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FVAM Fund Quarterly Portfolio Report
Q2 - 2021

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

This Report describes the Fanvestments Diversified 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 2021, 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, currency, and commodities, for the goal of price & capital appreciation, and 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, and some stock ETF exposure. The fund applies multiple strategies, from fundamental research looking at earnings, revenue, growth rates, and valuation, to analysing 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 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", 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, utilizing more of a "buy the blood" strategy - buy low-sell high, as a fundamental mindset. 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 investing involving individual stock picking alongside minimal hedging against general market risk, as well as having low market correlation producing fund-specific returns. "401k meets Alternative Investment fund". The FVAM fund will also invest in other investment funds, indexes, and ETFs from time to time, for opportunity and to obtain that much more diversification, and to lower overall volatility and risk. 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 cases, the fund will utilize options strategies for short exposure vs outright selling short, such as index/ETF options, VIX (volatility) options, positional hedges (puts or covered calls). 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.

Another major objective of this fund is to begin replacing the "40" of a typical "60-40" portfolio, where 60% is towards stocks, 40% in Bonds. This bond exposure is meant to reduce volatility and risk in a portfolio, with bonds normally having a lower return. FVAM's risk management strategy and diversification should also reduce overall risk relative to stock investing, but have a much higher probability to outperform bonds and CDs. 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. An index, like the S&P 500, is also a collection of assets, with ~500 individual stock holdings. 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 indices. 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.

Q2 Highlights

For the 2nd Quarter of 2021, the FVAM fund was just slightly positive, producing a 0.06% return, close to flat but another positive quarter after Q1's strong 5.2% return. The fund was down 0.53% in April, up 0.75% in May, and down 0.16% in June. On a 1-year basis, from July '20 thru June '21, FVAM is up 15%. For the Quarter, the S&P 500 was up about 7.9%, with the small cap etf IWM, up about 4.2%. The ACWX etf, which tracks stocks around the world excluding the United States, was up about 4.3% for the quarter. 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/or commodity, lower risk & volatility, and with equity exposure around 82% of the fund, the fund's performance and volatility is analyzed against the index, an all-stock index. Another reference point, a more relative and important comparative benchmark for the fund, is Warren Buffett's Berkshire Hathaway. Using the BRK/b shares, Berkshire was up ~8.6% for the 2nd quarter of 2021, although down 4% in June. FVAM finished 2020 up just over 10%, with the 1st half of 2020 up 0.6%, while the first half (H1) of 2021, the fund was up 5.2%.

The fund's top performing investments through the end of the 2nd quarter were Tilray (TLRY), Vir Biotechnology (VIR), and WW International (WW) as the top three. Following them up were crypto Ethereum (via grayscale's ETHE), Baidu (BIDU), and DraftKings (DKNG), with Advanced Micro Devices (AMD), Raytheon (RTX), Cronos Group (CRON), and Clover Health (CLOV) rounding out the top 10 investments for the quarter. Ether, Raytheon, Clover Health, Vir Biotech, Tilray, Baidu, and Spirit Aerosystems have all been sold in full for sizable gains. Exposure to the homebuilders' sector was decreased, which the fund owned Toll Brothers (TOL) and Beazer Homes (BZH), and began selling both. Both had reached what I call, "Terminal Value", meaning limited upside, if any. Homebuilders also got a strong bump from Covid19 and the stay-at-home theme, which has begun to fade. Also, if looking back to 2005, while the economy and markets ran up for another couple years, homebuilders reached a mid-term "Terminal Value" at similar prices to this year, and trended down for the next few years. So far, the decision has been correct, TOL down 14% since May, BZH down 30%. In the quarter, the fund increased investments in World Wrestling (WWE), Coupang (CPNG), and Vertex Pharma (VRTX). New core positions were initiated in Bumble (BMBL), AMD Semi, Didi Global (DIDI), and Splunk (SPLK), all intended for longer-term investments. The Fund began buying Splunk in June around \$140/share, which is in the business of Big Data Analytics, Machine learning, AI, Cloud, IT Infrastructure Monitoring, as well as CyberSecurity solutions. Some of Splunk's clients include Domino's Pizza, Slack, Zoom, Porsche, and Intel. After running to just over \$225/share last August, SPLK sold off down to \$112 in June. From a technical basis, the stock looks to have broken its downtrend since that peak, and is beginning to gain strength. Based on its Q2 earnings report, Total ARR (Annual Recurring Revenue) grew 37% to \$2.63 billion, with total revenue up 23% year-over-year, to \$606 million. Target price just above \$285 going out 1-2 years, shorter-term looking for \$190. Using an average of 12-14x Sales with 37% growth, compared to some of its competitors or peers, averaging closer to 40x Sales with 50% growth. Can read more about Splunk here : [Splunk Q2-2021 Earnings](#)

Looking into Q3 2021, new positions were initiated in Sofi Technologies (SOFI) and Carnival Cruise Lines (CCL). Sofi is a digital financial services company, within the red-hot financial technology sector, "FinTech". They developed a financial platform offering services within Lending, Financial Services, and Technology. The fund owns SoFi just above \$15/share, with the stock trading just under that level. Current price-target looking out 2-3 years at \$35, about 130% upside. Using 5x book value to reach a fair-value of \$35, with expectation of 40-50% revenue growth over the next few years. Looking at Q2 earnings, SoFi's net revenue grew 101% year-over-year. Total members of SoFi grew 113% year-over-year to 2.6million. For 2022, expecting \$1.5 billion in revenue, using a 15x sales multiple, should get SoFi to \$27 by late next year.

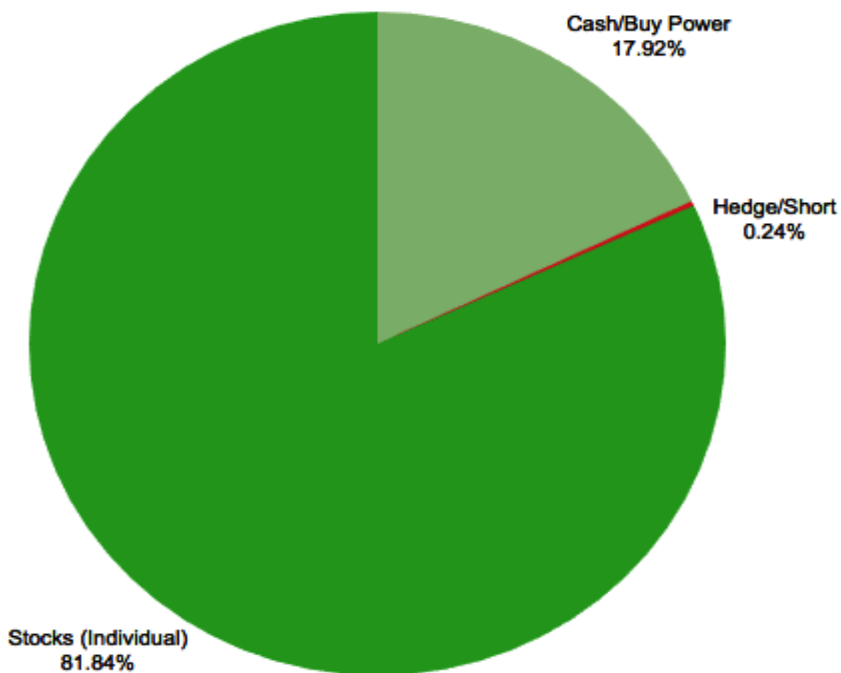
Can read more about SoFi here: [SoFi Investor Relations](#)

Carnival Cruise, which was sold back in March with about a 40% gain, was bought back just below \$24. The stock went from \$18 to \$31 from February to June, then back down and found support just below 20. Strategy here is part of the post Covid19 recovery, vacation/travel theme. Pre-Covid, CCL hit a high of \$72 in February of 2018. Price target looking out 6-12 months at \$40, more of a technical target. If using 3x book value would get the stock to \$46.

