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

FVAM Fund Quarterly Portfolio Report
Q3 - 2023

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 3rd Quarter of 2023, 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
www.fanvestments.com
Twitter: @fanvestments
facebook.com/fanvestments
Instagram: @fanvestments

PRINCIPAL INVESTMENT STRATEGY

The FVAM Fund consists of a diversified portfolio of mixed asset-types, primarily focused on investing long within individual stocks, as well as occasional exposure between commodities, fixed income and currencies. Fund has a dual goal of capital appreciation AND preservation, looking for strong returns while applying a layer of defense to handle all types of economic and global financial cycles and market volatility. 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 ("technicals"), 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 core 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 potential buy-outs/mergers, FDA approvals, momentum and fund flows, as well as unusual options action. 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, and 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 style fund, "all-markets' , 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. FVAM tends to generate a large amount of index outperformance when the overall markets are down, while the Fund is mostly long individual stocks, but also maintains some level of defensive/short exposure. FVAM is not a "thematic" fund, and its diversified, risk-sensitive strategies are built to suit investors of all-ages, from younger and just starting to invest, through all stages of retirement and life. 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 and sectors, 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.

Q3 Highlights

For the 3rd Quarter of 2023, the FVAM fund finished down, with a negative -1.65% return. FVAM had a real strong July, but struggled in August & September. The fund was up 3.6% in July, down 2.3% in August, and down 2.9% in September. On a relative basis for the year thru the 3rd Quarter, based on an internal performance tracker of ~40 indexes/sectors, FVAM was outperforming just over half of the components. For the 3rd Quarter, the S&P 500 was down -3.6%, the Dow Jones down -2.5%, with the small cap etf IWM, down -5.5%. The ACWX etf, which tracks stocks around the world excluding the United States, was down -4.4%, w/the RSP (equal-weight SP500) down 5.3% Cathie Wood's ARKK thematic growth & innovation fund, was down -9.1%. 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 80-85% of the fund, the fund's performance and volatility is analyzed against the index, an all-stock and strictly large-cap index. Other reference points, more relative and important benchmarks for the fund, are Warren Buffett's Berkshire Hathaway, as well as SPLV, which is the S&P 500 Low Volatility etf. A less volatile alternative to the SP500 is a major goal/focus of the FVAM fund. Using the BRK/b shares, Berkshire was up 2.9% for the 3rd quarter, w/SPLV was down -6.5%. YTD thru the end of mid-December, FVAM was outperforming the SPLV etf by just over 10 percentage points

The fund's top performing investments year-to-date through the end of the 3rd quarter were Tesla (TSLA), Amazon (AMZN), AMD (AMD) as the top three. Following them up was Alphabet (GOOGL), Live Nation Entertainment (LYV) , Marvell Technology (MRVL), Unity Software (U), Taiwan Semi (TSM), Hive Digital (HIVE) and Intel (INTC) rounding out the top 10 performing positions. Of those top 10; AMD, Marvel Tech, Unity, Taiwan Semiconductor, and Intel have been sold in full. Positions in Tesla, Amazon, Google, Live Nation and Hive remain, with Tesla, Amazon, Google, LiveNation as core positions, with Amazon & Google in the top 4 in size. Hive a smaller non-core position. In the quarter, Devon Energy (DVN), Madison Square (MSGS), Generac (GNRC), Verizon (VZ), Paypal (PYPL), Walgreens (WBA), Renaissance IPO (IPO), and Alibaba were all sold in-full, and reduced positions in MP Materials (MP), as well as Disney (DIS), LiveNation (LYV). Fund added back to LiveNation later in the quarter. Bought back into Google (GOOGL), and added to Crispr (CRSP). The fund initiated a new core position in Nike (NKE) and Bristol Myers (BMY).

Looking further into Nike, currently a top 10 position for the fund in size, return up about 15% so far. NKE is a longer-term "core" investment for the fund, albeit, Nike's latest earnings report had some negatives, which if they don't improve by next quarter could lead to a sale. Position was initiated ~96/share w/an avg price just below 97. Stock was just above $110 towards later in December. Based on its Q3-2023 earnings report, Nike produced quarterly revenue of $13.4 Billion, over $51.5 billion in 12-month sales. Using a 5% revenue growth rate, looking for $53-54 billion in 2024 revenue. 12-month price target at $148, about another 35%+ upside from current levels. Looking at multiple variables, but comes to ~4x sales, or 15x price-to-book, which is the 5-yr average. Longer-term out 2-3 years, could see Nike get closer to $200, but revenue growth will need to pick up.

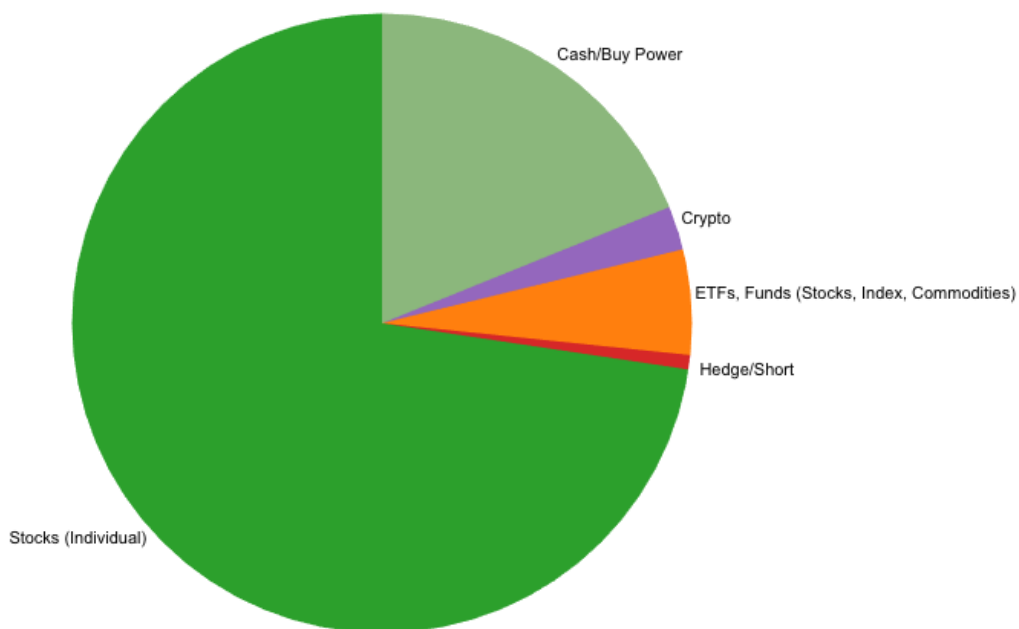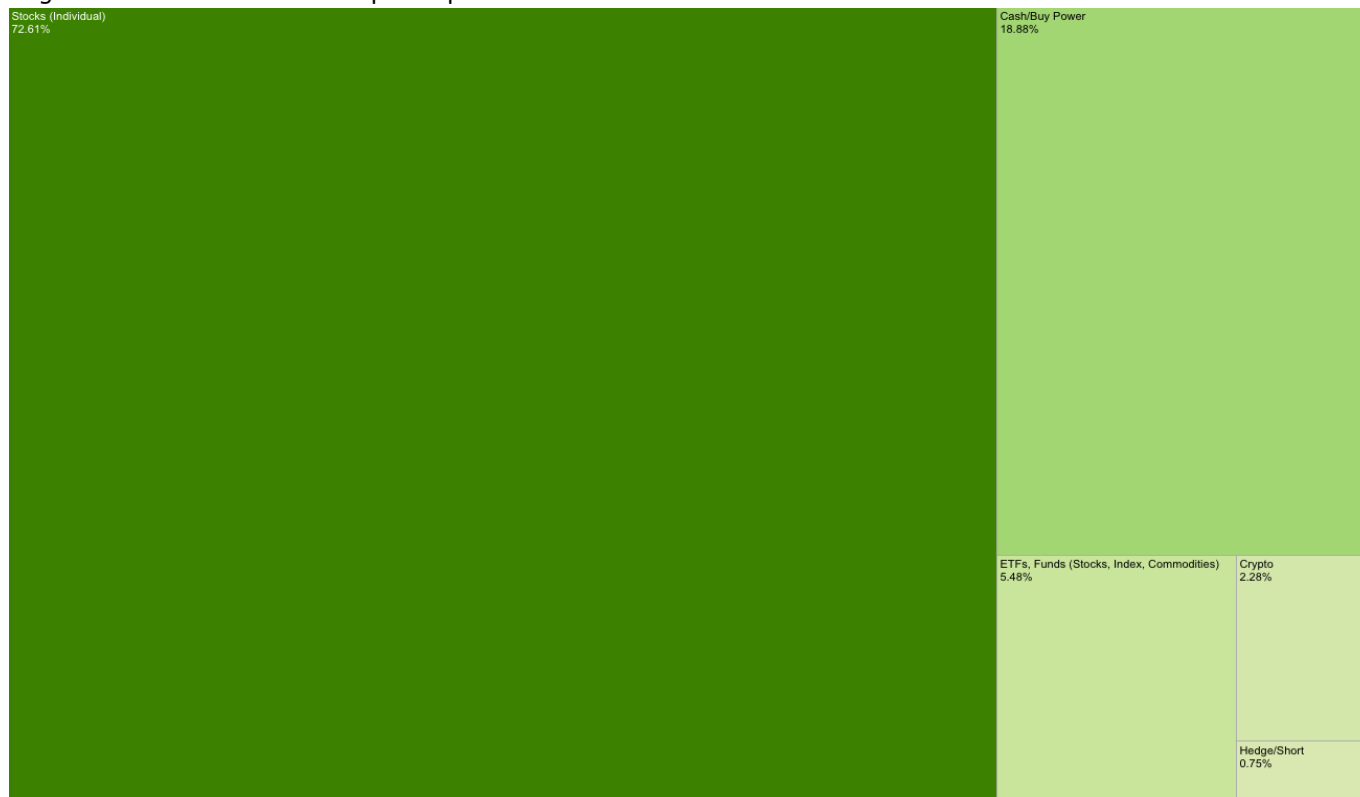Can read more about Nike here: [Nike Earnings Release](#)

Looking into Q4 2023, new positions were initiated in Charles Schwab (SCHW), Novo Nordisk (NVO), Penn Entertainment (PENN) and Target (TGT). Target and Schwabb positions have increased to top 5 positions, with Schwab already a top 3 performer year-to-date. Added to positions in Amazon and Google, and bought back into Disney. Positions in Devon (DVN) and Albermale (ALB) were sold in-full, taking a loss there - "know when to fold em".

