

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

FVAM Fund Quarterly Portfolio Report
Q1 - 2020

***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 2020 (January thru March), 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
Wordpress/Blog: fanvestments.wordpress.com

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), 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. Fund applies multiple strategies, from fundamental research such as earnings, revenue, growth rates, and valuation, analysing historical data and future expectations. Combining that with technical analysis, studying charts and price action for trends, as well as trend change, price and timeframe analysis, overbought and oversold indicators, volume spikes leading to capitulation. The macro environment is very important as well, and will overlay the macro environment on top of the 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 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" 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. Searching all size businesses all around the world, but currently limited to only investing within U.S. exchanges. 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, i.e... Diversification and Position sizing - asset allocation management, always monitoring positional exposure relative to risk of that position and overall portfolio size. As well as other portfolio management strategies - performance monitoring and risk management. Such as selling portions of gains, decreasing higher risk, increasing 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 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 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. 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

Within the 1st Quarter of 2020, the FVAM fund was negative, producing a -1.28% return. The fund was down 0.18% in January, negative 0.20% in February, and down 0.90% in March. For the Quarter, the S&P 500 was down about 22.2%, while the ACWX (World Index minus-USA) was down almost 30%. 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 84% of the fund, the fund's performance and volatility is analyzed against the index, an all-stock index. Overall for the quarter, most global markets had extreme downside, while FVAM held up strongly against that backdrop, outperforming the S&P 500 by just over 20%. Another reference point, a more relative and important comparative benchmark for the fund is Warren Buffett's Berkshire Hathaway, using the BRK/b shares, was down ~17% for the 1st quarter of 2020, while FVAM was down 1.3%.

Through the 1st Quarter, the fund's hedge positions were the top performers, as overall market downside and volatility picked up dramatically. The fund almost always has a small amount of allocation towards hedging, with positions that work in the inverse when markets pull back and/or volatility picks up. The best hedge performer was long volatility, as market volatility shot higher while market indexes sold off. The fund had different positions, the best being within the VIXY etf, and VIX options. These tend to be more shorter-term trades, and were mostly sold off, taking profits. This helped the fund increase cash levels, and utilized that to add to other positions as they sold off. The fund increased investments in core positions, such as Abbvie, Bristol Myers, and Baidu. Also, increased positions in Nektar Therapeutics and initiated a shorter-term position in Inovio Pharma, which is working on a vaccine for Covid19. Inovio, more of a shorter-term speculative position, was bought around \$8/share, and actually sold in full in Q2, around \$17/share. Abbvie, a longer-term core investment, was added to during the market pullback, and is performing very well into the 2nd Quarter. They produced over \$8.6 billion in net revenue in the 1st quarter of 2020, with Humira as their top product, generating almost \$5 billion in revenue. Fund has an average investment price around \$80/share, with stock trending towards \$100 and reached a high close to \$126 in 2018. Abbvie has also completed its merger of Allergan recently, maker of Botox. Using 2021 eps estimates around \$12, against a price-to-earnings ratio of 15 gets the stock price to \$180. Can read more about Abbvie's 1st quarter results here :

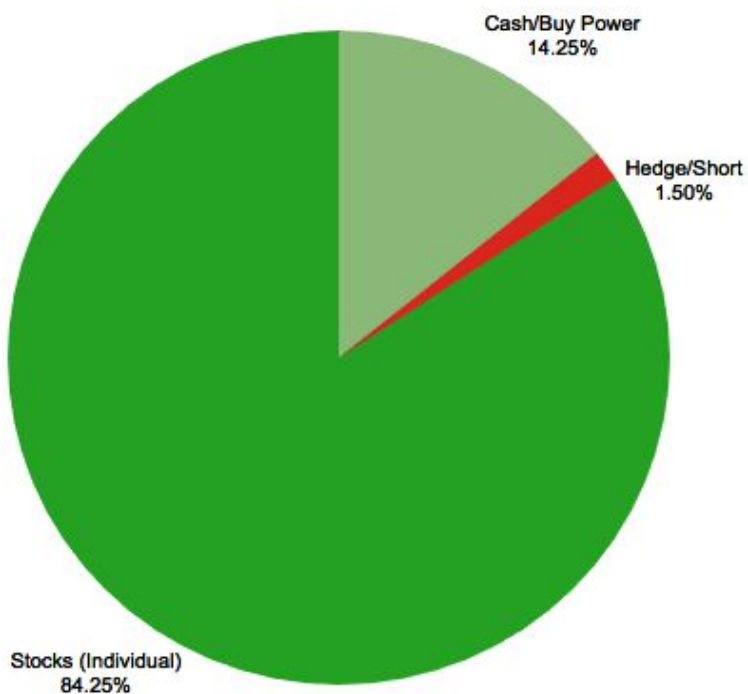
<https://investors.abbvie.com/static-files/a28220b3-df01-4131-9a3b-9d5841b3c557>