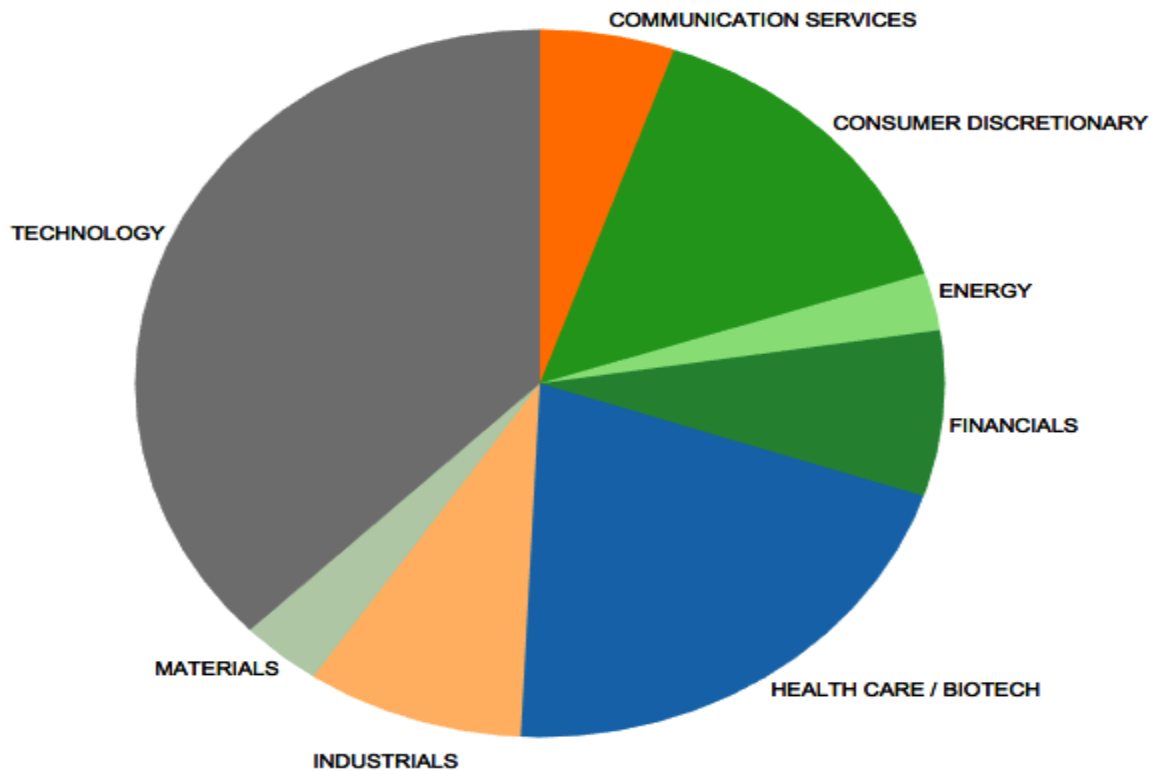
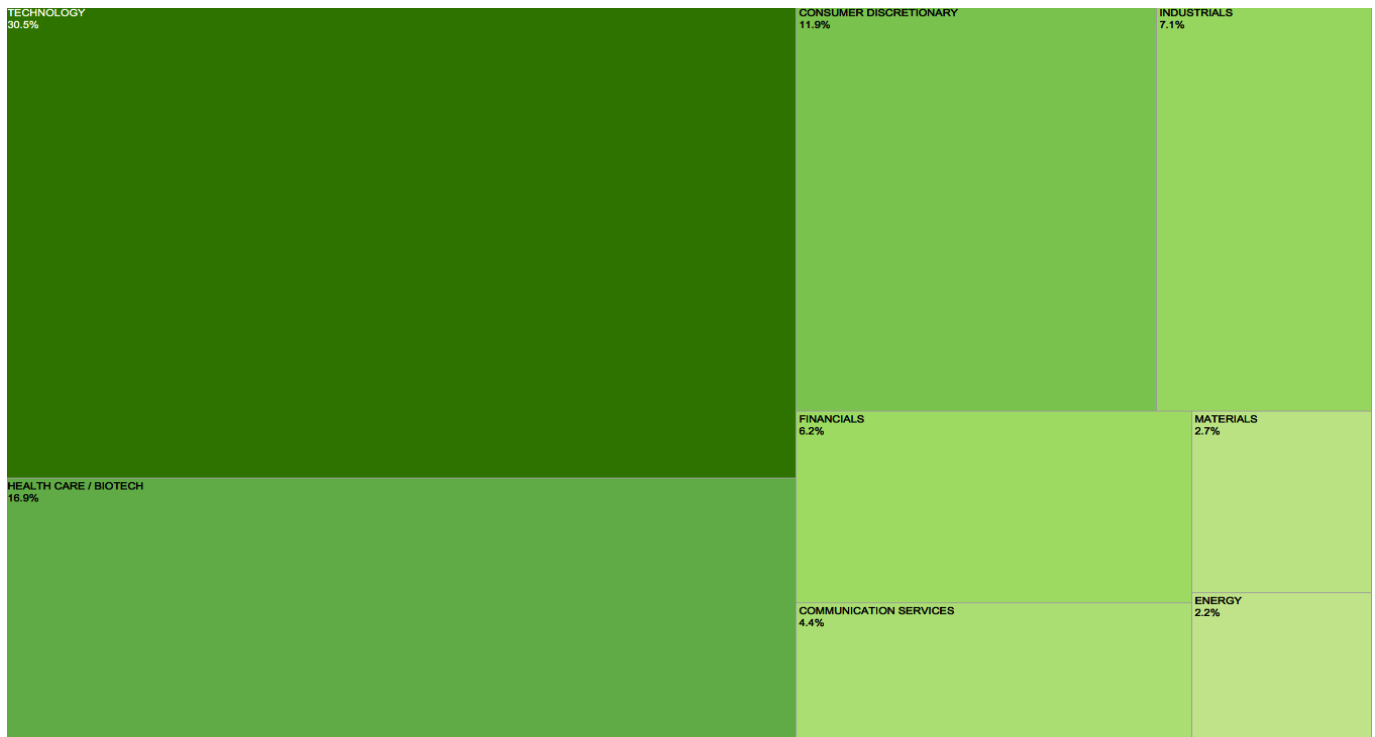
Can read more about CCL here: [Carnival Q2 Earnings](#)

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 April 2021)

High Level allocation heat map and pie chart:

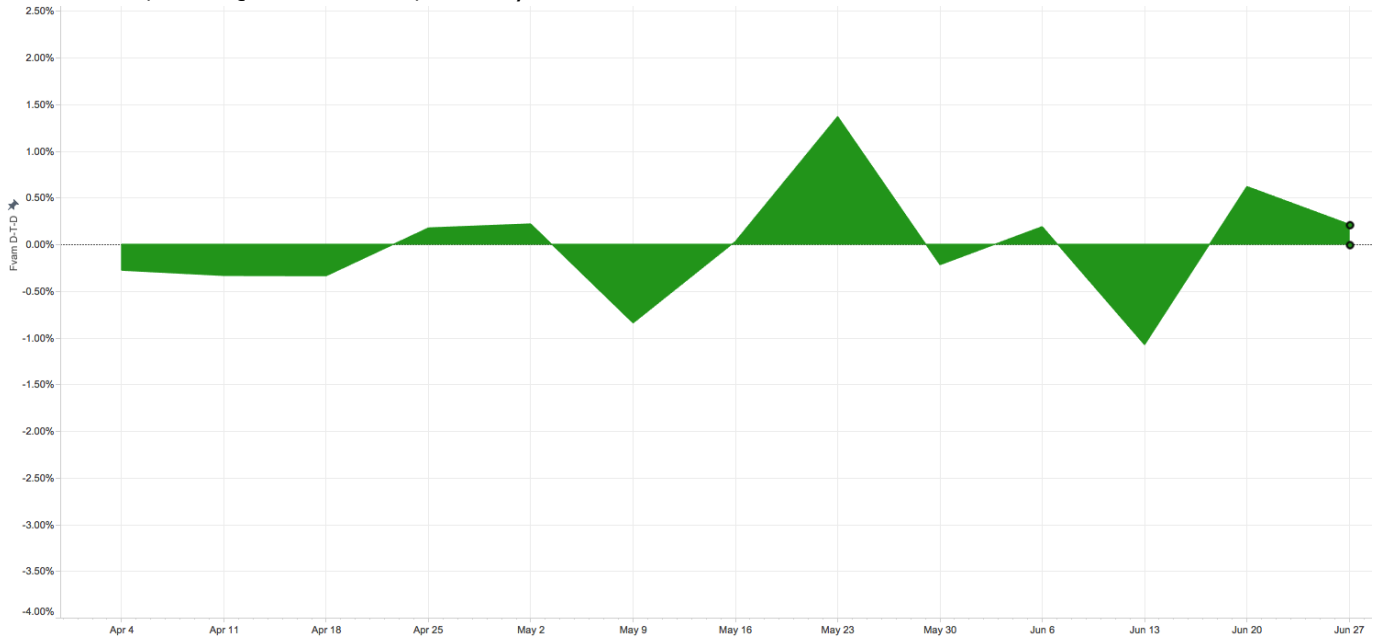


Below shows the further breakdown of only the fund's individual stock exposure. Currently, the heaviest focus of that exposure is allocated towards the Technology sector, as well as the Healthcare / Biotech sector

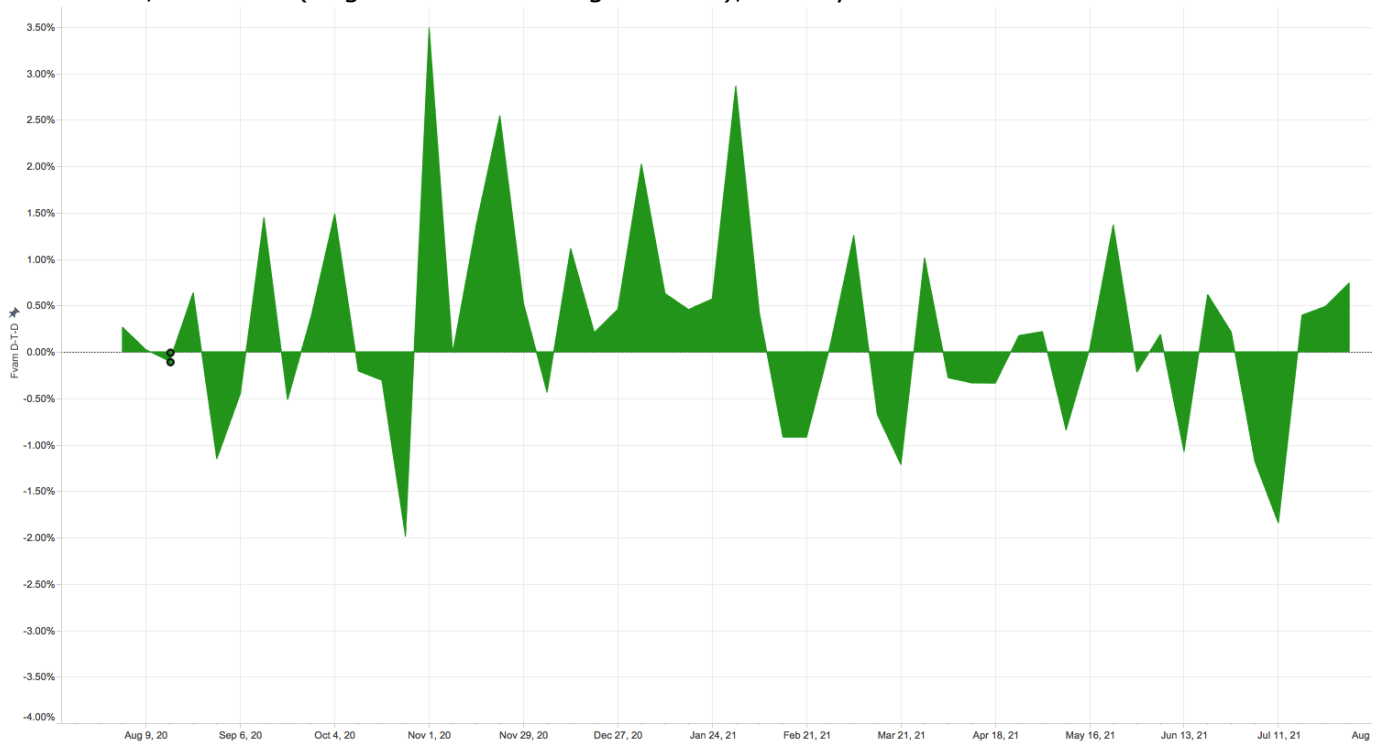


Performance Analysis: Analyzing the breakdown of the Fund's performance, as well as comparisons to other investment vehicles/index, such as the S&P 500, \$BRK-b (Warren Buffett's 'Berkshire Hathaway'), ACWX which tracks Global Markets minus the US (World x-US), and the Russell 2000 small cap index (\$IWM)

