

**Fanvestments Corporation**  
*Global Investments - Global Returns*  
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FVAM Fund Quarterly Portfolio Report  
Q3 - 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 2nd Quarter of 2017 (April thru June), 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](mailto:mfanning@fanvestments.com)  
[www.fanvestments.com](http://www.fanvestments.com)  
Twitter: @fanvestments  
[facebook.com/fanvestments](https://www.facebook.com/fanvestments)  
Wordpress/Blog: [fanvestments.wordpress.com](http://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. Also, within Technology, to find innovation driving the future, as well as to find the Founders that are all-in and have a sense of brilliance. Price tends to trump timeframe, but the fund does expect to hold most investments mid-to-long term, with an average target range of 1-4 years, some shorter, some longer. The Fund is actively-managed with a blended investment style, looking for Growth at a great Value, 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. Exposure and strategy will change from time to time, as opportunity of making money make more money necessitates. 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 economic cycles, recessions, geopolitics. 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.

### Q3 Highlights

Within the 3rd Quarter of 2017, the FVAM fund produced a positive return, and was net positive 1.1% (110bps). The fund was flat in July, positive for August and September, combining for 1.10% (0.2% and 0.9% respectively). August marked an important month, FVAM outperformed the S&P500, as the S&P was up about 8bps (+0.08%) and FVAM returning 21bps (+0.21%). Year-to-Date, Through the 3rd Quarter of 2017, FVAM is positive, up +3.4%. 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, lower risk & volatility, and with equity exposure currently around 80% of the fund, the fund’s performance and volatility is analyzed against the index, an all-stock index. Another index, or barometer, to compare FVAM to is the Russell 2000 Small Cap index. Using the IWM, Year-to-Date thru September, the small-cap index is up about 9%, but also comes with much more volatility.

Mathematics and Statistics of the fund’s 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 a 9 basis-point daily standard deviation for the quarter, meaning on average the fund moved up or down by 9bps (0.10%) per day through the 3rd quarter. In comparison, the S&P500 averaged a 42bp (0.42%) daily standard deviation, market volatility moving about 4-5 times more per day.

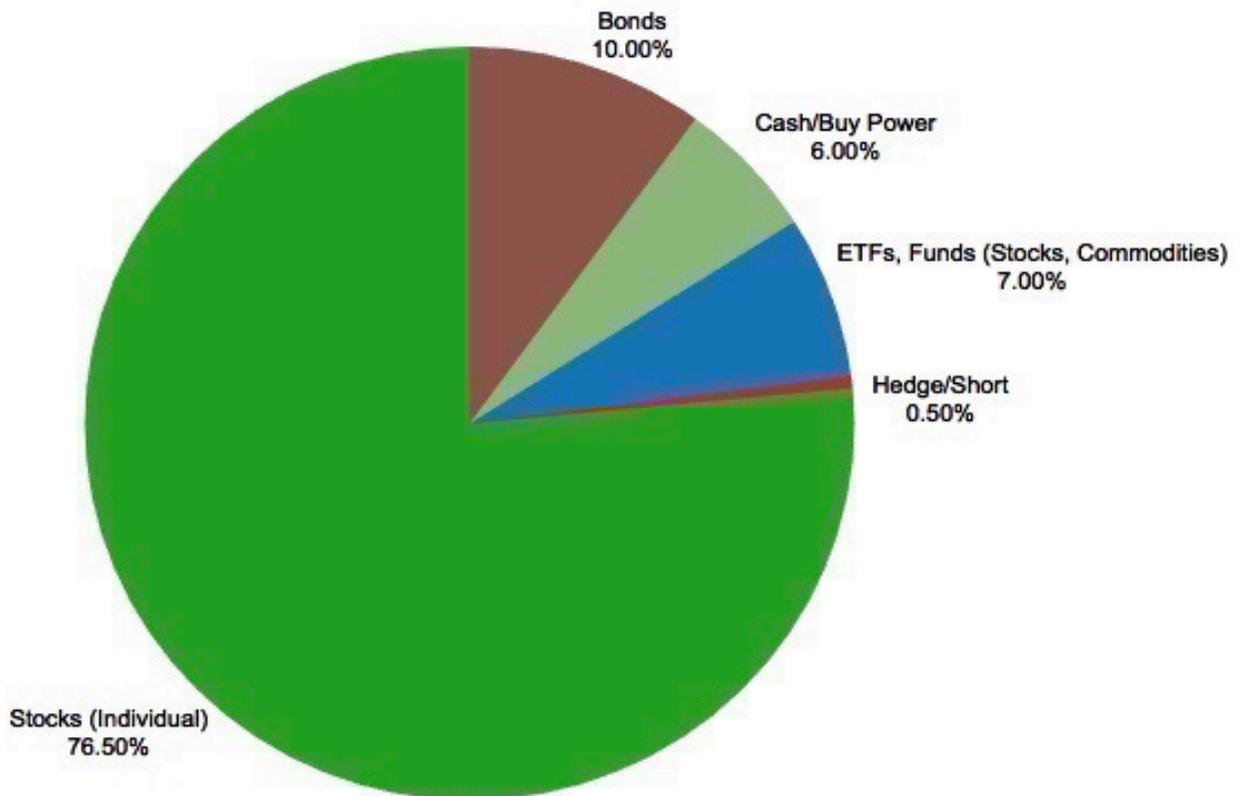
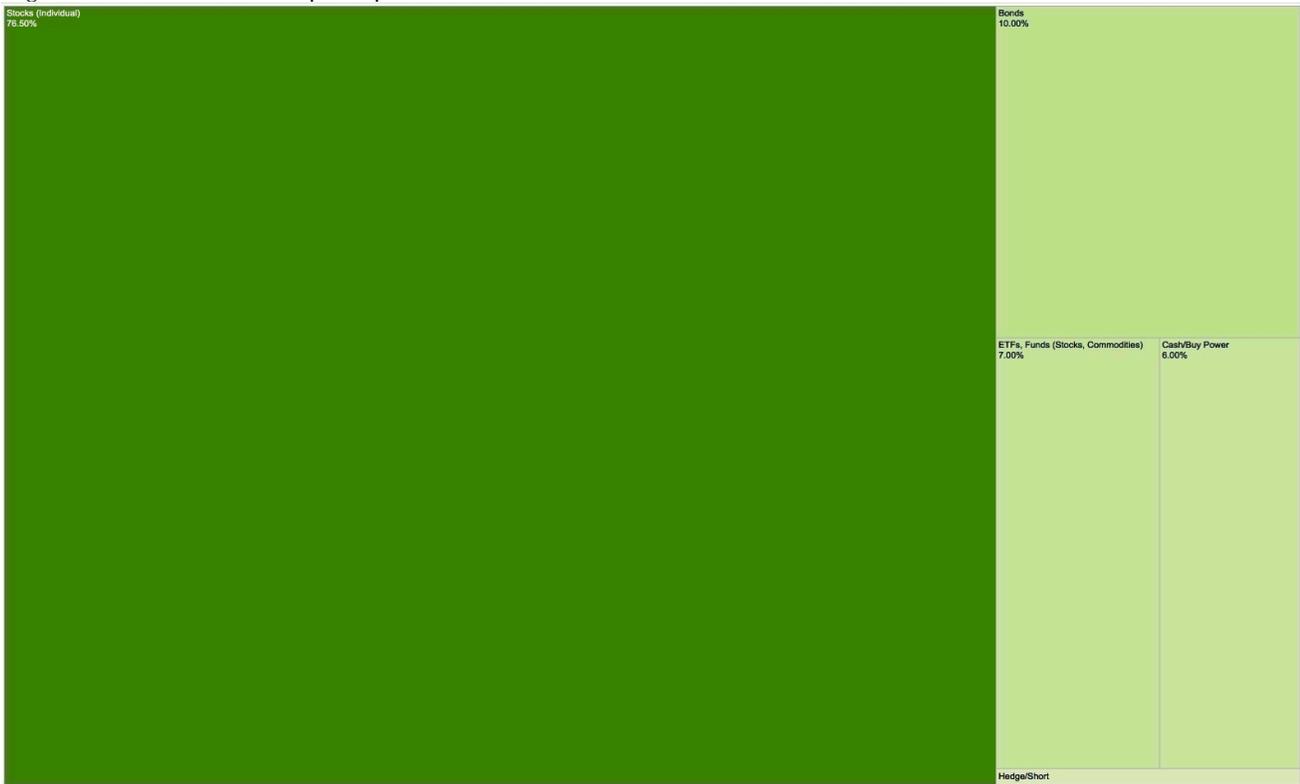
FVAM's Top 3 performing investments year-to-date, looking into November, are Square Inc. (SQ), Alibaba Group (BABA), and Kura Oncology (KURA), with Cypress Semiconductor (CY), Immunogen (IMGN), and a newer investment, Zynerva Pharma (ZYNE) running right behind. For Square, fund has a current average price of \$9.40/share, with the current stock price over \$40/share (looking into November, stock is now priced above \$48/share). Square's Q3 Gross Payment Volume increased 31% year-over-year, to \$17.4 Billion, with adjusted Revenue increasing by 45% to \$257 million. Can see more about Square's 3rd quarter at [https://s21.q4cdn.com/114365585/files/doc\\_financials/2017/3Q17/SQ\\_2017\\_Q3\\_Shareholder\\_Letter.pdf](https://s21.q4cdn.com/114365585/files/doc_financials/2017/3Q17/SQ_2017_Q3_Shareholder_Letter.pdf) Alibaba (BABA) continues to be a strong performer as it delivers another strong quarter of fundamentals. Baba had overall Revenue growth of 61%, producing \$8.3 Billion. Driven by Core Commerce of just under \$7 Billion (63% growth y-o-y), Cloud computing at \$447 million (99% growth y-o-y), digital media & entertainment at \$721 million (33% growth y-o-y), and other revenue at \$134 million (27% growth). Can read more about the quarter on their investor site, alibabagroup.com @ [http://www.alibabagroup.com/en/news/press\\_pdf/p171102.pdf](http://www.alibabagroup.com/en/news/press_pdf/p171102.pdf). Kura Oncology (KURA) has quickly become a top performer in the fund. The fund owns KURA at just over \$7/share, currently Kura's stock price is above \$15/share. Kura is a clinical-stage biopharma company, focused on solid tumors and blood cancers. In September, KURA's stock doubled when it announced positive phase 2 results for its lead product, Tipifarnib, for head-and-neck cancer, one of the leading causes of cancer-related cancers worldwide. Can read more about this news and about Kura Oncology at <http://ir.kuraoncology.com/phoenix.zhtml?c=253913&p=irol-newsArticle&ID=2299307>.

