

**Fanvestments Corporation**  
*Global Investments - Global Returns*  
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FVAM Fund Quarterly Portfolio Report  
Q1 - 2022

***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 1st 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 commodities, with occasional exposure to fixed income and currencies, for the 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, and a focus-tilt towards Technology and Biotech/HealthCare. 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", 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. "401k meets Alternative Investment fund". 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-side 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 (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 a portion of the "40" of a typical "60-40" portfolio, where 60% is towards stocks, 40% in Bonds. This bond exposure is mostly 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 far 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, 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.

## Q1 Highlights

For the 1st Quarter of 2022, the FVAM fund finished lower, producing a -4.07% return, the fund's 2nd negative quarterly return in over 2 years. The fund was down -2.62% in January, down -1.6% in February, and up 0.15% in March. On a relative basis, the fund held up well against a tough overall market backdrop. For the Quarter, the S&P 500 was down about -4.72%, with the small cap etf IWM, down -7.2%. The ACWX etf, which tracks stocks around the world excluding the United States, was down -5.6% for the quarter. Cathie Wood's ARKK growth & innovation fund, was down just over -37%, with the Nasdaq100 down -8.1%. 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 70% of the fund, the fund's performance and volatility is analyzed against the index, an all-stock and strictly large-cap 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 ~17% for the 1st quarter of 2022, bucking the trend of most indexes. Looking into the 2nd Quarter of 2022, overall markets have continued lower in April, with the S&P 500 down almost 9% for the month, while FVAM is also down but outperforming that index by 4.8%.

The fund's top performing investments at the end of the 1st Quarter were Vertex Pharma (VRTX), Splunk (SPLK) and World Wrestling Entertainment (WWE) as the top three. Following them up was Abbvie (ABBV), AMC Entertainment (AMC), Halliburton (HAL), United States Oil Fund (USO, short), Taiwan Semi (TSM), Mosaic (MOS), and QQQ hedge (short via puts) rounding out the top 10 performing investments. Of those top 10; AMC, Halliburton, USO (puts), Taiwan Semi, and Mosaic have all been sold in full for sizable gains. Vertex Pharma, Splunk, World Wrestling, and Abbvie continue to be longer-term core investments. Salesforce (CRM) was sold-in-full late in the 1st quarter at a loss for the year, although a profitable investment overall. As much as I may like Salesforce, fundamentals were just expensive within a market with no mercy for expensive tech. CRM will remain on the watchlist for now. In the quarter, the fund increased core investments in Crispr Therapeutics (CRSP), Coupang (CPNG), Paypal (PYPL), and Advanced Micro Devices (AMD). Positions in crypto miner Hut 8 Mining (HUT) and Bitcoin (via GBTC), were sold in full for small losses. Minor reductions in core positions, Vertex, WWE, Splunk, and Apple. Looking further into Vertex Pharma, the fund began buying VRTX back in December 2020 around \$227 and continued to buy as low as \$187. Fund did begin trimming position as the stock came back, selling small amounts between \$216 and up to \$277. With an average price around \$200, Vertex is currently trading above \$270, and currently one of the fund's best positions for 2022. Based on its Q1-2022 earnings report, Vertex produced quarterly revenue of \$2.1 billion, and \$7.6 billion in Revenue for the full-year 2021. They earned \$2.96/share for the quarter (GAAP, Net Income), an increase of 19%, and raised revenue guidance for full-year 2022, looking for about \$8.5 billion. 12-month Target price at \$320, about 25% upside.

Can read more about Vertex here : [Vertex Q1-2022 Earnings Results](#)

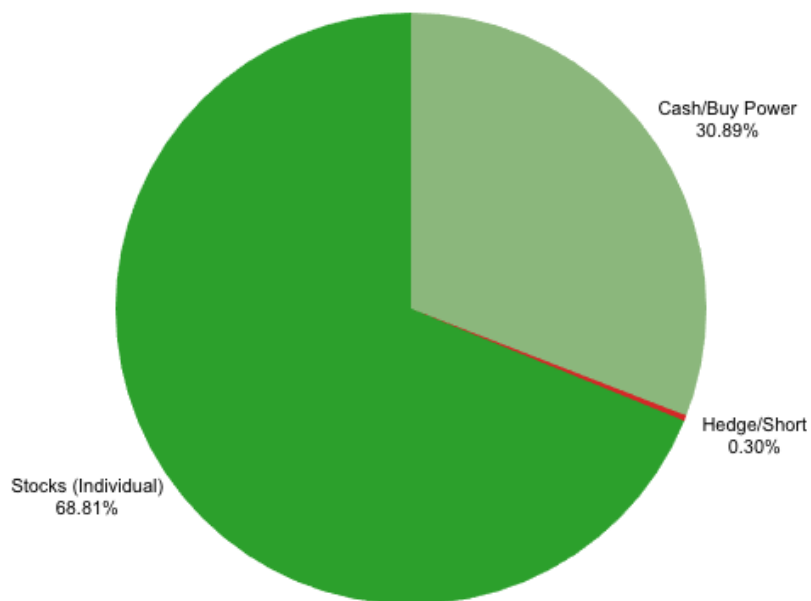
Looking into Q2 2022, a new core position was initiated in Nvidia (NVDA), and bought back into Tesla (TSLA). Positions in Mosaic (MOS) and Sofi (Sofi) were sold almost in full, keeping a smaller options position in Sofi. Mosaic sold for a gain around \$74, and has recently traded below \$60. The fund also increased positions in Crisper, Coupang, Paypal, and AMD. Paypal has been a tough investment so far, but still have full conviction in its longer-term opportunity, especially with what I consider Paypal's crown jewel, Venmo, which has become a verb in peer-to-peer digital payments. The fund has an avg. cost ~\$140/share for PYPL, with the stock currently around \$78 in mid-june. Stock reached over \$310 in July 2021, and the fund started buying after it pulled back to \$180, over 40% down from that peak, but still not down enough. 12-month price target at \$154, longer-term out 2-3 years looking for \$230. Can read more about Paypal here: [PayPal Q1-2022 Quarterly Results](#)

Nvidia, which is in the semiconductor industry, develops graphics and mobile processors for visual and high-performance computing. Their platforms address four large markets: Gaming, Visualization, data center, and automotive, and are also involved in AI, data analytics, and autonomous driving. The fund started buying NVDA in May around \$190 and has been dollar-cost averaging since with an average cost just above \$176, with the stock around \$165 in mi-June. Current Price-target at \$270.

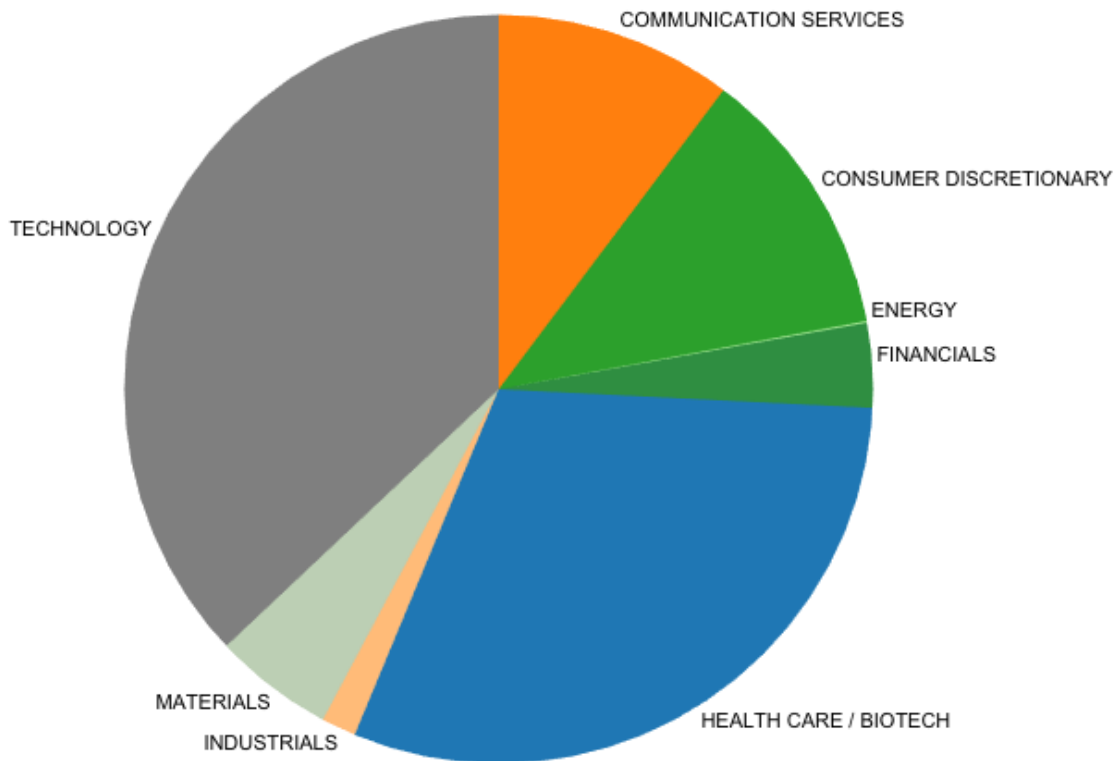
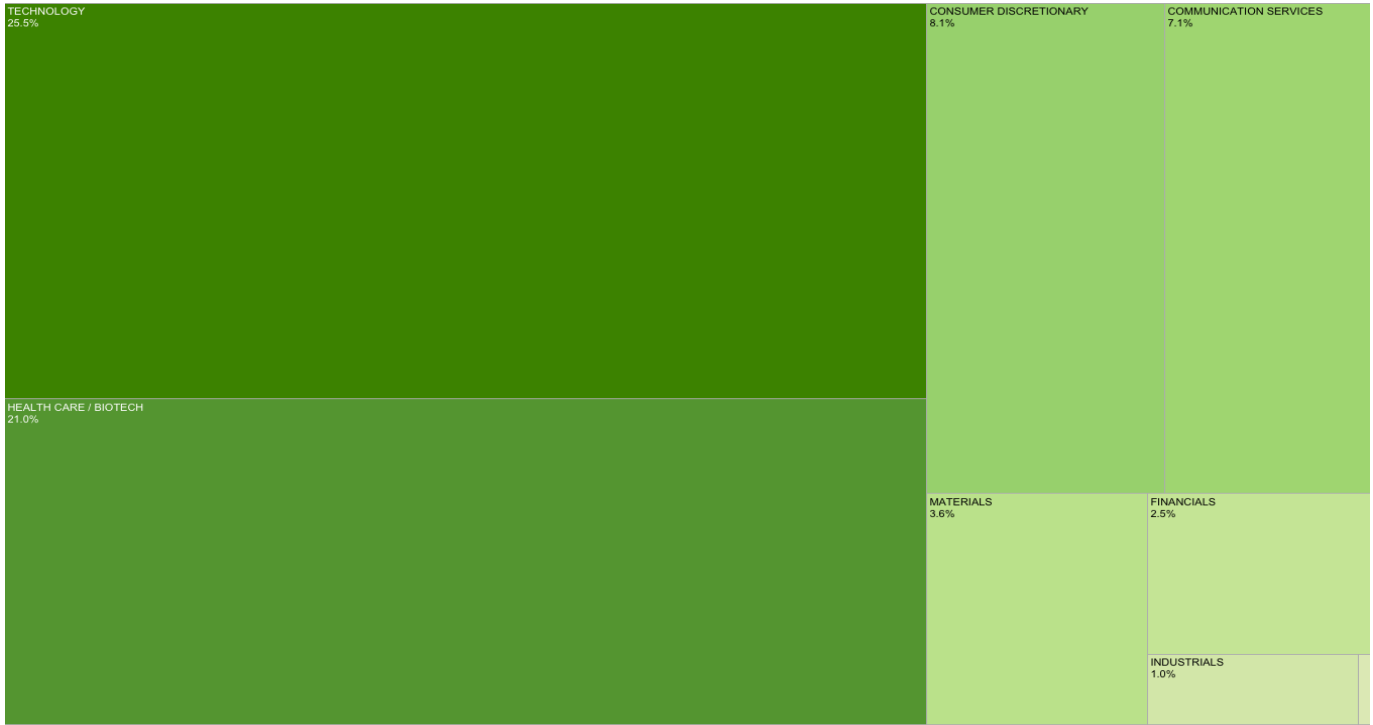
Can read more about Nvidia here: [Nvidia Investor Presentation - Q1](#)