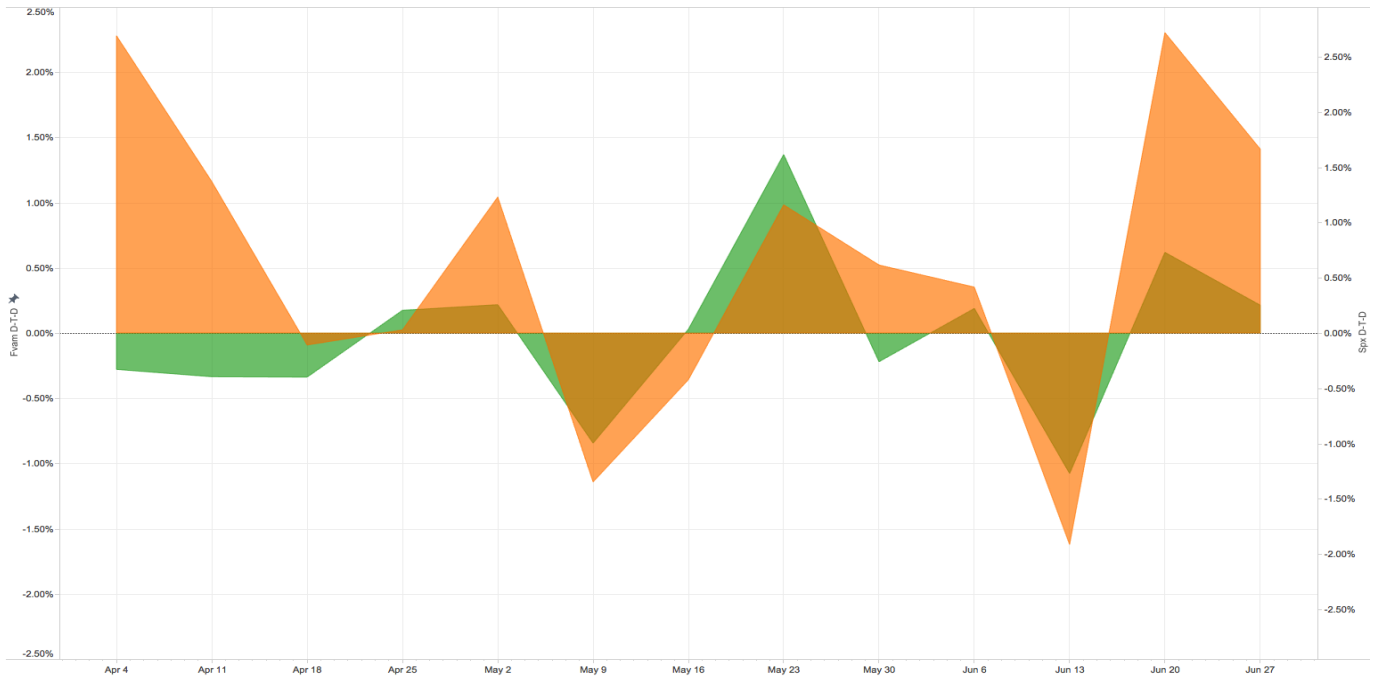
FVAM fund, 2nd Quarter 2021 , Weekly



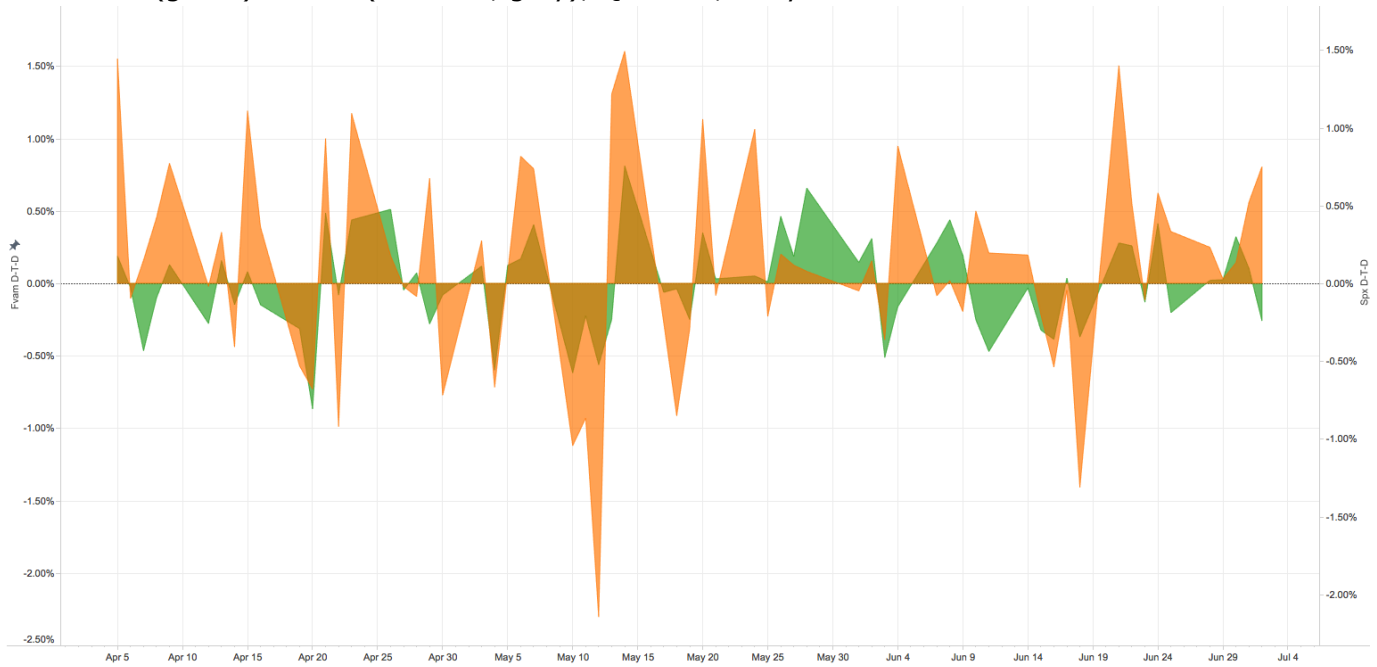
FVAM fund, One-Year (August 2020 thru August 2021), Weekly



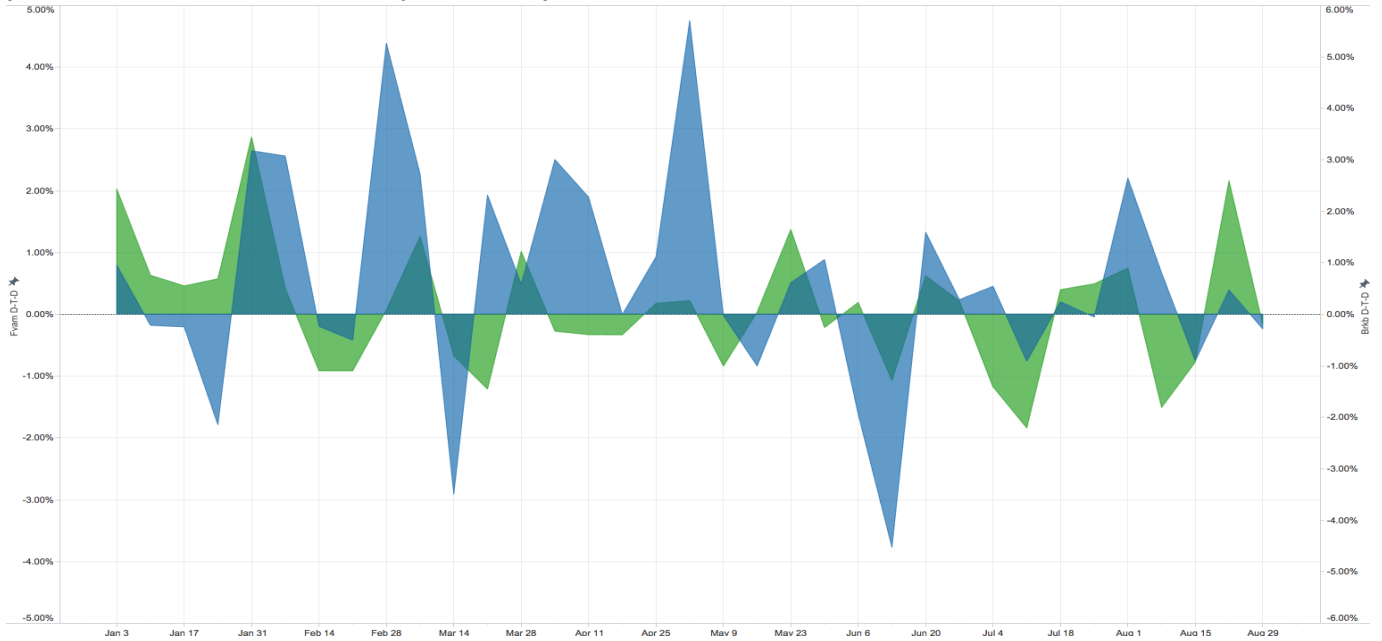
FVAM fund (green) vs SPX (S&P 500, orange), Q2 2021, weekly