As shown below within the funds allocation stats, FVAM has a larger focus towards Technology and Biotech / Pharma. Part of this is knowing these areas can have explosive growth and outsized rewards, powering the world's future via innovation and problem solving. Another part of this has to do with having extensive knowledge within my background prior to Fanvestments within technology. For over 14 years, I was a software developer / engineer. With projects focused on big data, database development, application security & two-factor authentication between applications for user navigation, data analytics and conversion. All leading to an in-depth view and understanding of the importance and capability of Technology and the need for innovation and analytics. Currently, the fund utilizes Tableau Software for its own reporting and data analytics.

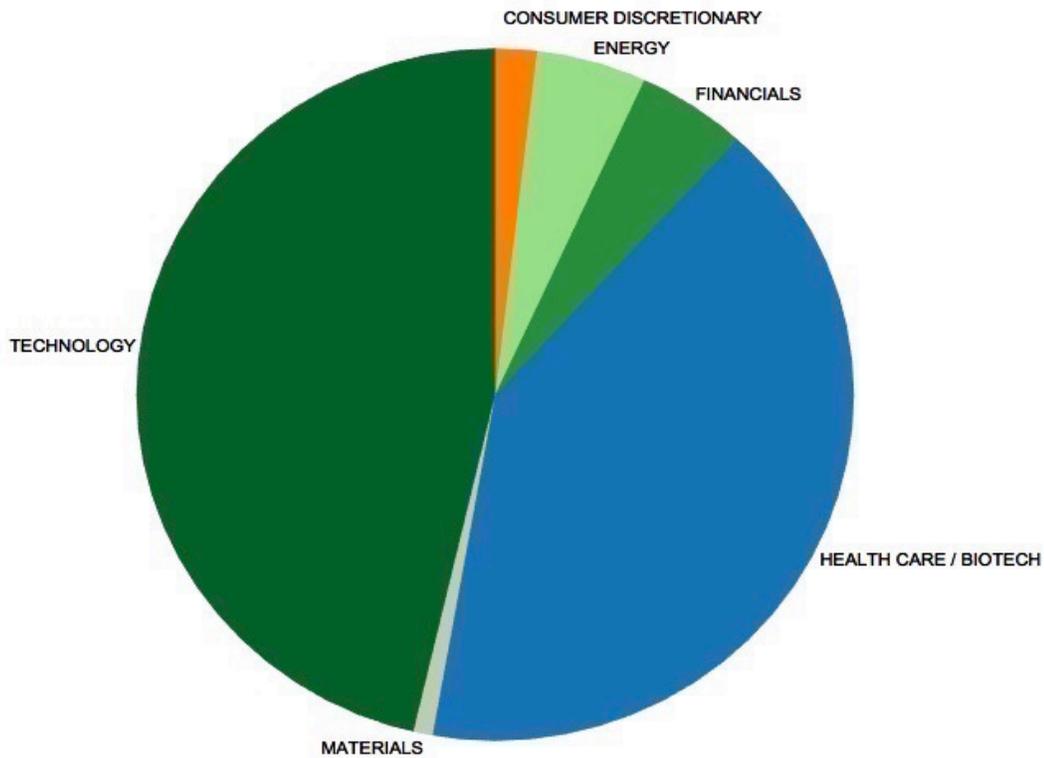
Main goal for the Fund is Stability, persistent and steady positive returns, diversification globally and between multiple asset classes, (i.e.. bonds, commodities, stocks, funds) with the ability and opportunity for outsized gains, from equity risk and individual stock exposure. Although the fund's 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, outright doubling. Personally over the last 15 years of investing, 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 October 2017)