Looking into Q2 2020, one of the funds newest positions in the fund is Bluebird Bio, as well as Vir Biotechnology and Virgin Galactic. Bluebird Bio and Virgin Galactic are expected to be more long-term, where Vir Biotech is working within the Covid19 vaccine race, as well as other major diseases, and has partnerships with major healthcare firms such as GlaxoSmithKline and Biogen. With Biogen, they are working on Sars antibodies and with Glaxo, they have a collaboration deal to work on vaccines for coronaviruses. Virgin Galactic, founded by billionaire Richard Branson, is developing human spaceflight and manufacturing air and space vehicles, and is competing with SpaceX (Elon Musk) as well as Blue Origin (Jeff Bezos). If compared to SpaceX, which is currently valued at \$36 Billion, would put Virgin Galactic's stock price around \$150, and is currently trading around \$16. Bluebird Bio has been on the watchlist for a few years, but has always seemed expensive. In 2018, the stock hit a high of \$236 and been heading lower since. The fund recently took a position around \$60. Bluebird's main focus is within Immunotherapy and Gene Therapy for severe genetic diseases and cancer. They have strategic collaborations with Celgene (now Bristol-Myers) and Regeneron

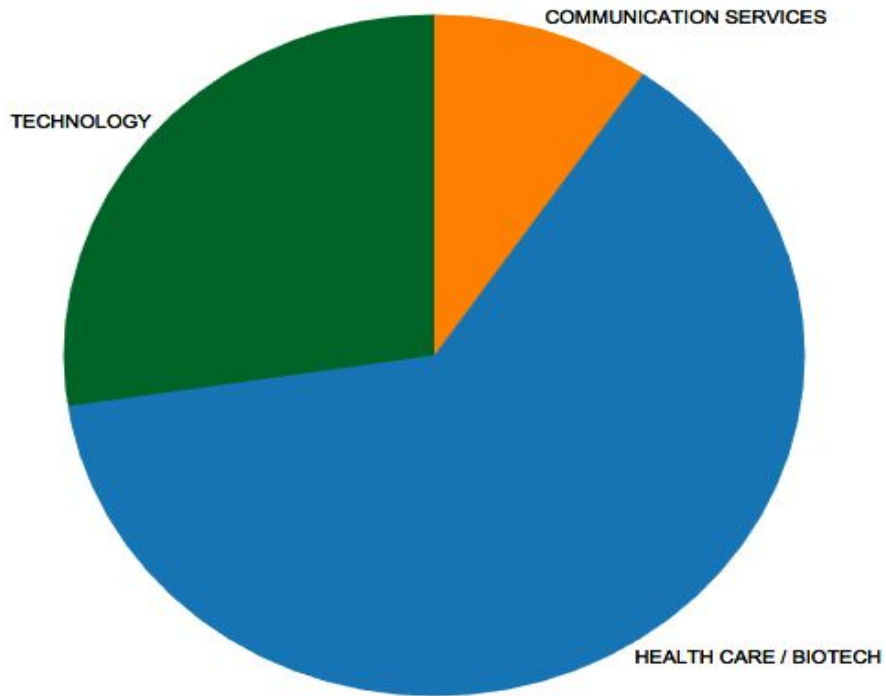
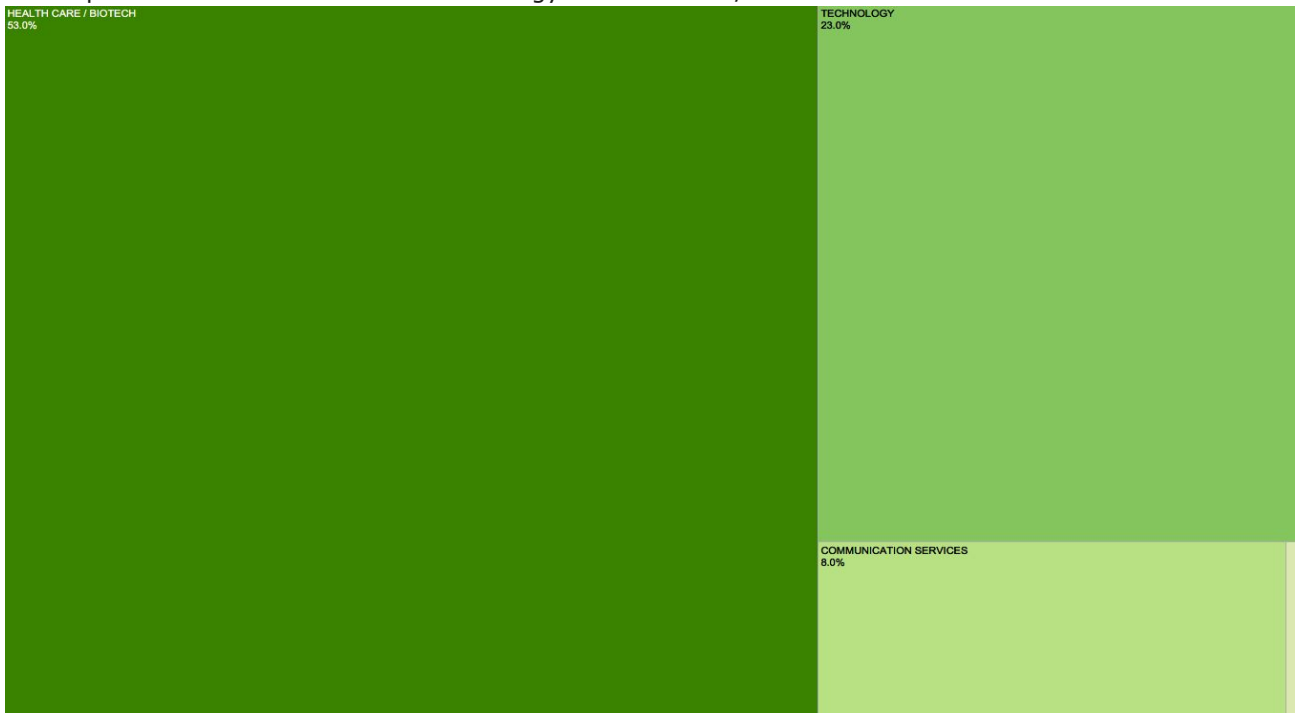
Can read more abouts their product pipeline here: <https://www.bluebirdbio.com/our-science/pipeline>