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 2022)

High Level allocation heat map and pie chart:

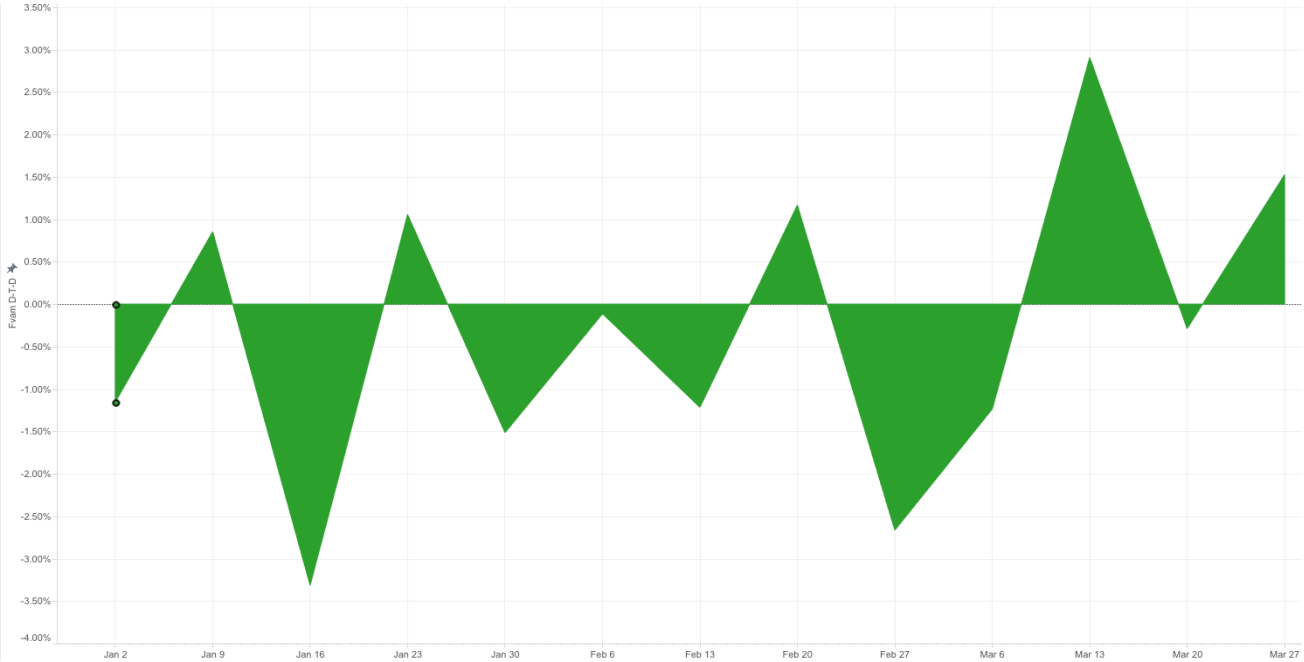


Below shows the further breakdown of only the fund's individual stock exposure. Currently, the heaviest focus of that exposure is allocated towards the Technology sector, as well as the Healthcare / Biotech sector

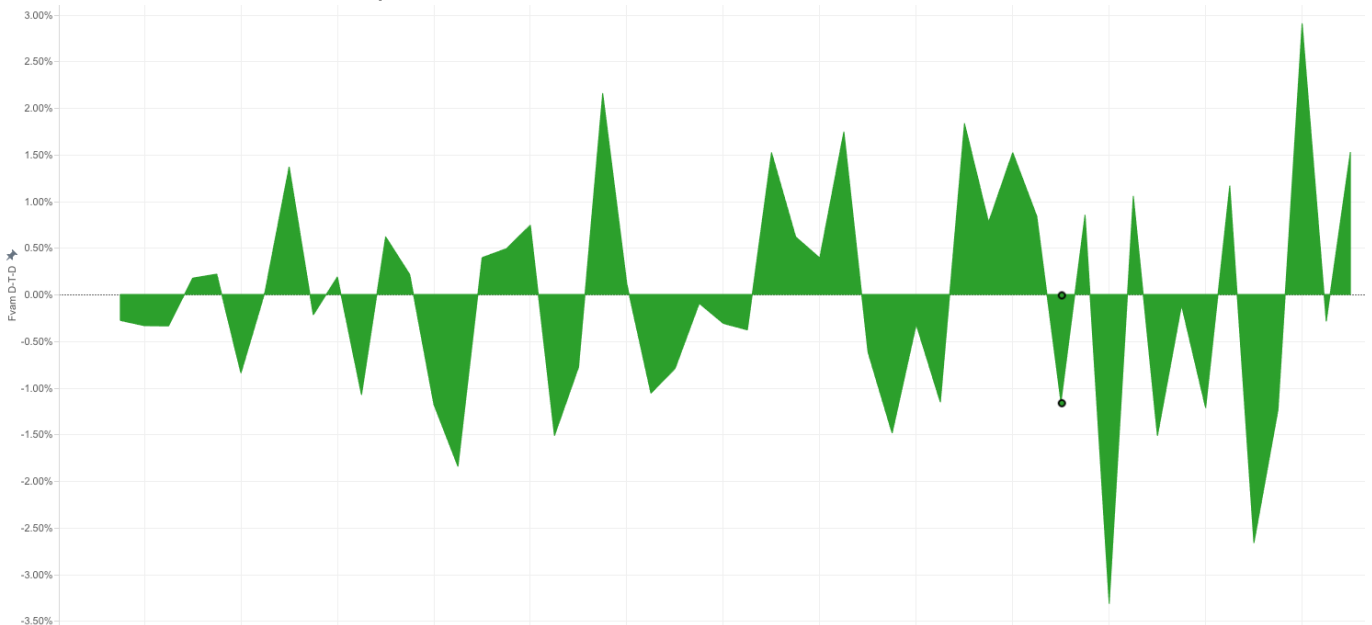


Performance Analysis: Analyzing the breakdown of the Fund's performance, as well as comparisons to other investment vehicles/index, such as the S&P 500, \$BRK-b (Warren Buffett's 'Berkshire Hathaway'), ACWX which tracks Global Markets minus the US (World x-US), and the Russell 2000 small cap index (\$IWM)