Charles Schwab (SCHW), currently a top 5 position, is a savings & loan company involved with wealth management, securities brokerage, asset management custody, and financial services. They also are in the final phase of their takeover of TD Ameritrade. Schwab provides financial services to both retail clients as well as institutional, servicing the investor as well as advisors. They also provide integrated web and mobile trading software (such as the major ThinkorSwim platform), real-time market data, options trading, research tools, and retirement planning services. The fund started buying SCHW in early October around $53 and has an average cost just above $51, with the stock just above $70 in mid-December. 12-month Price-target at $91, ~35% upside, using multiple metrics but averages out to 22x 2024 sales estimates, which is its 5yr average. Stock also comes with a 1.5% dividend. Longer-term target @ $115, with a current long-term high @ 96, which I believe will be taken out in the next year.
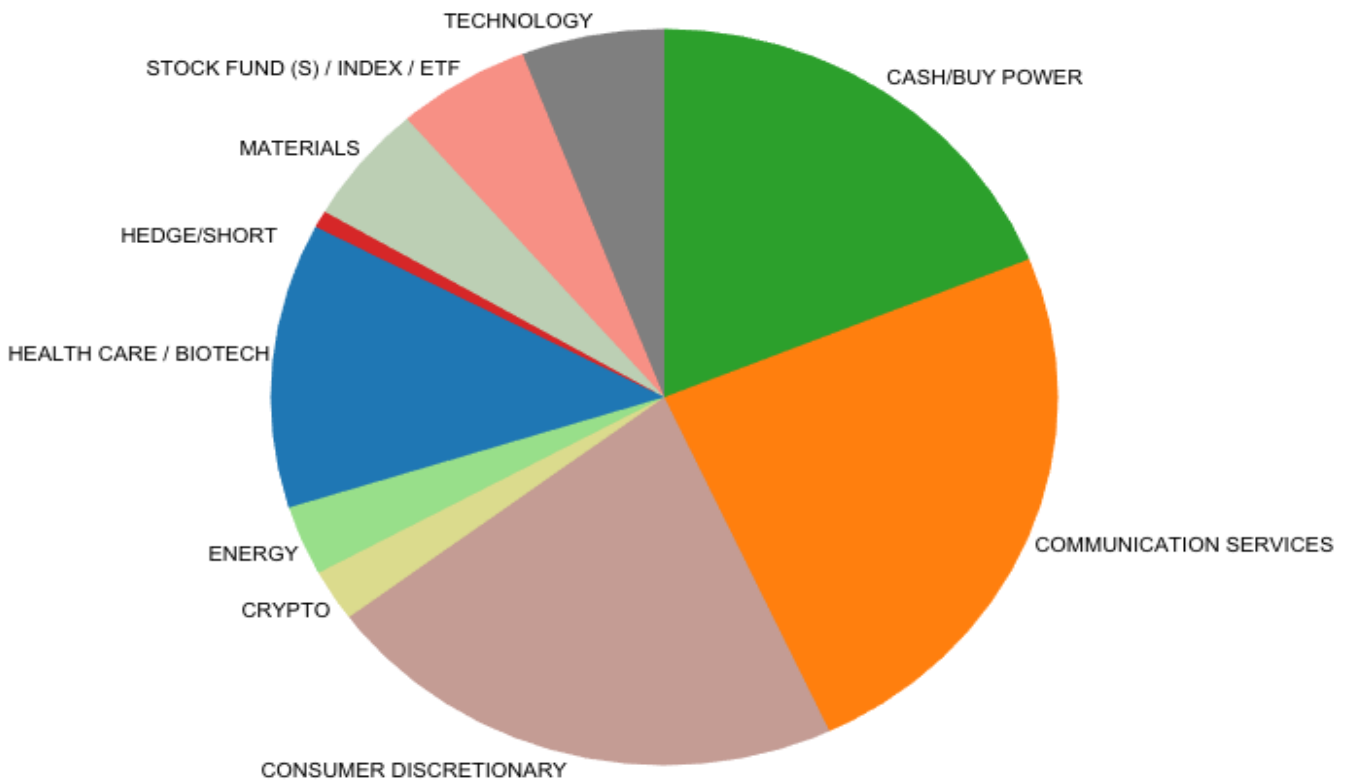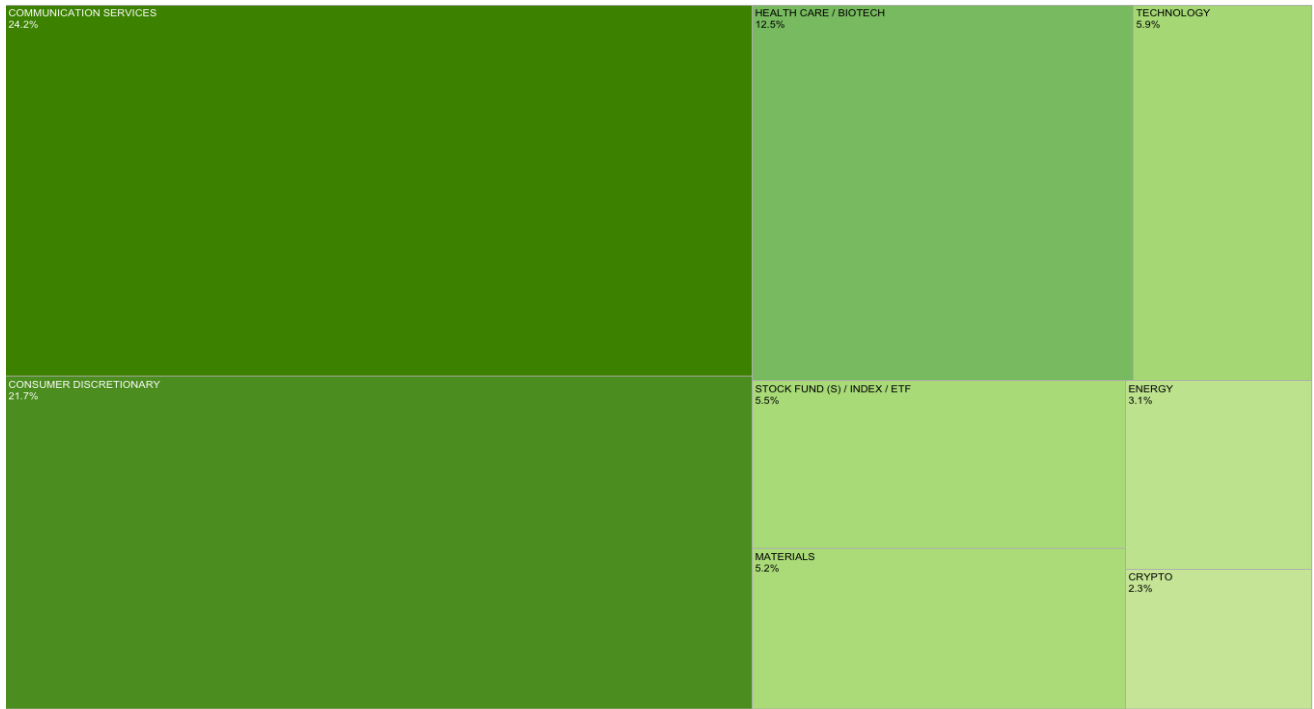
Can read more about Charles Schwabb here: [SCHW Q3-2023 Results](#)

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 October 2023)

High Level allocation heat map and pie chart:

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


COMMUNICATION SERVICES 24.2%	HEALTH CARE / BIOTECH 12.5%	TECHNOLOGY 5.9%
CONSUMER DISCRETIONARY 21.7%	STOCK FUND (S) / INDEX / ETF 5.5%	ENERGY 3.1%
	MATERIALS 5.2%	CRYPTO 2.3%