High Level allocation heat map and pie chart

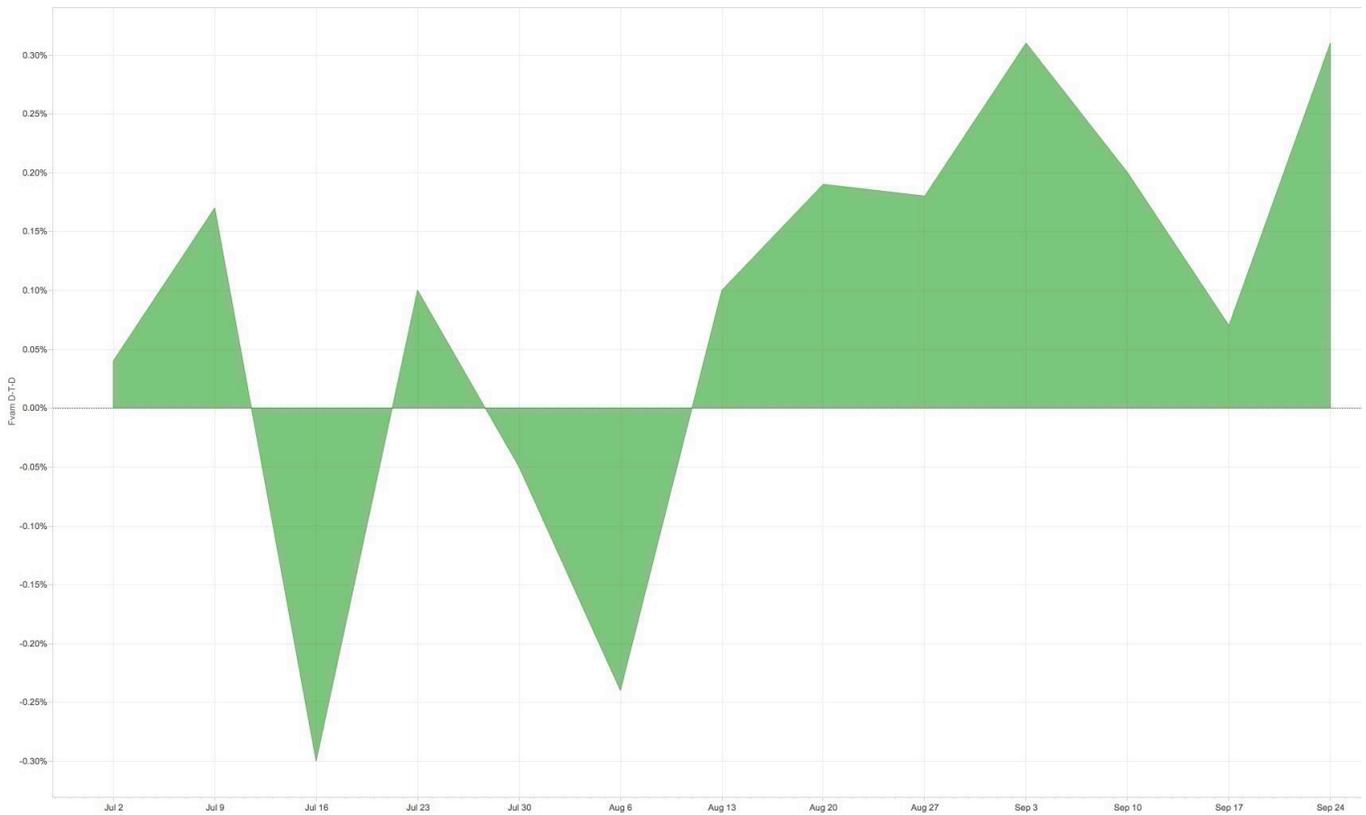


Below shows the further breakdown of just the fund's individual stock exposure. Individual stock exposure is about 67% of the overall fund (as displayed above), this visual below breaks out that 67% by itself. Currently, the heaviest focus of that exposure is allocated towards Technology and Bio-Tech / Pharma investments.

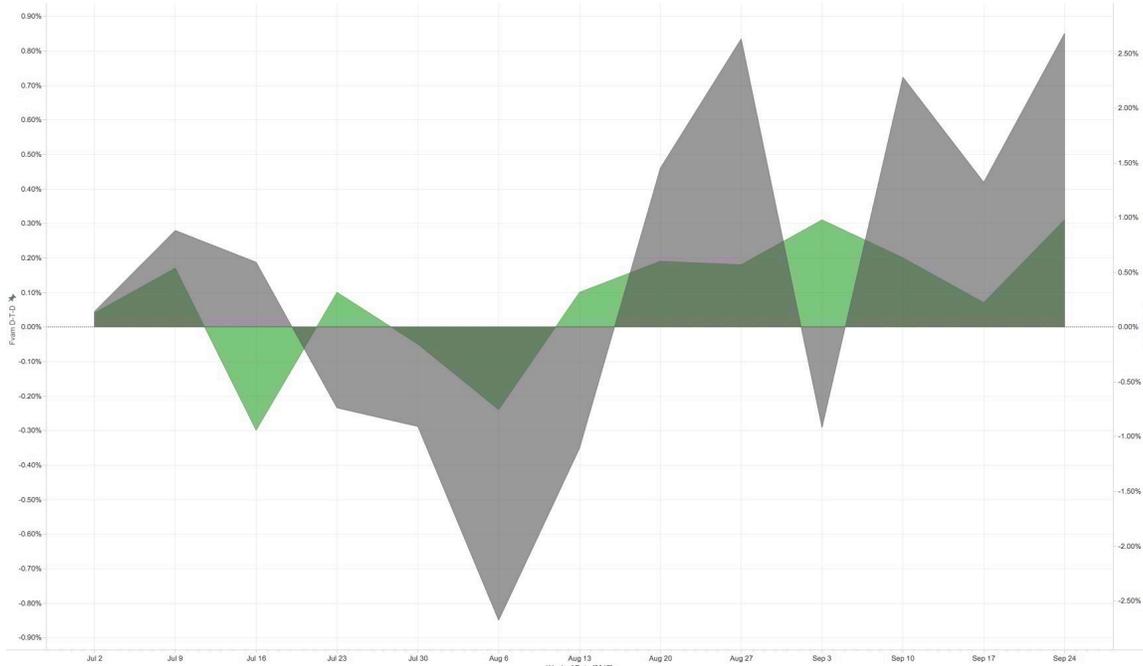


Performance Analysis: below shows the breakdown of the performance, as well as comparisons to other investment barometers such as the S&P500, \$BRK-b (Warren Buffett's 'Berkshire Hathaway'), ACWX which tracks the world minus the US (World x-US), and the Russell 2000 small cap index (\$IWM)