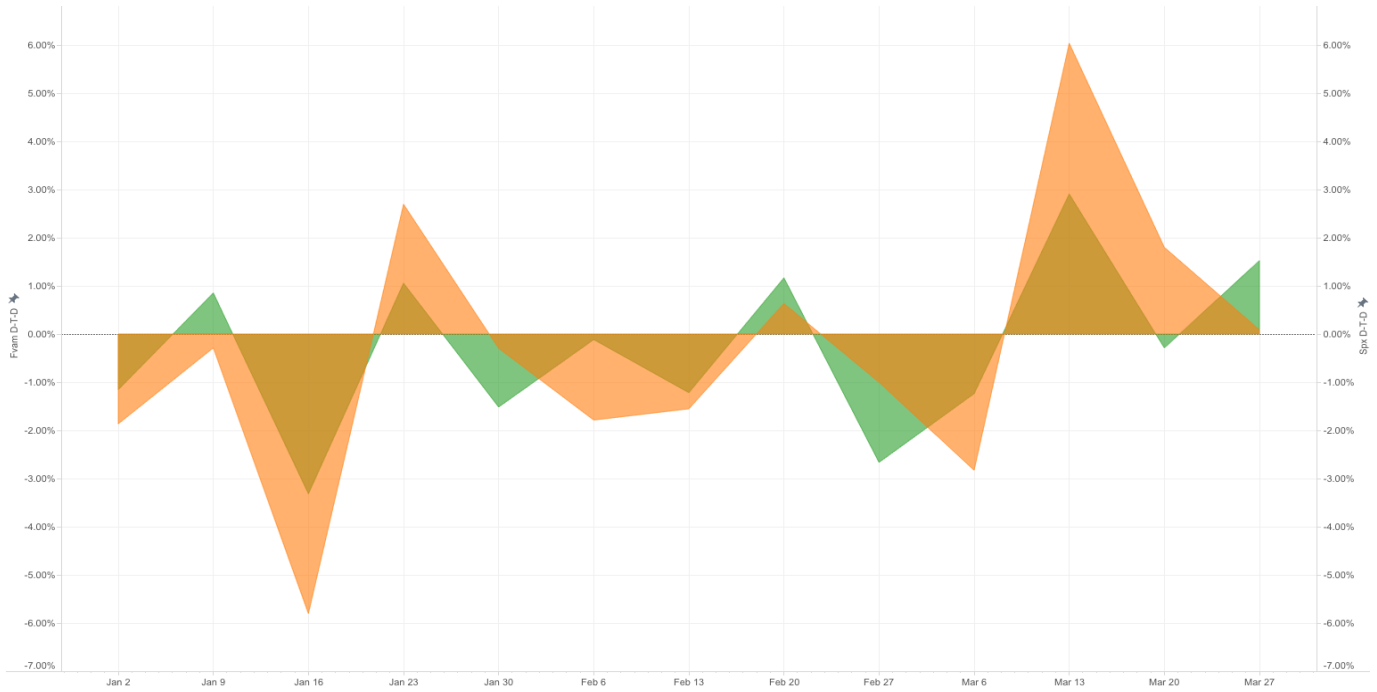
FVAM fund, 1st Quarter 2022 , Weekly



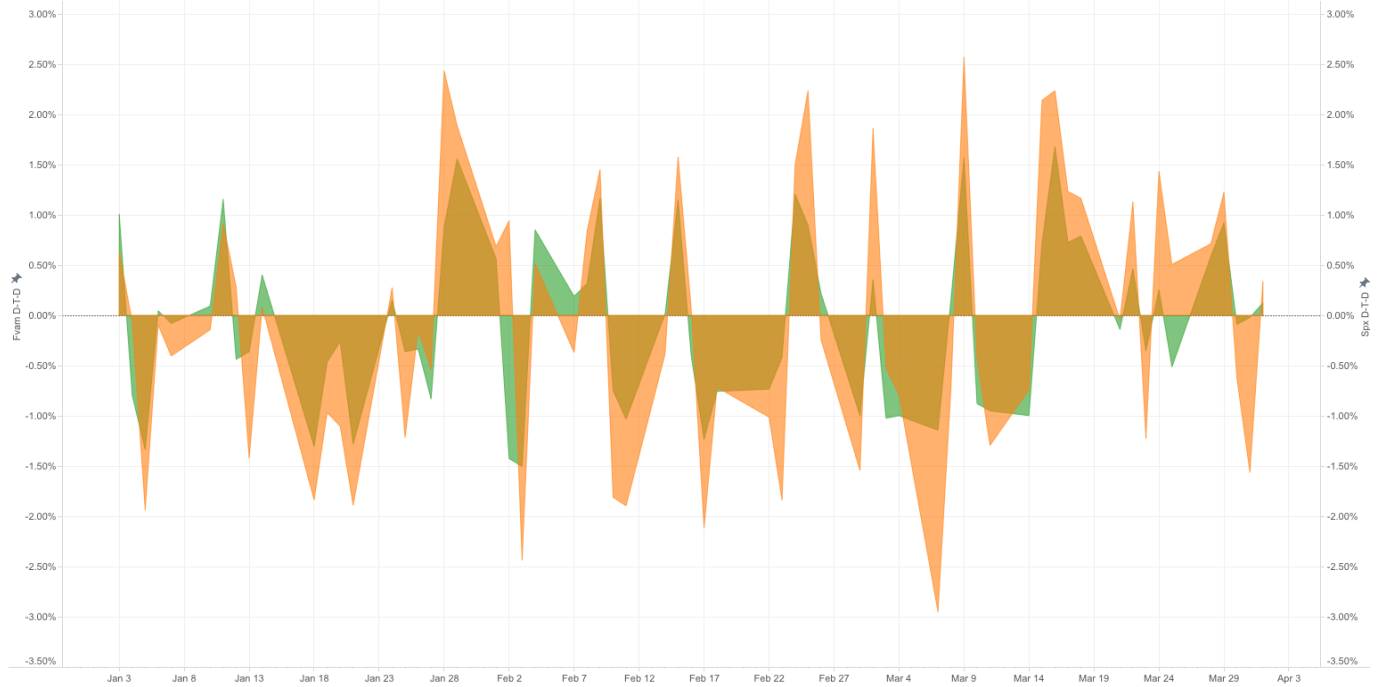
FVAM fund, One-Year, Weekly



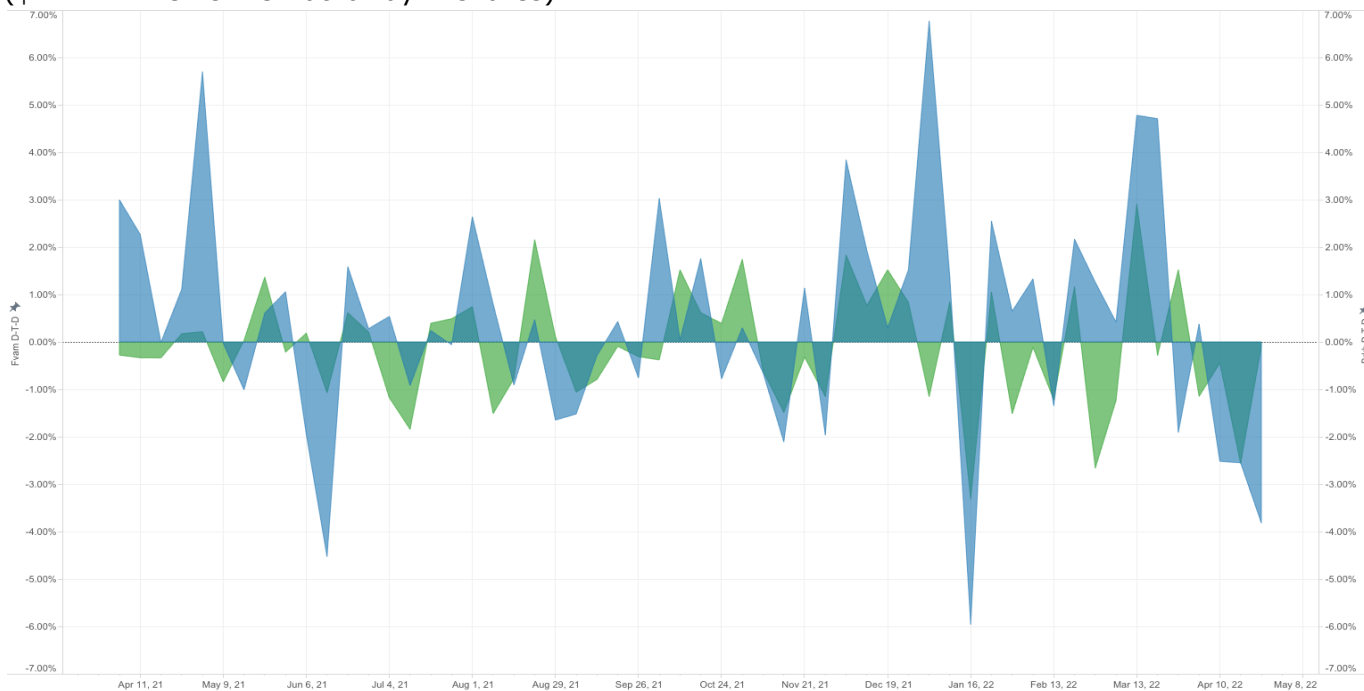
FVAM fund (green) vs SPX (S&P 500, orange), Q1 2022, weekly