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, 3rd Quarter 2023 , Weekly returns
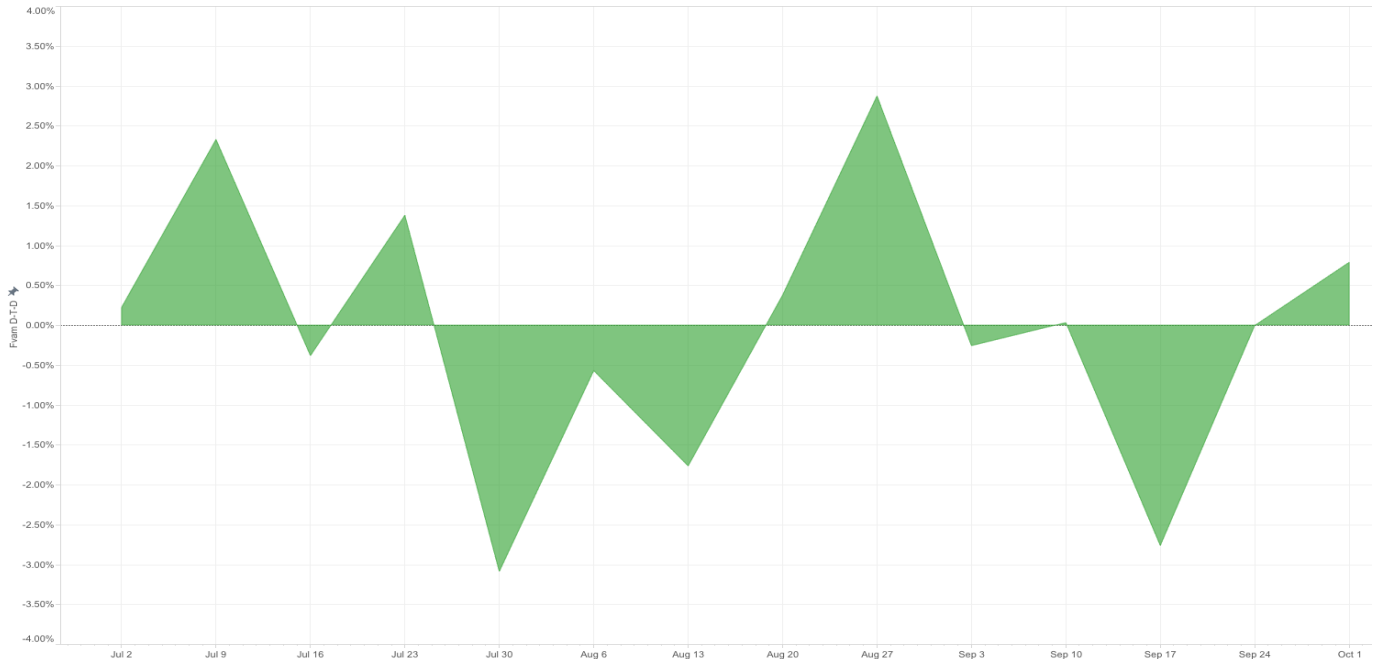
FVAM fund, 2023 YTD cumulative return
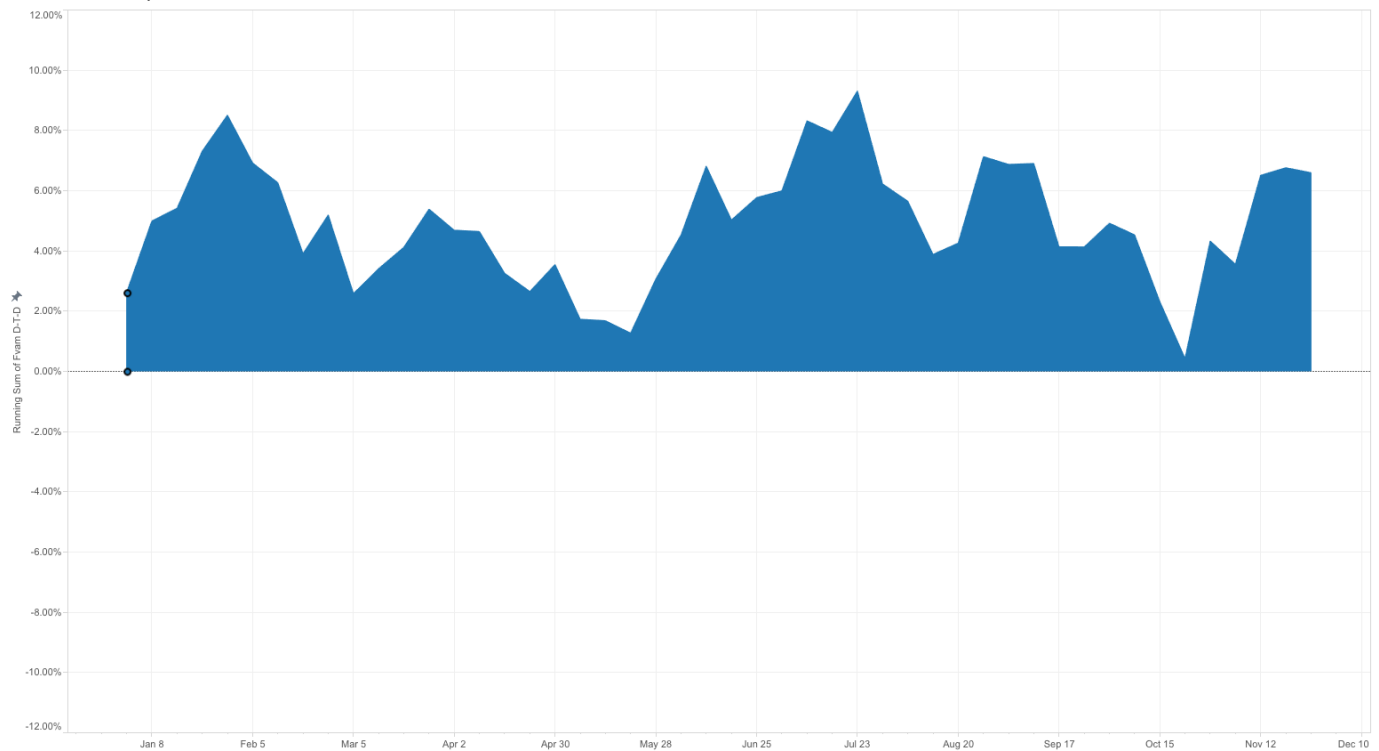
FVAM fund (green) vs SPX (S&P 500, orange), Q3 2023, weekly
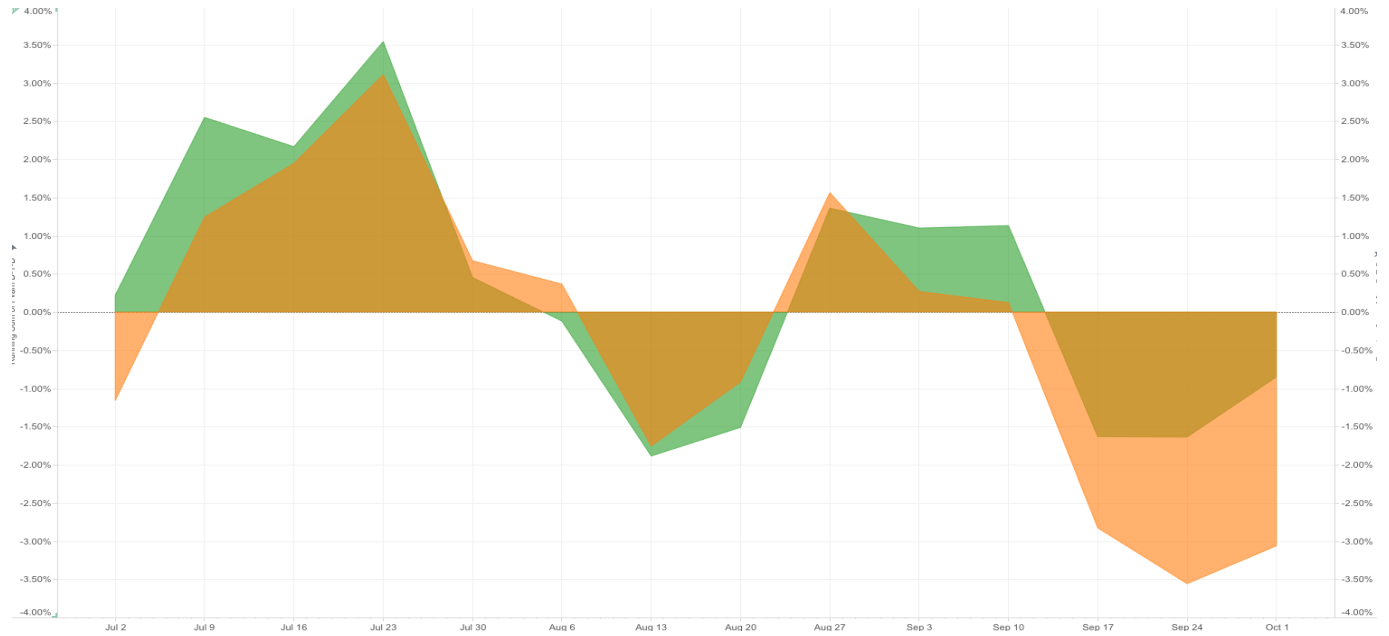
FVAM fund (green) vs SPLV (S&P 500 low-volatility, orange), 1-year, Quarterly (Q3 '22 thru Q3 '23)
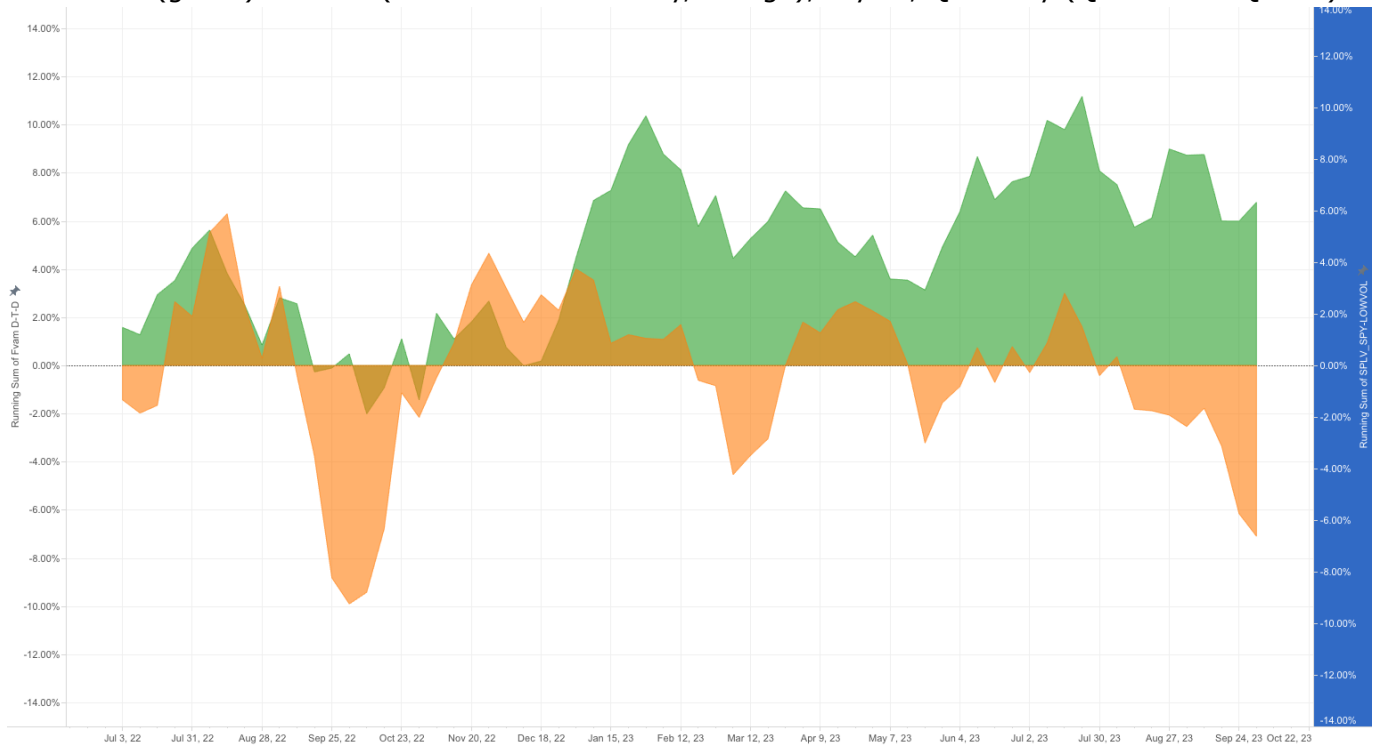
FVAM fund (green, left) vs BRK/b (blue, right), 1-year (thru November '23), Weekly ($BRK-B : Berkshire Hathaway B-shares)