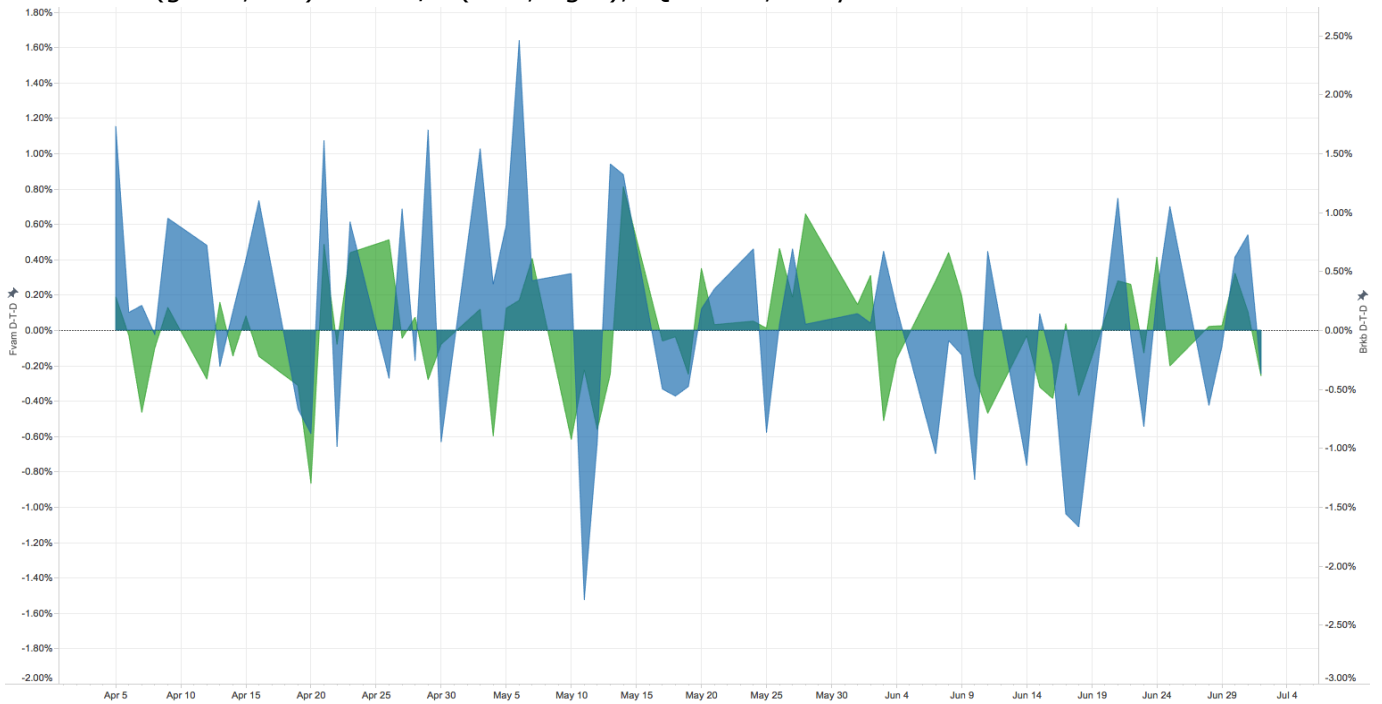
FVAM fund (green) vs SPX (S&P 500, gray), Q2 2021, Daily



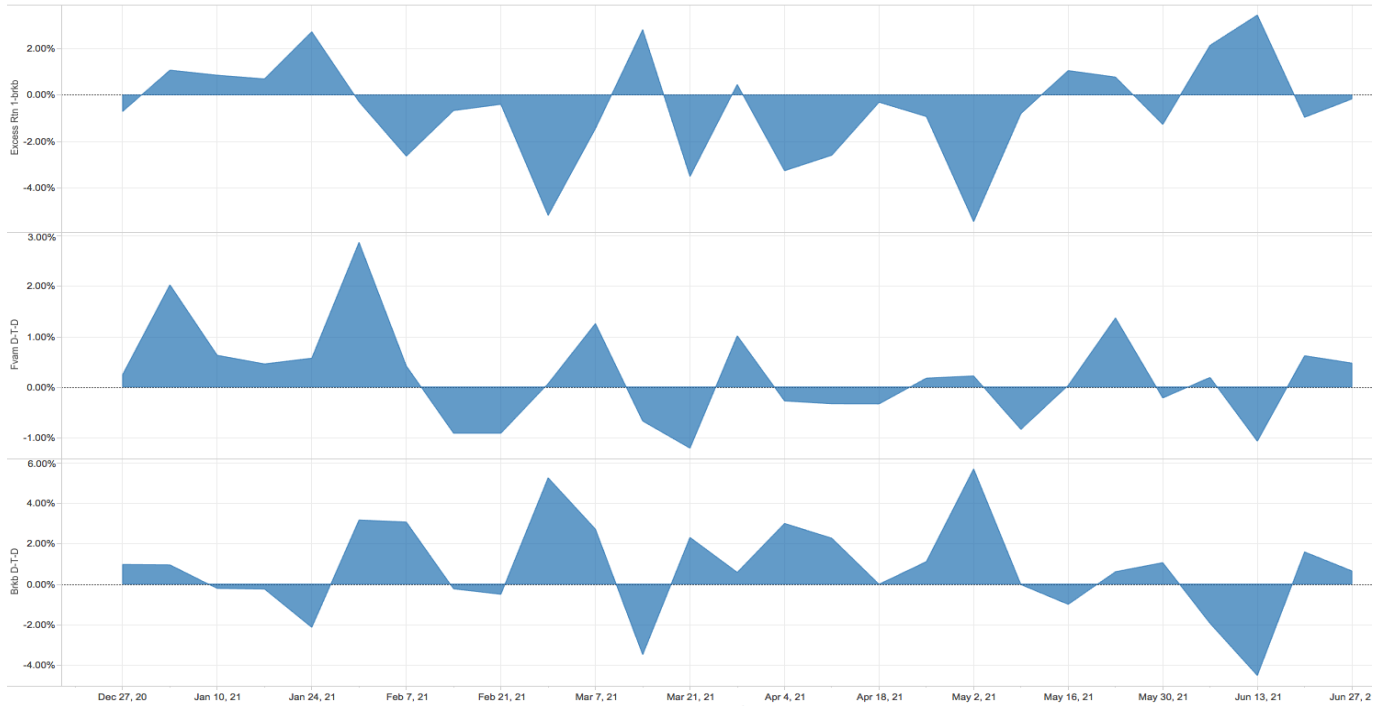
FVAM fund (green, left) vs BRK/b (blue, right), 2021 Full-Year (thru August), Weekly
 (\$BRK-B : Berkshire Hathaway B-shares)



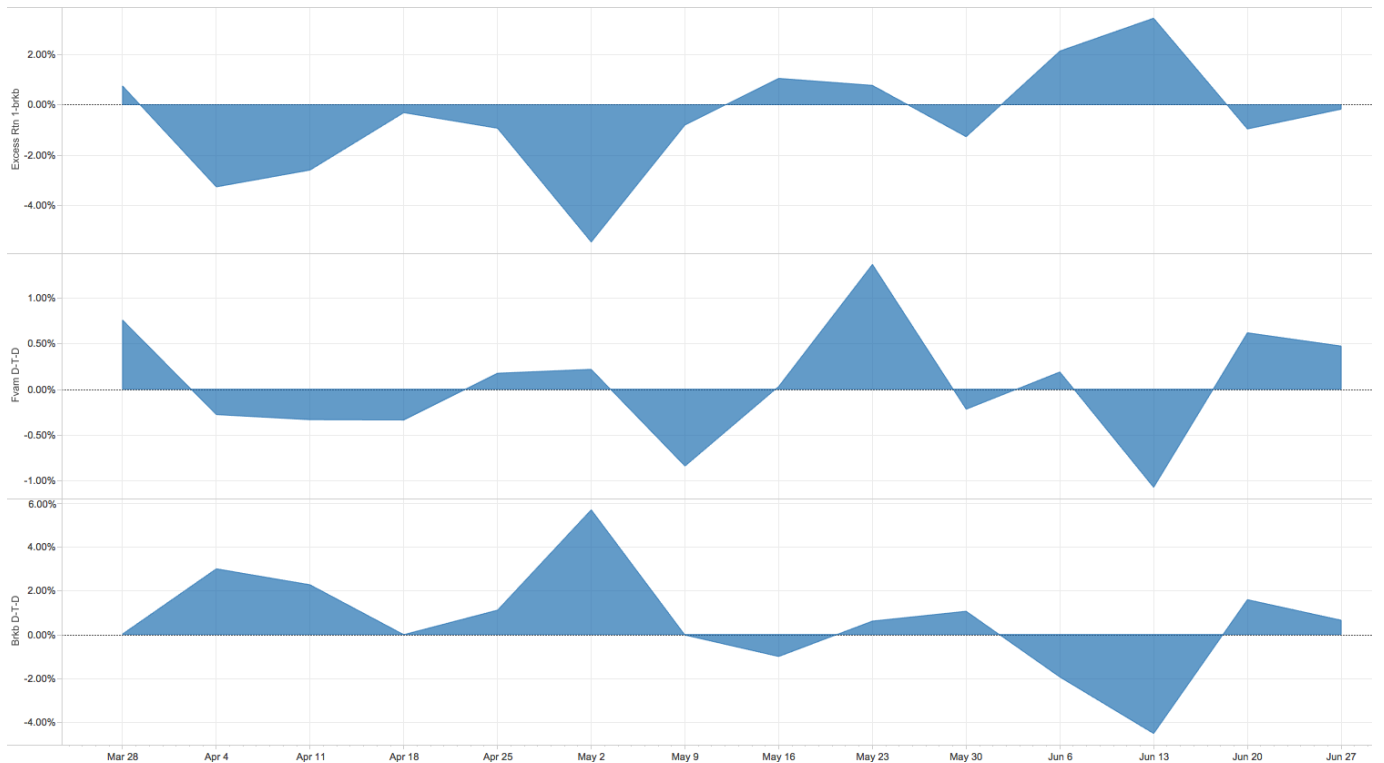
FVAM fund (green, left) vs BRK/b (blue, right), Q2 2021, Daily