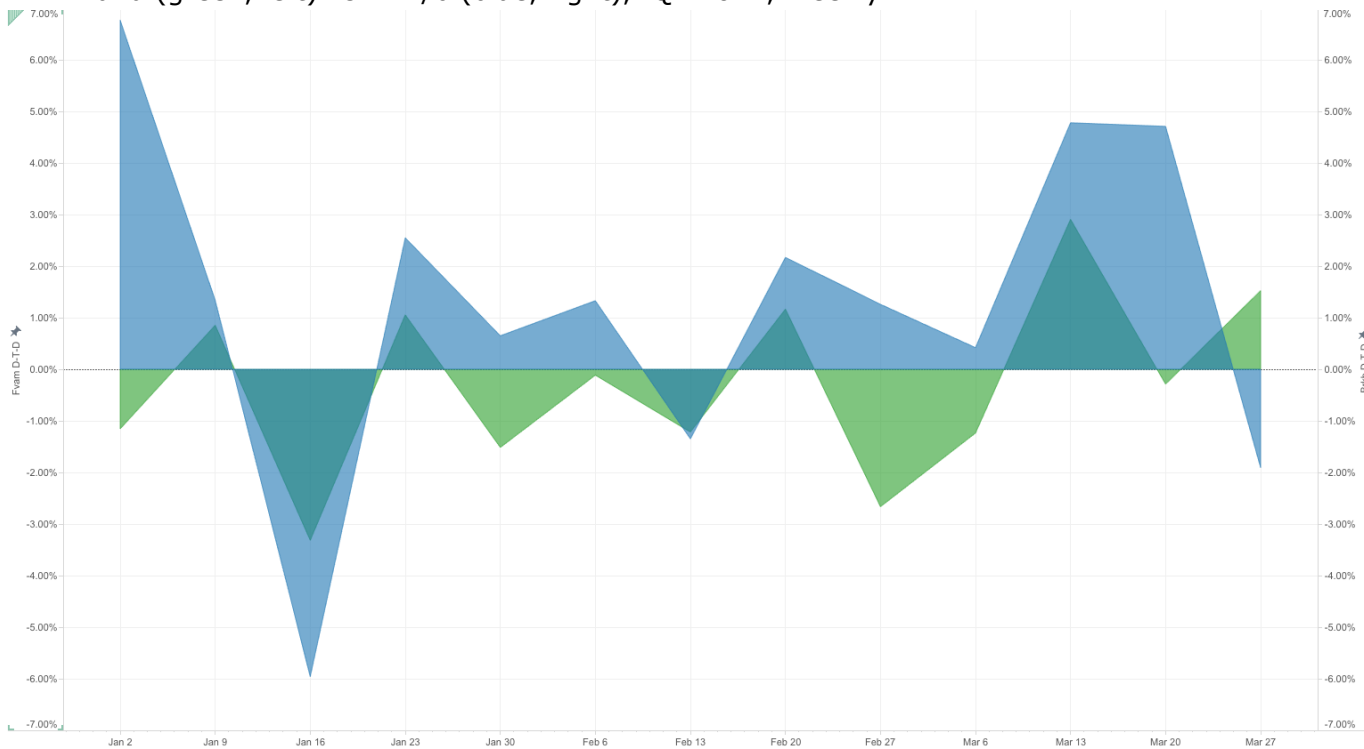
FVAM fund (green) vs SPX (S&P 500, gray), Q1 2022, Daily



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

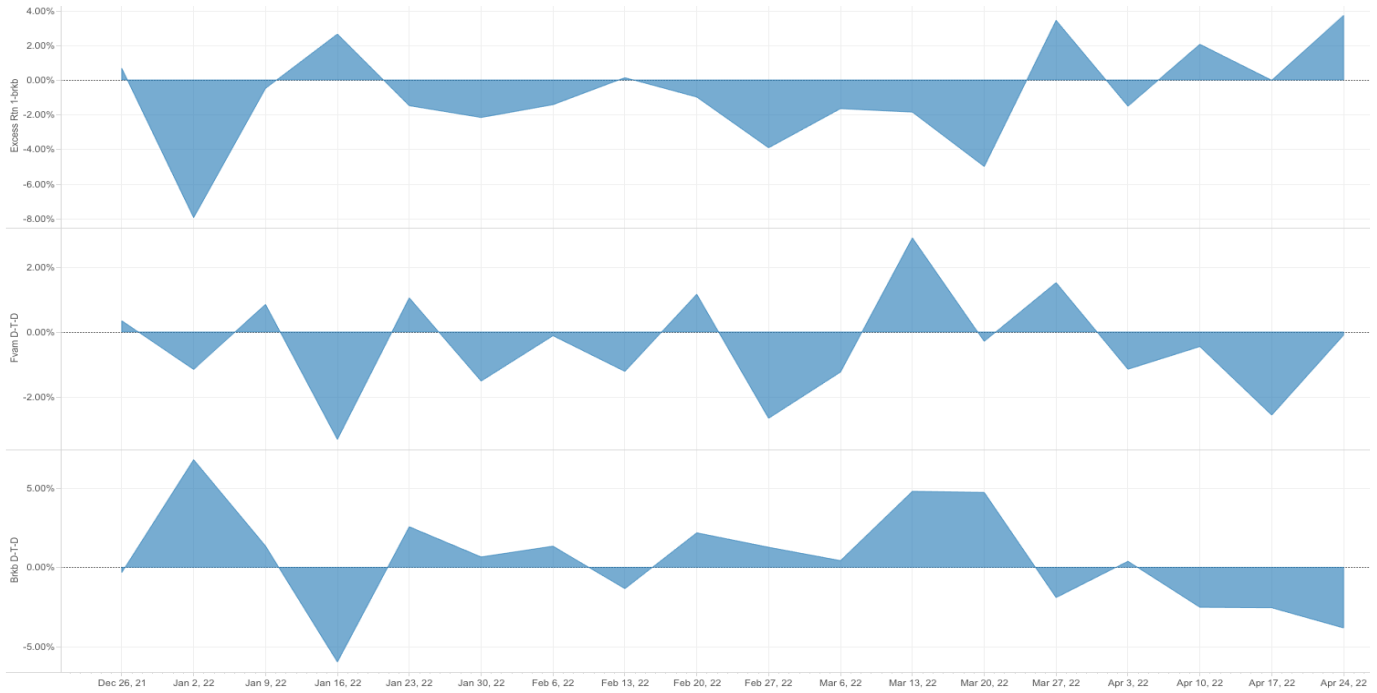


FVAM fund (green, left) vs BRK/b (blue, right), Q1 2022, Weekly

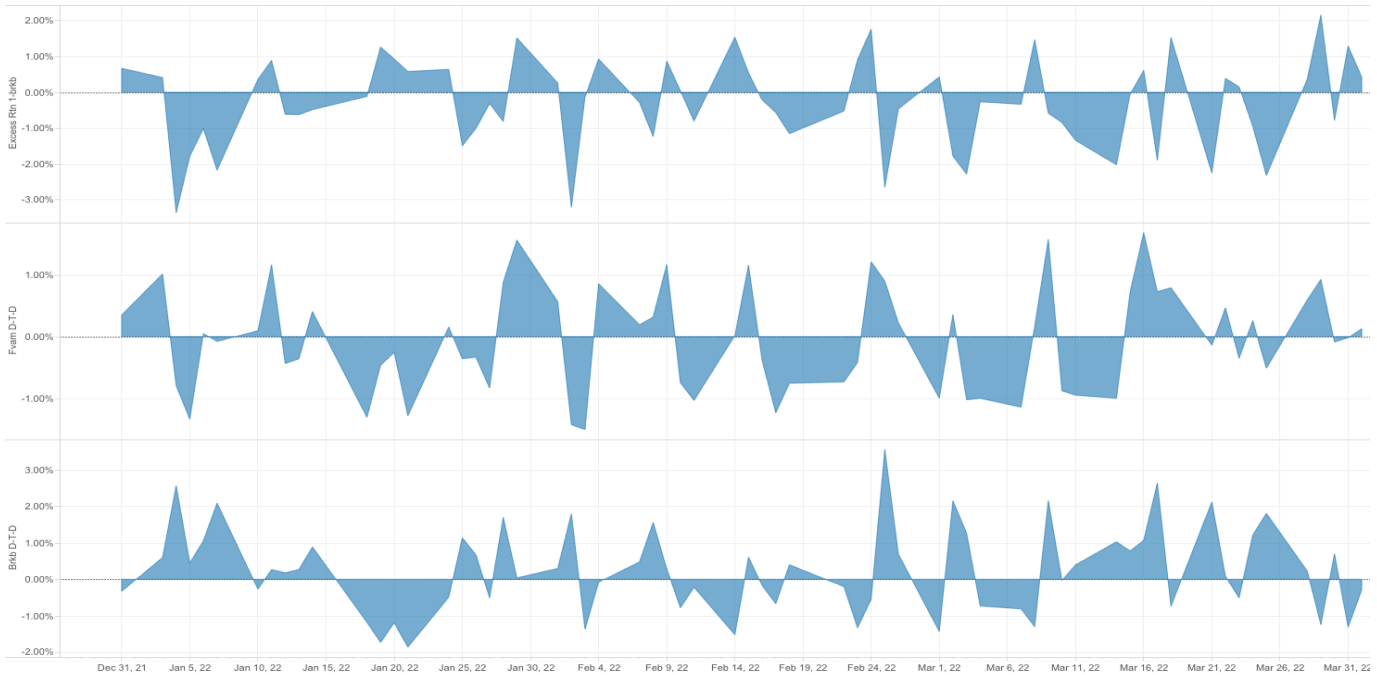




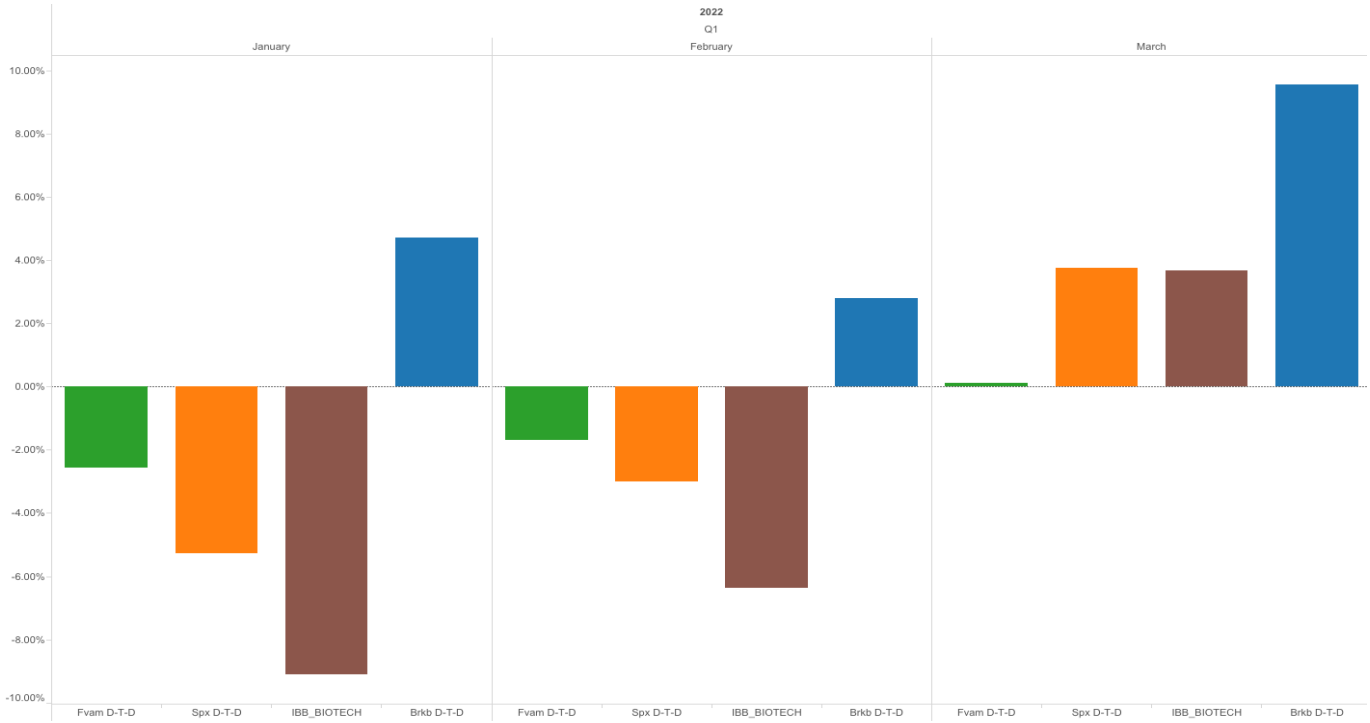
**FVAM vs BRK/b and relative return (FVAM vs BRK/b), weekly, YTD thru April**  
 (excess: positive = outperformance, negative = underperformance)