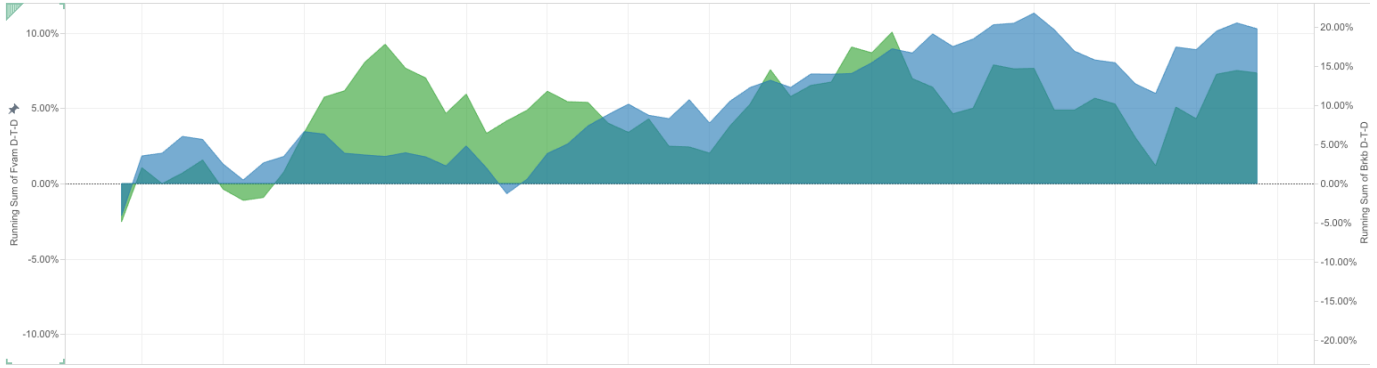
FVAM fund (green, left) vs BRK/b (blue, right), Q3 2023, Weekly
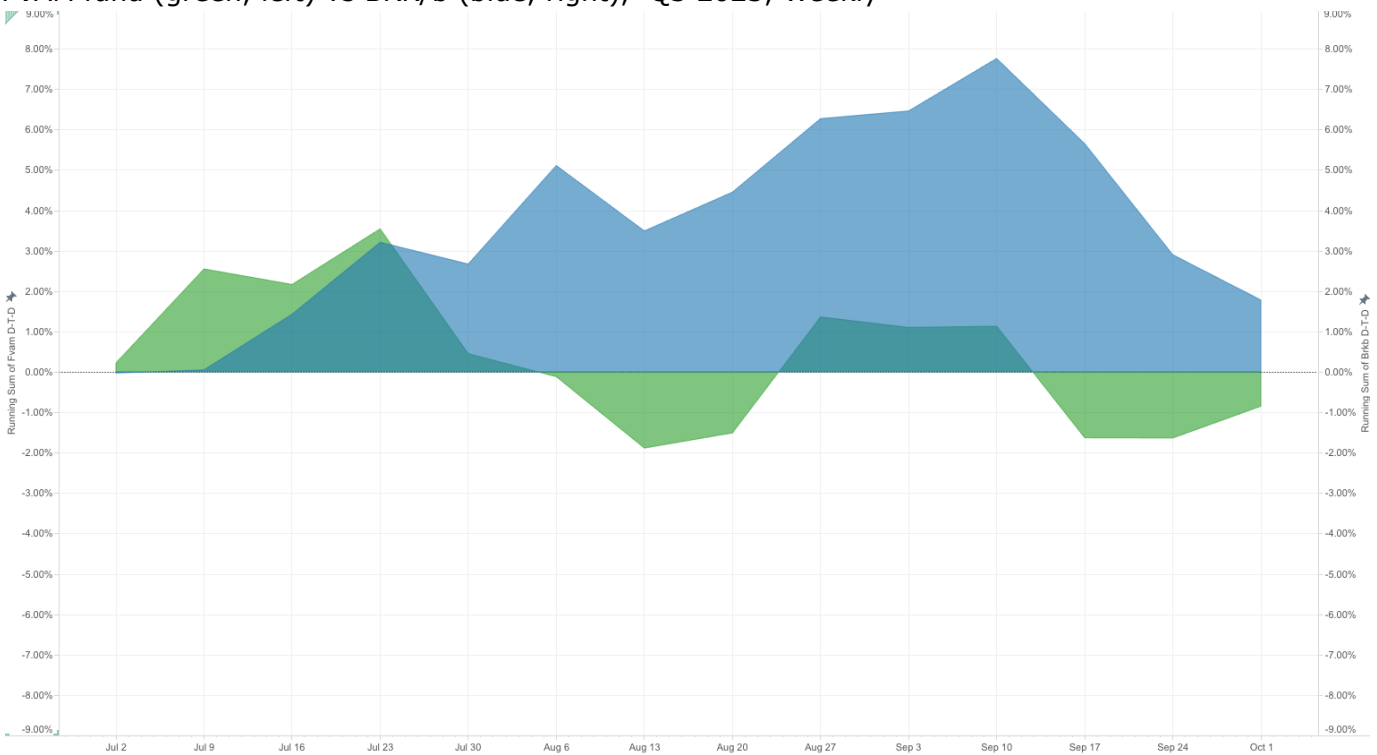
FVAM vs BRK/b and relative return (FVAM vs BRK/b), weekly, YTD thru July
(excess: positive = outperformance, negative = underperformance)
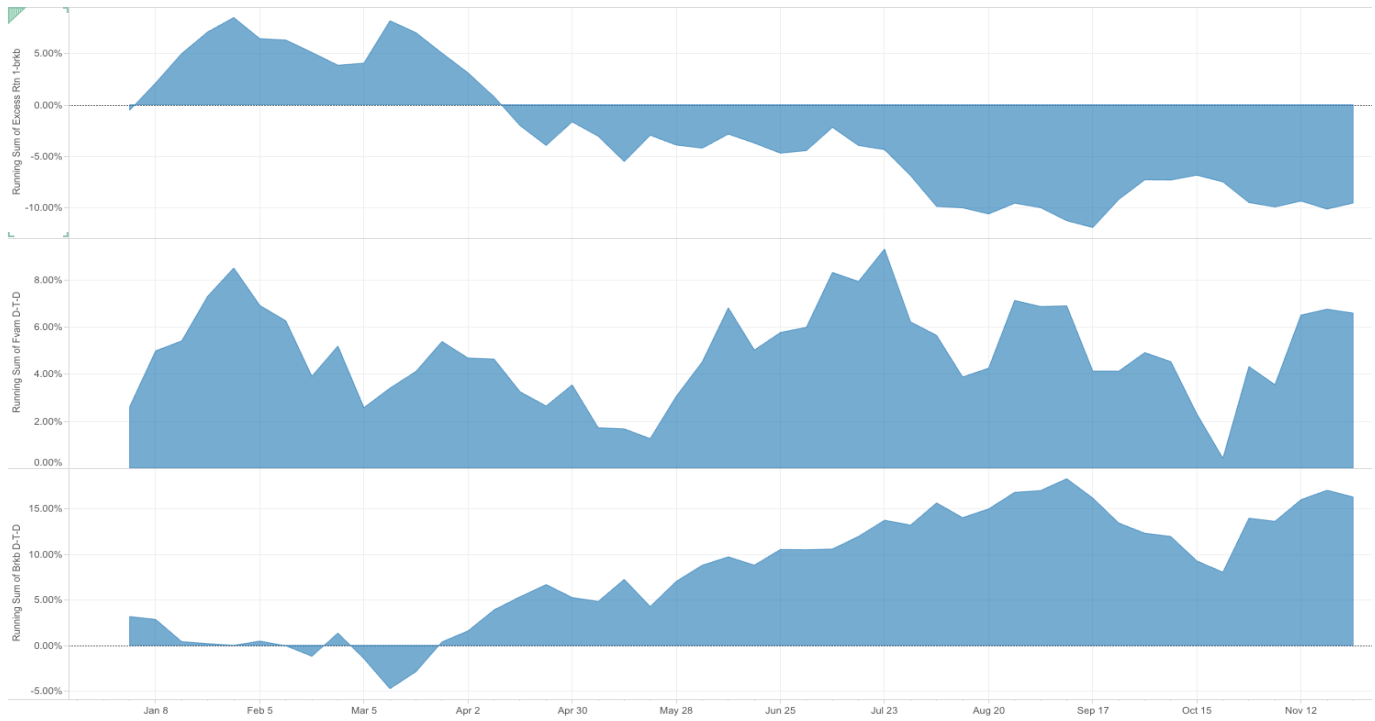
FVAM vs BRK/b and relative return (FVAM vs BRK/b), daily, Q3 2023
(excess, positive = outperformance, negative = underperformance)
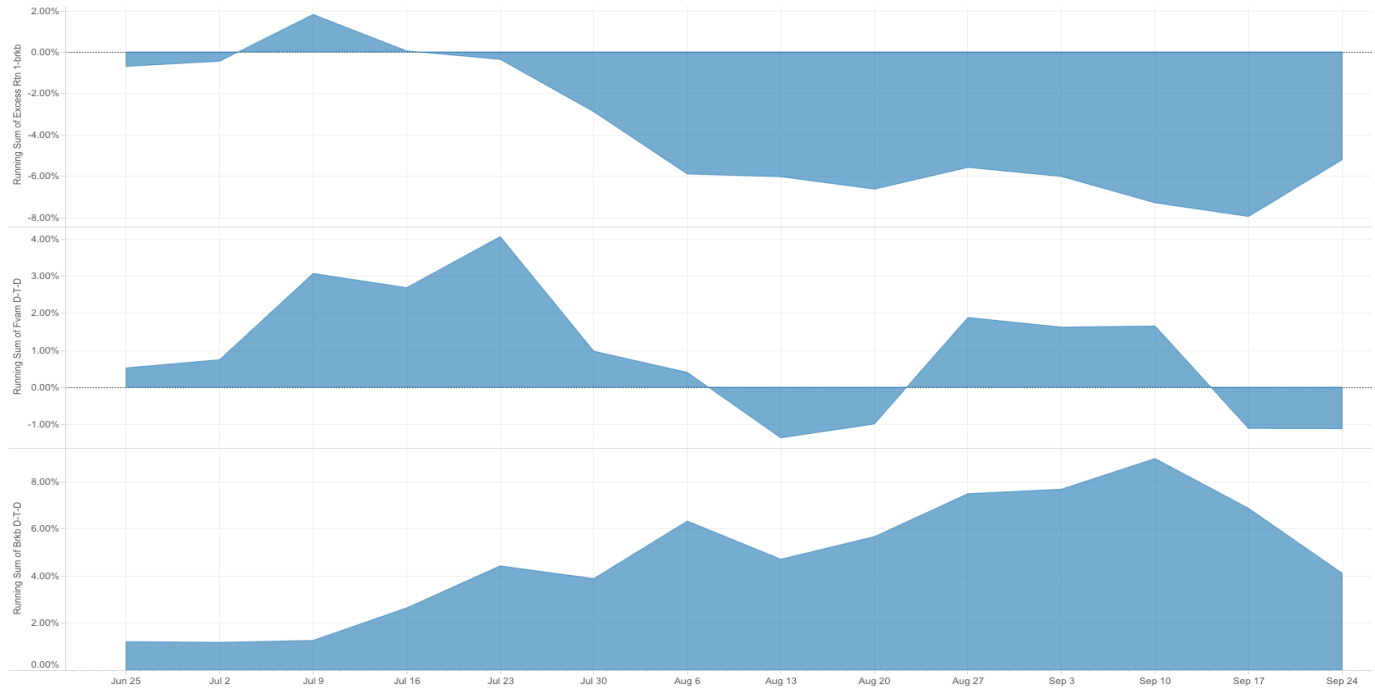
FVAM (Green) vs S&P500 vs IBB (BioTech Index Fund) vs BRK/b (Berkshire Hathaway) , 3rd Quarter - 2023
