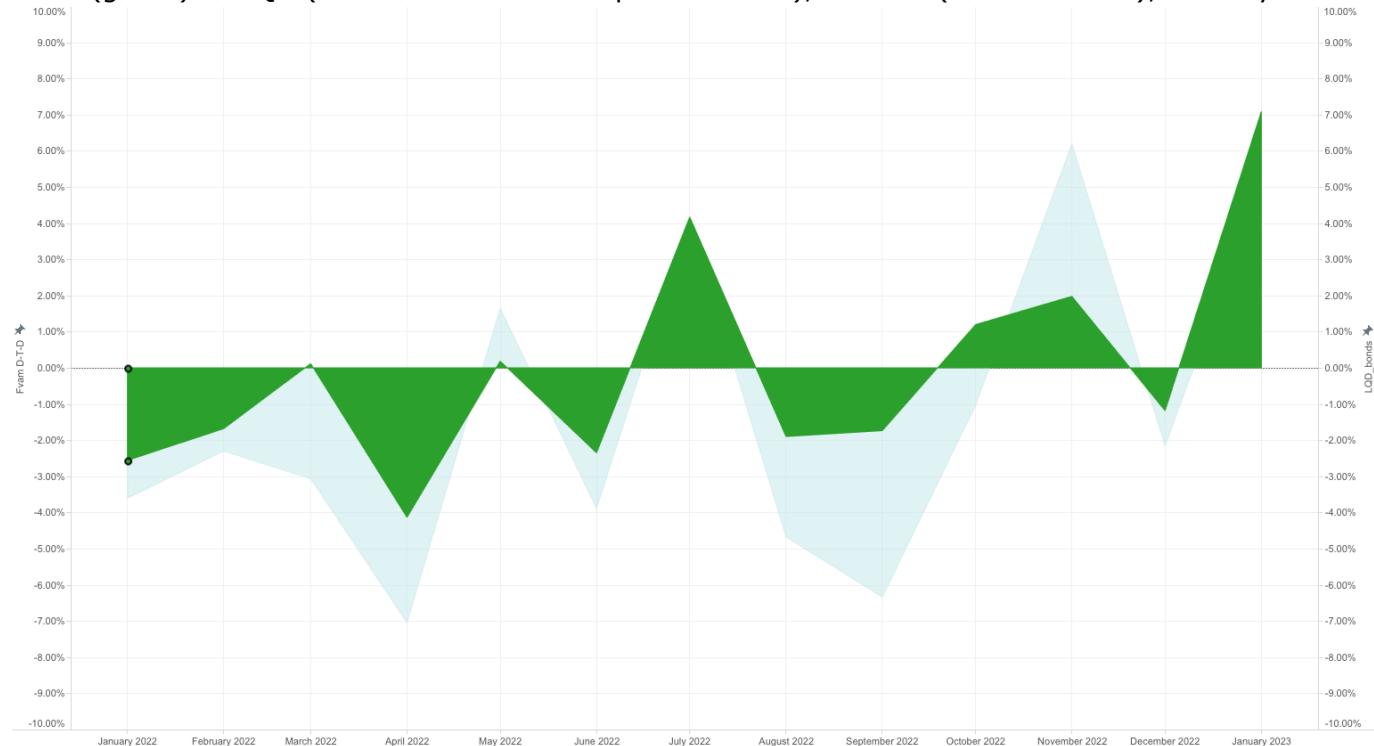
FVAM vs S&P 500 (\$SPX) vs Berkshire Hathaway (\$BRK/b) vs \$ACWX (World Index x-US), Daily, Q4



