

Fanvestments Corporation
Global Investments - Global Returns
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FVAM Fund Quarterly Portfolio Report
Q2 - 2018

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 2018 (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".

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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 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 (earnings, revenue, growth rates, valuation) 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 for multiple years, mid-to-long term. The Fund is actively-managed with a blended investment style, looking for Growth at a great Value, more of a "buy the blood", buy low-sell high, as a fundamental mindset. Fund will also seek to find opportunity within event-driven strategies, such as mergers, FDA approvals, momentum and fund flows, as well as unusual options action and potential 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 ETFs 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 the 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 individual positions, or macro issues such as economic cycles, recessions, geopolitics. In most hedge cases, fund will utilize options strategies for short exposure vs outright selling short. Overall hedging exposure is kept low, utilizing more of a hedge by allocation strategy, i.e.... Position sizing, to make sure no one position (investment) is too large (too risky) relative to the overall portfolio. As well as other portfolio management strategies, such as selling portions of gains, decreasing higher risk, increase lower risk (lower reward) exposure, such as bonds, 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 investment vehicle, a diversified multi-asset fund (stocks, bonds, ETFs), with individual assets selected by Fanvestments Management, minimal market correlation, and less volatility vs market index. 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.

Make the Money Make More Money .

Q2 Highlights

Within the 2nd Quarter of 2018, the FVAM fund produced a positive return, and was net positive 0.33% (33bps). The fund was down 0.16% (16bps) in April, positive 0.64% (64bps) for May and down 0.15% (15bps) in March. For the Quarter, the S&P came was up about 3.1%, while the ACWX (World Index x-USA) was down 4.9%. Although there is no attempt to match the performance or timing of the S&P 500, along with mixed-asset exposure like bonds and credit, currency and commodity, lower risk & volatility, and with equity exposure currently around 89% of the fund, the fund's performance and volatility is analyzed against the index, an all-stock index. Another reference point is Warren Buffett's Berkshire Hathaway, BRK/b, which was down over 4% for Q2. The main goal is to create a diversified non-correlated multi-asset fund that can act as an entire portfolio allocation for investors, or can be integrated into an investors portfolio as a portion of that portfolio that has a more market-index focus, or a bond, bond+stock portfolio, looking to add

non-correlated exposure, dramatically increasing diversification within a portfolio, and having the potential upside return that individual stocks can provide. 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.

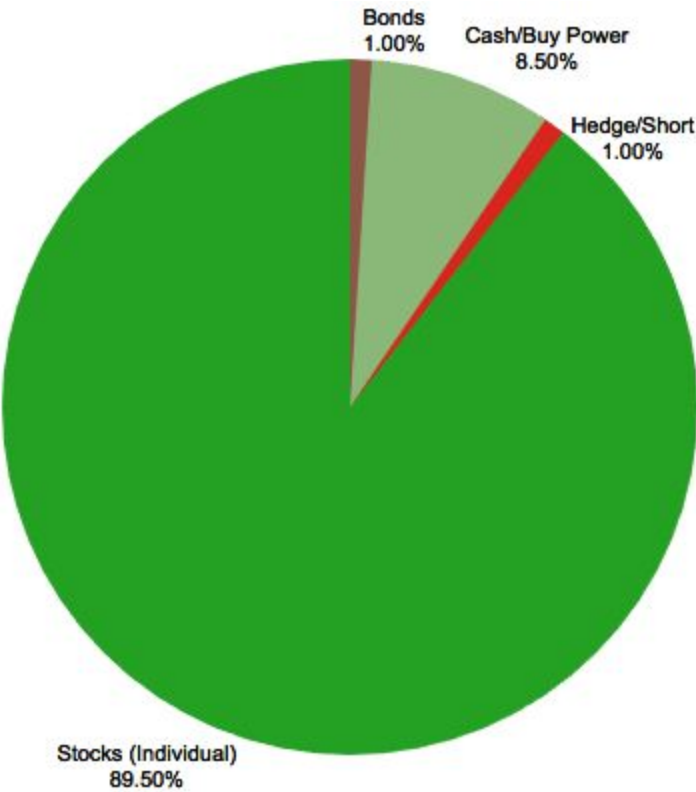
Between Q2 and Q3, a few new investments were initiated. Celgene (CELG), Twitter (TWTR), Cronos Group (CRON), and Caesars Entertainment (CZR). Cronos Group, involved within the Cannabis Industry, mostly within the Canadian Medical space, has performed very well and is one of the fund's top performers, although very volatile. Half of this position has been sold between \$12-\$14, with a \$6 dollar per share cost, providing over a 100% profit. Celgene is currently around the mid \$80s/share, and is down from over \$140 back from September 2017. The company is within the biotech focus the fund seeks, involved in the treatment of major diseases, like cancer and MS, and involved with immuno-oncology. Can read more about Celgene's pipeline at <https://media.celgene.com/content/uploads/product-pipeline.pdf>. Expectation is for CELG to get back above \$100/share within 12 months, and over \$160 (close to double) within 3 years using a 20-25% growth rate in Revenue. For Q2, Celgene had total net product sales of \$3.8 billion, an increase of 17% year-over-year, and raised their full-year guidance to about \$15 billion. Using a full-year \$8 Earnings-per-share estimate, with a 20PE (price-to-earnings ratio), gets the stock to \$160/share. Caesars Entertainment is more of an event-driven strategy and a come back story of paying down debt and becoming much more profitable. On the event side, noticed Hedge Fund HG Vora Capital, known for Value and Event-Driven investments, built a large position in Caesars. The belief is Vora is seeking to persuade the business to explore options that may include divestitures or an outright sale. Caesars total revenue in Q2 2018 of \$2.1 billion was double the revenue compared to Q3 2017, but does have a major debt issue of about \$18 billion. Can read more about Caesars Q2 earnings at

<https://investor.caesars.com/static-files/9175aa6b-61d3-4489-afa8-b681126da682>

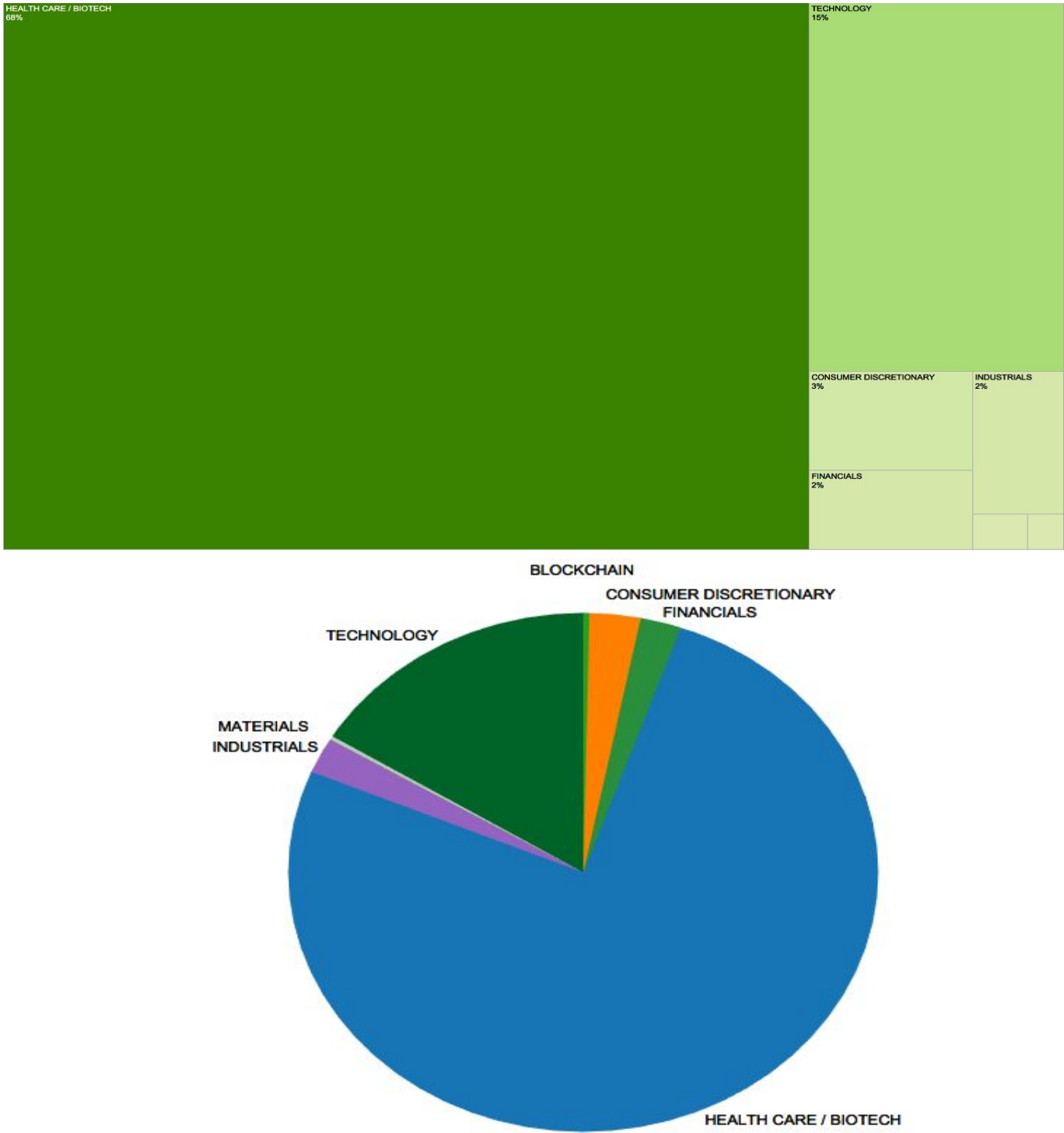
The investment and money management world, "the Game", is far from easy. It can be exciting and euphoric at times, at other times can be very dark, nervous, and extremely frustrating. For me, it's not a game, it's life, and regardless of the rough times, this is the path chosen for the rest of life. Fanvestments was not started to *hopefully* become a successful investor, but was started **because** I was already a successful investor and have always known and wanted this to be the long-term life and career path. Fanvestments just wants to share those skills with the world, and to Make the Money - Make More Money. Coming from a personal investor within mostly a 401k and mostly within a fund of other funds, creating and managing the FVAM fund is an entirely different world. The lessons learned over the last few years have been so fast and furious, and I do everything I can to learn every piece of them as fast as possible, knowing this knowledge will only lead to a higher level of success, constant improvement, and long-term, sustainable, quality returns within the fund. The FVAM fund also provides 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. As well, is to continually improve performance, increase market and business knowledge, and to never stop learning. Although the fund's performance is tracked against the broad market indexes, that is just one type 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.