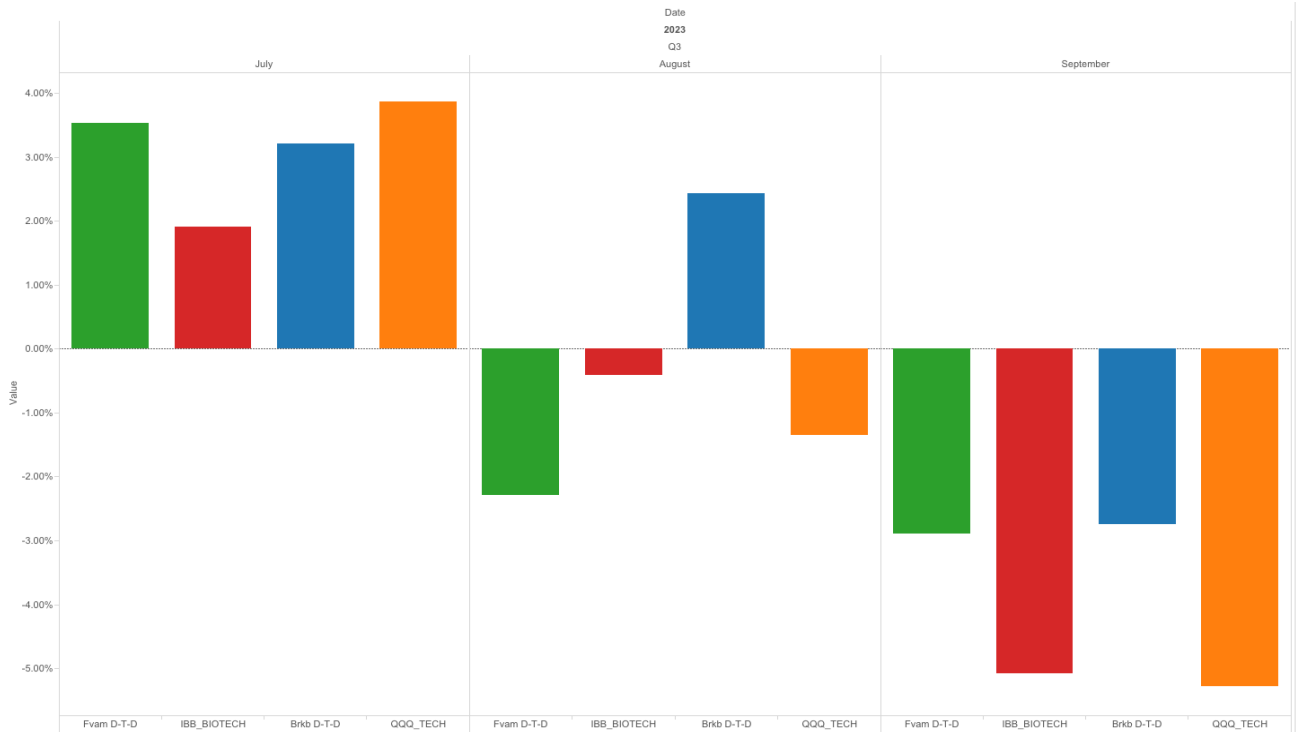
FVAM (green) vs S&P500 vs BRK/b (Berkshire Hathaway) vs ACWI (World Index) vs IBB (BioTech Index Fund) vs LQD (Bonds) vs EEM (Emerging Markets) vs QQQ (Nasdaq), YQ3 '23
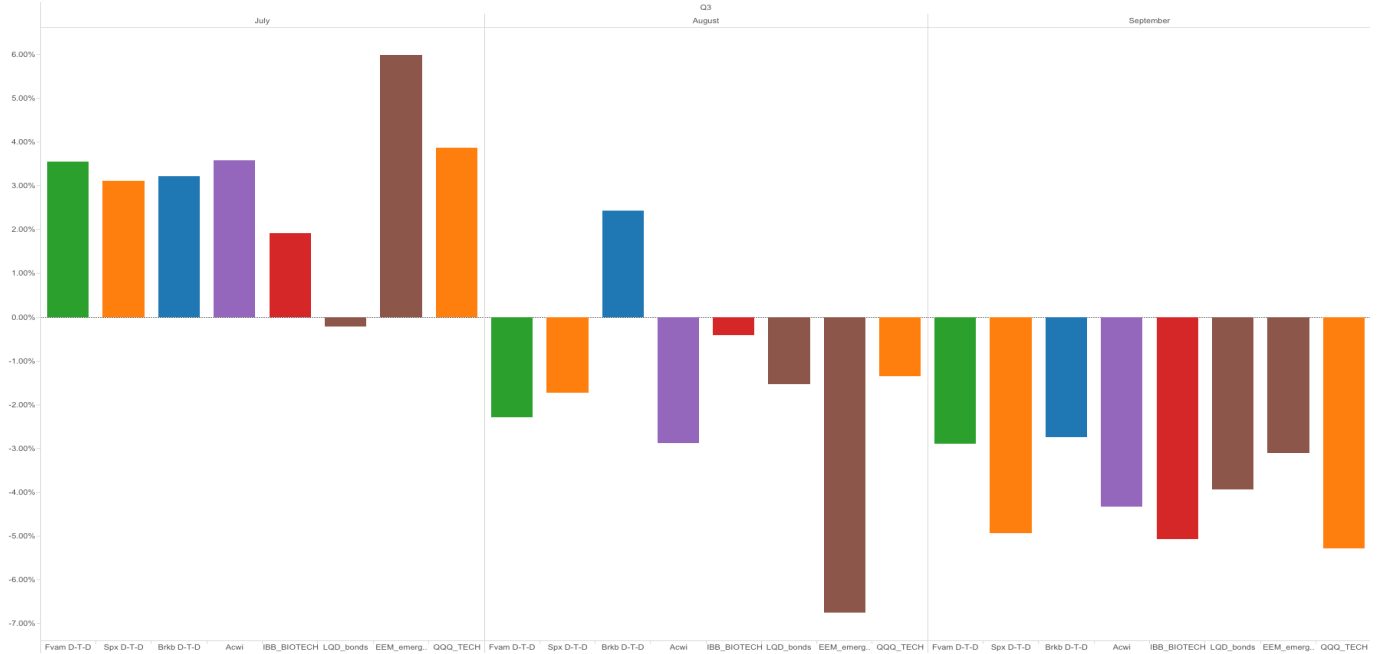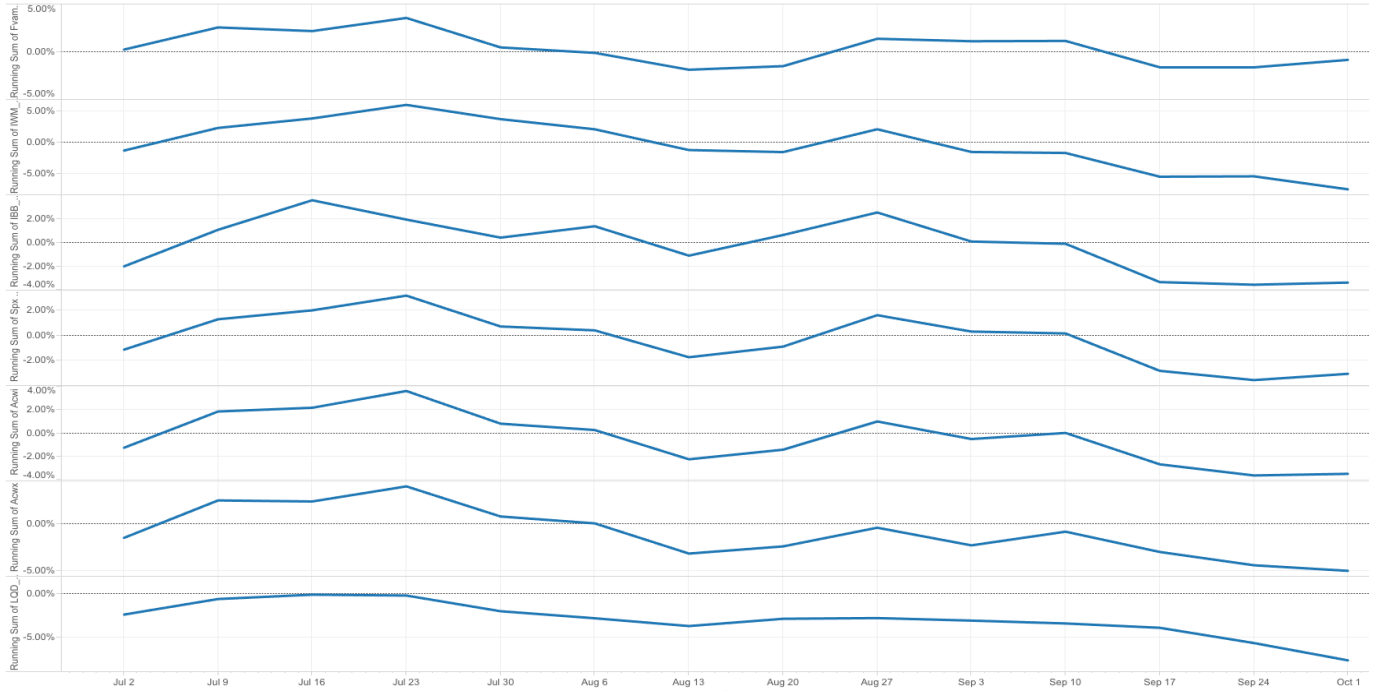
FVAM vs SPX and relative return (FVAM vs SPX), Q3 - 2023, weekly
(*excess return shows FVAM vs SPX, shows by how much FVAM is outperforming or underperforming the S&P 500)
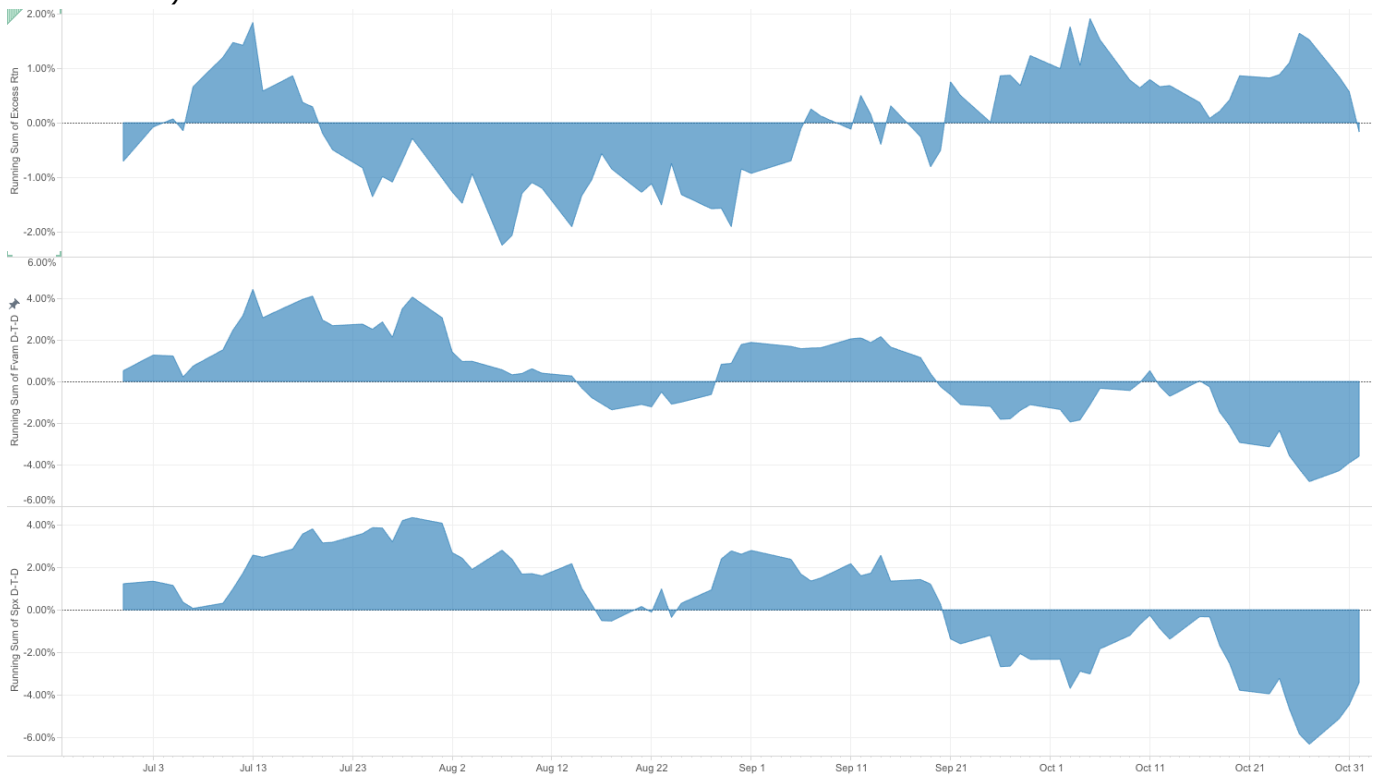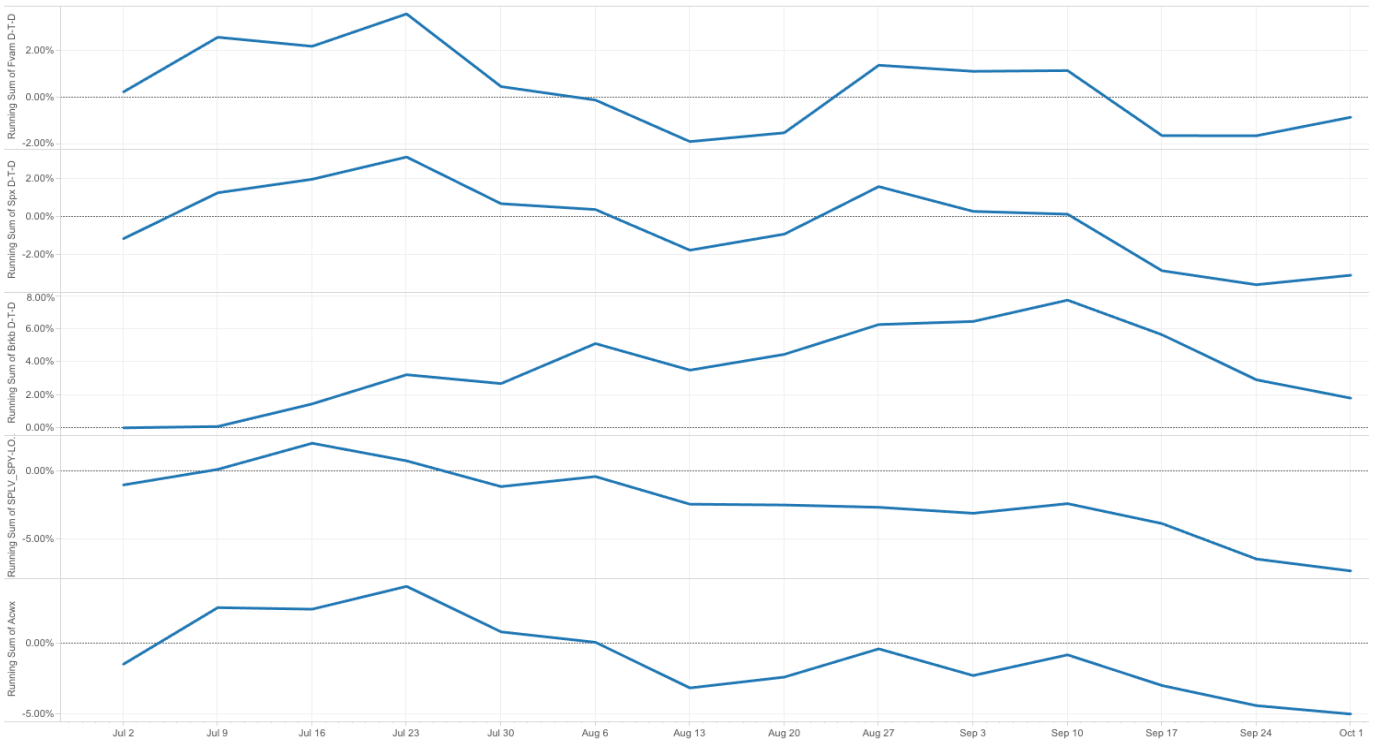