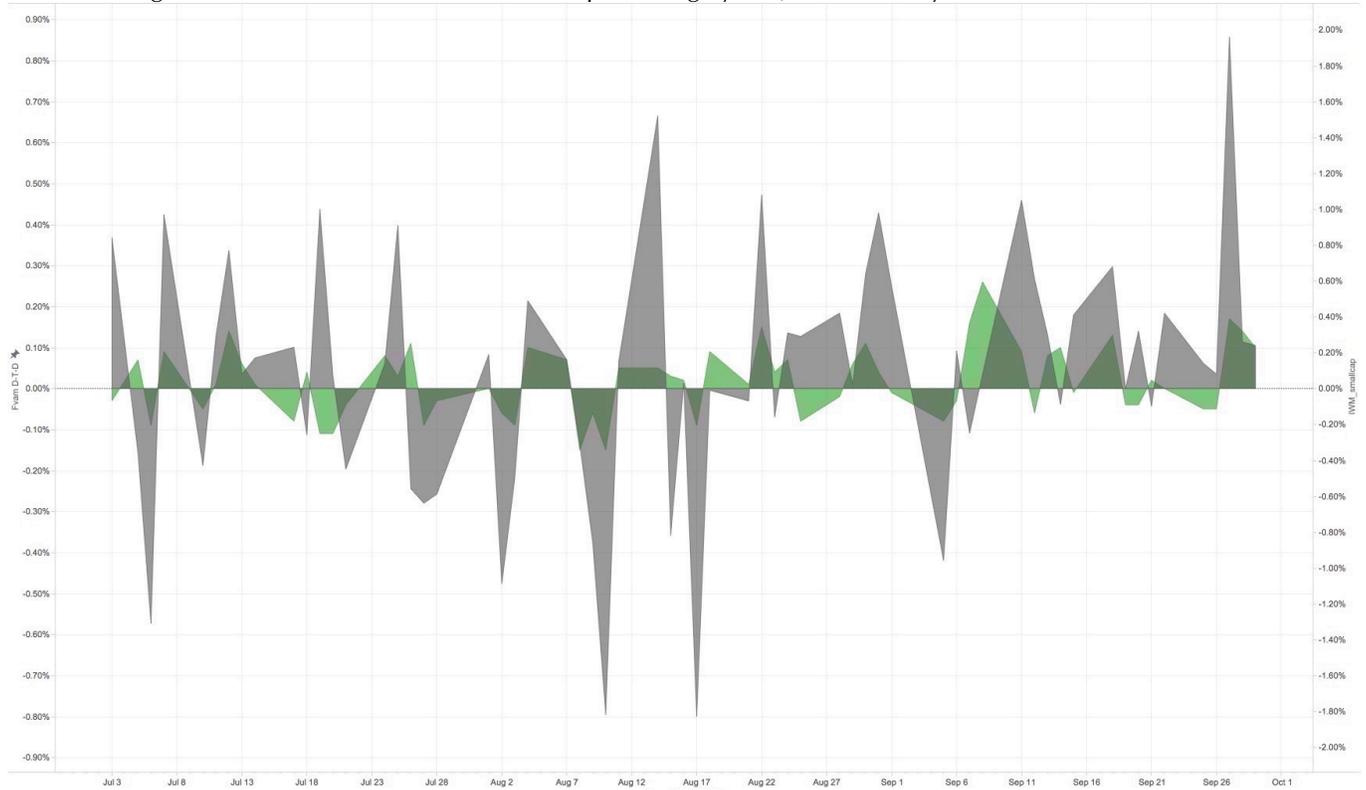
FVAM fund, 3rd Quarter 2017 , weekly



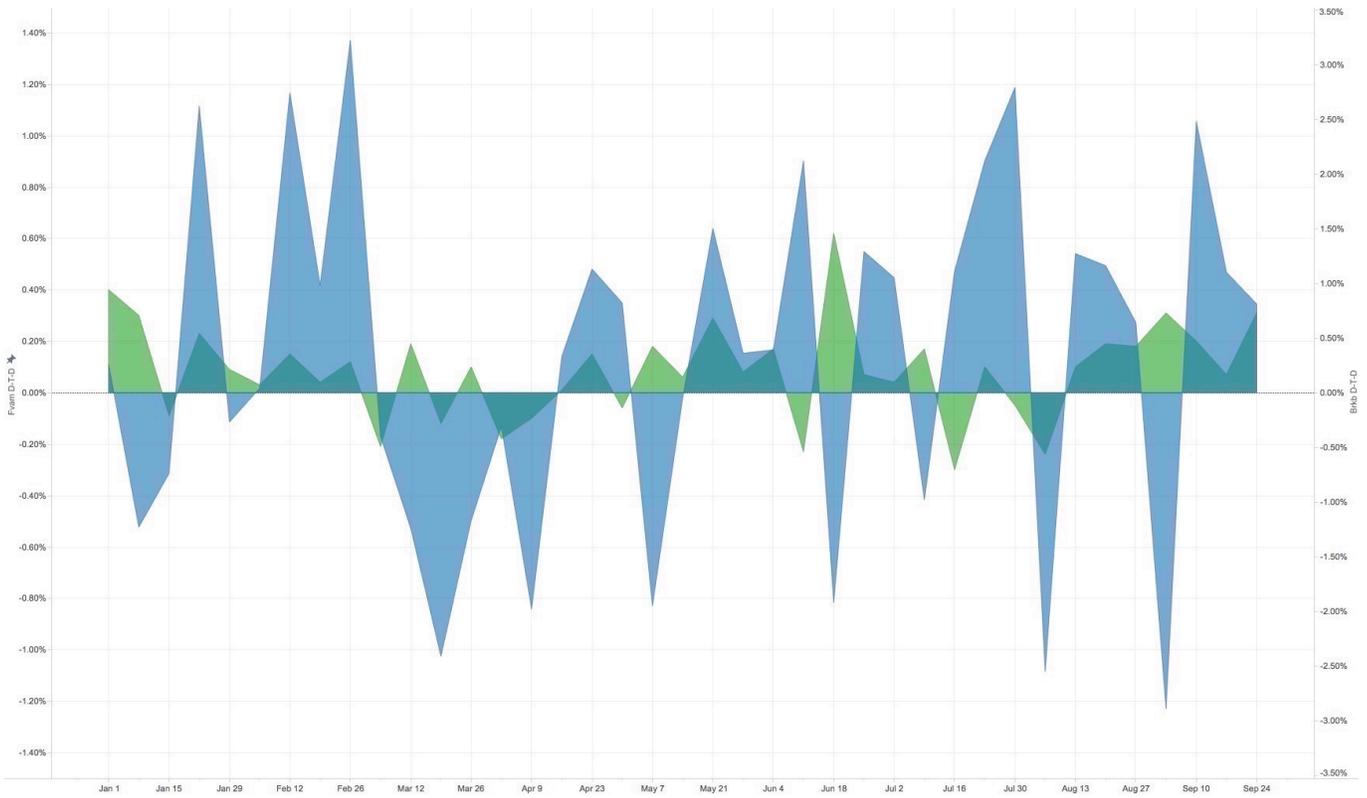
FVAM fund (green) vs IWM (Russell 2000 Small Cap Index, gray) , Q3 2017, weekly



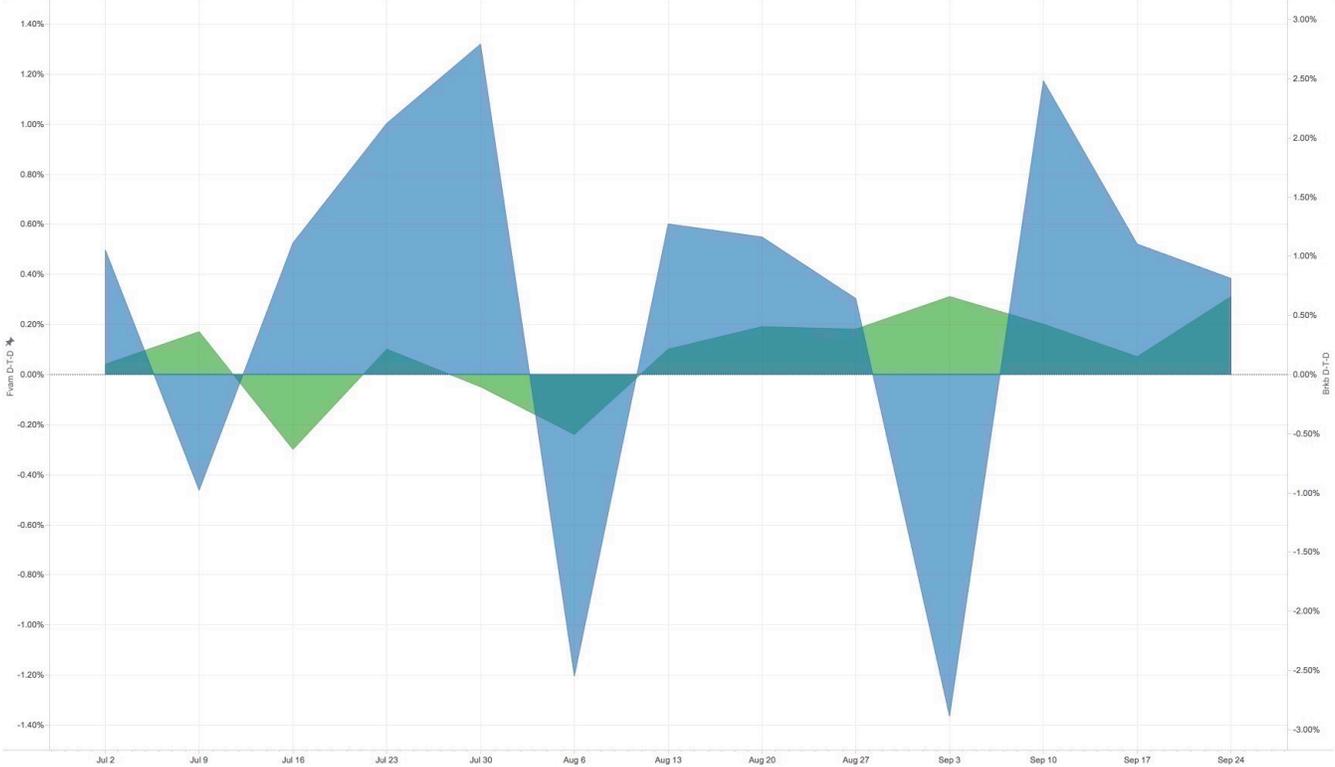
FVAM fund (green) vs IWM (Russell 2000 Small Cap Index, gray) , Q3 2017, Daily



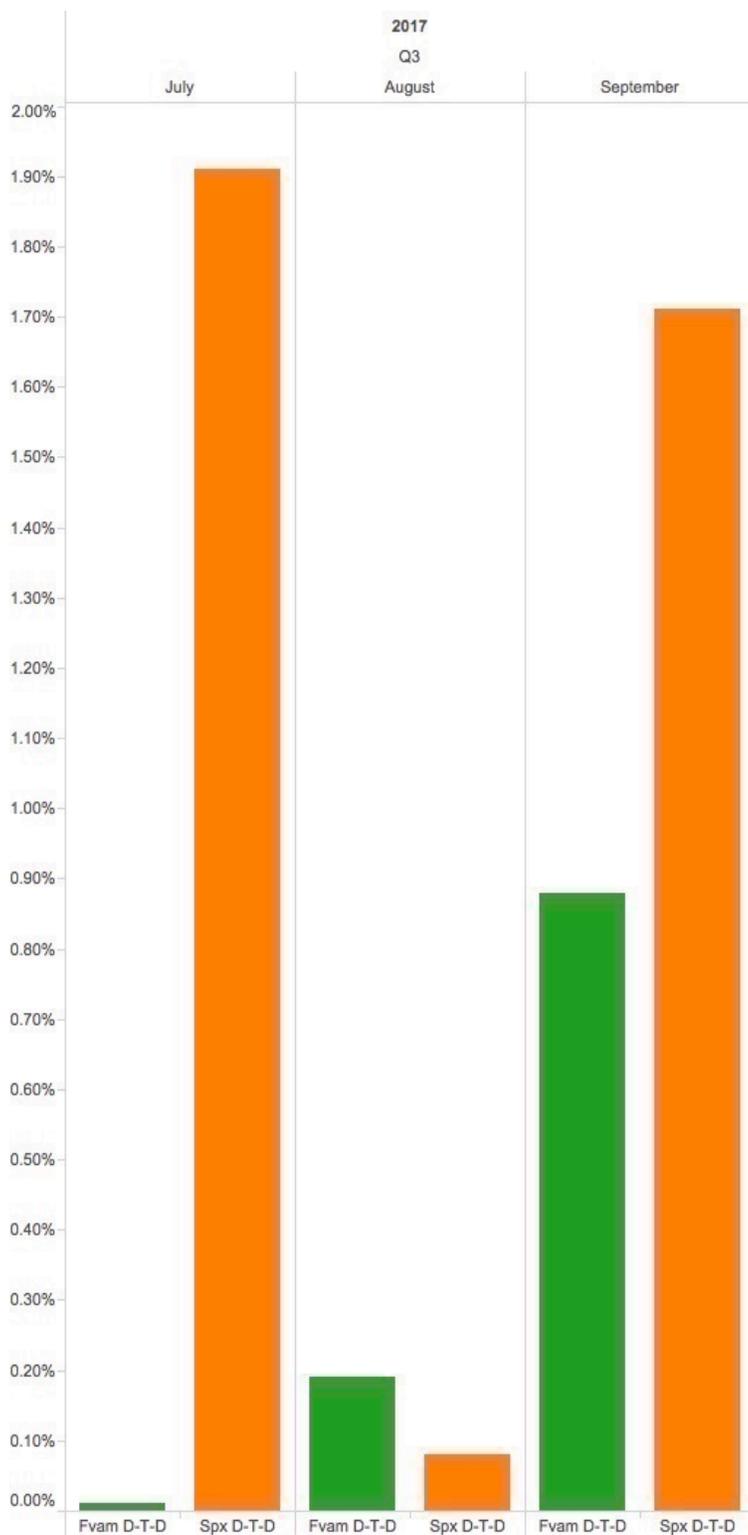
FVAM fund (green) vs BRK/b, YTD 2017 (thru Sept.), Weekly (\$BRK-B : Berkshire Hathaway B-shares, publicly listed)