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 May 2018)

High Level allocation heat map and pie chart:

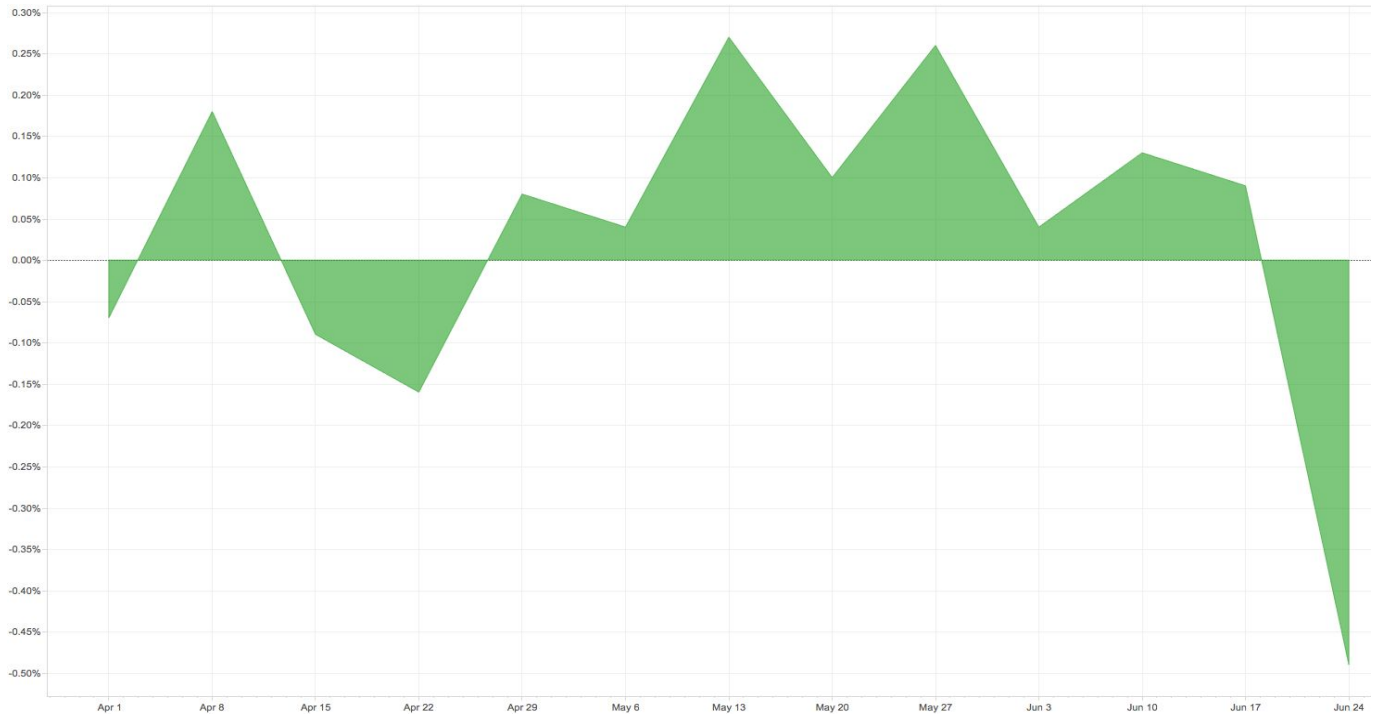


Below shows the further breakdown of only the fund’s individual stock exposure. Currently, the heaviest focus of that exposure is allocated towards Technology and Bio-Tech / Pharma investments.

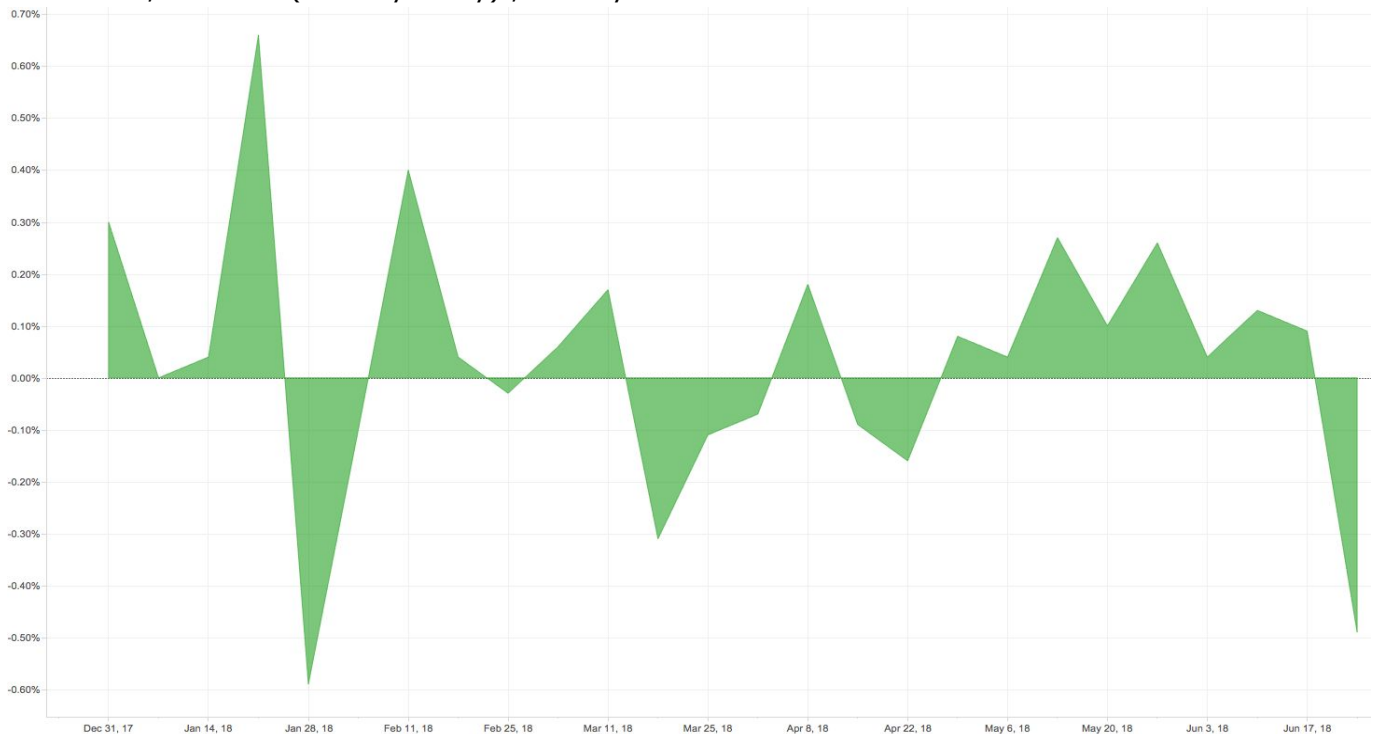


Performance Analysis: Analyzing the breakdown of the Fund's performance, as well as comparisons to other investment vehicles/index, such as the S&P 500, \$BRK-b (Warren Buffett's 'Berkshire Hathaway'), ACWX which tracks the world minus the US (World x-US), and the Russell 2000 small cap index (\$IWM)