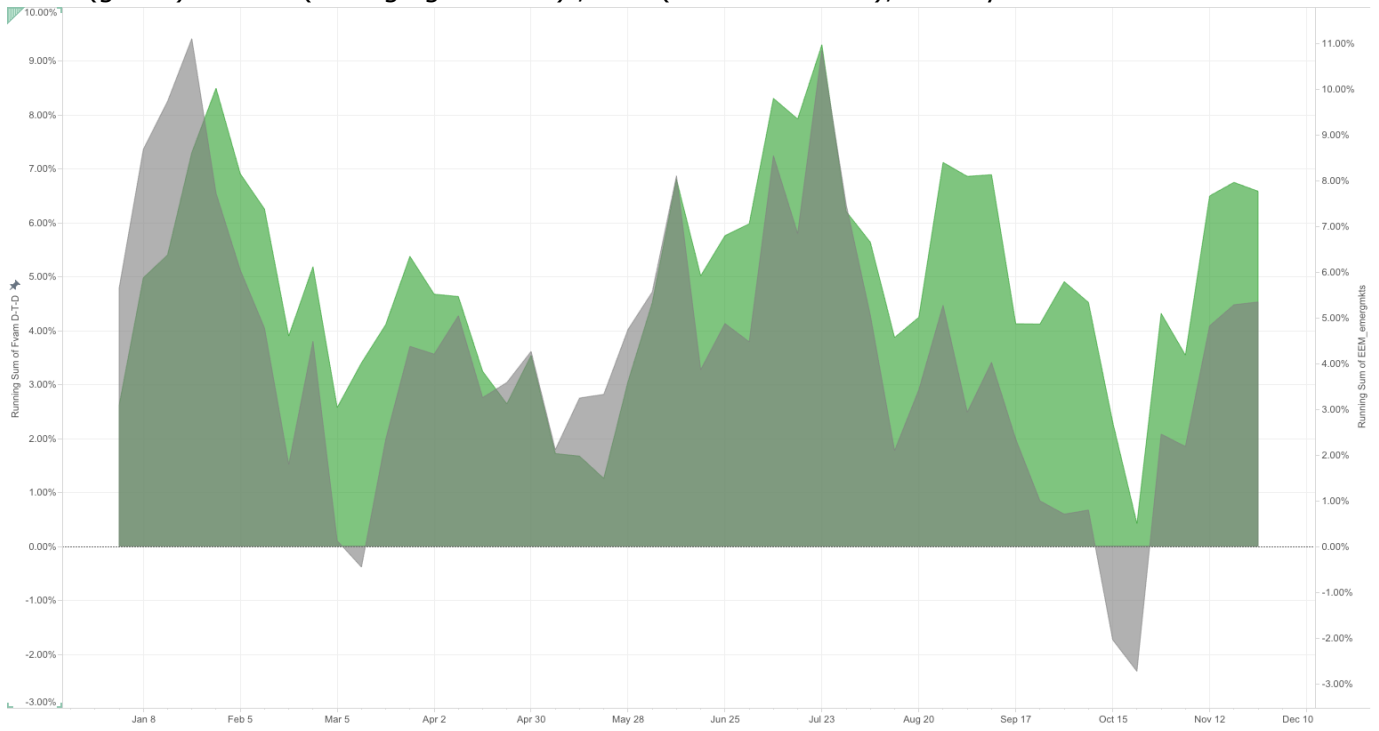# FVAM vs SPX and relative return (FVAM vs SPX),YTD - 2023, thru November
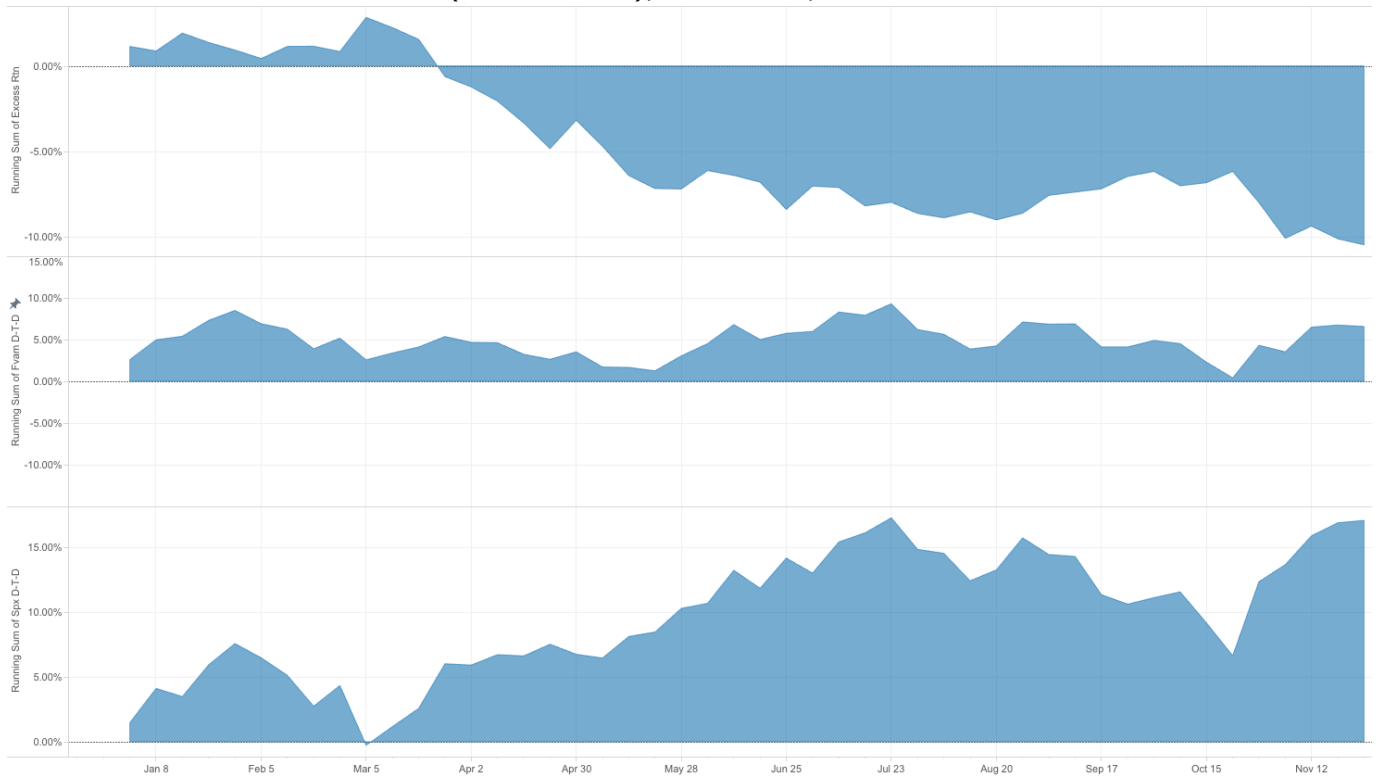
FVAM vs IWM (small caps) vs IBB (biotech) vs SPX (S&P 500) vs ACWI (world index) vs ACWX (world x-US) vs LQD (bonds), Weekly, Q3
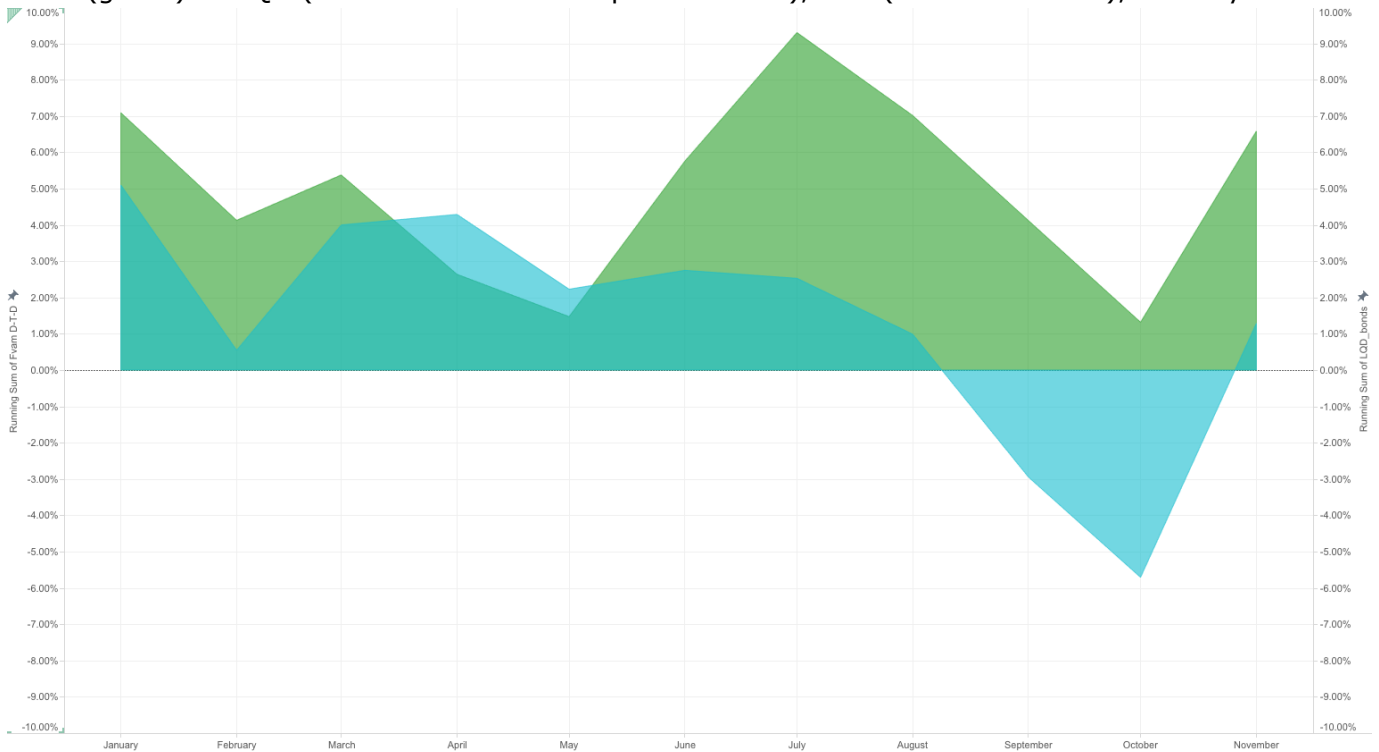