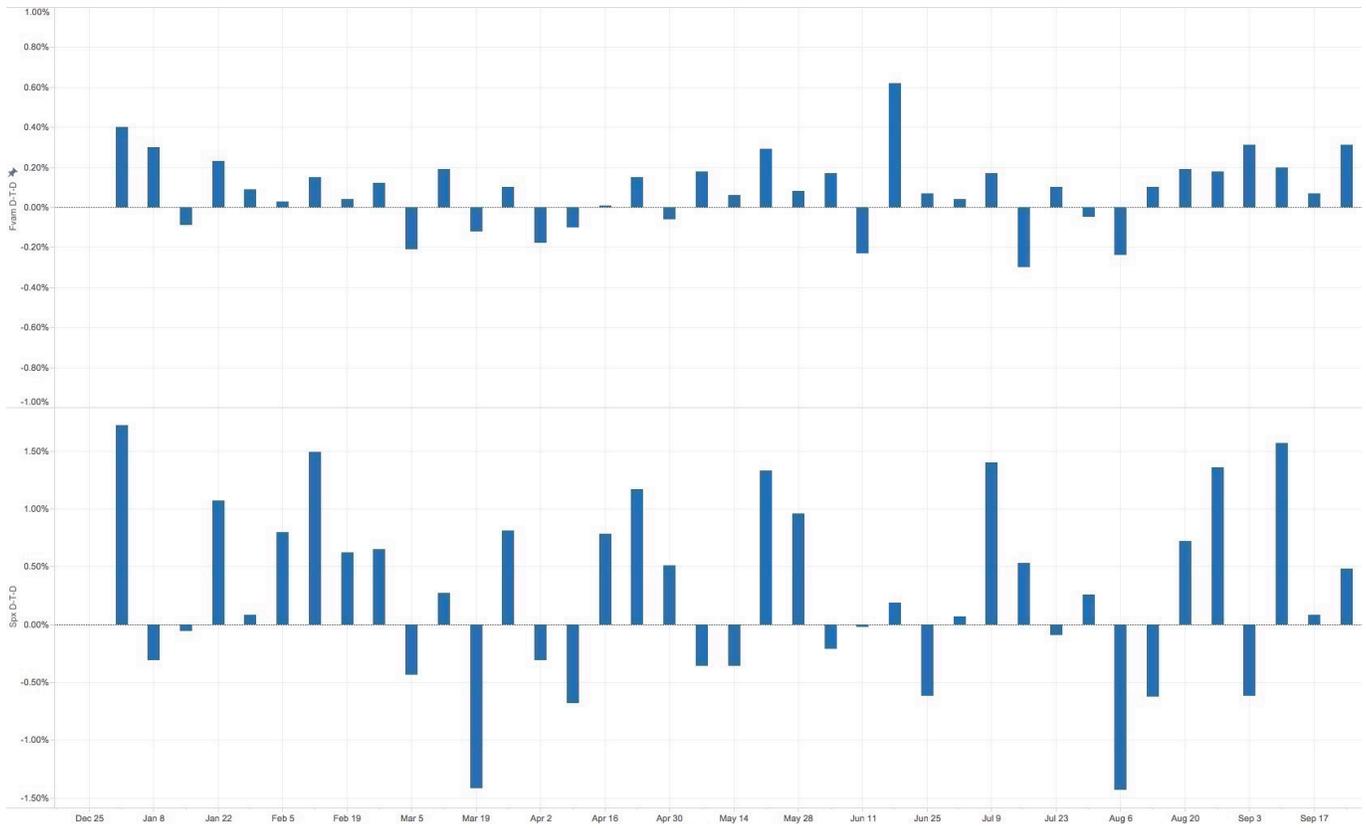
FVAM fund (green) vs BRK/b (blue), Q3 2017, weekly



FVAM (Green) vs S&P500 (orange) , 3rd Quarter - 2017

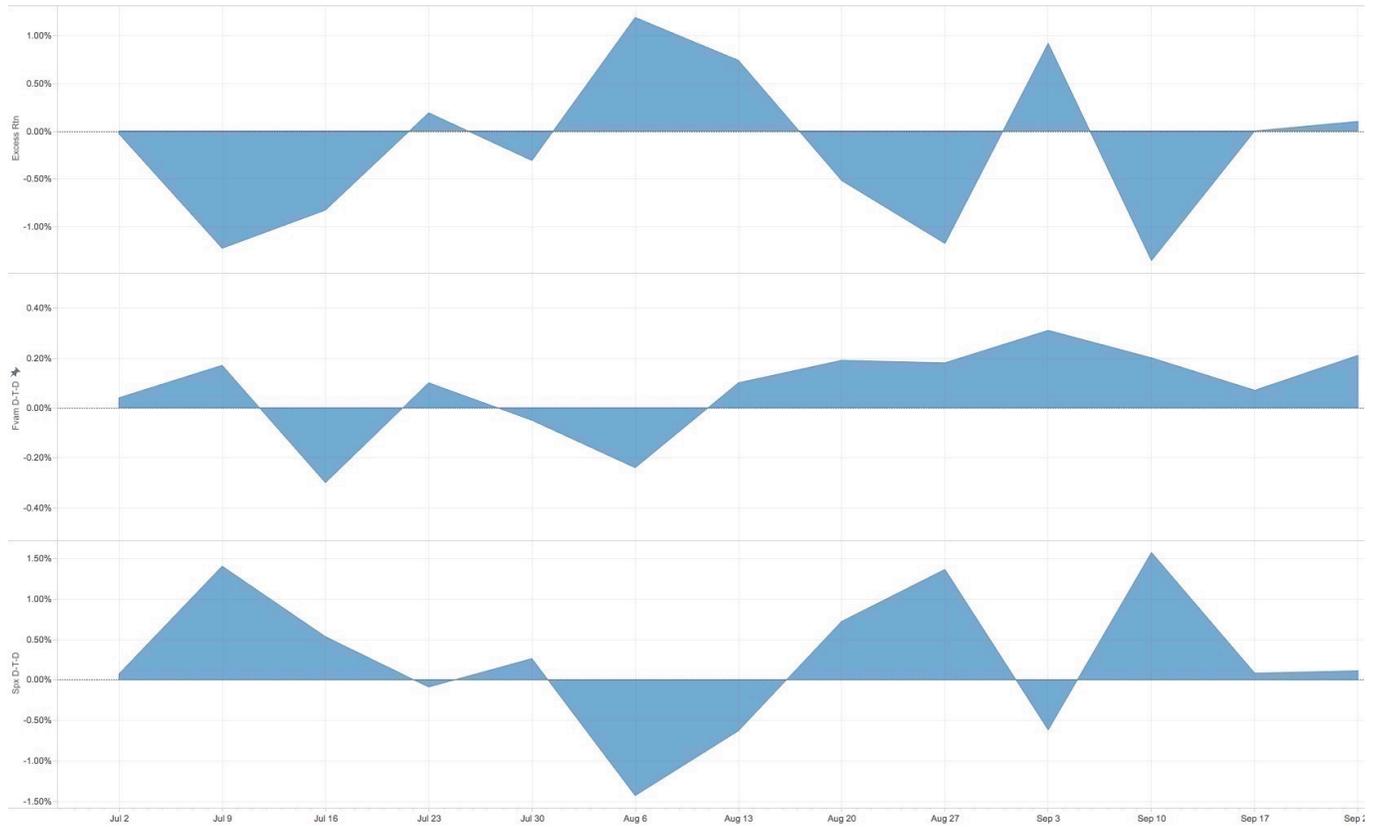


FVAM (top) compared to SPX (S&P500, bottom), YTD - Weekly, January through September