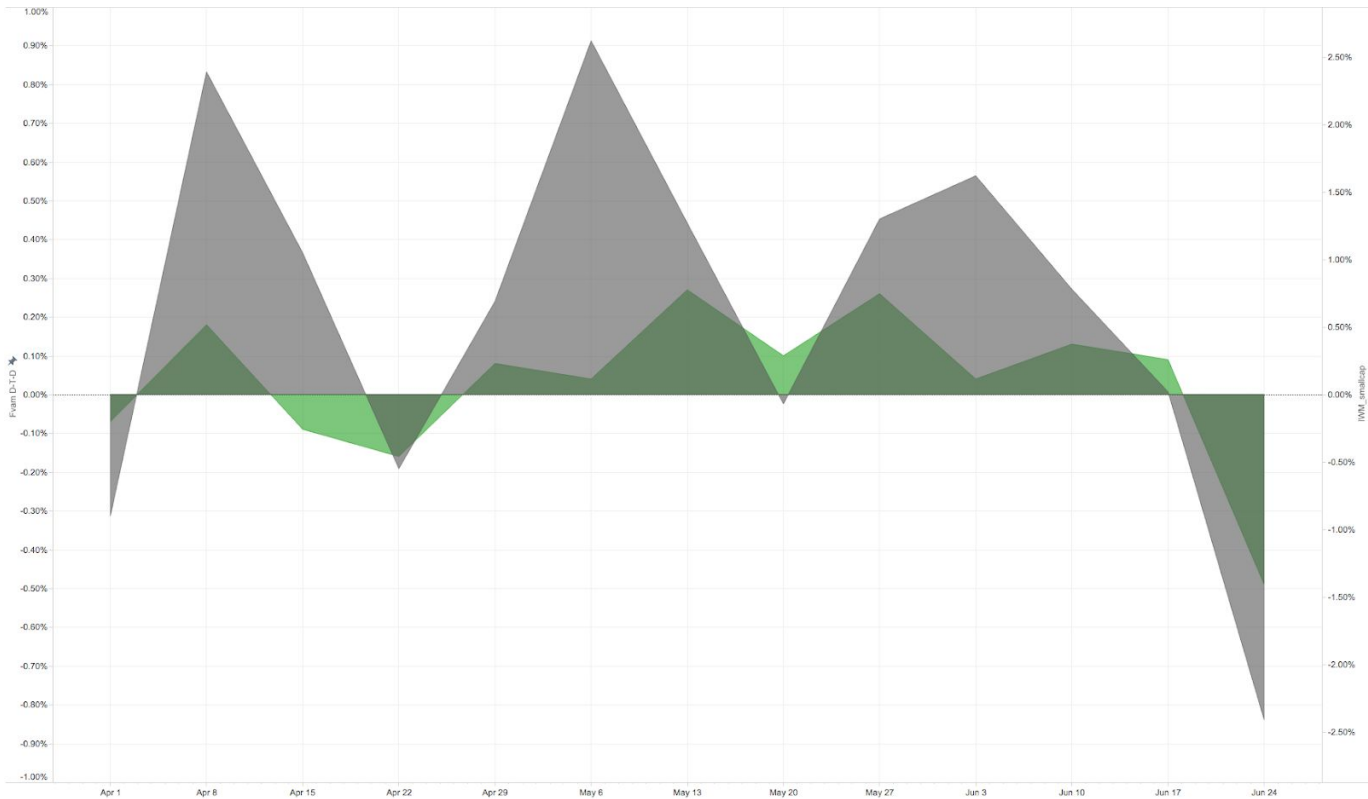
FVAM fund, 2nd Quarter 2018 , Weekly



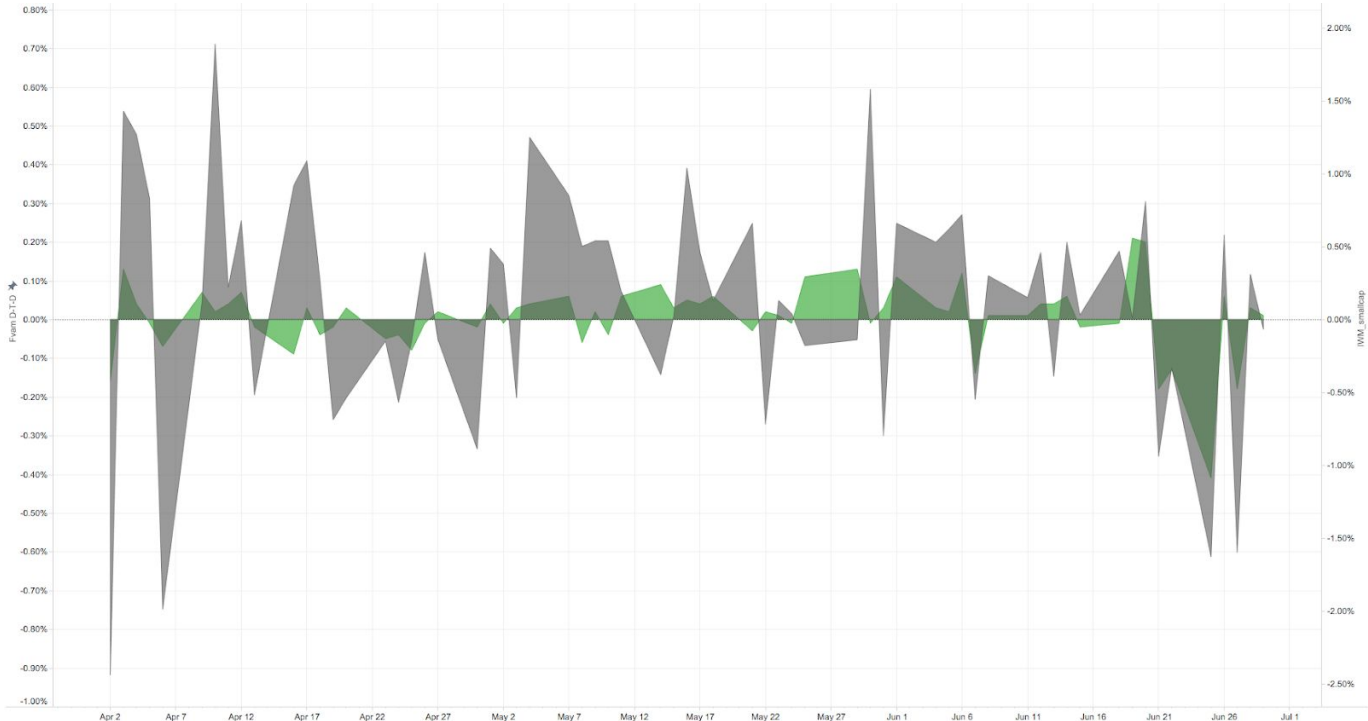
FVAM fund, H1 2018 (January - July) , Weekly



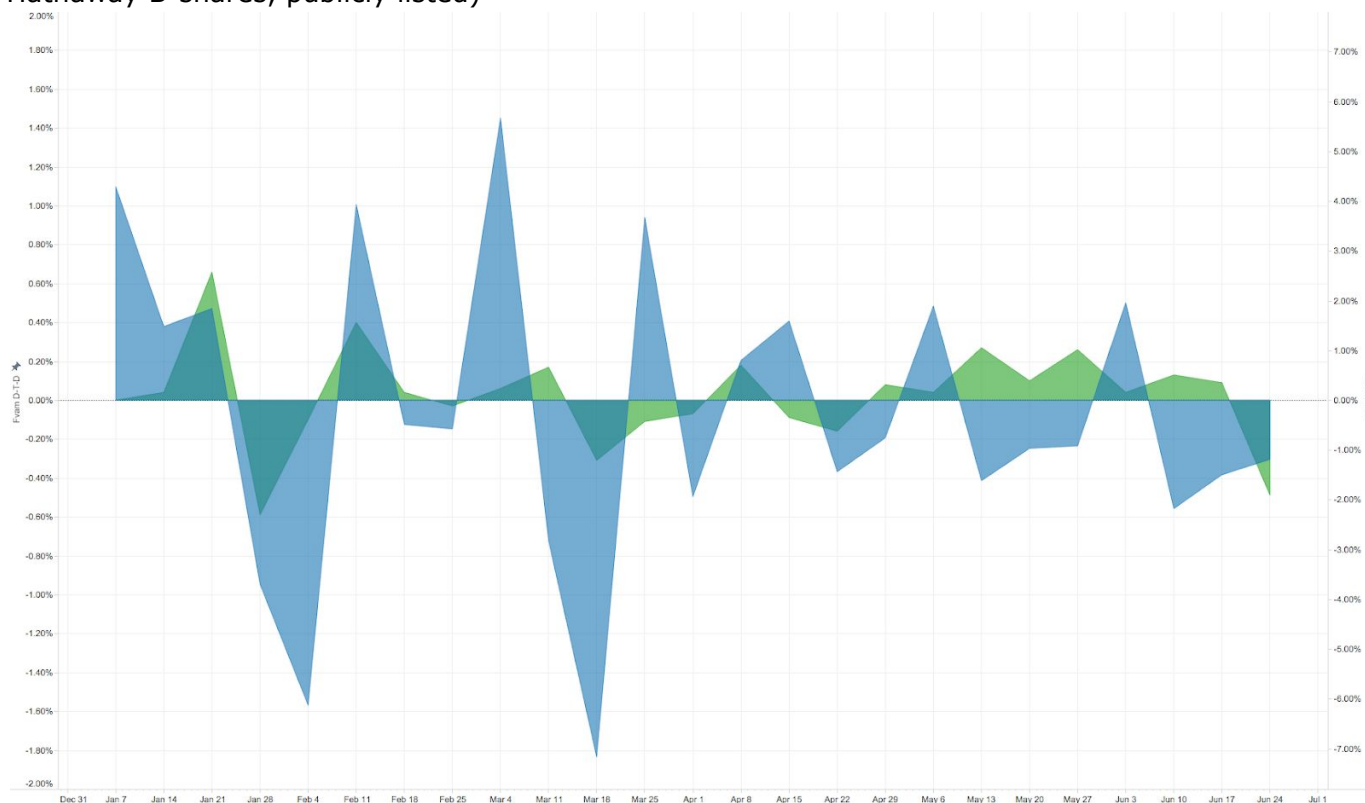
FVAM fund (green) vs IWM (Russell 2000 Small Cap Index, gray) , Q2 2018, weekly