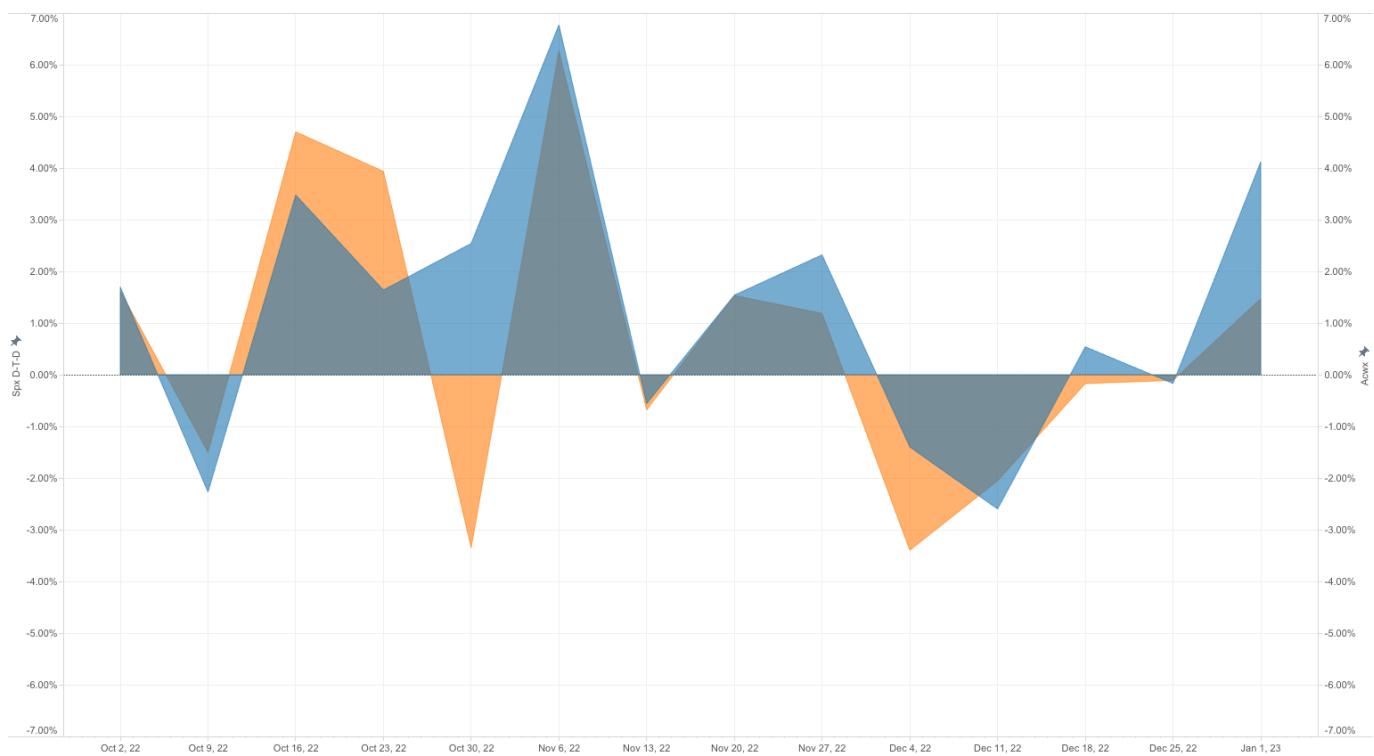
### FVAM (green) vs EEM (Emerging Markets) , full-year '22 (thru October 2022), Weekly



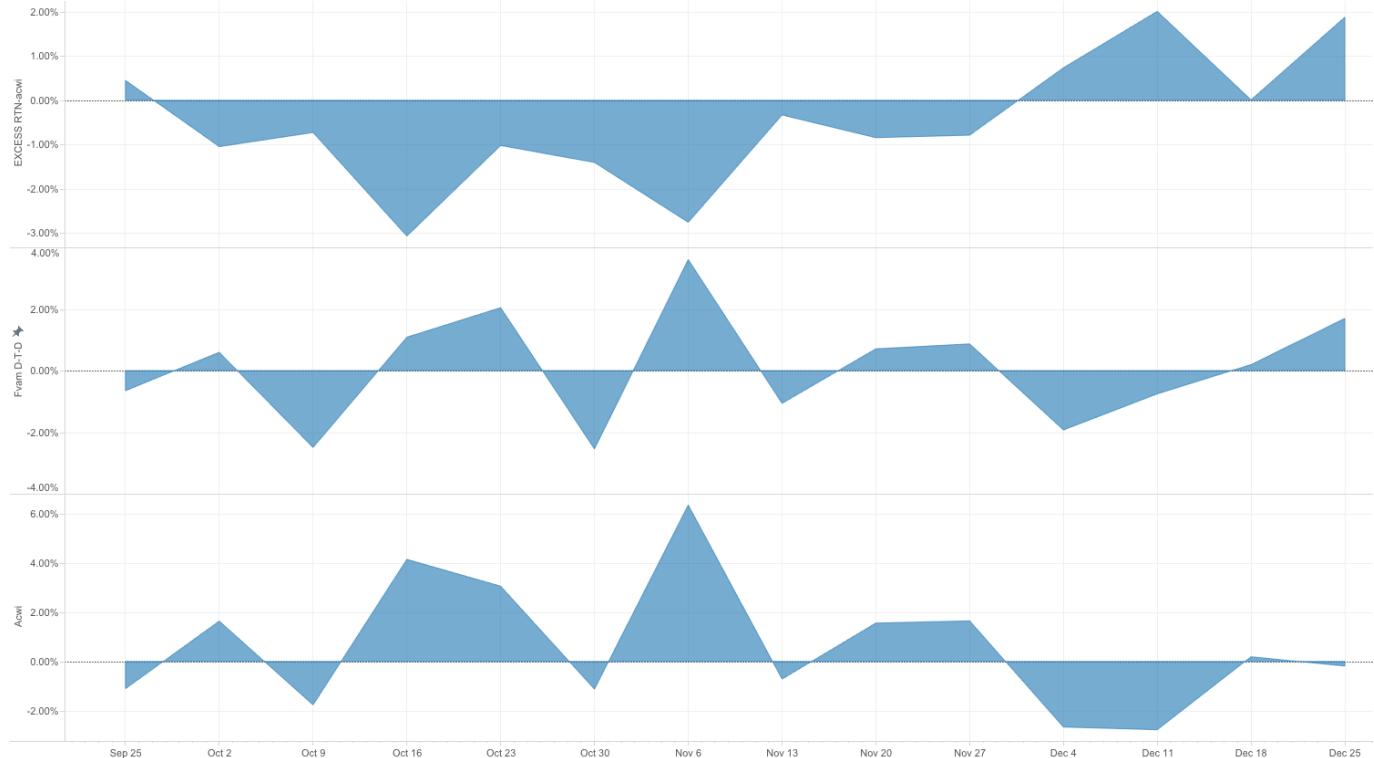
### FVAM (green) vs LQD (Investment Grade Corporate Bonds), YTD '22 (thru Jan 2023), Monthly