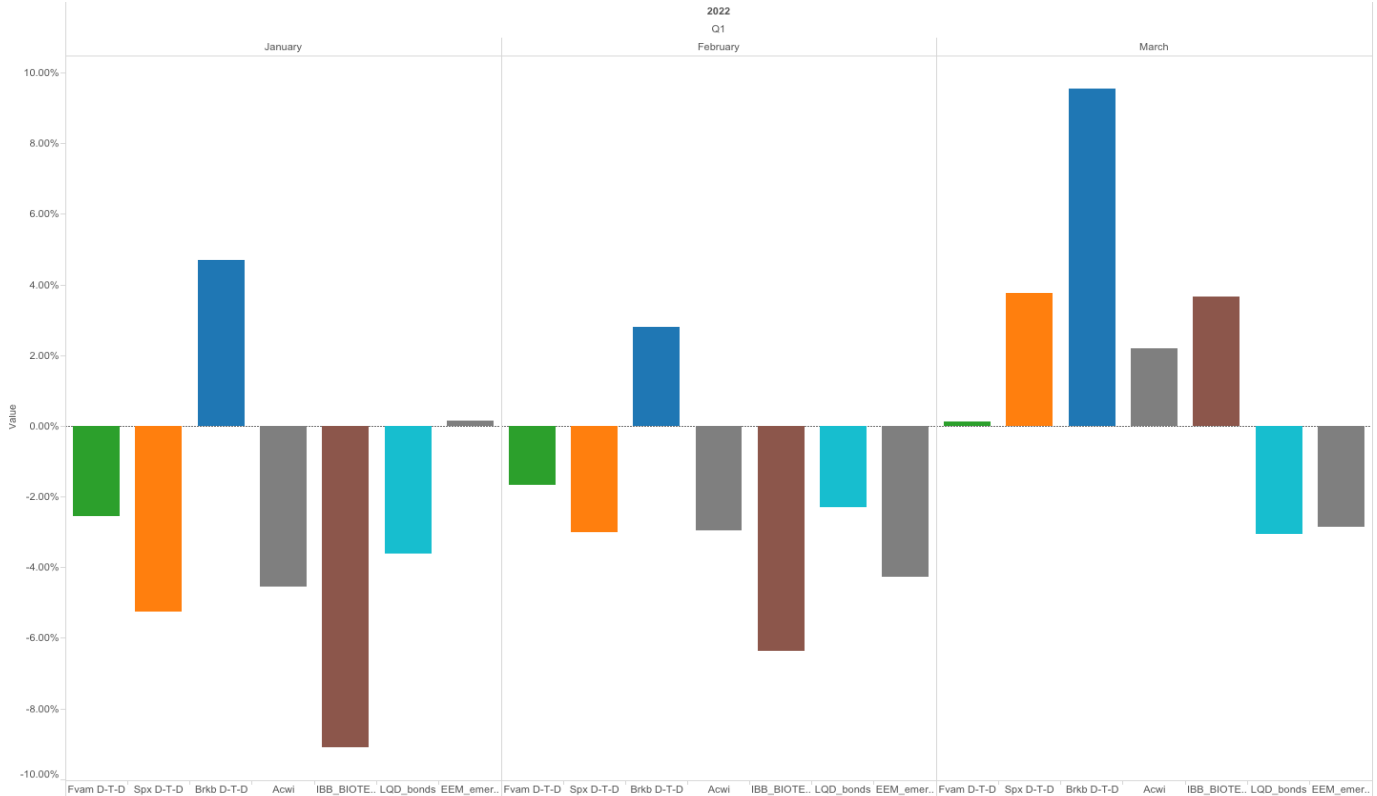
**FVAM vs BRK/b and relative return (FVAM vs BRK/b), daily, Q1 2022**  
 (excess, positive = outperformance, negative = underperformance)



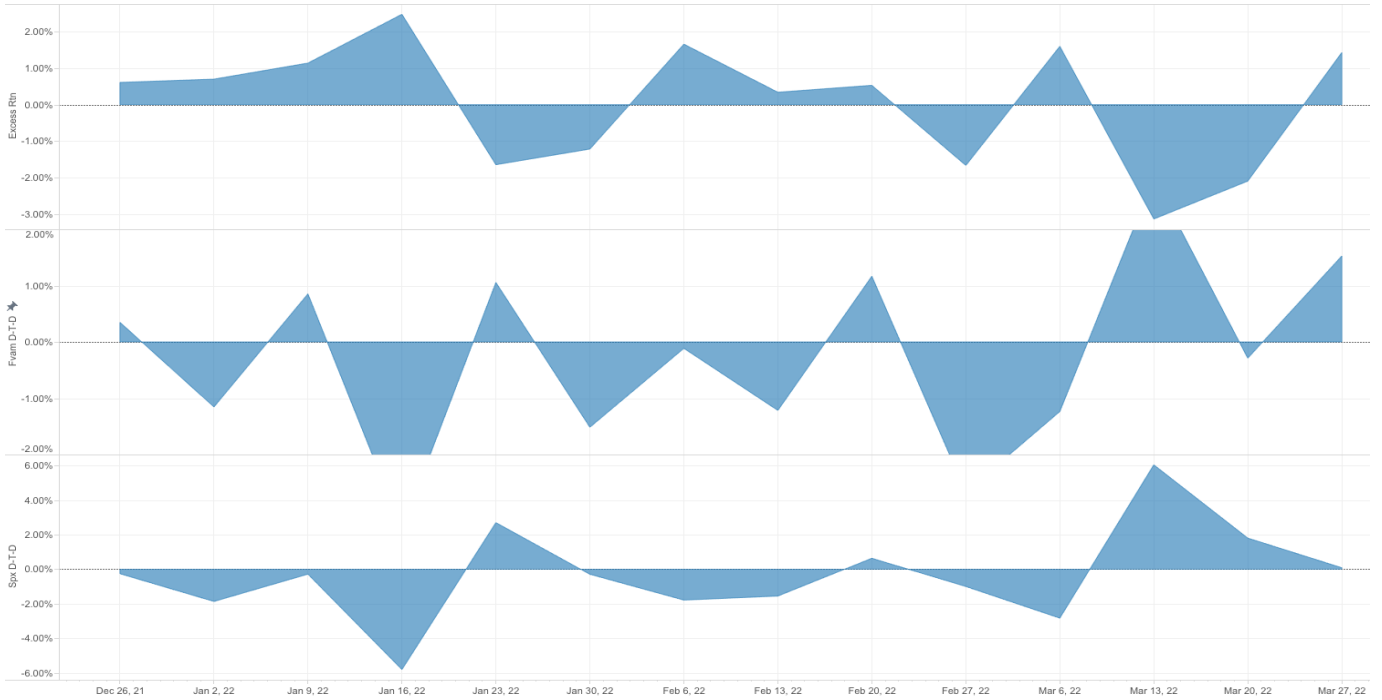
FVAM (Green) vs S&P500 vs IBB (BioTech Index Fund) vs BRK/b (Berkshire Hathaway) , 1st Quarter - 2022