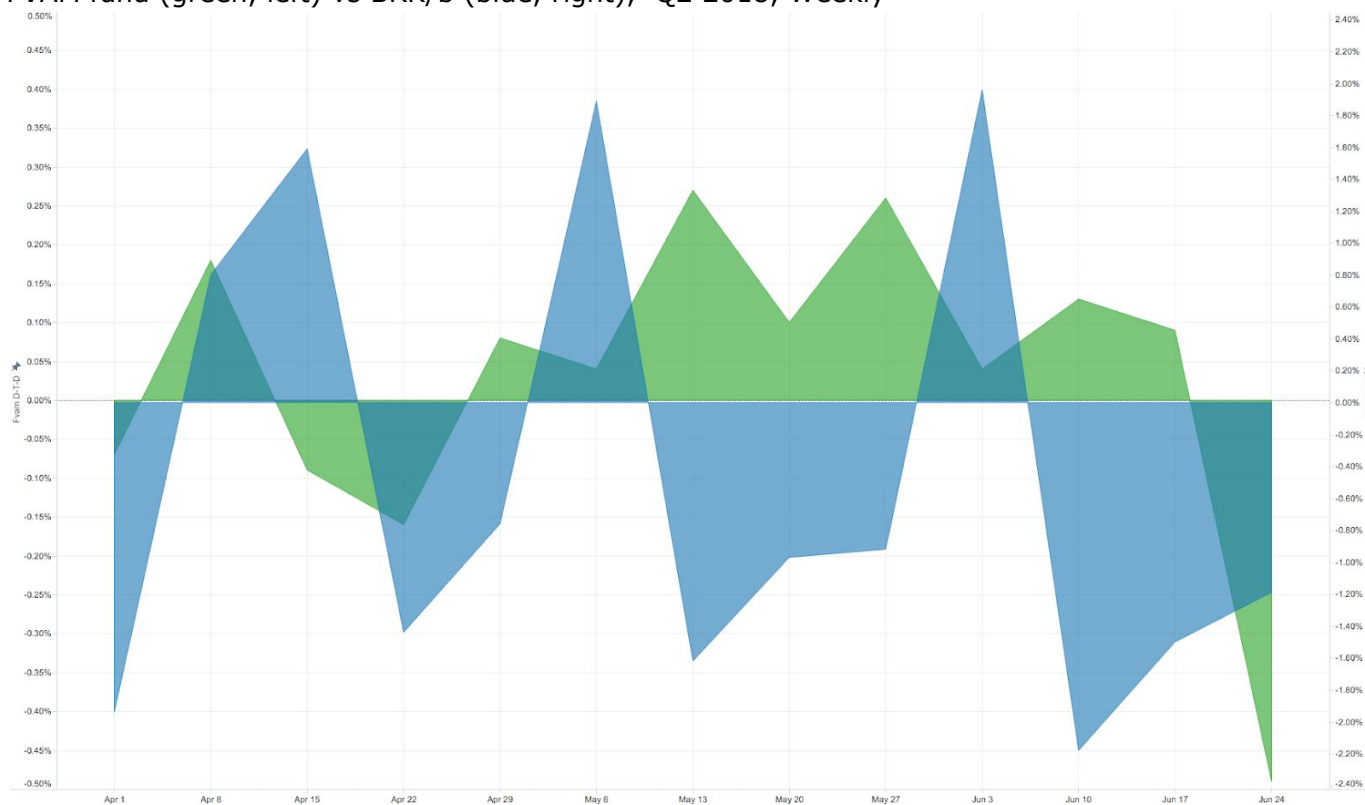
FVAM fund (green) vs IWM (Russell 2000 Small Cap Index, gray) , Q2 2018, Daily



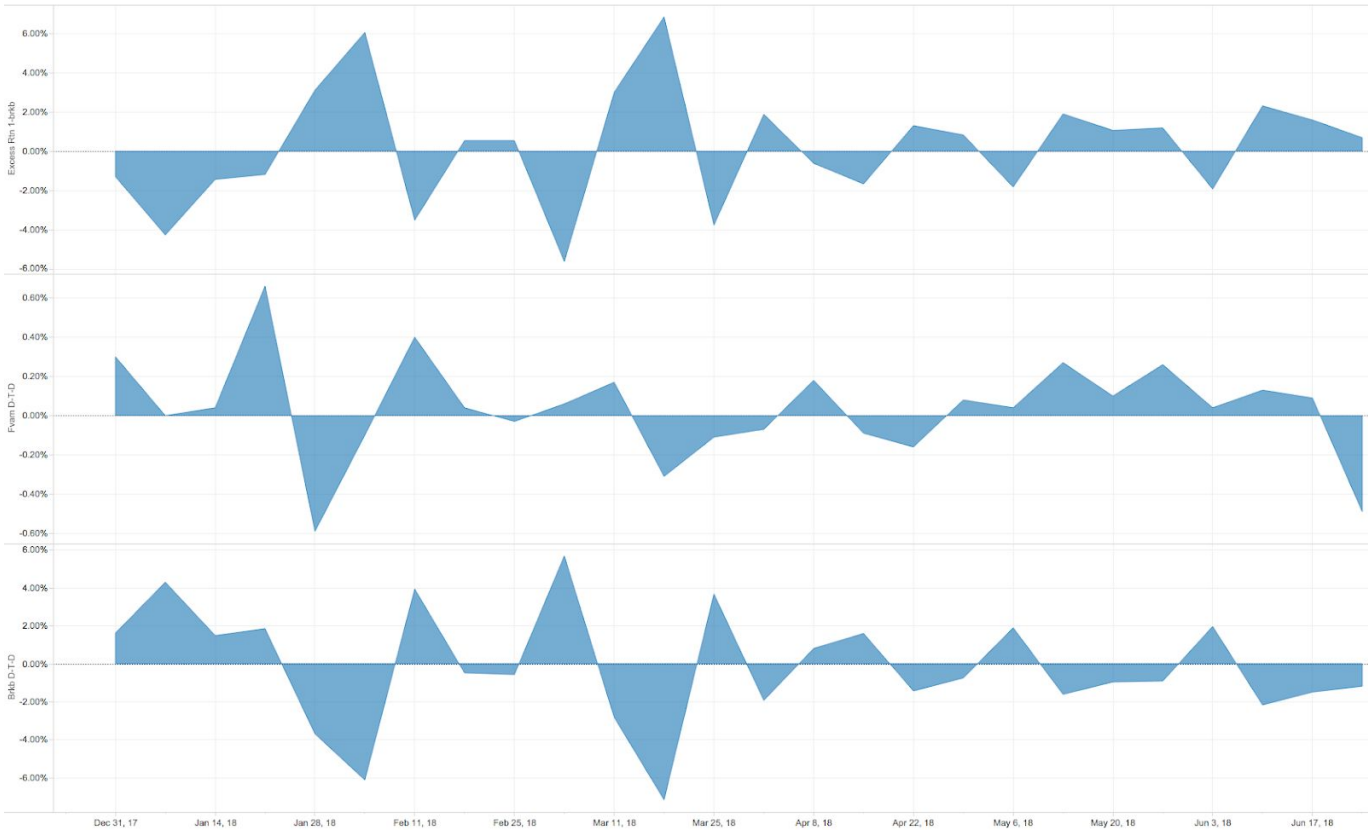
FVAM fund (green, left) vs BRK/b (blue, right), Full-Year 2018, Weekly (\$BRK-B : Berkshire Hathaway B-shares, publicly listed)



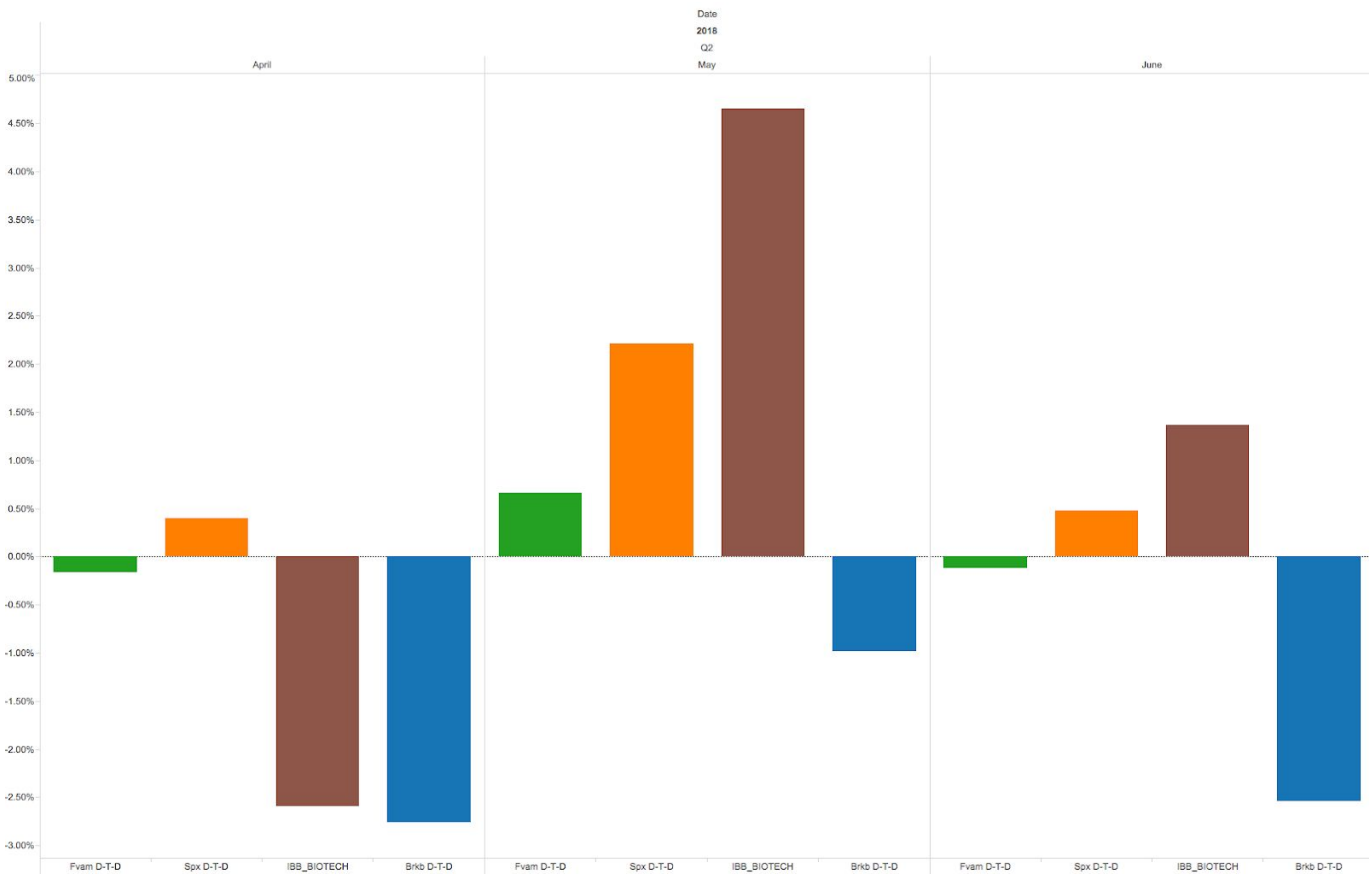
FVAM fund (green, left) vs BRK/b (blue, right), Q2 2018, Weekly