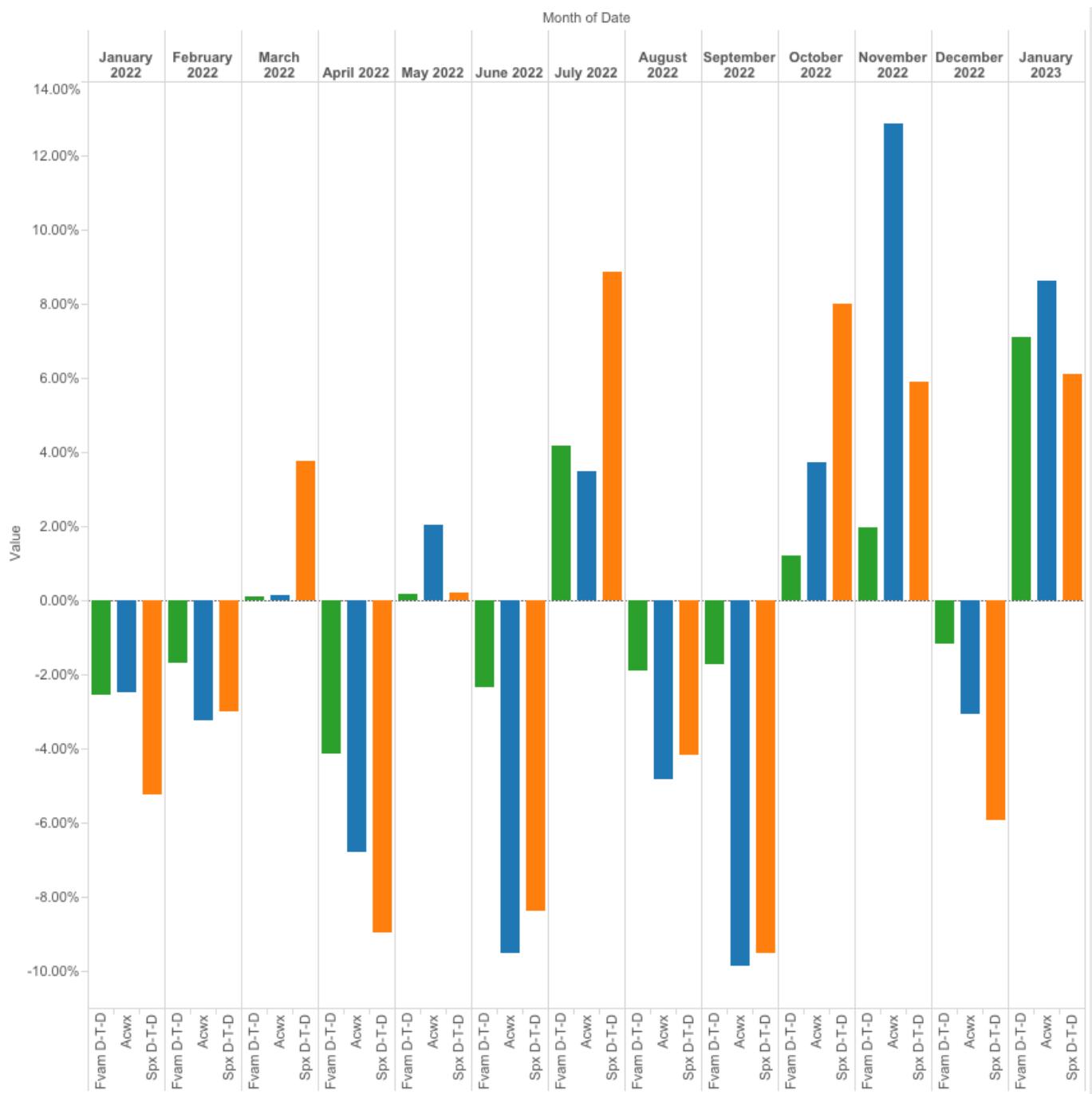
## S&P 500 vs ACWX (blue, World Index minus U.S.), Q4 2022, Weekly