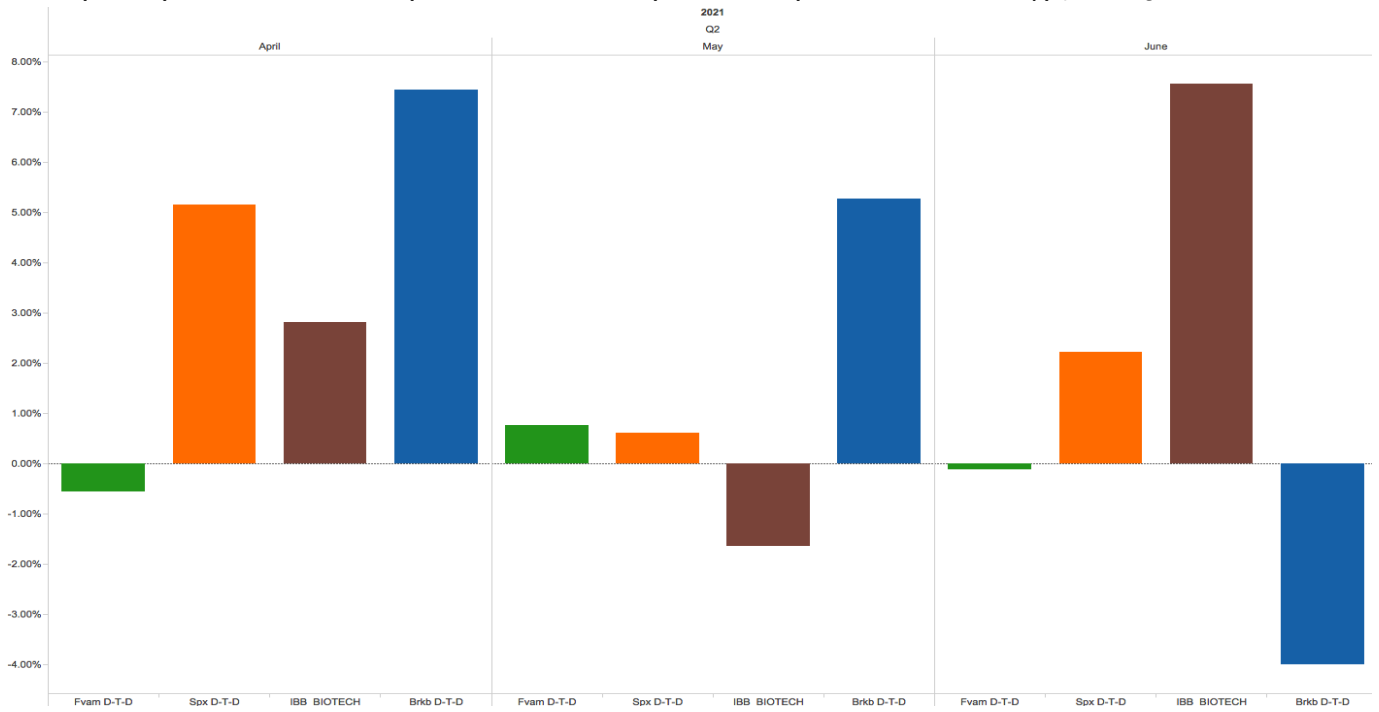
FVAM vs BRK/b and relative return (FVAM vs BRK/b), weekly, Q1 2021 thru Q2 2021
(excess: positive = outperformance, negative = underperformance)



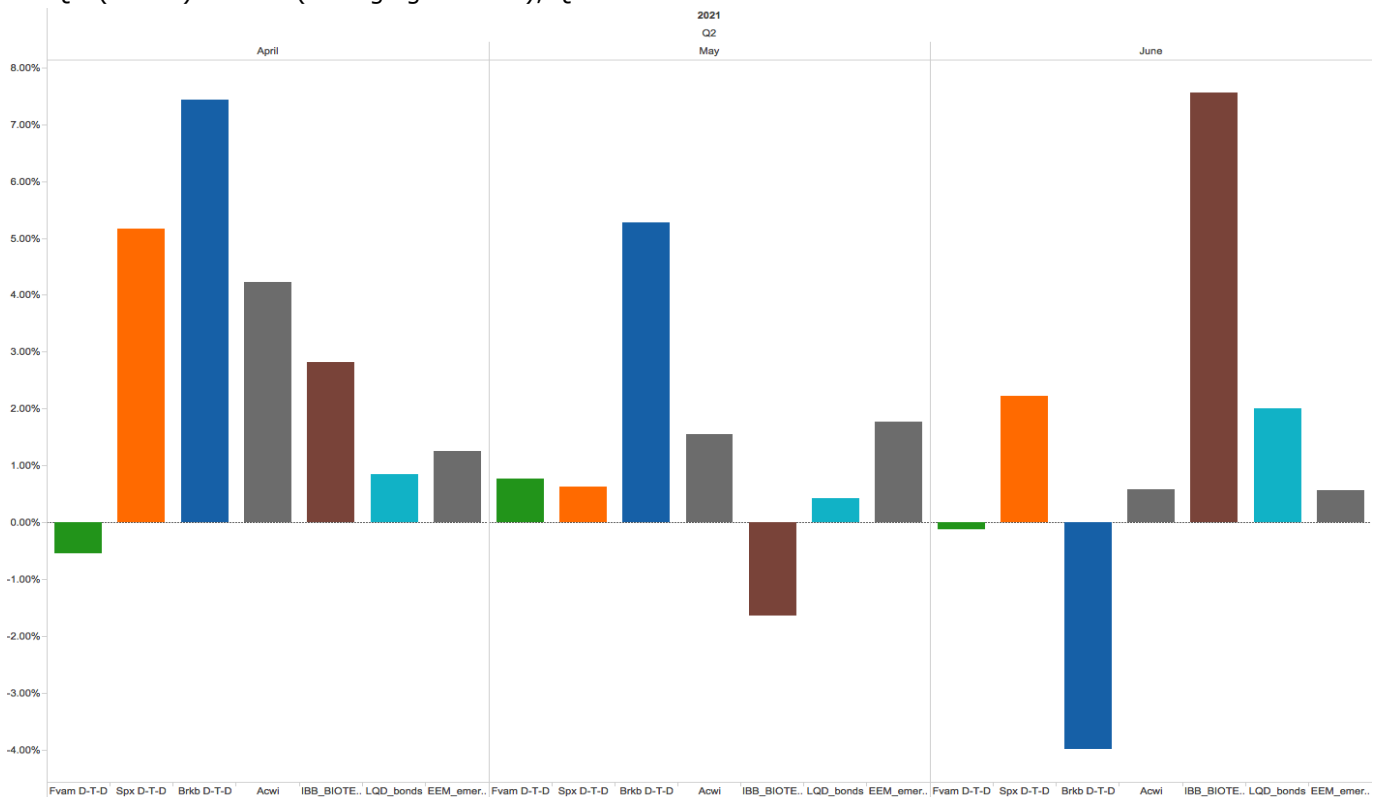
FVAM vs BRK/b and relative return (FVAM vs BRK/b), weekly, Q2 2021
(excess, positive = outperformance, negative = underperformance)



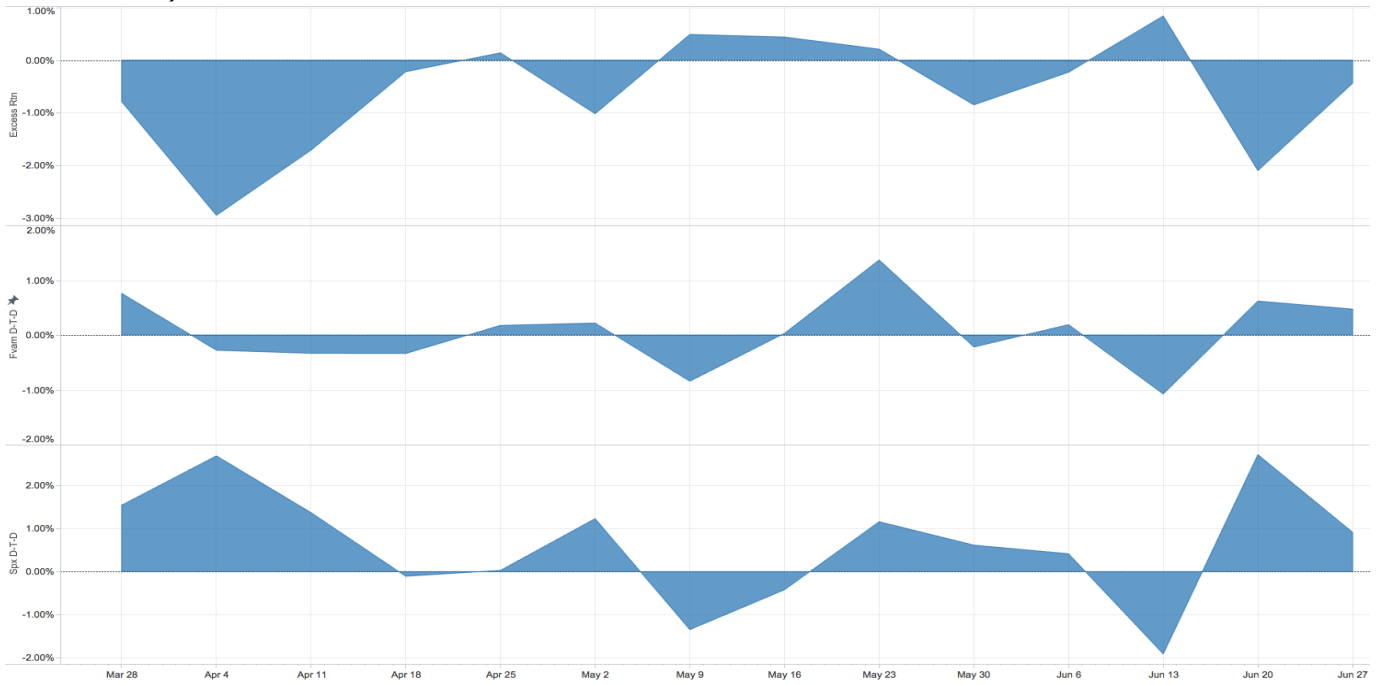
FVAM (Green) vs S&P500 vs IBB (BioTech Index Fund) vs BRK/b (Berkshire Hathaway) , 2nd Quarter - 2021