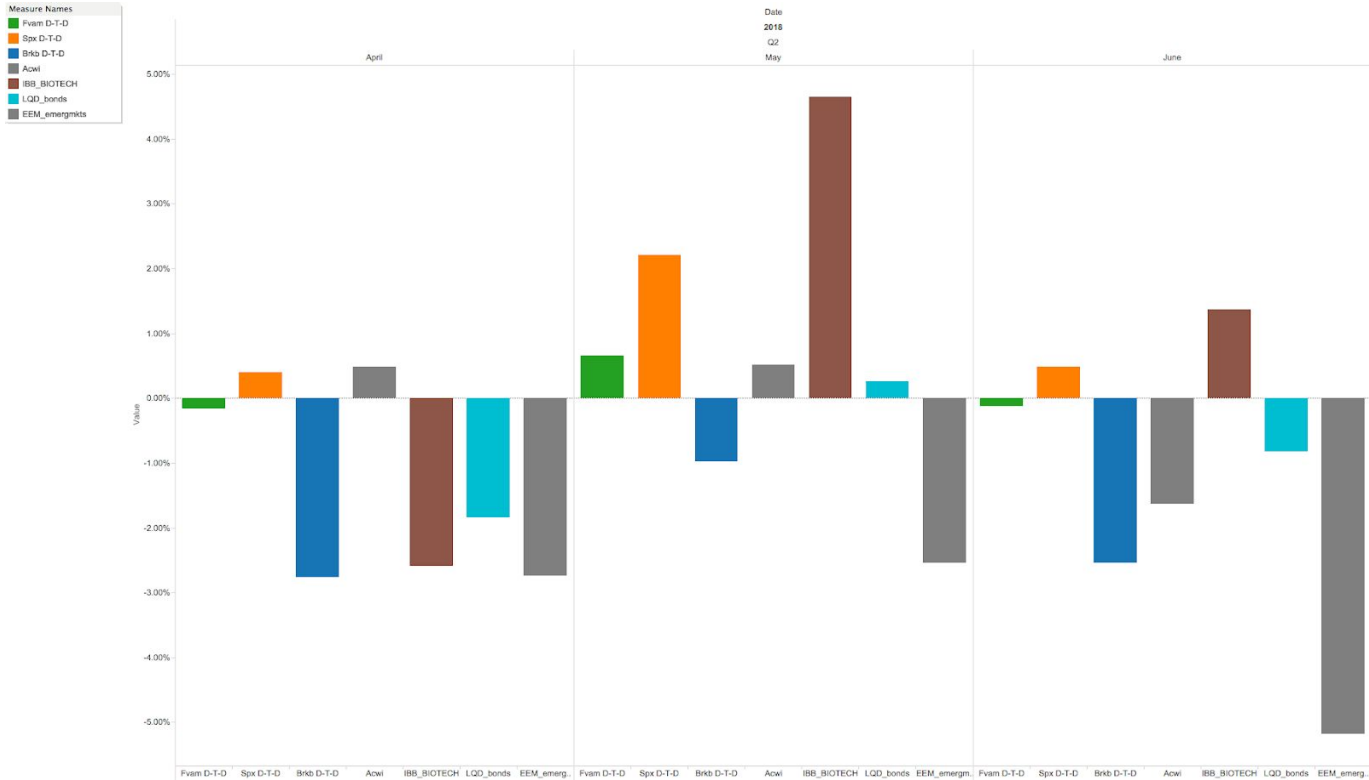
FVAM vs BRK/b and relative (excess) return (FVAM vs BRK/b), weekly, H1 2018 (Jan-Jun)



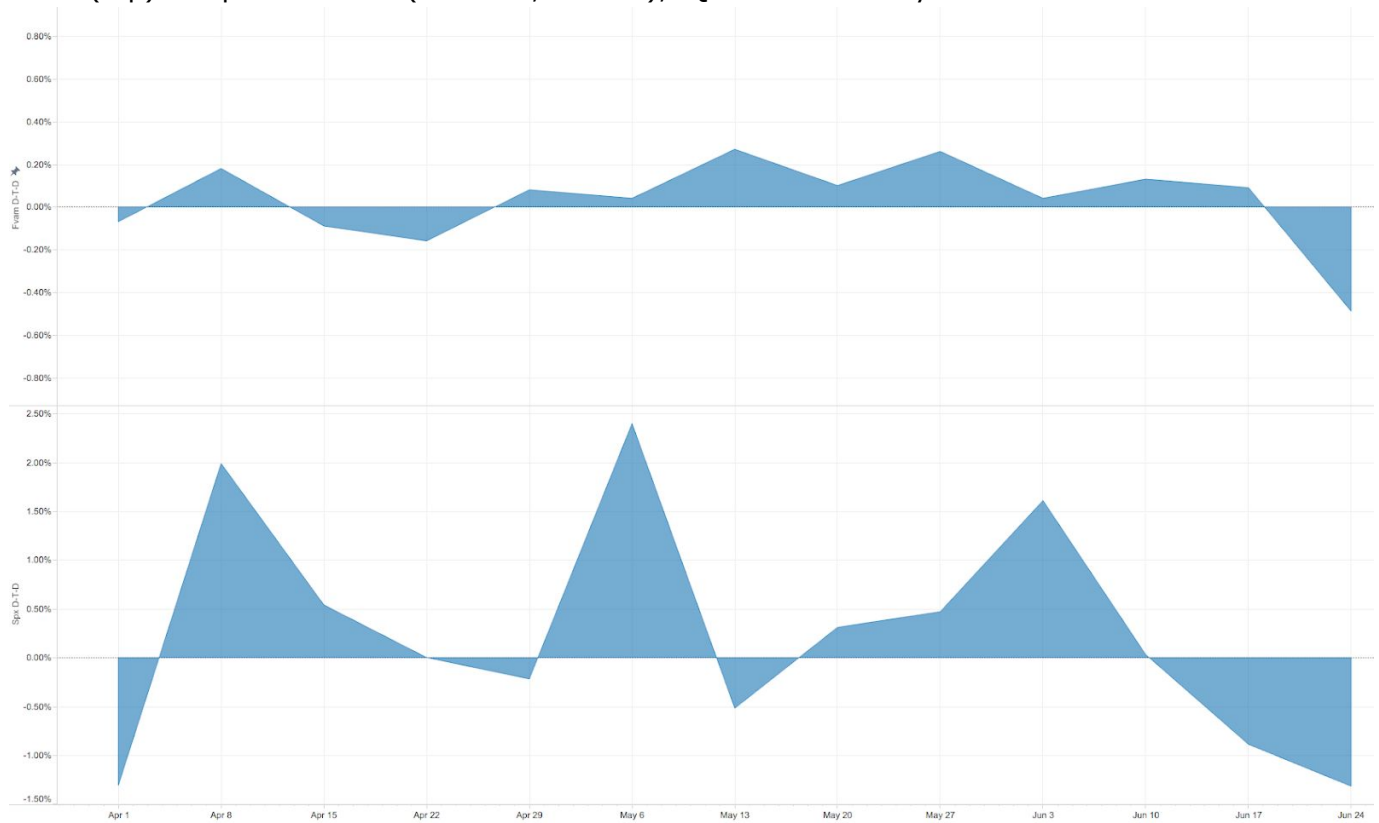
FVAM (Green) vs S&P500 vs IBB (BioTech Index Fund) vs BRK/b (Berkshire Hathaway) , 1st Quarter - 2018



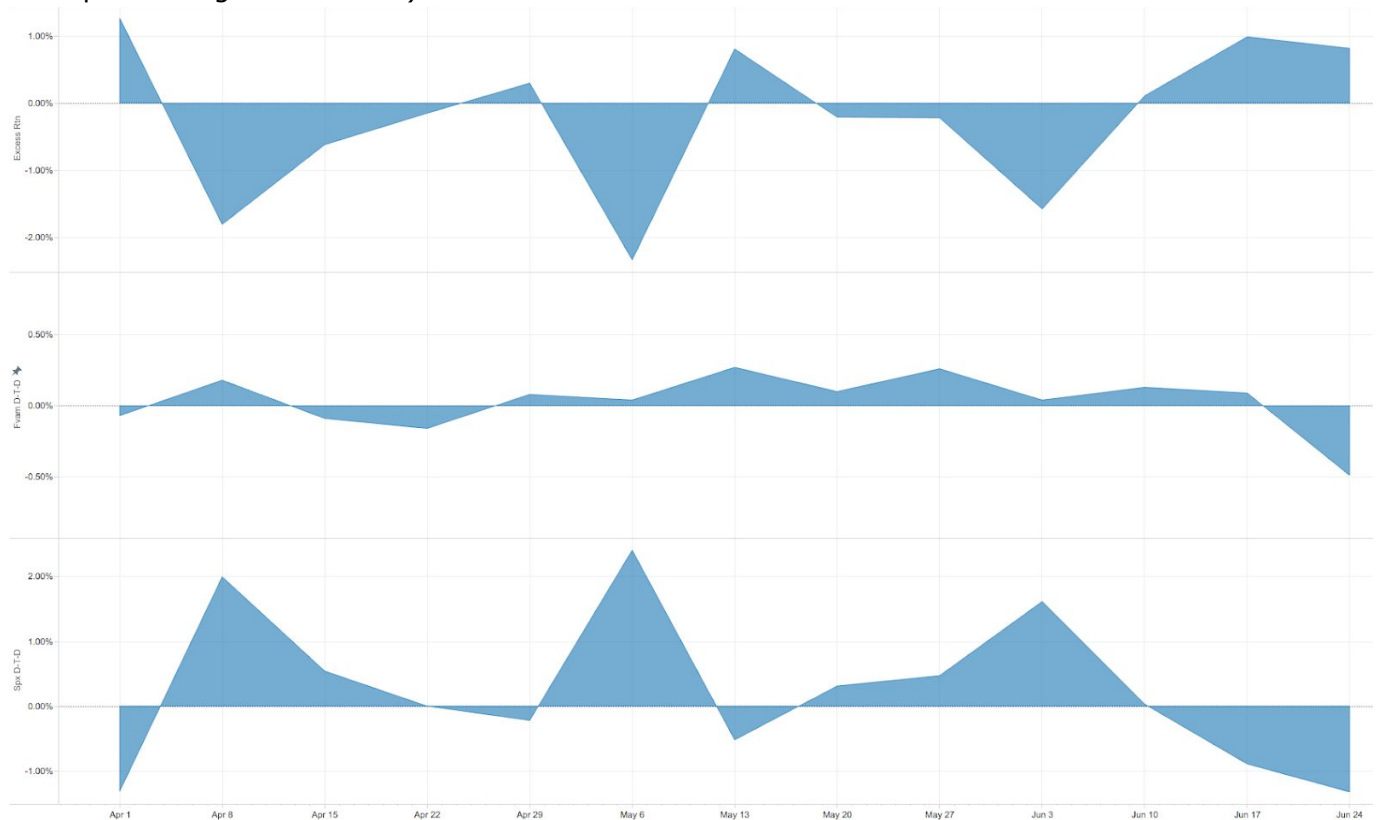
FVAM vs S&P500 vs BRK/b (Berkshire Hathaway) vs ACWI (World Index) vs IBB (BioTech Index Fund) vs LQD (Bonds) vs EEM (Emerging Markets , Q2 - 2018