## FVAM vs ACWI (World Index), with Relative Return (excess return), Q4 2022, Weekly



FVAM (green) vs ACWX (World Index minus USA, blue) vs S&P 500, Year-to-Date (full-year 2022 thru Jan '23), monthly returns

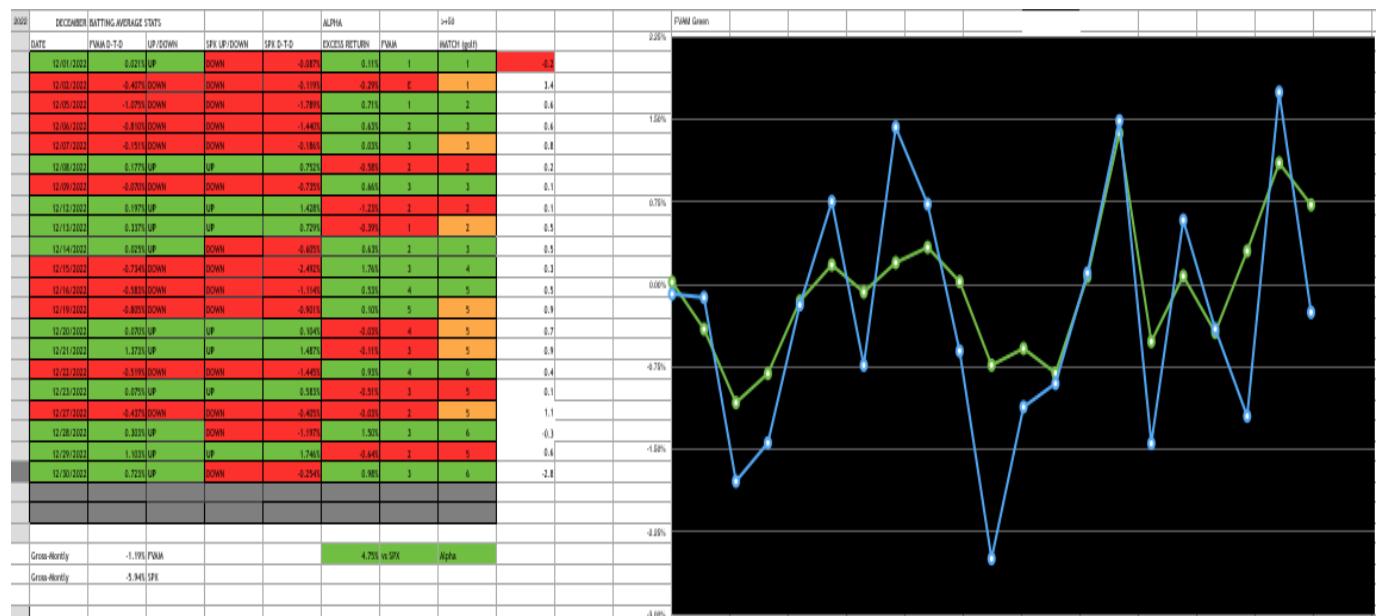


## Reference 1: FVAM Fund Performance Stats (showing view of December 2022, FVAM vs SPX, Statistics)

The data below, displaying just December 2022 in this example, shows performance statistic data maintained daily, showing the FVAM fund vs the S&P 500, even though FVAM is not trying to match or mimic the actual underlying stocks, within the S&P 500, or match the performance of the index. Data shows performance for FVAM, performance for the S&P 500 (\$SPX), as well as relative performance and mathematical statistics (showing risk & volatility). The chart displays daily performance for both FVAM (green) and SPX (blue). 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.

December 2022

With the S&P 500 down ~5.9%, FVAM held up, coming in down just about -1.2%



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

Heat Map for the S&P100 Index, showing each stock within that index/sector along with its relative size and weight compared to the overall index (**larger the block size the larger percentage that stock makes up within the index**)  
(\*as of late February 2023)