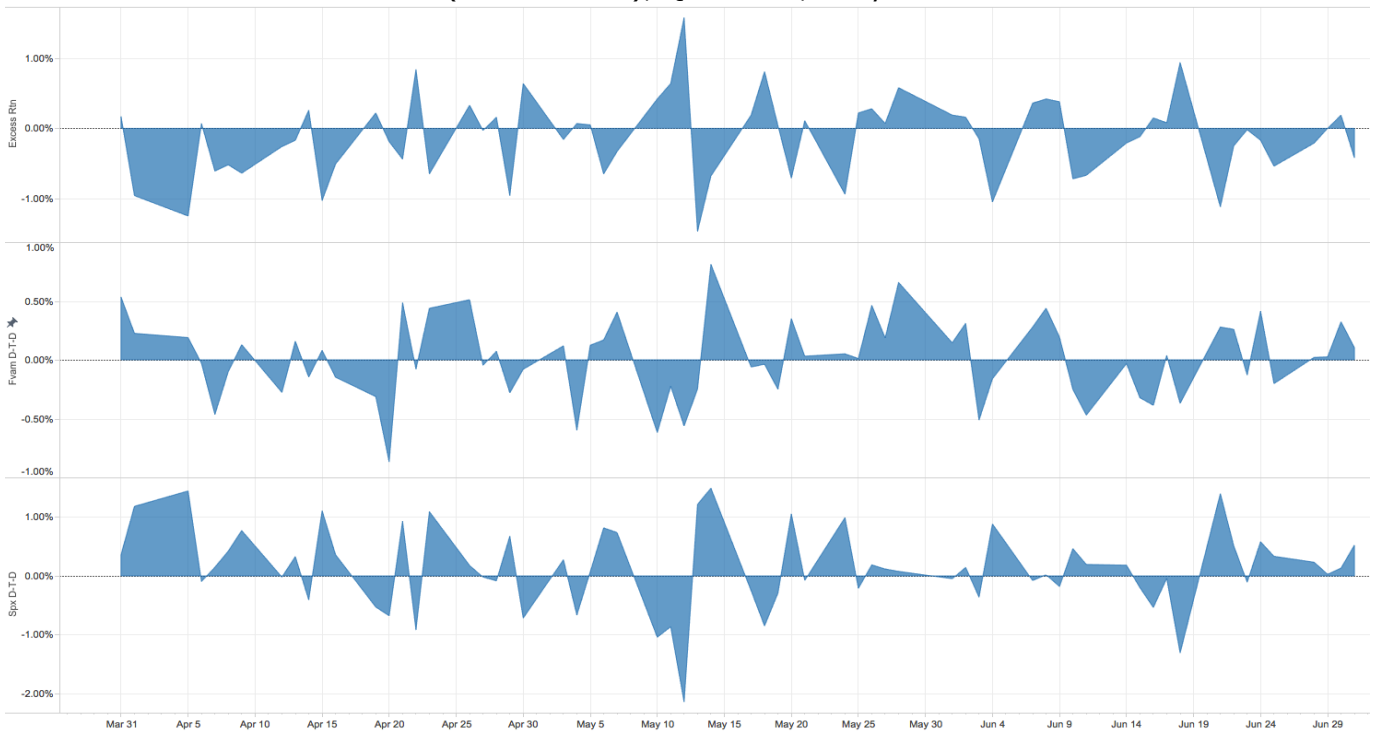
FVAM (green) vs S&P500 vs BRK/b (Berkshire Hathaway) vs ACWI (World Index) vs IBB (BioTech Index Fund) vs LQD (Bonds) vs EEM (Emerging Markets), Q2 - 2021



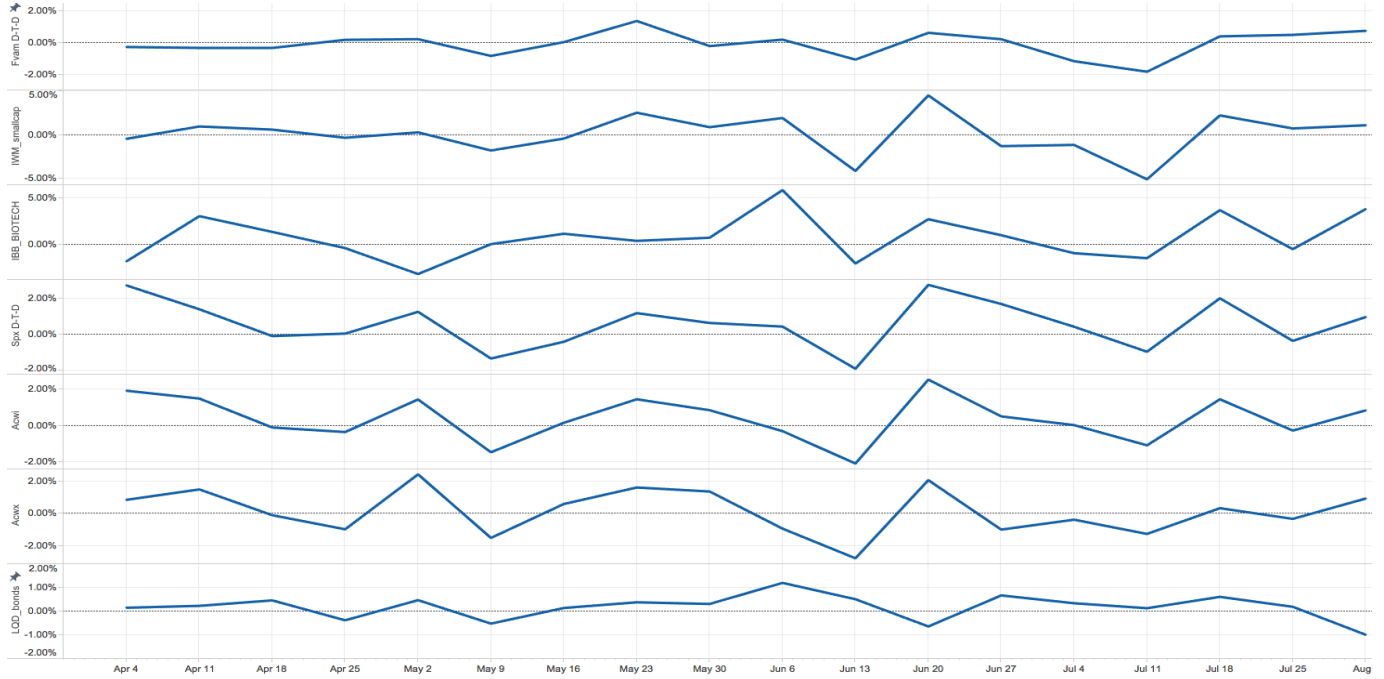
FVAM vs SPX and relative return (FVAM vs SPX), Q2 - 2021, weekly
 (*excess return shows FVAM vs SPX, shows by how much FVAM is outperforming or underperforming the S&P 500)



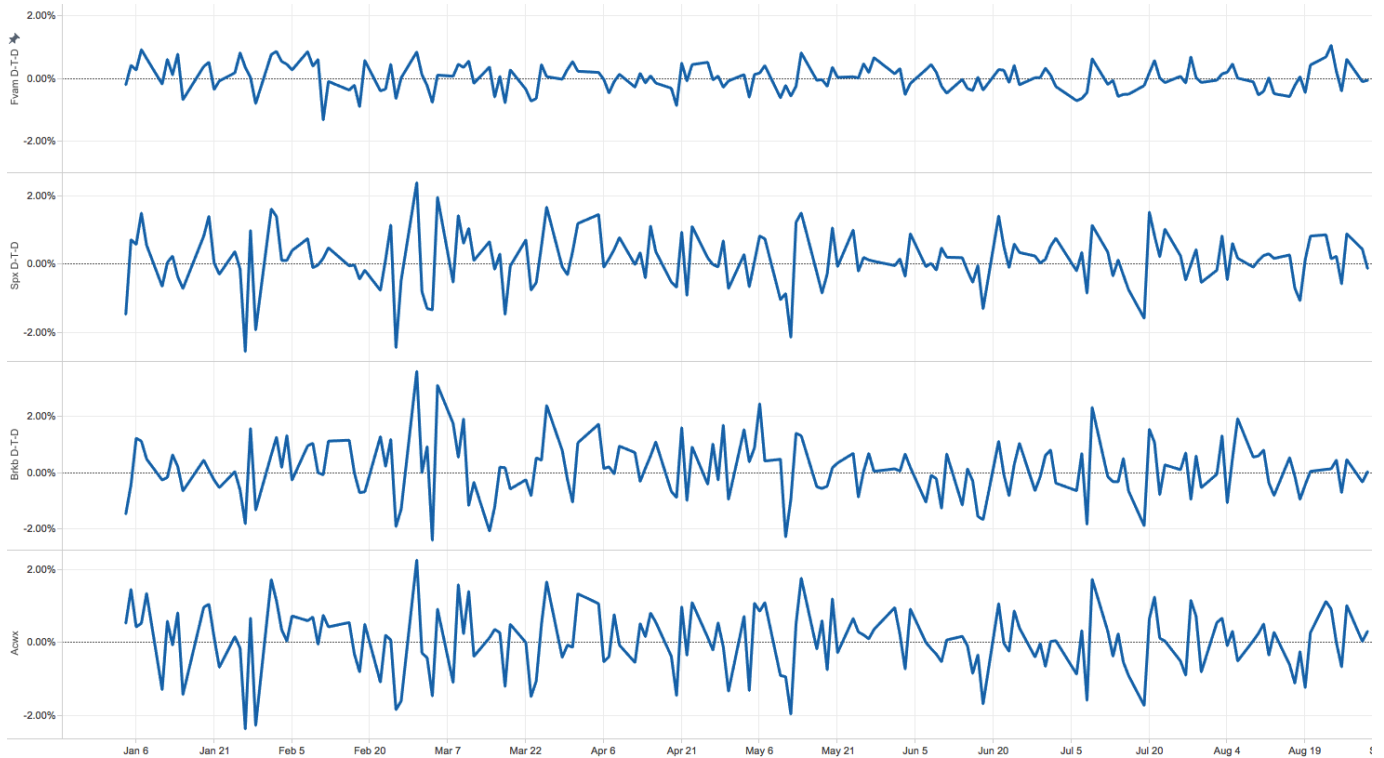
FVAM vs SPX and relative return (FVAM vs SPX), Q2 - 2021, Daily