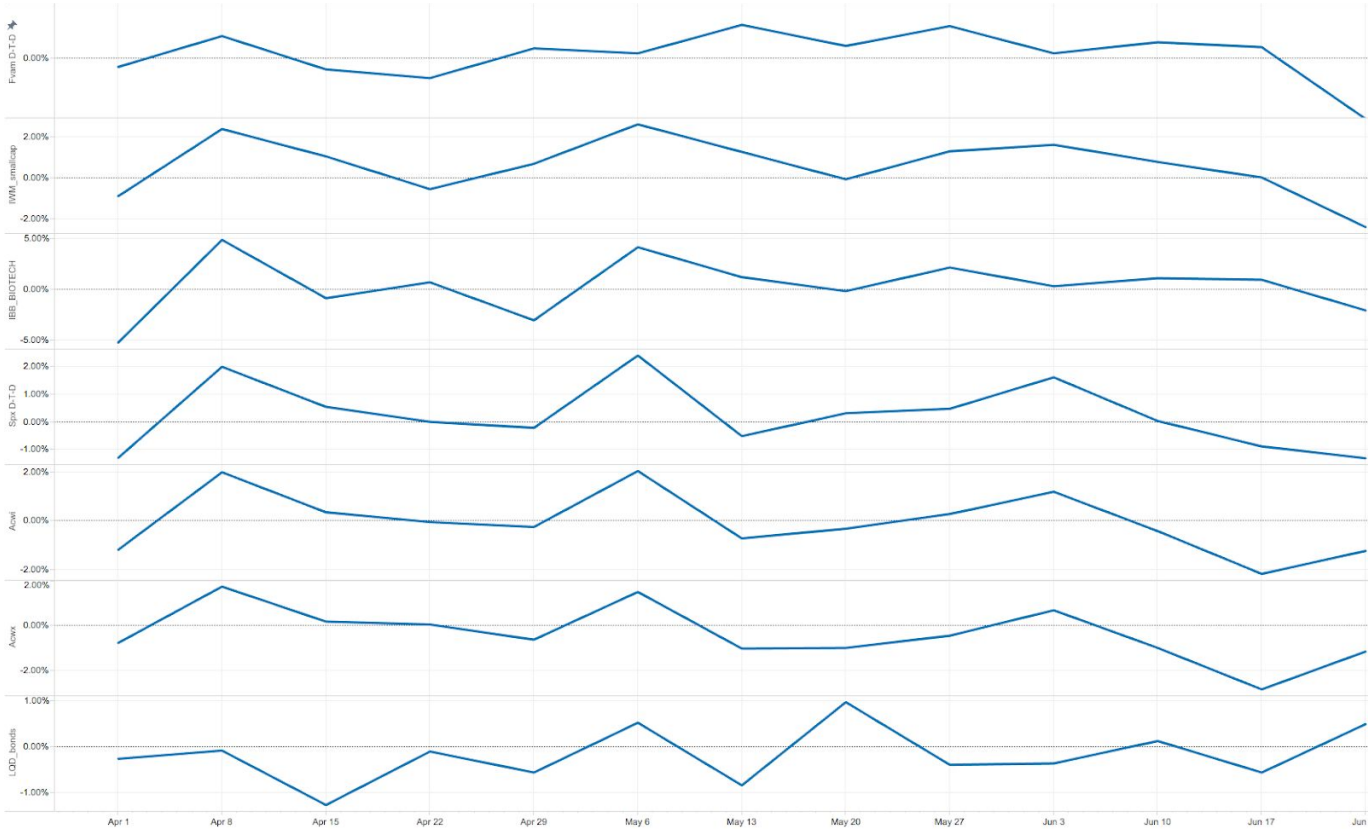
FVAM (top) compared to SPX (S&P 500, bottom), Q2 2018 - Weekly



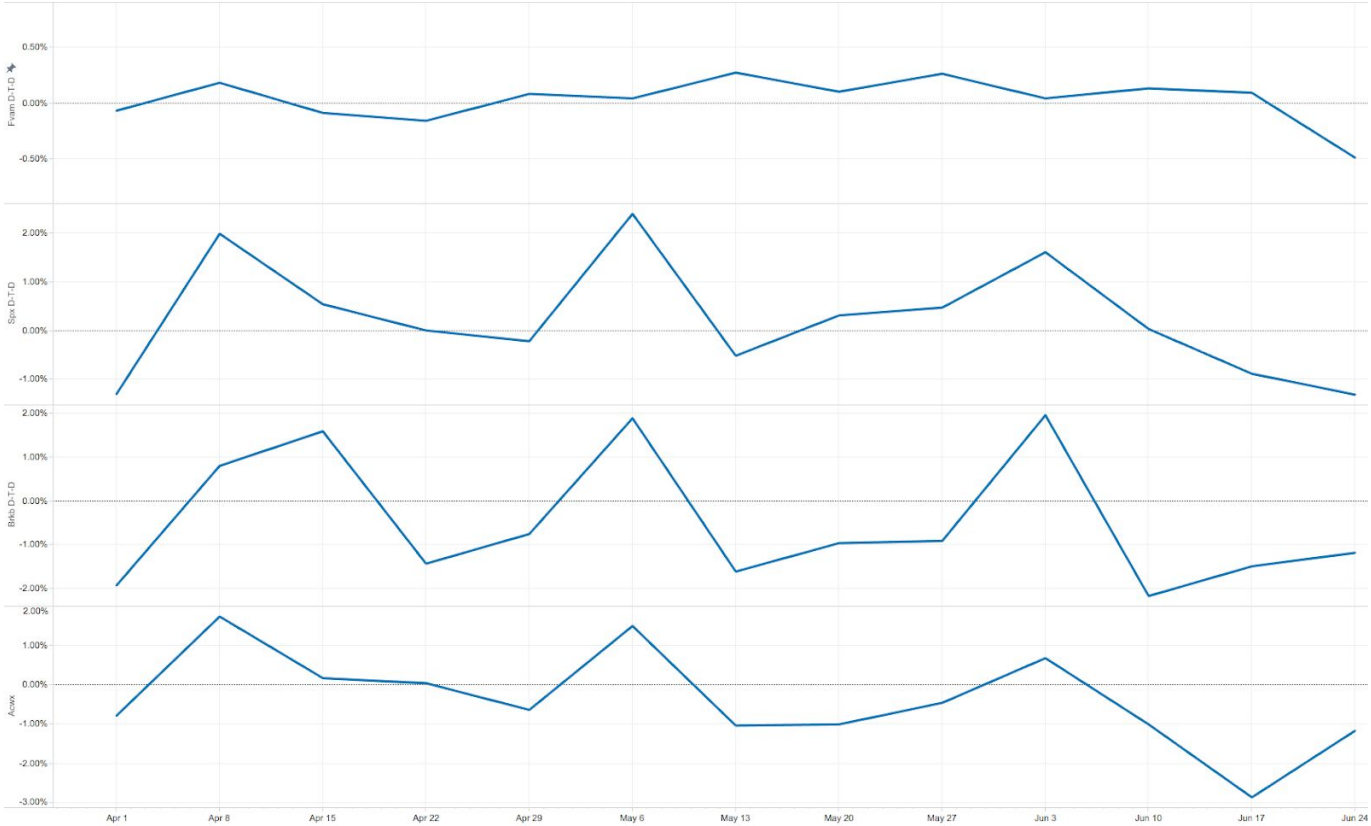
FVAM vs SPX and relative return (FVAM vs SPX), weekly, Q2
 (*excess return shows FVAM vs SPX, shows by how much FVAM is outperforming or underperforming the S&P 500)