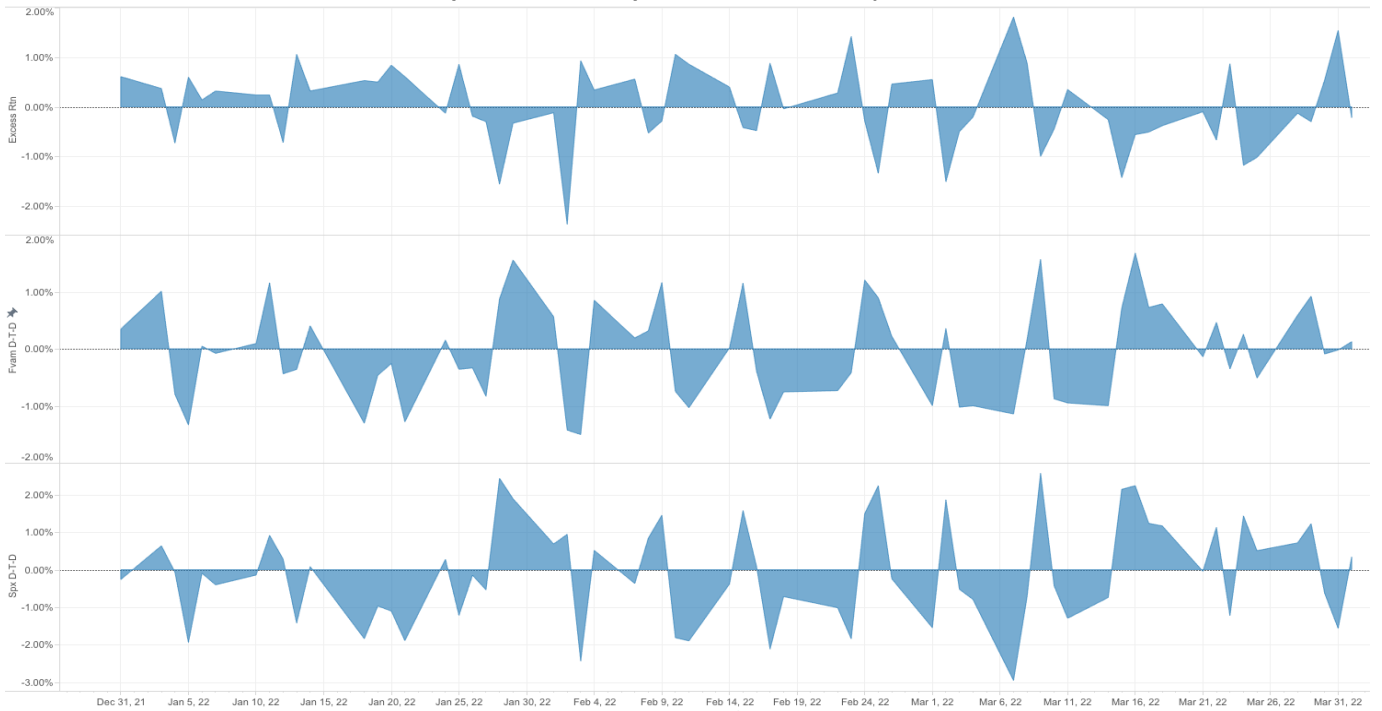
FVAM (green) vs S&P500 vs BRK/b (Berkshire Hathaway) vs ACWI (World Index) vs IBB (BioTech Index Fund) vs LQD (Bonds) vs EEM (Emerging Markets), Q1 - 2022



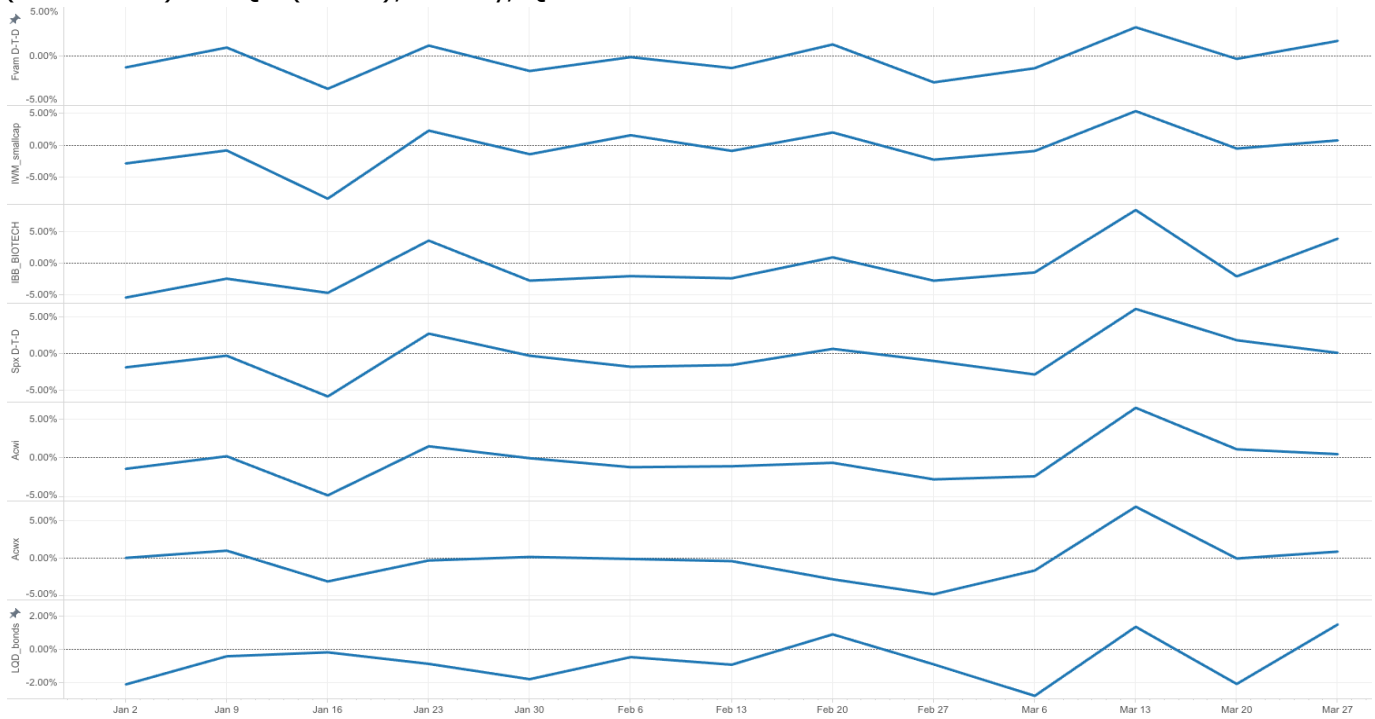
**FVAM vs SPX and relative return (FVAM vs SPX), Q1 - 2022, weekly**  
 (\*excess return shows FVAM vs SPX, shows by how much FVAM is outperforming or underperforming the S&P 500)



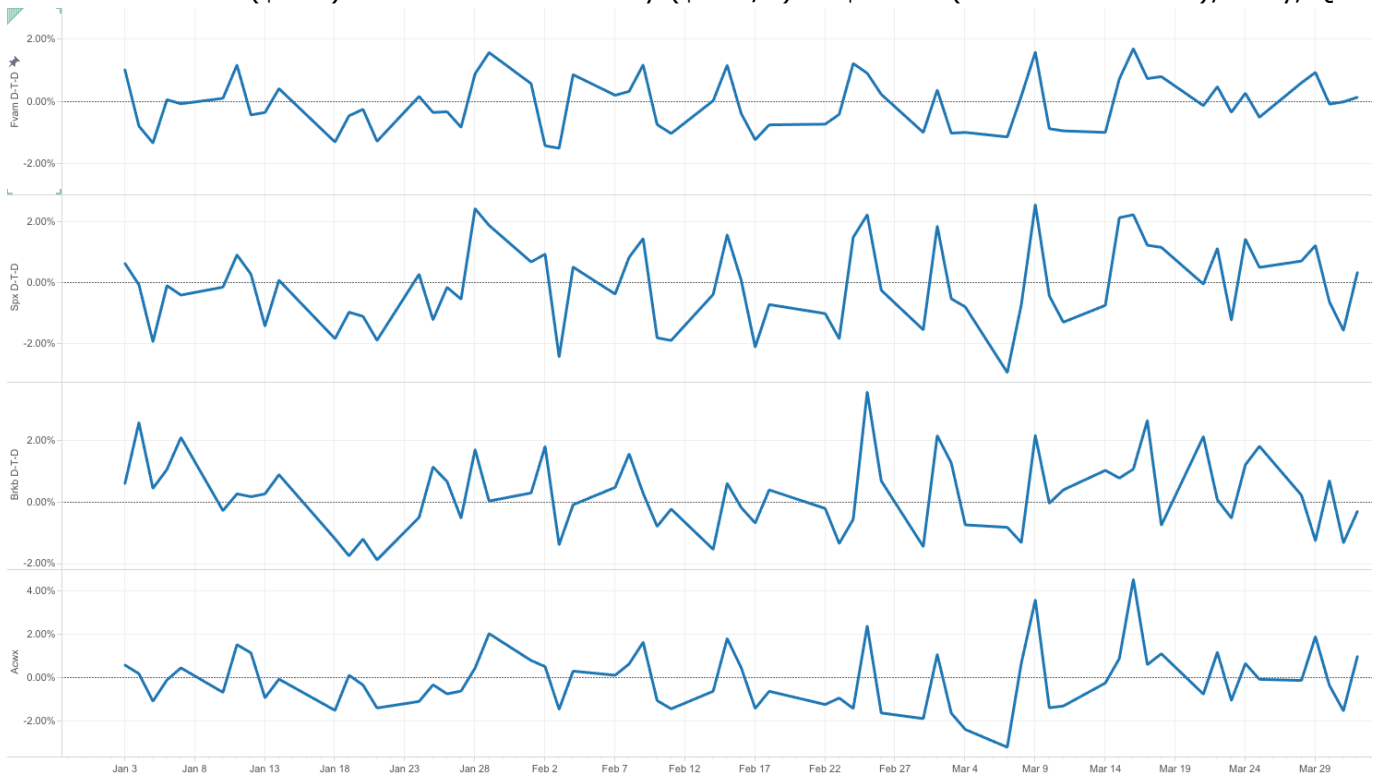
**FVAM vs SPX and relative return (FVAM vs SPX), Q1 - 2022, Daily**