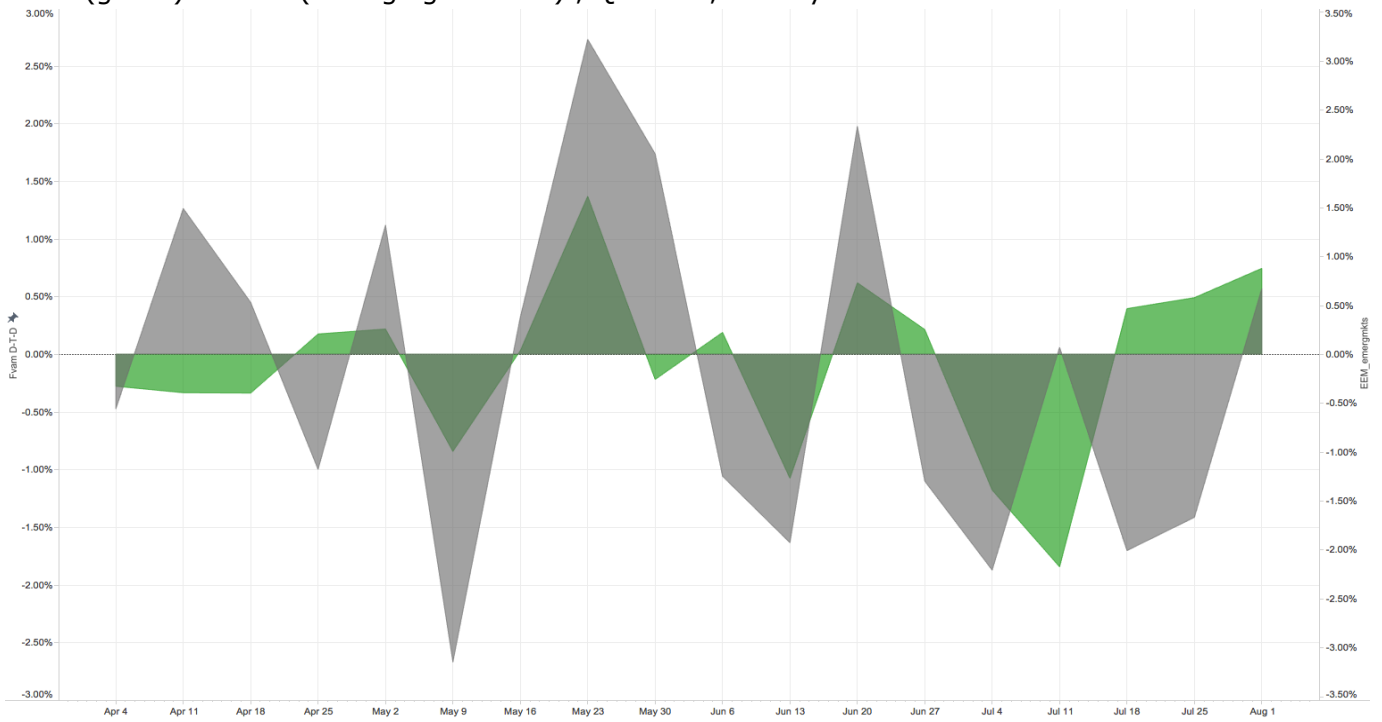
FVAM vs IWM (small caps) vs IBB (biotech) vs SPX (S&P 500) vs ACWI (world index) vs ACWX (world x-US) vs LQD (bonds), Weekly, Q2



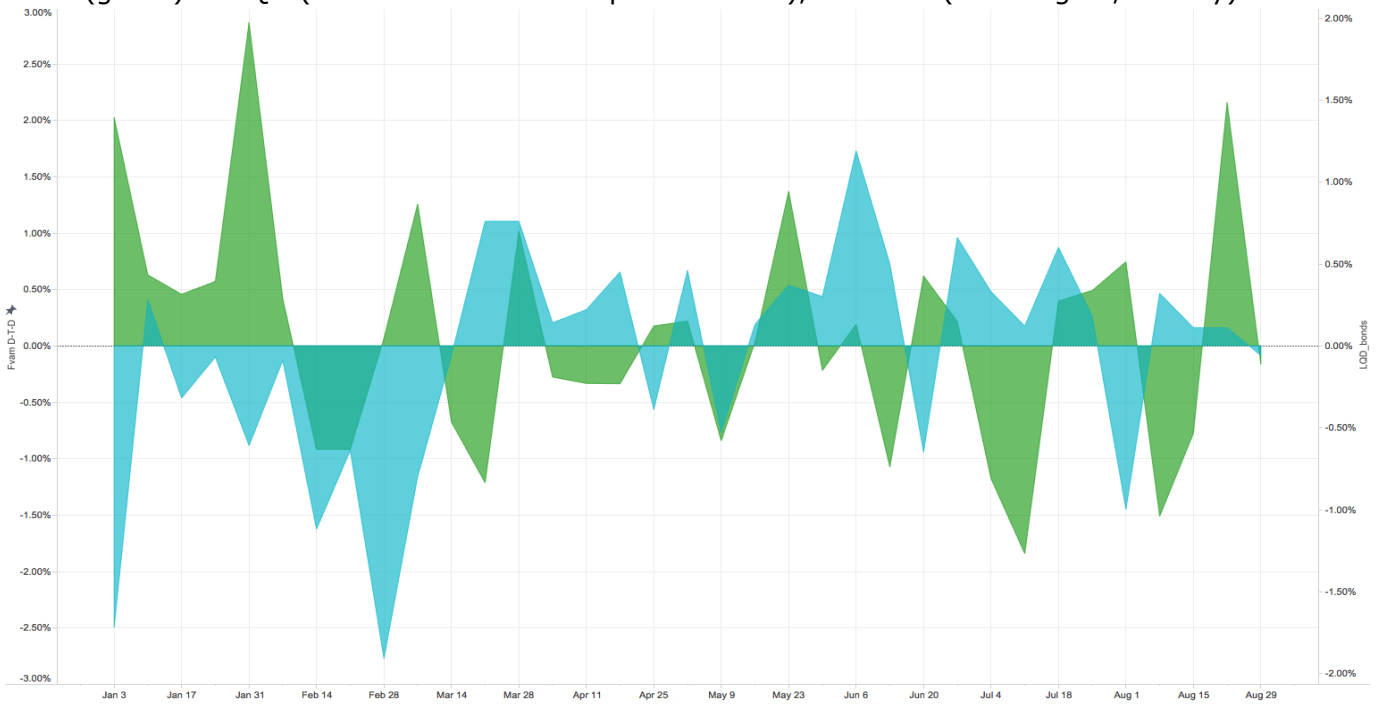
FVAM vs S&P 500 (\$SPX) vs Berkshire Hathaway (\$BRK/b) vs \$ACWX (World Index x-US), Daily, Full-Year (thru August)



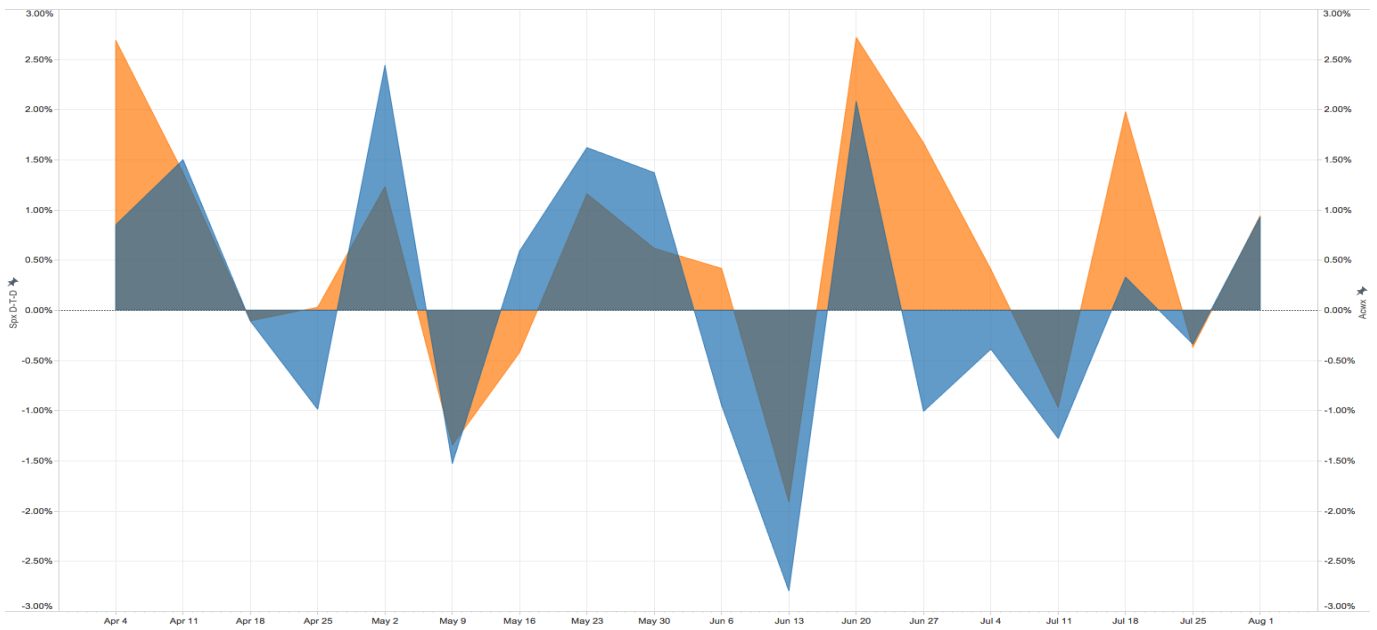
FVAM (green) vs EEM (Emerging Markets) , Q2 2021, Weekly