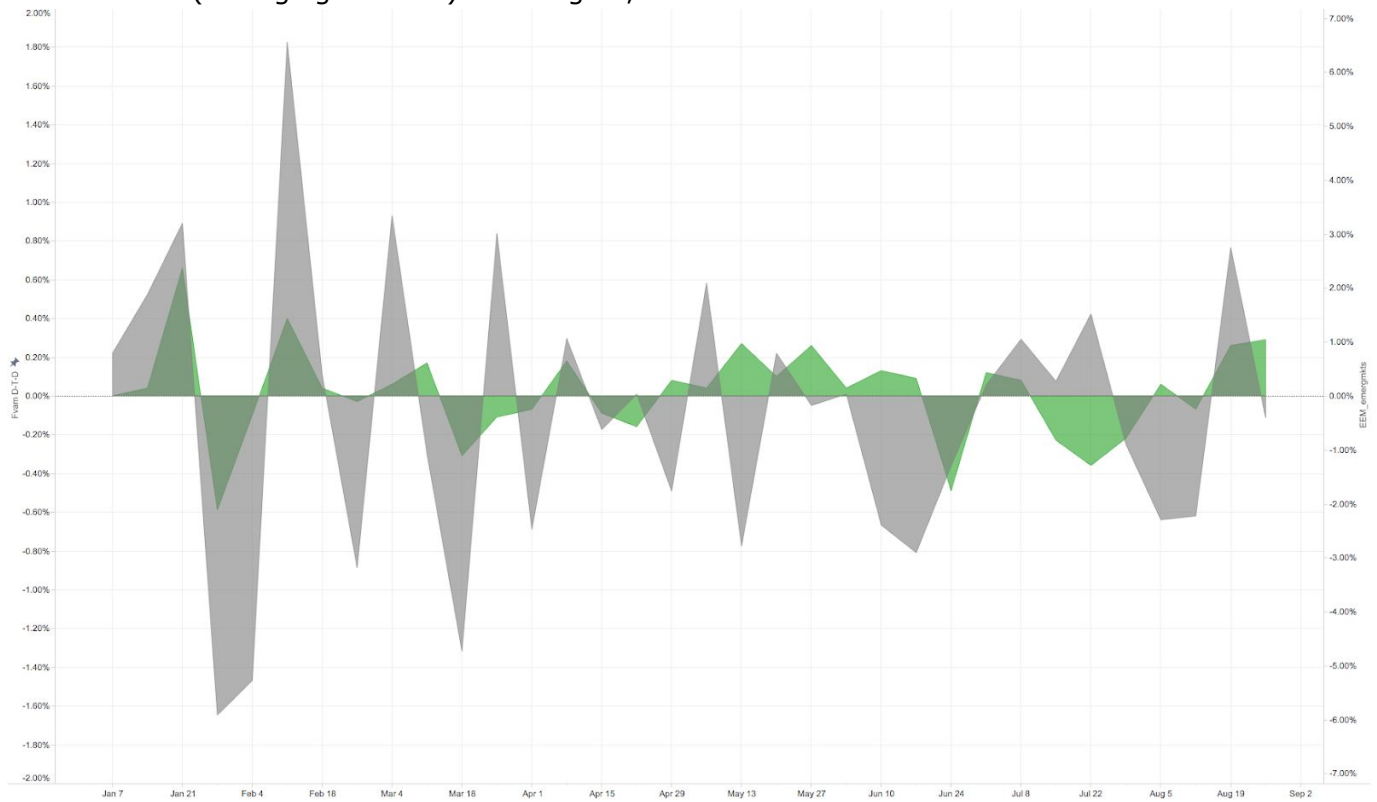
FVAM vs IWM (small caps) vs IBB (biotech) vs SPX (S&P 500) vs ACWI (world index) vs ACWX (world x-US) vs LQD (bonds), Weekly, Q2



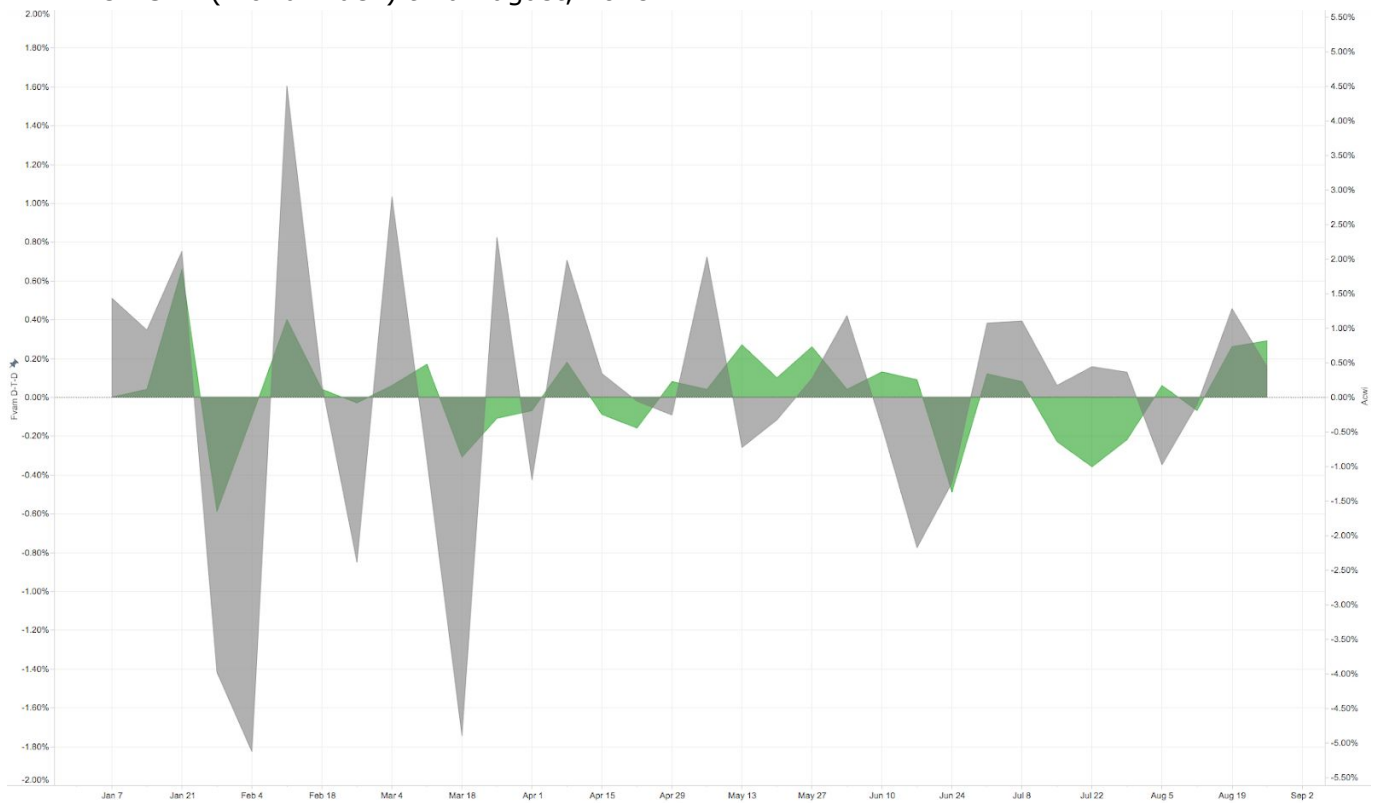
FVAM vs S&P 500 (\$SPX) vs Berkshire Hathaway (\$BRK/b) vs \$ACWI (World Index) vs \$IBB (BioTech), vs \$LQD (Bonds), weekly, Q2:



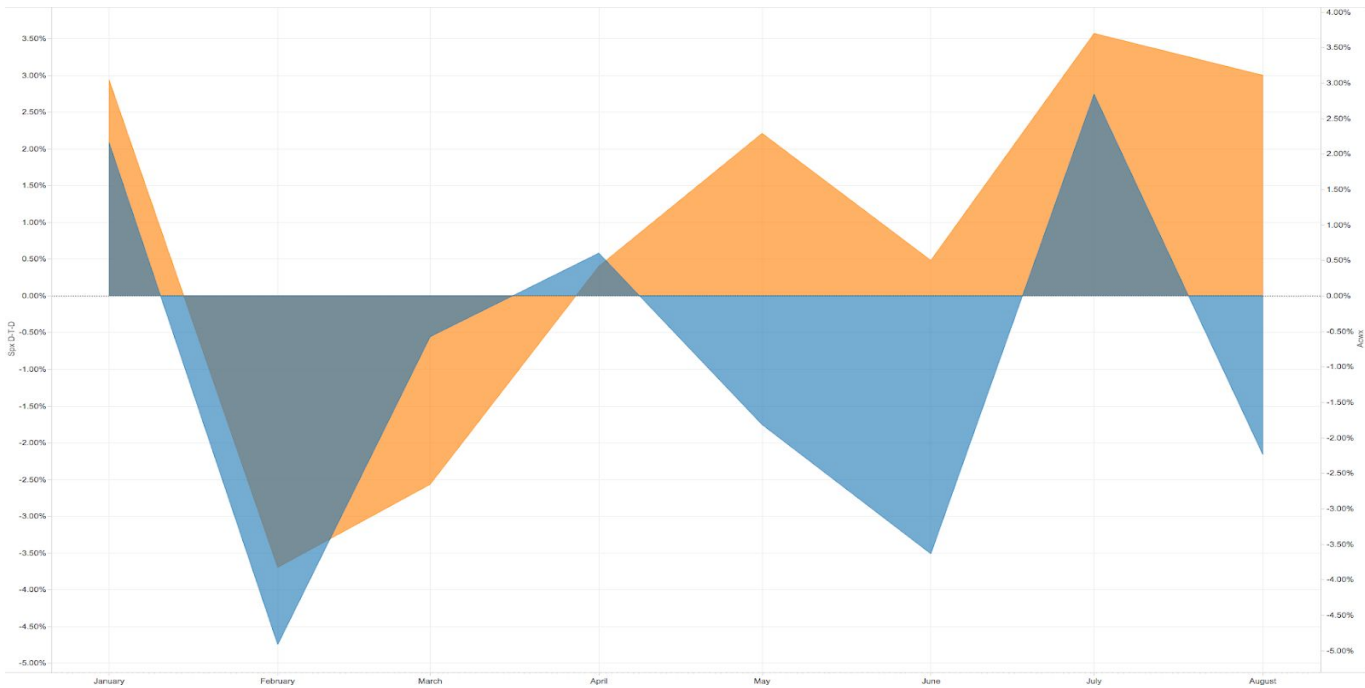
FVAM vs EEM (Emerging Markets) thru August, 2018