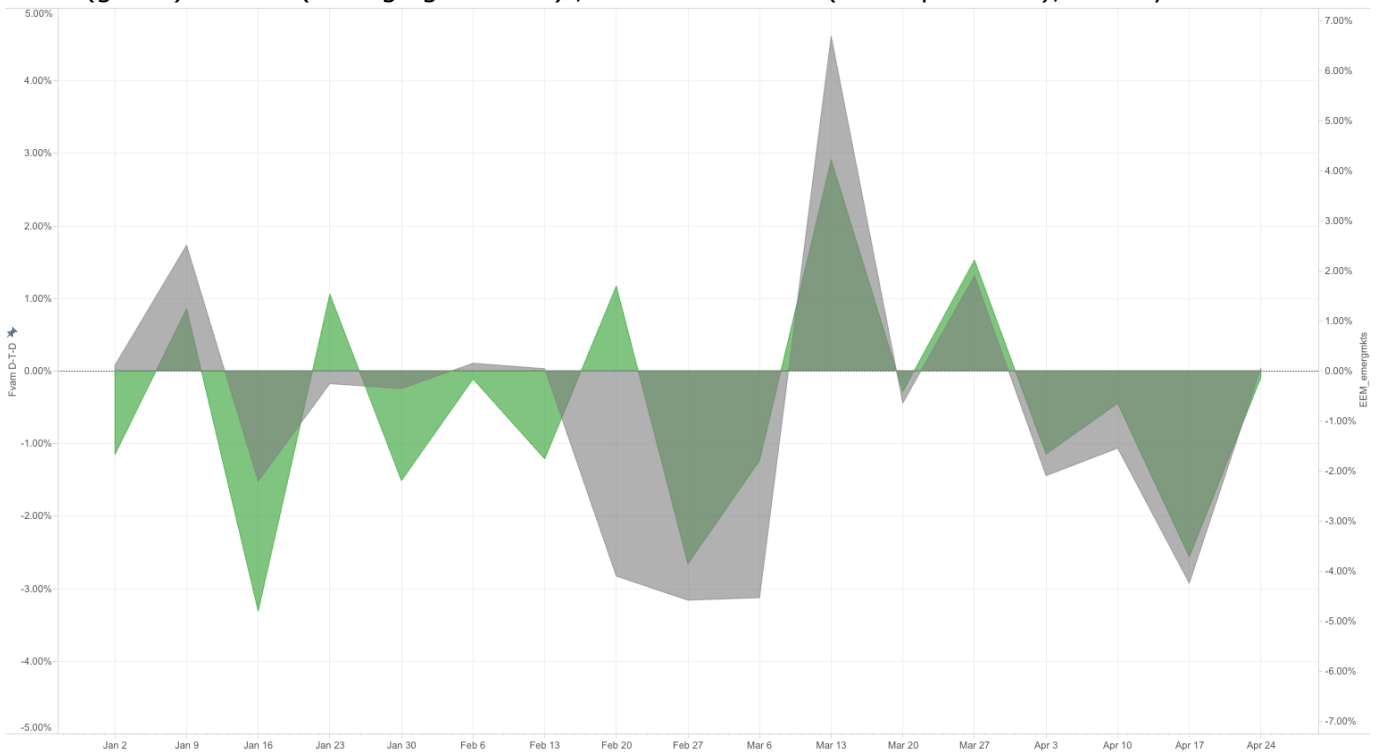
**FVAM vs IWM (small caps) vs IBB (biotech) vs SPX (S&P 500) vs ACWI (world index) vs ACWX (world x-US) vs LQD (bonds), Weekly, Q1**



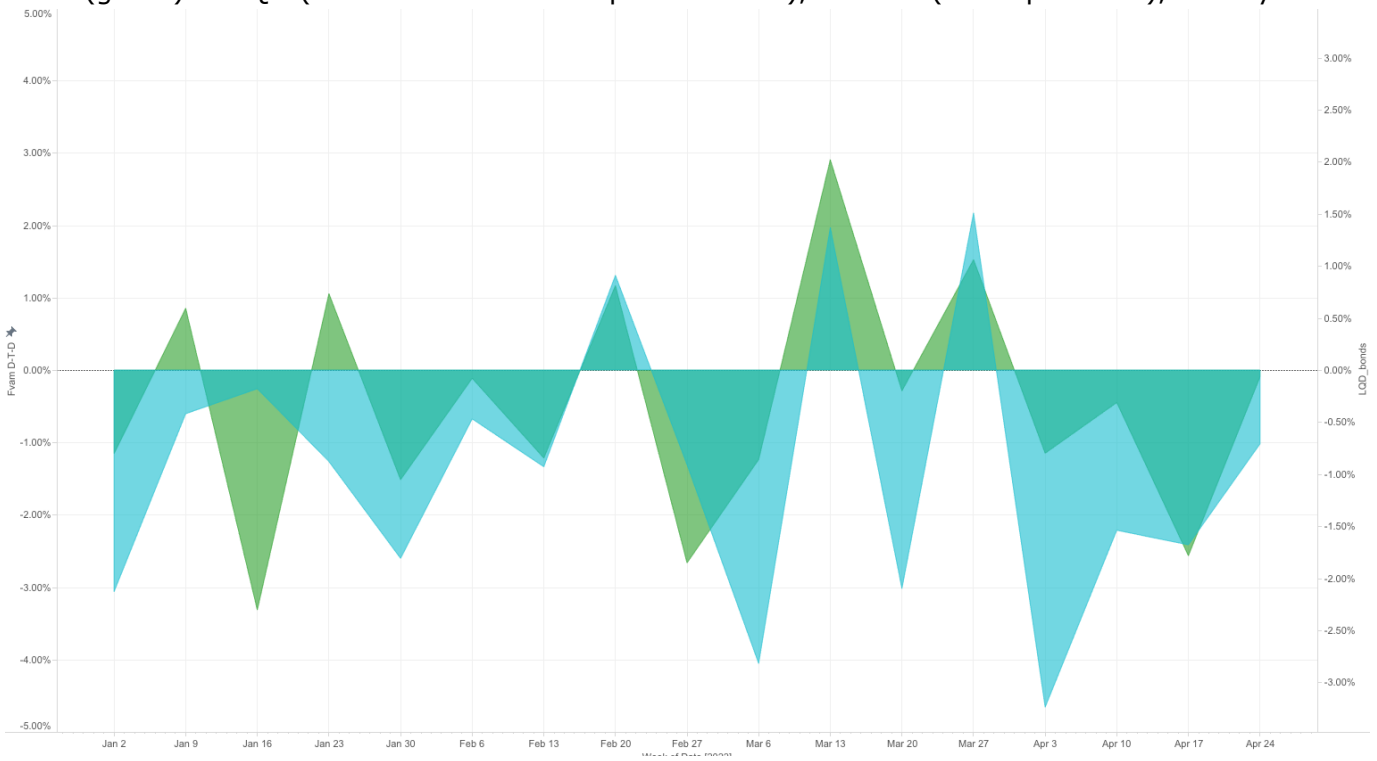
**FVAM vs S&P 500 (\$SPX) vs Berkshire Hathaway (\$BRK/b) vs \$ACWX (World Index x-US), Daily, Q1**



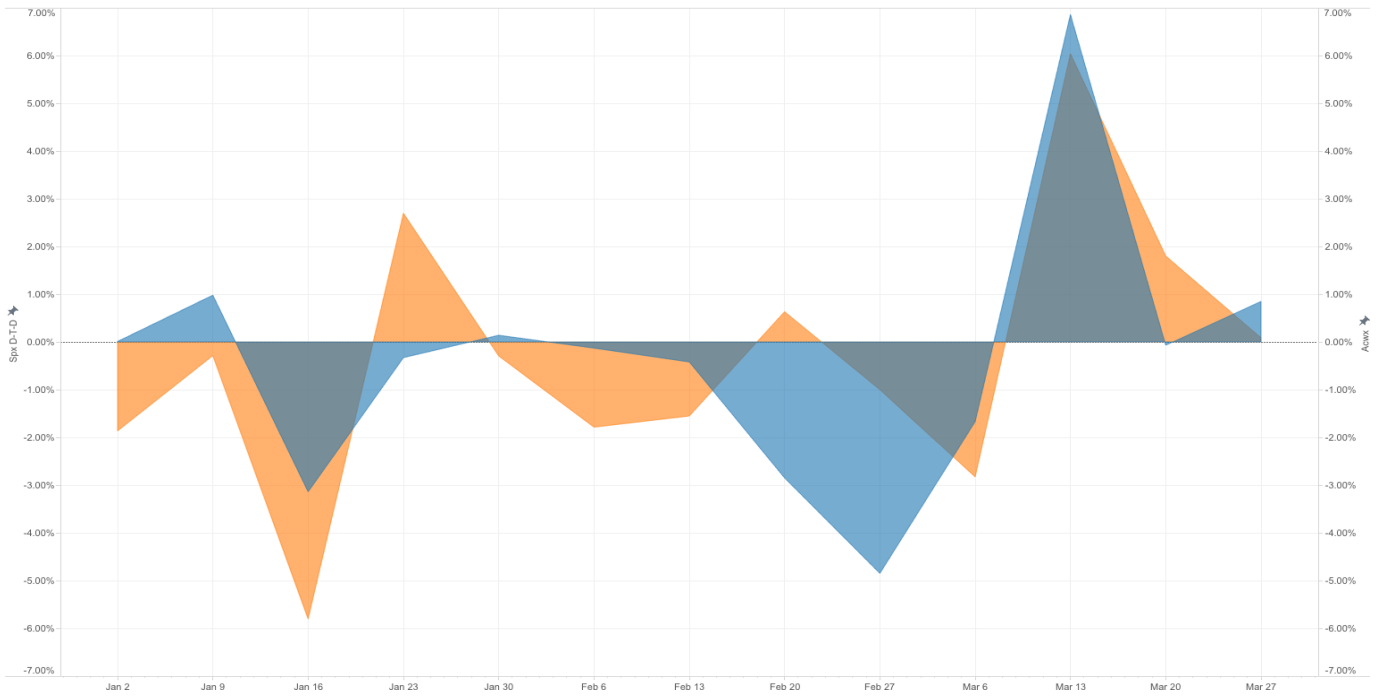
FVAM (green) vs EEM (Emerging Markets) , Year-to-Date '22 (thru April 2022), Weekly