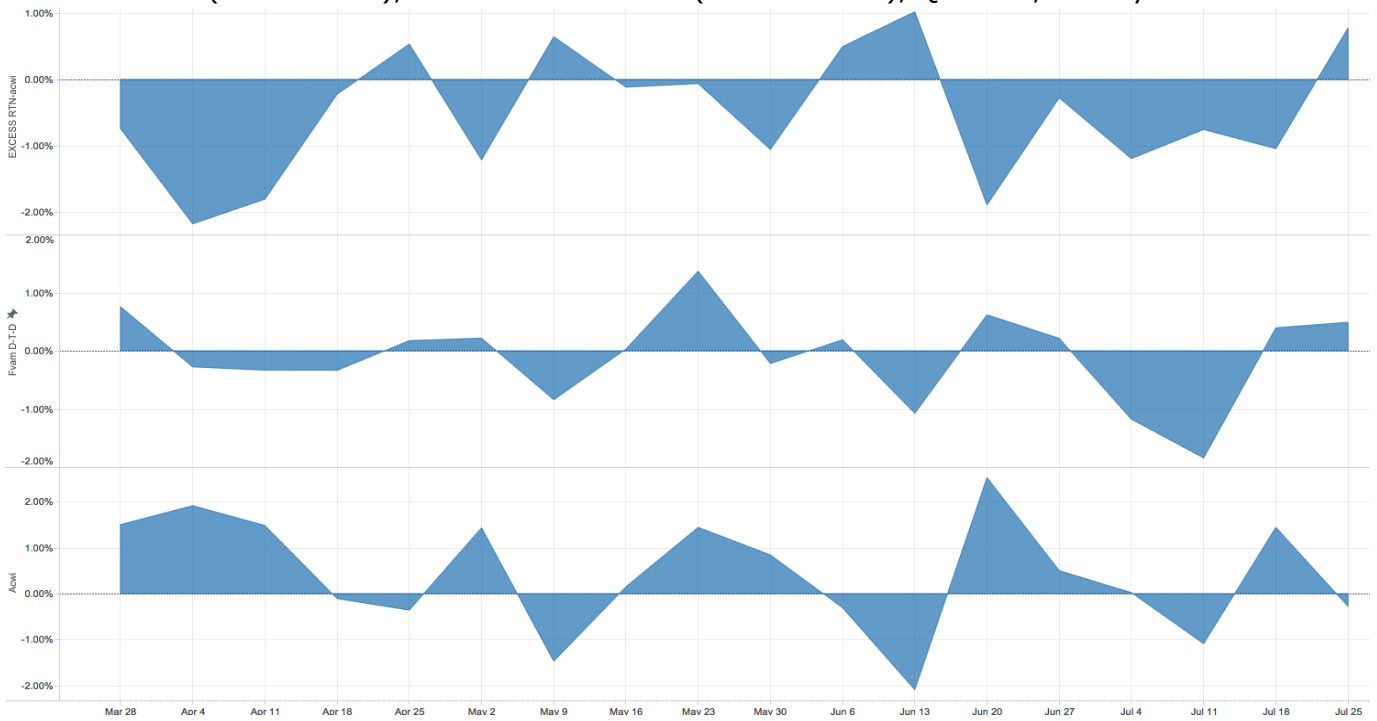
FVAM (green) vs LQD (Investment Grade Corporate Bonds), Full-Year (thru August, Weekly)



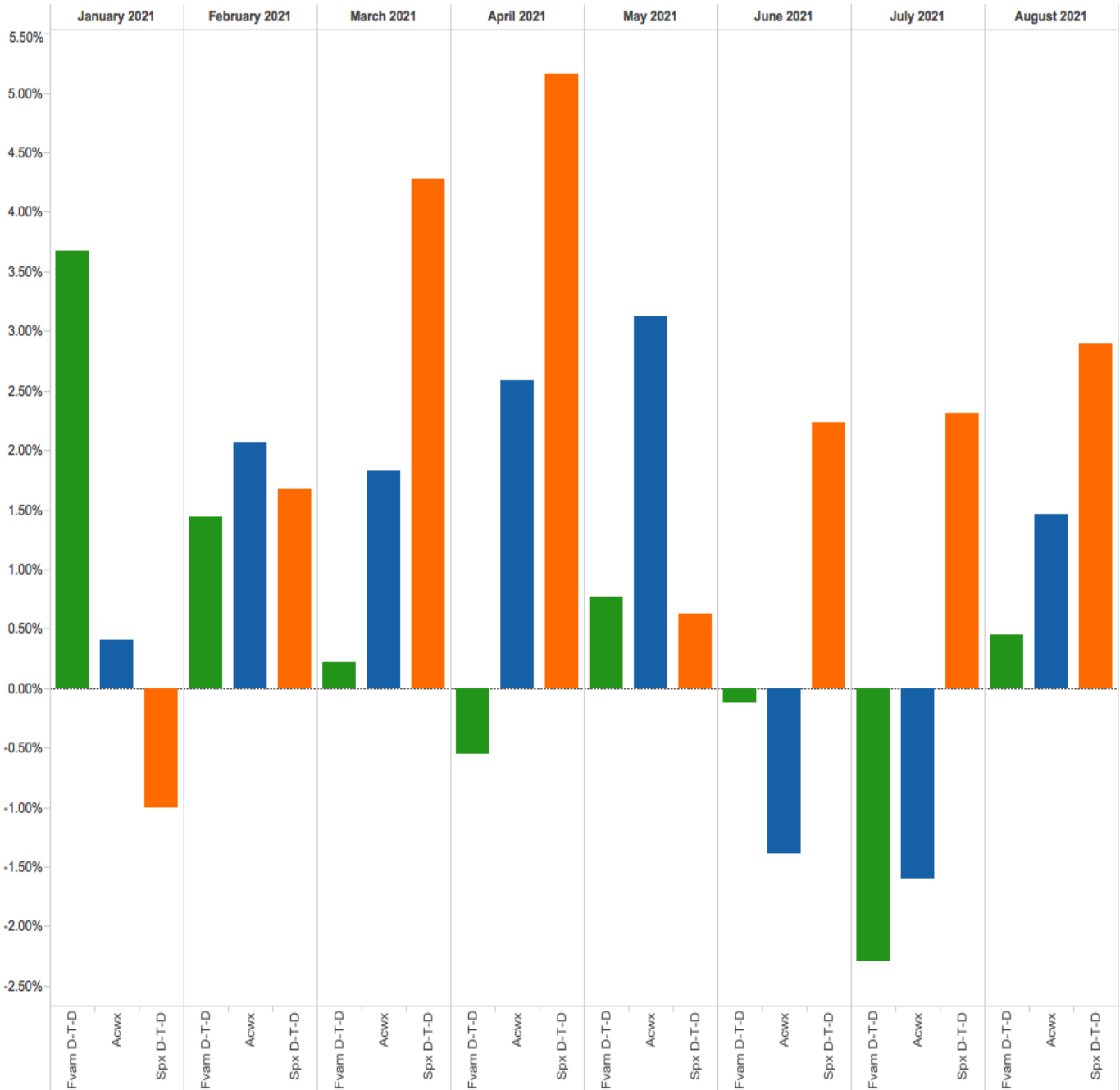
S&P 500 (orange) vs ACWX (World Index minus U.S.), Q2 2021, Weekly



FVAM vs ACWI (World Index), with Relative Return (excess return), Q2 2021, Weekly



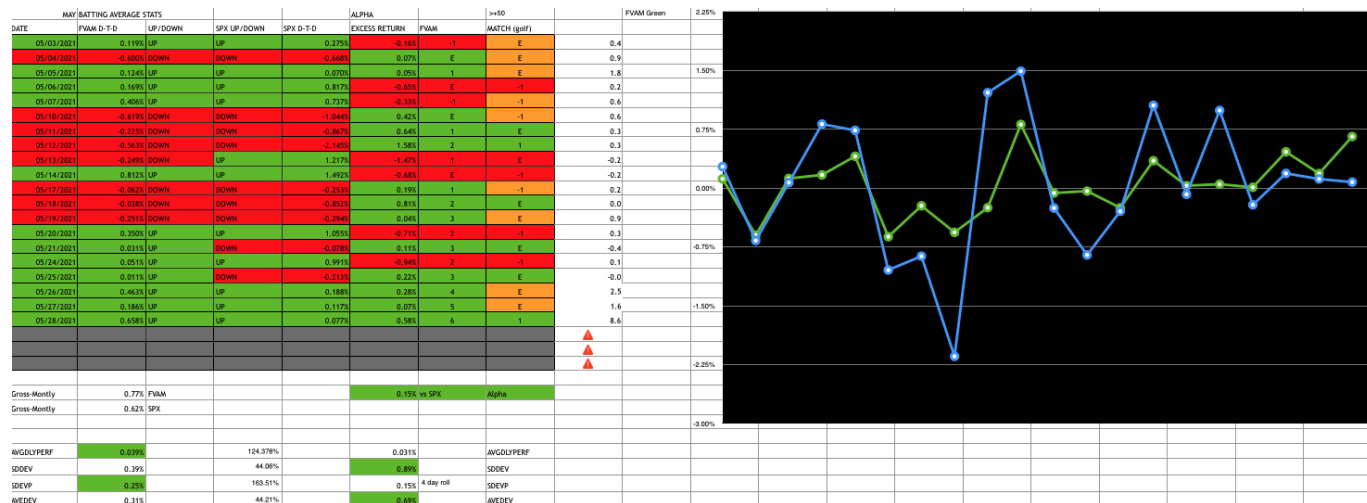
FVAM (green) vs ACWX (World Index minus USA, blue) vs S&P 500 (orange),
 Last 8 months (thru August 2021), monthly returns



Reference 1: FVAM Fund Performance Stats (showing view of May 2021, FVAM vs SPX, Statistics)

The data below, displaying just May 2021 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.

May 2021



*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 Russell 2000 Small-Cap Index, Technology sector, 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 August 2021)