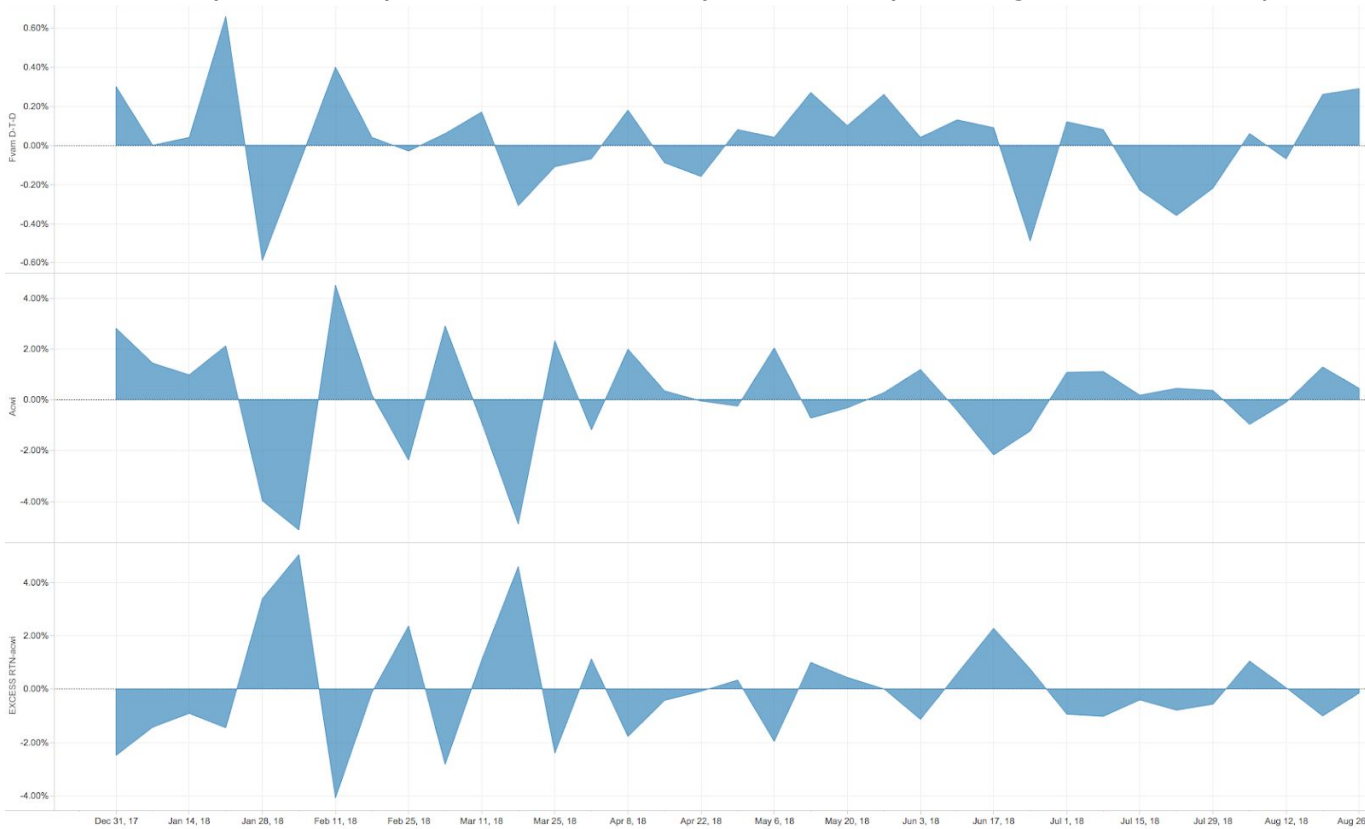
FVAM vs ACWI (World Index) thru August, 2018



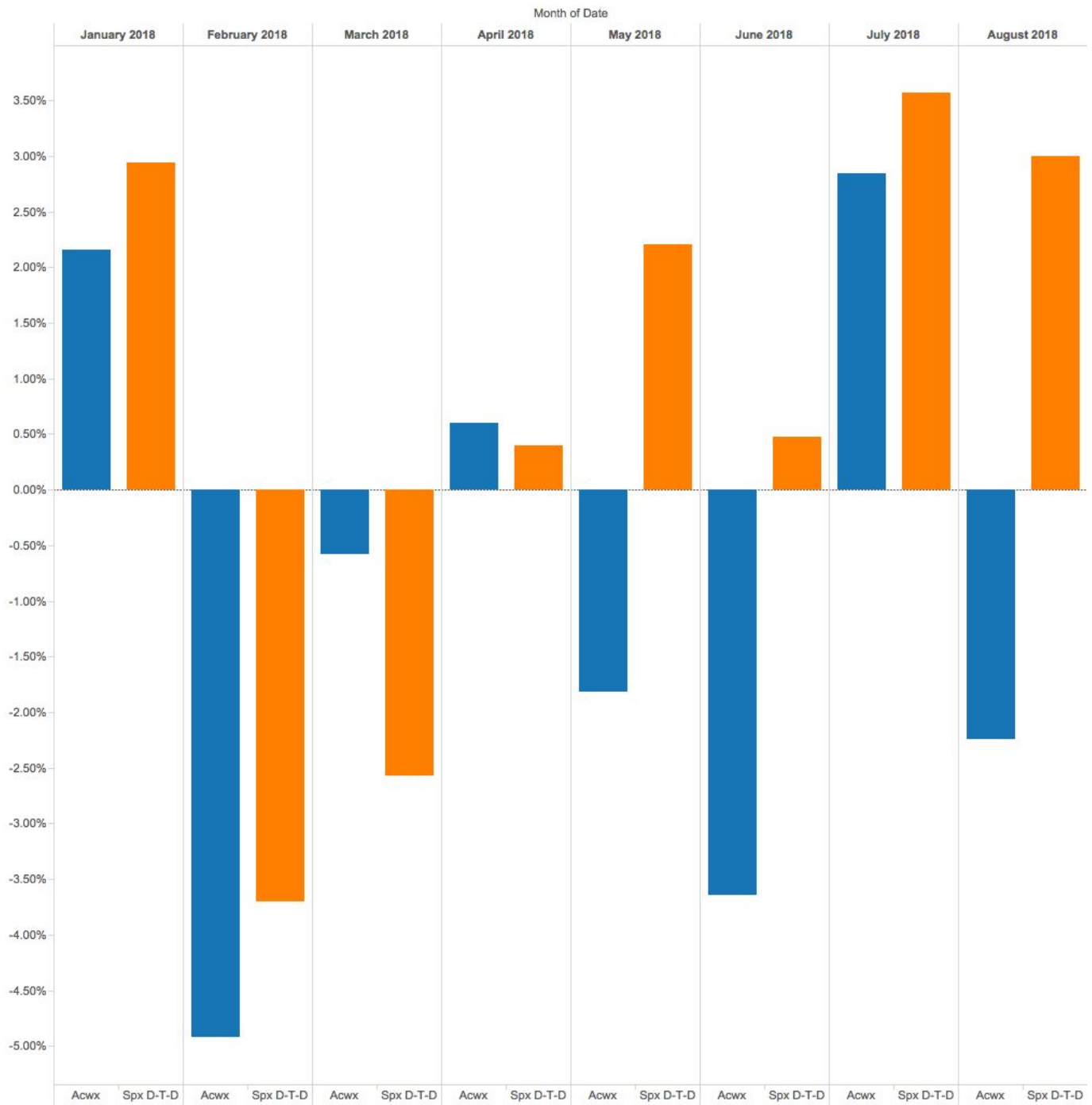
S&P 500 (orange) vs ACWX (World Index minus U.S.), thru August 2018, monthly



FVAM vs ACWI (World Index), with Relative Return (excess return) thru August 2018, monthly



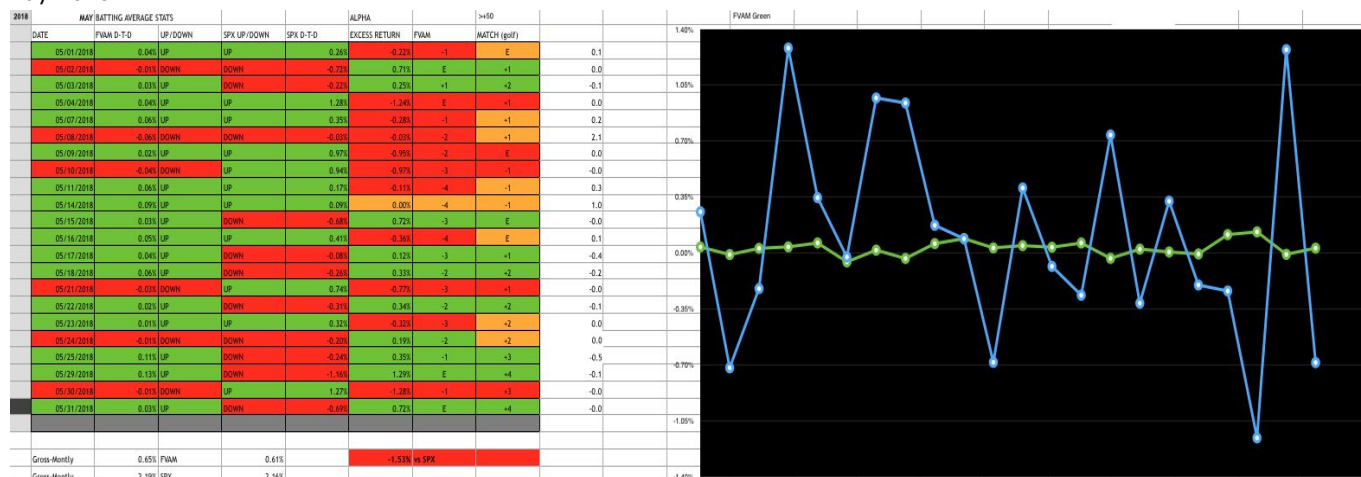
ACWX (World Index minus USA, blue) vs S&P 500 (orange) , thru August 2018, monthly



Reference 1: FVAM Fund Performance Stats (showing view of May 2018, FVAM vs SPX, Statistics)

The data below, displaying just May 2018 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 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&P500 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")).

May 2018



*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 Nasdaq 100 Index, showing each stock within the index/sector along with its relative size and weight compared to the overall index (*as of Oct 2018)