FVAM vs S&P 500 ($SPX) vs Berkshire Hathaway ($BRK/b) vs $SPLV (S&P500 Low Volatility etf) vs $ACWX (World Index x-US etf), Weekly, Q3
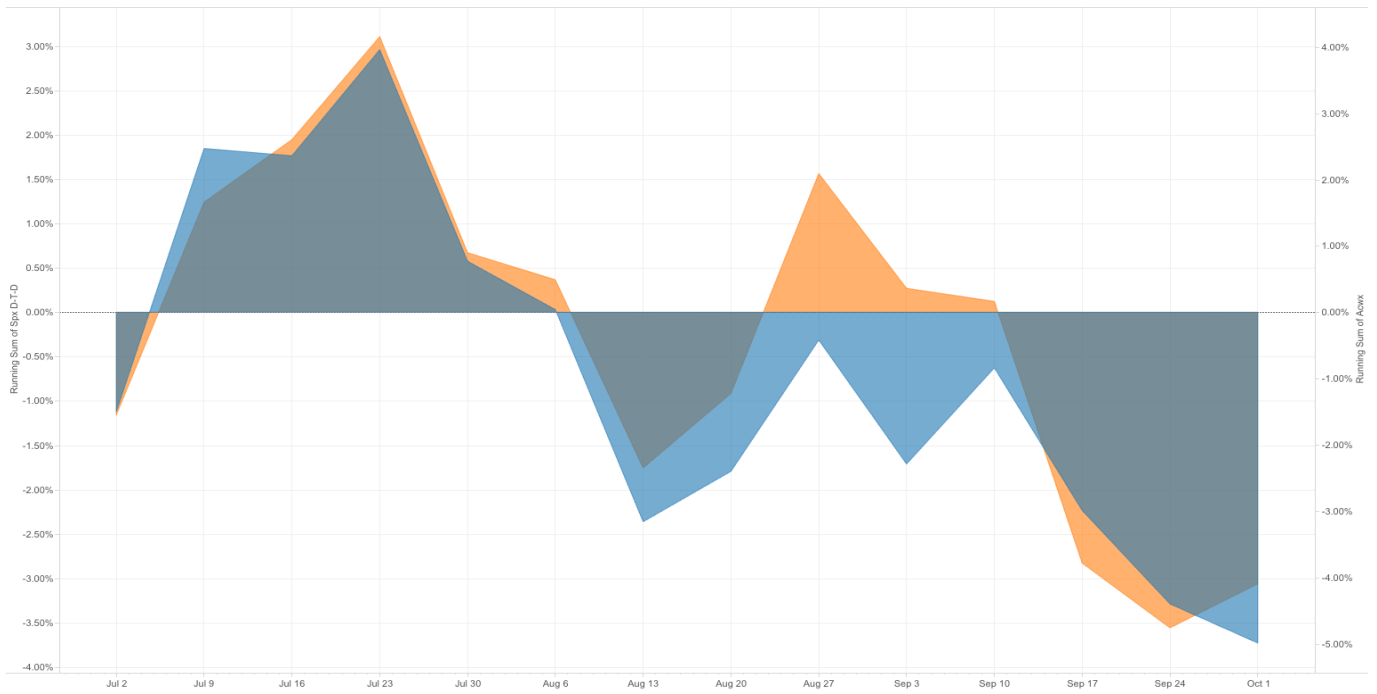
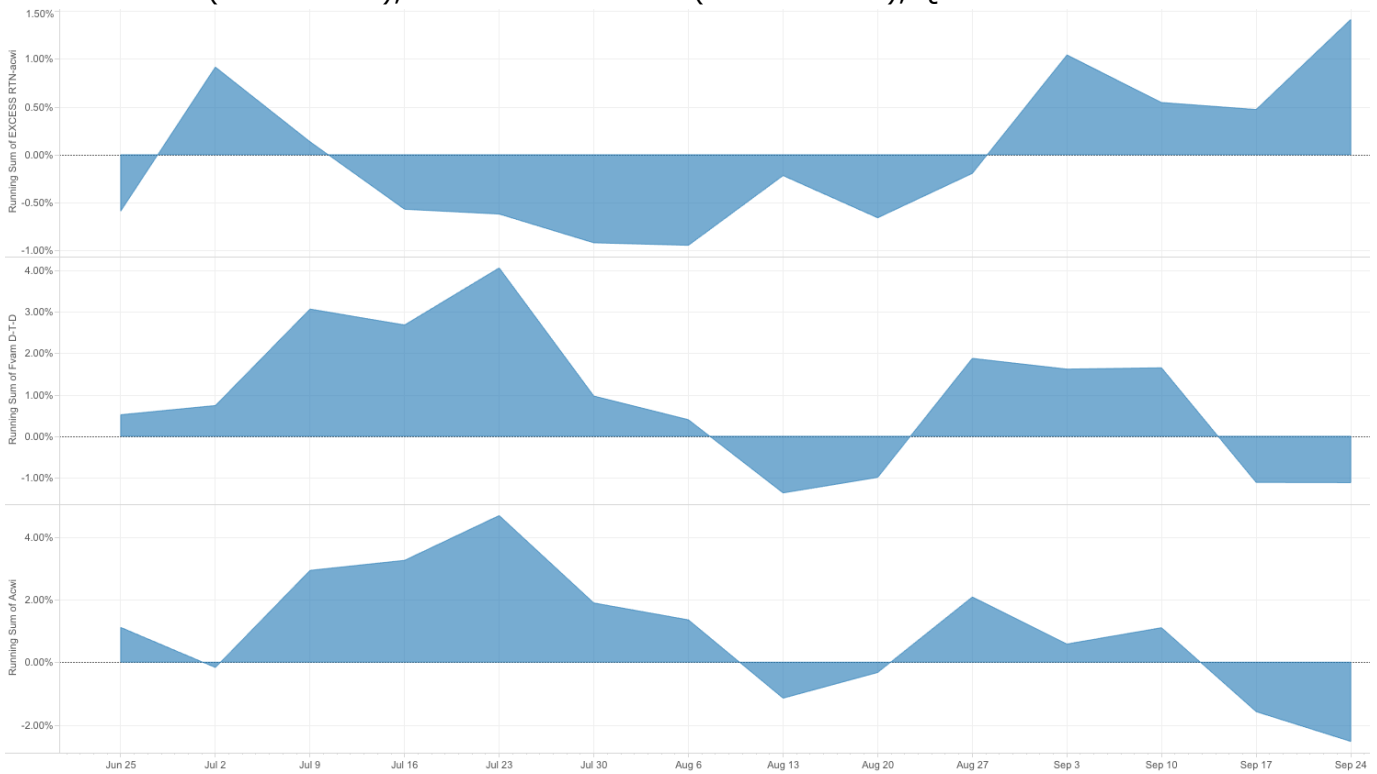## FVAM (green) vs EEM (Emerging Markets) , YTD (thru November), Weekly