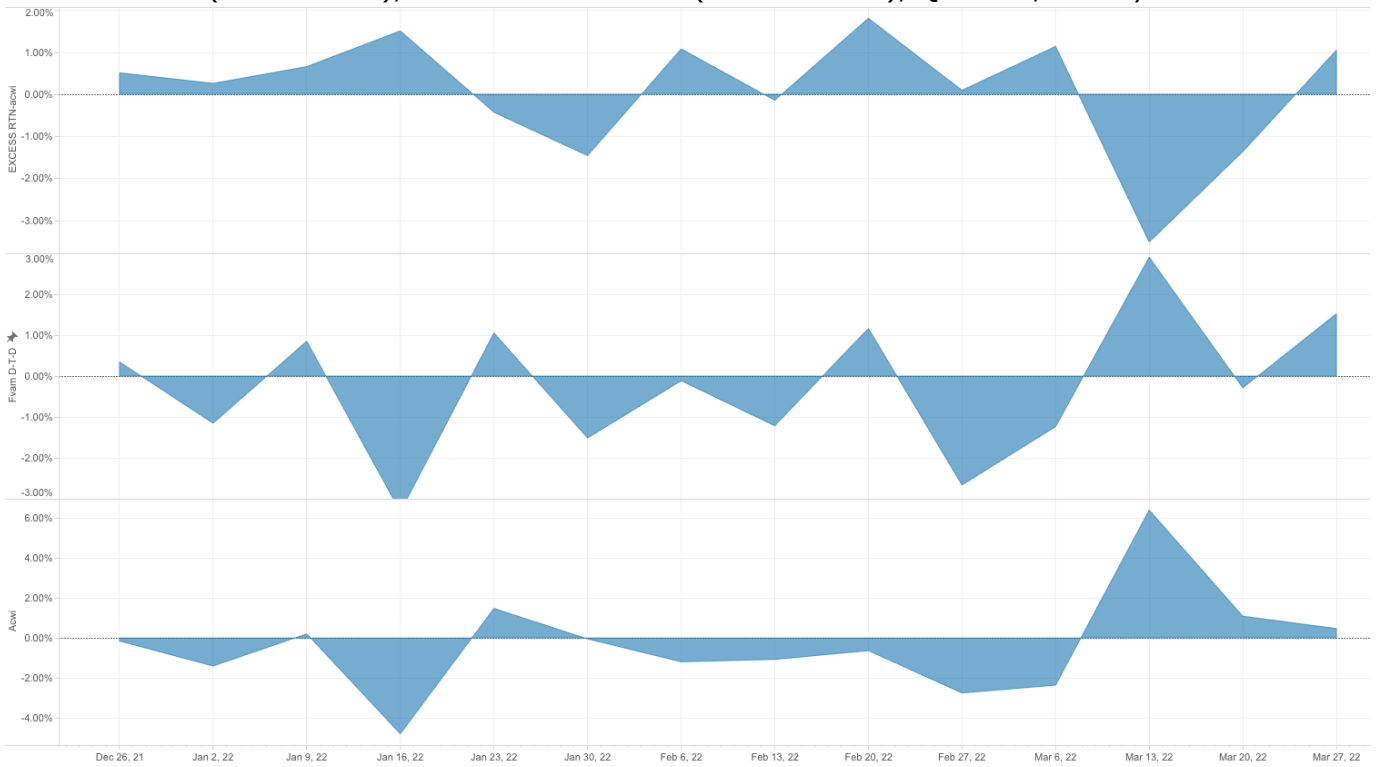
FVAM (green) vs LQD (Investment Grade Corporate Bonds), YTD '22 (thru April 2022), Weekly



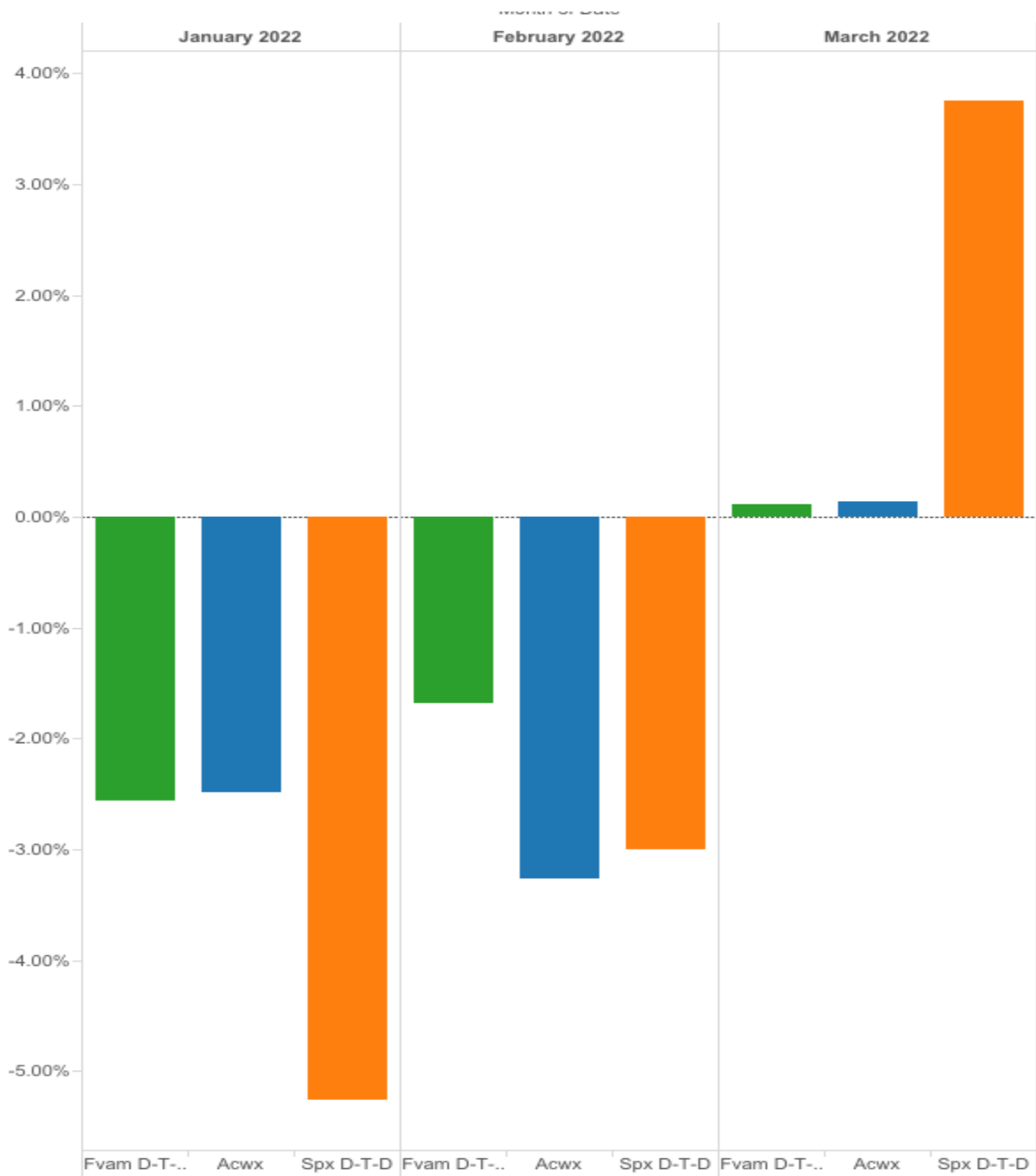
S&P 500 (orange) vs ACWX (World Index minus U.S.), Q1 2022, Weekly



FVAM vs ACWI (World Index), with Relative Return (excess return), Q1 2022, Weekly



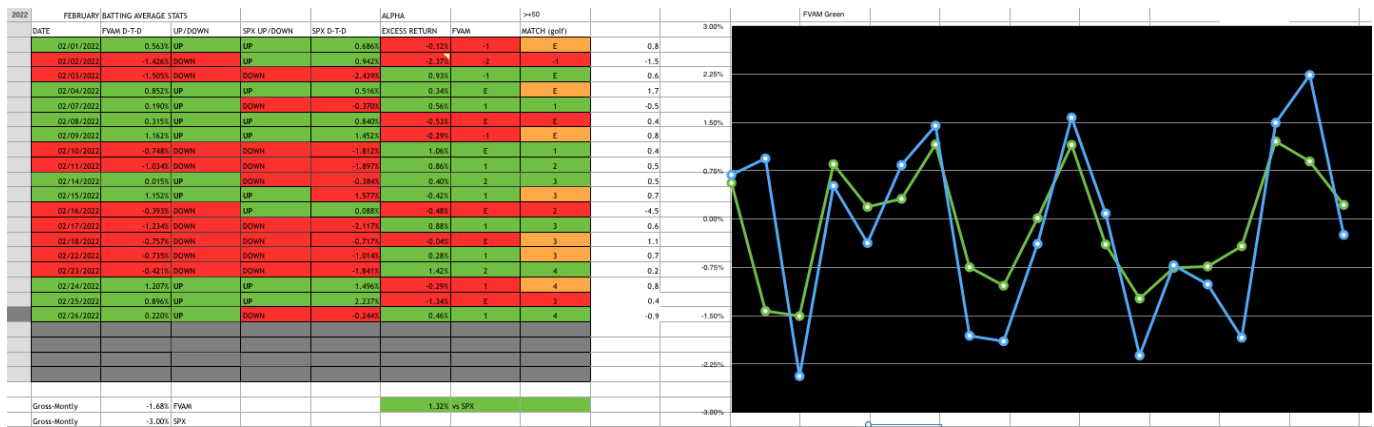
FVAM (green) vs ACWX (World Index minus USA, blue) vs S&P 500 (orange),  
 Year-to-Date (full-year 2022), monthly returns



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

The data below, displaying just February 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.

February 2022



\*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 Nasdaq 100 Health Care 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 April 2022)