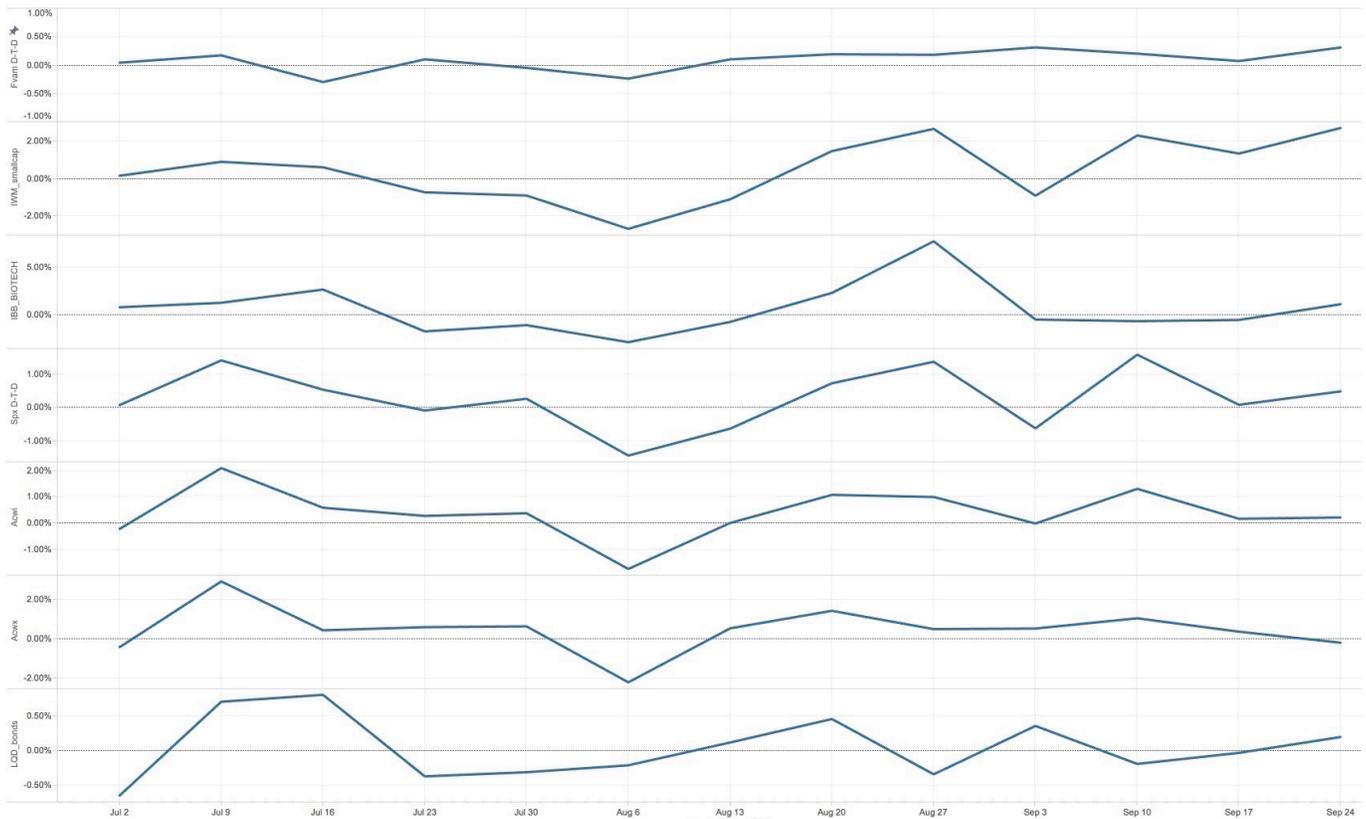


FVAM vs SPX and relative return (FVAM vs SPX), weekly, Q3

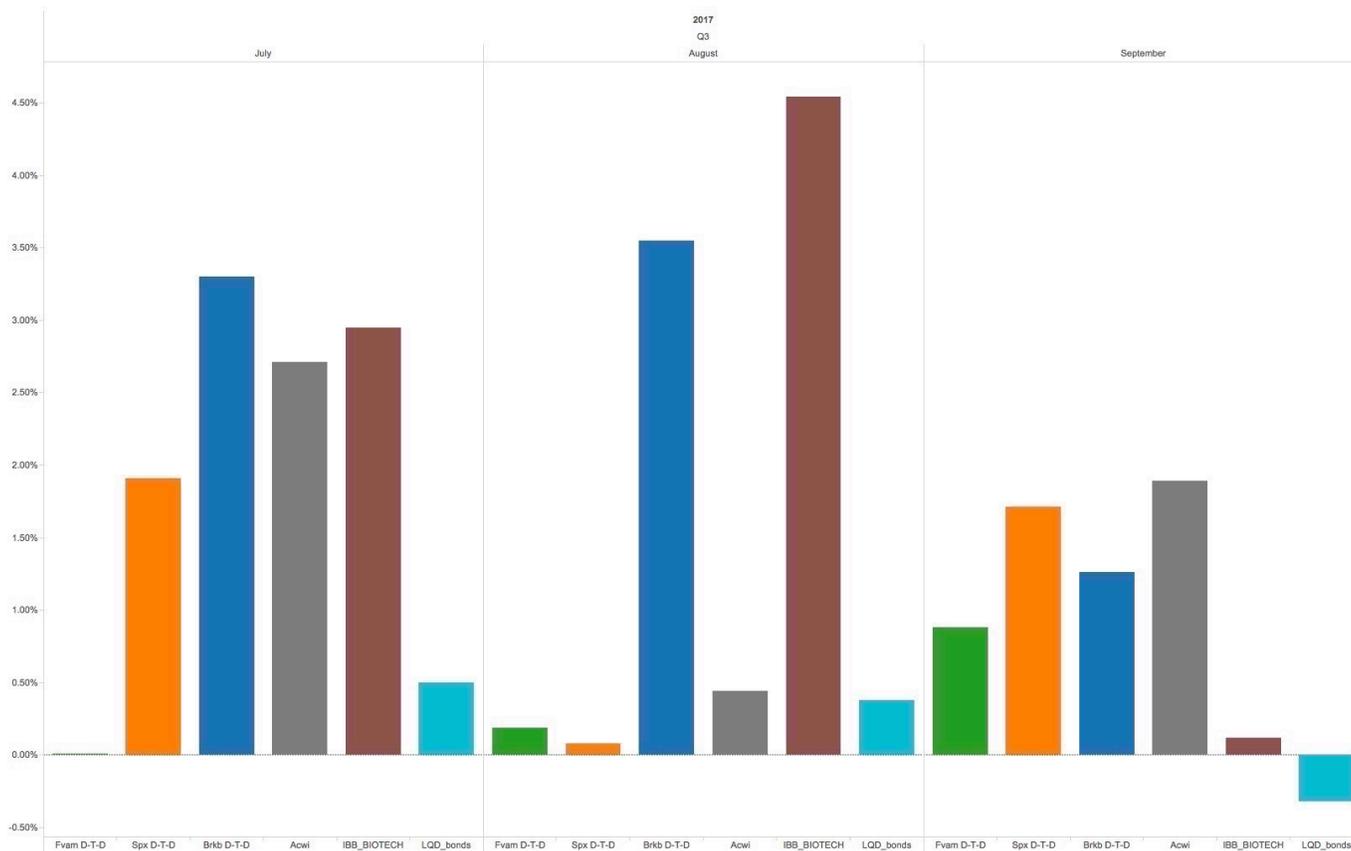
(\*excess return shows FVAM vs SPX, shows by how much FVAM is outperforming or underperforming the S&P500)