FVAM (green) vs LQD (Investment Grade Corporate Bonds), YTD (thru November), Monthly

S&P 500 vs ACWX (blue, World Index minus U.S.), Q3 2023, Weekly

## FVAM vs ACWI (World Index), with Relative Return (excess return), Q3 2023

FVAM (green) vs ACWX (World Index minus USA, blue) vs S&P 500,
Year-to-Date thru November, monthly returns

Reference 1: FVAM Fund Performance Stats (showing view of July 2023, FVAM vs SPX, Statistics)

The data below, displaying just July 2023 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.

July 2023
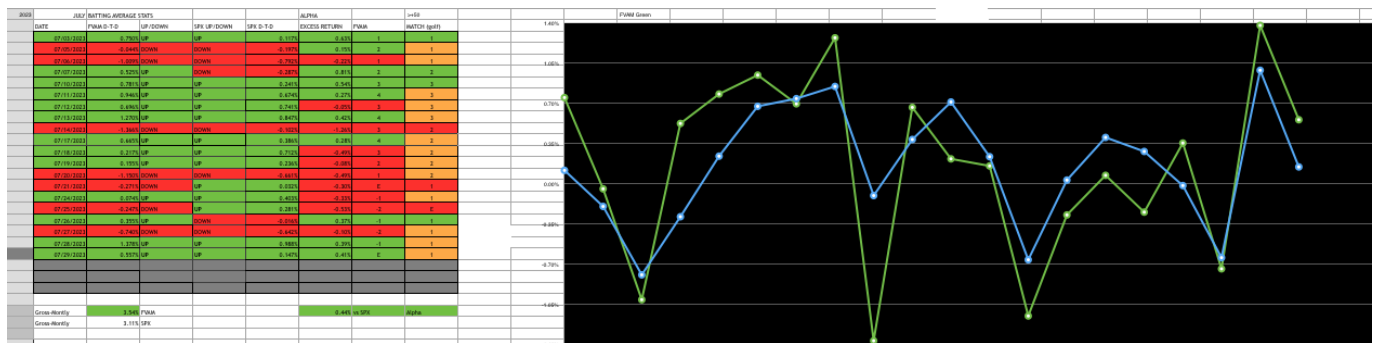
SPX (S&P500 index), BRK/B (Berkshire Hathaway) and any other index/fund/investment vehicles' performance using internal data tracking and data from multiple public internet sources, "non-official" data only.

Heat Map for the S&P 100 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 early December 2023)