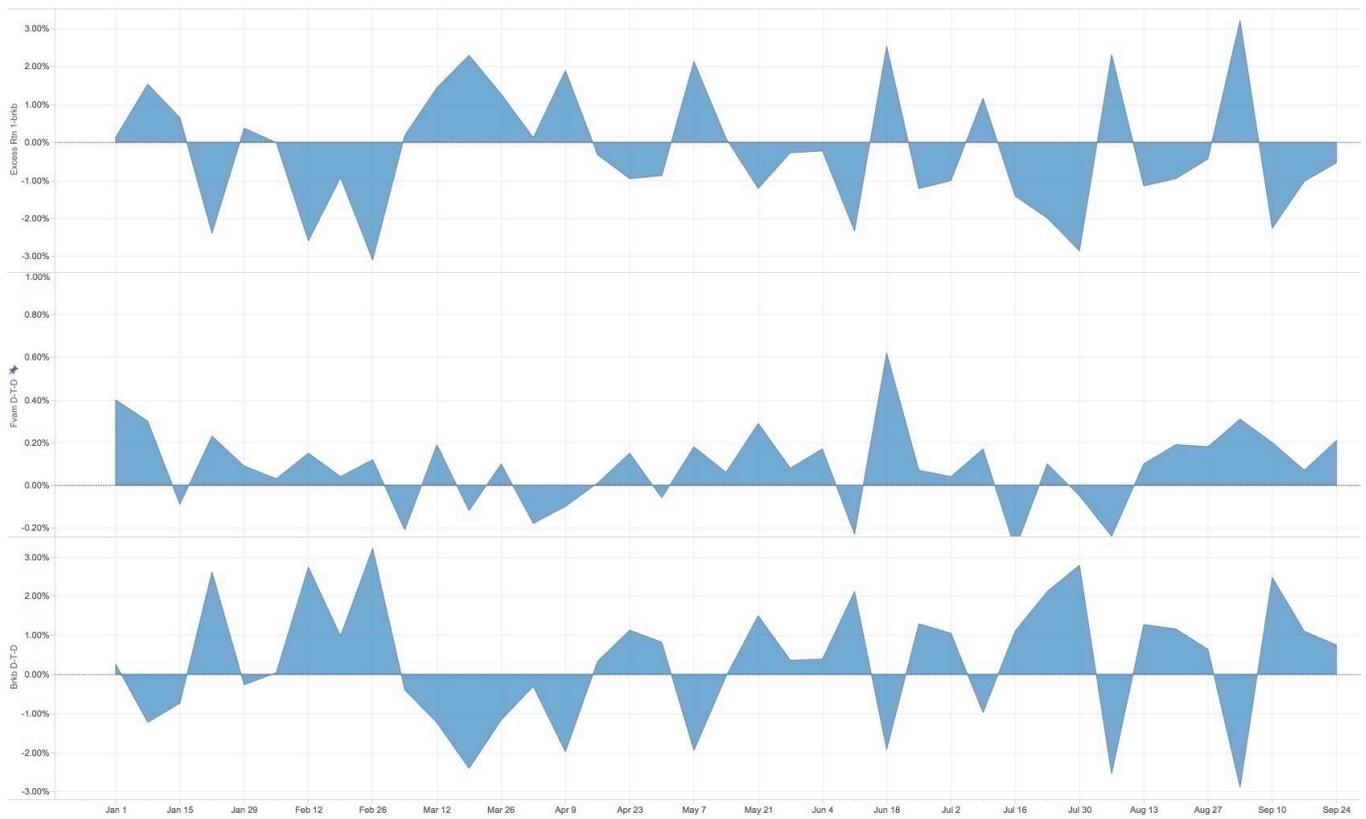
FVAM vs IWM (small caps) vs IBB (biotech) vs SPX (S&P500) vs ACWI (world index) vs ACWX (world x-US) vs LQD (bonds), weekly, Q3



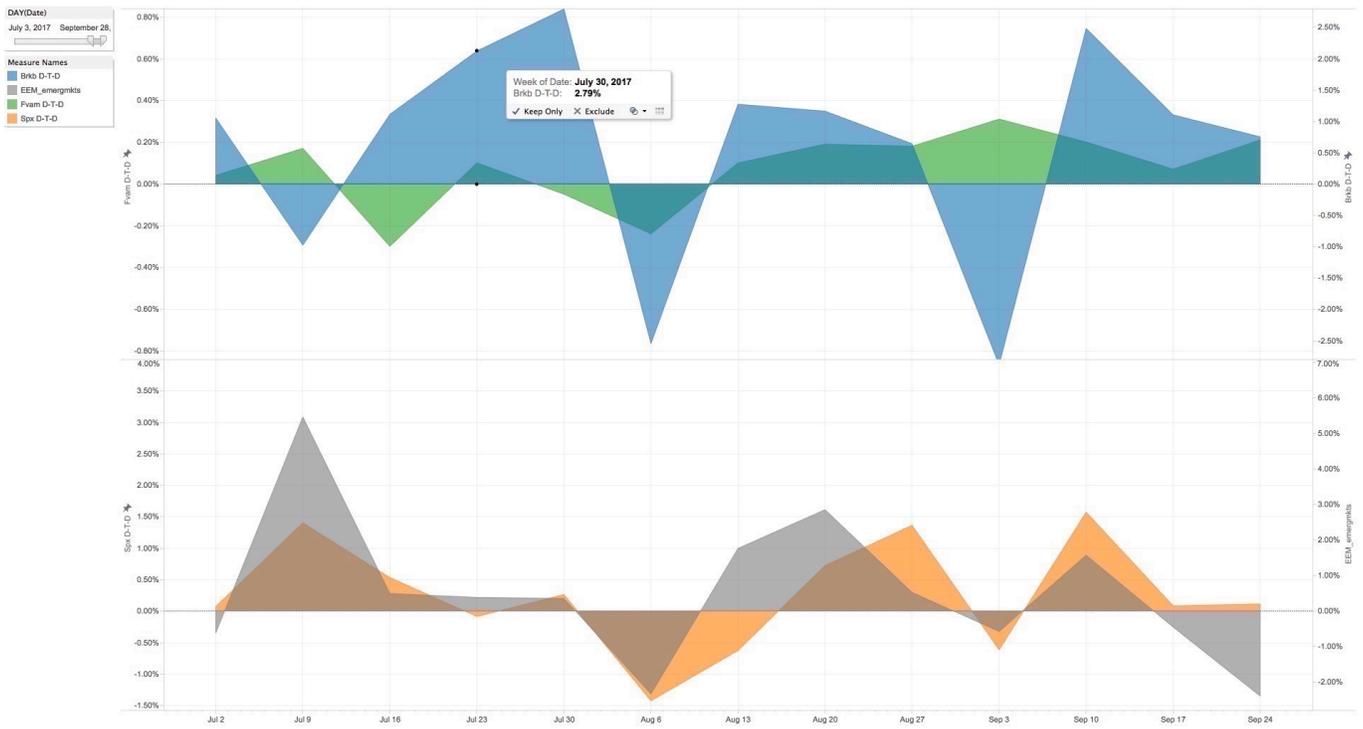
FVAM vs S&P500 (\$SPX) vs Berkshire Hathaway (\$BRK/b) vs \$ACWI (World Index) vs \$IBB (BioTech), vs \$LQD (Bonds), weekly, Q3:



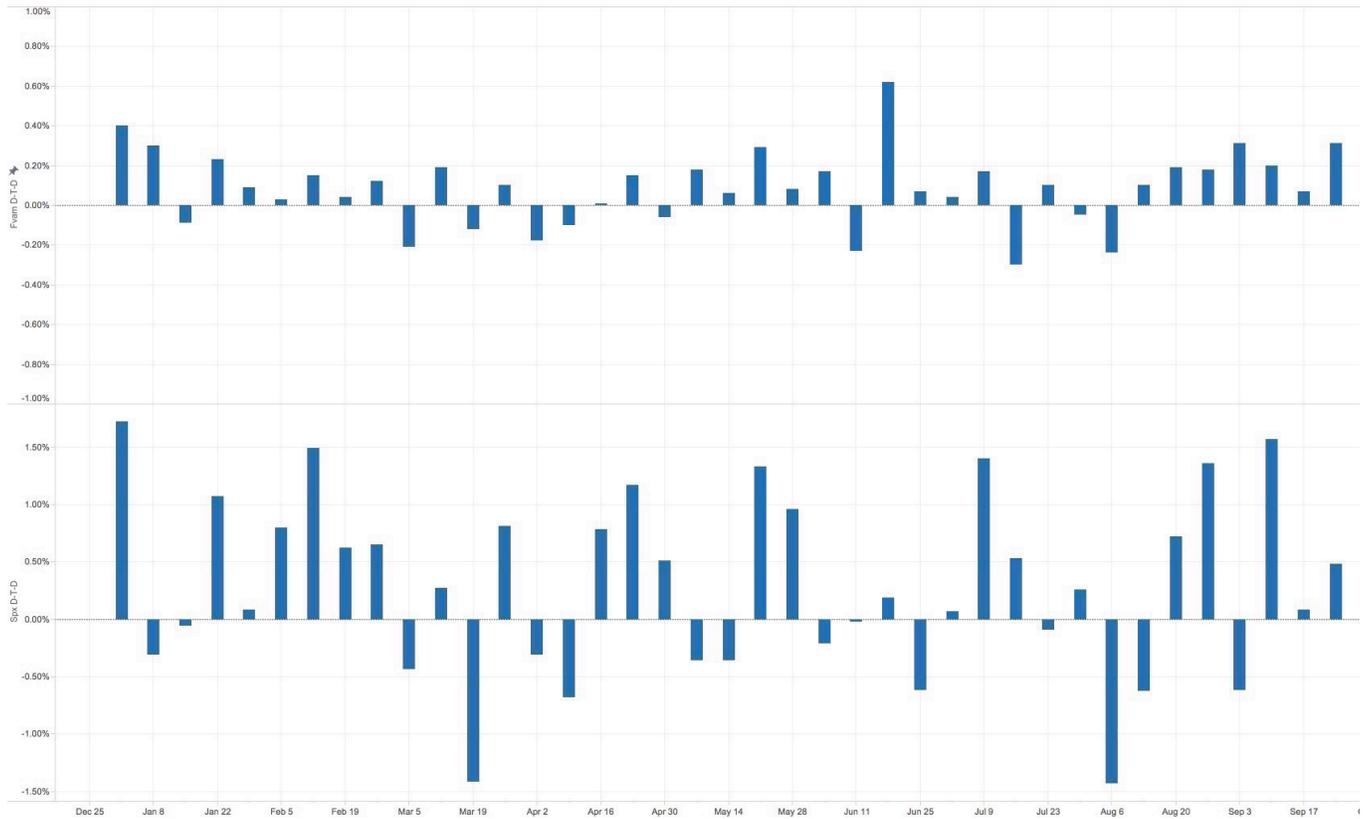
FVAM vs BRK/b and relative (excess) return (FVAM vs BRK/b), weekly, January thru September



FVAM (green) vs BRK/b (Berkshire, blue) compared to SPX (S&P500), orange) vs EEM (emerging markets, gray) , weekly, Q3



FVAM (top) vs SPX (S&P500, bottom) , Weekly Performance, Year-to-Date thru September

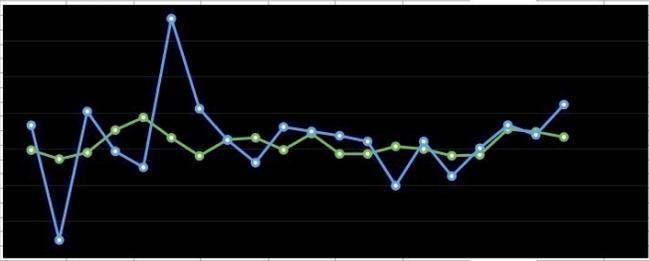


Reference 1: FVAM Fund Performance Stats (showing view of September 2017, FVAM vs SPX, Statistics)

The data below, displaying just September 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 or mimic the actual underlying stocks, within the S&P500, or match the performance of the index. 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 (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. 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"). FVAM did underperform the index based on performance, but was positive 0.9% and had only 28% of the volatility of the S&P500.

September 2017

| DATE          | FVAM D-T-D | UP/DOWN | SPX UP/DOWN | SPX D-T-D | EXCESS RETURN | FVAM       | MATCH (golf) |      |        |
|---------------|------------|---------|-------------|-----------|---------------|------------|--------------|------|--------|
| 09/01/2017    | 0.21%      | DOWN    | UP          | 0.20%     | 0.01%         | 1          | E            | -0.0 |        |
| 09/05/2017    | 0.28%      | DOWN    | DOWN        | -0.78%    | 0.67%         | E          | E            | 0.1  | 1.20%  |
| 09/06/2017    | -0.03%     | DOWN    | UP          | 0.31%     | -0.34%        | 1          | E            | -0.1 |        |
| 09/07/2017    | 0.16%      | UP      | DOWN        | -0.30%    | 0.18%         | E          | E            | -8.9 | 0.90%  |
| 09/08/2017    | 0.26%      | UP      | DOWN        | -0.15%    | 0.41%         | -1         | -1           | -1.8 |        |
| 09/11/2017    | 0.09%      | UP      | UP          | 1.08%     | 0.91%         | 1          | E            | 0.1  |        |
| 09/12/2017    | -0.26%     | DOWN    | UP          | 0.34%     | -0.31%        | -1         | -1           | -0.2 | 0.60%  |
| 09/13/2017    | 0.08%      | UP      | UP          | 0.08%     | 0.00%         | -1         | -1           | 1.0  |        |
| 09/14/2017    | 0.10%      | UP      | DOWN        | -0.11%    | 0.21%         | E          | E            | -0.8 | 0.30%  |
| 09/15/2017    | 0.21%      | DOWN    | UP          | 0.18%     | 0.19%         | 1          | 1            | -0.0 |        |
| 09/18/2017    | 0.13%      | UP      | UP          | 0.10%     | -0.02%        | 2          | -1           | 0.9  | 0.00%  |
| 09/19/2017    | 0.24%      | DOWN    | UP          | 0.11%     | -0.19%        | 1          | 1            | -0.4 |        |
| 09/20/2017    | -0.04%     | DOWN    | UP          | 0.06%     | -0.07%        | -4         | -3           | -0.6 |        |
| 09/21/2017    | 0.02%      | UP      | DOWN        | -0.20%    | 0.13%         | -3         | -2           | -0.1 | -0.30% |
| 09/22/2017    | 0.00%      | FLAT    | UP          | 0.06%     | -0.06%        | -4         | -2           | 0.0  |        |
| 09/23/2017    | -0.00%     | DOWN    | DOWN        | -0.22%    | 0.17%         | -3         | -2           | 0.2  |        |
| 09/26/2017    | -0.00%     | DOWN    | UP          | 0.01%     | -0.01%        | -4         | -3           | -4.0 | -0.60% |
| 09/27/2017    | 0.17%      | UP      | UP          | 0.20%     | -0.03%        | 3          | -3           | 0.8  |        |
| 09/28/2017    | 0.14%      | UP      | UP          | 0.12%     | 0.02%         | -4         | -3           | 1.2  | -0.80% |
| 09/29/2017    | 0.10%      | UP      | UP          | 0.37%     | -0.27%        | -3         | -3           | 0.3  |        |
| Gross-Monthly | 0.90%      | FVAM    |             |           | -0.82%        | 0.37%      | Alpha        |      |        |
| Gross-Monthly | 1.72%      | SPX     |             |           |               |            |              |      |        |
| AVG DLY PERF  | 0.045%     |         | 52.18%      |           | 0.086%        |            | AVG DLY PERF |      |        |
| SDDEV         | 0.10%      |         | 63.22%      |           | 0.15%         | 4 day roll | SDDEV        |      |        |
| SDEV P        | 0.09%      |         | 37.89%      |           | 0.34%         | full month | SDEV P       |      |        |
| AVEDEV        | 0.08%      |         | 37.53%      |           | 0.22%         |            | AVEDEV       |      |        |
| MEDIAN        | 0.012%     |         | 12.01%      |           | 0.094%        |            | MEDIAN       |      |        |



\*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&P100 Index, breakdown of each sector, and each stock within the index along with its relative size and weight compared to the overall index  
 (\*as of November 2017)