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 May 2019)

High Level allocation heat map and pie chart:

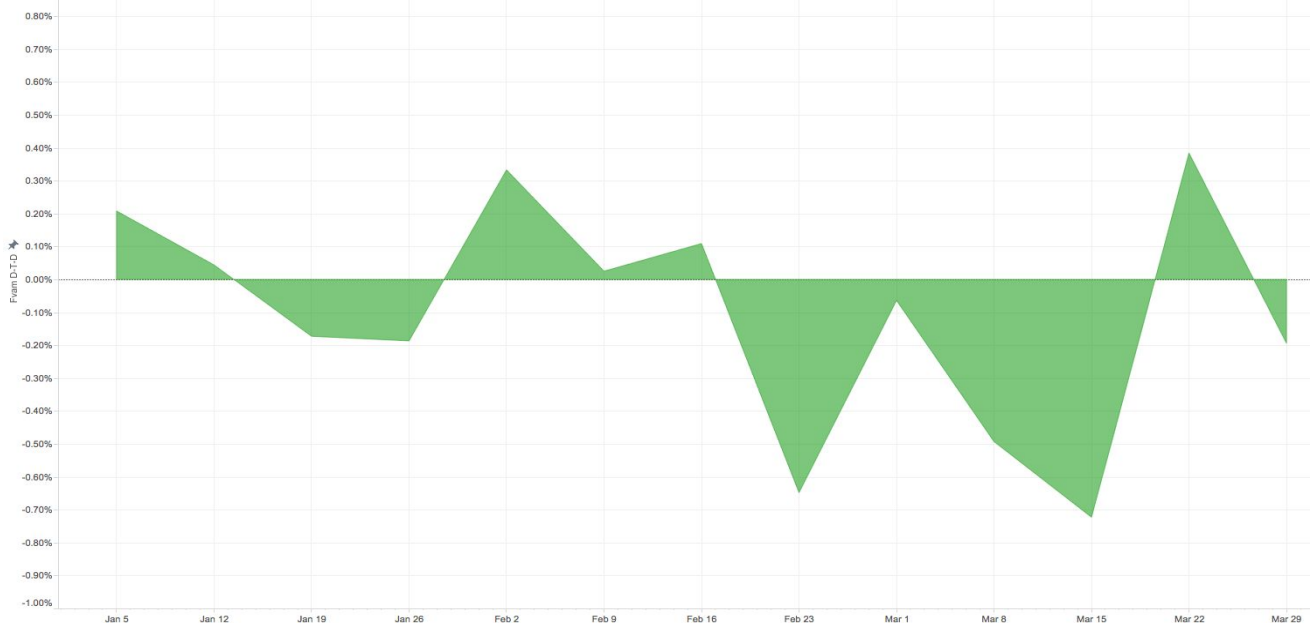


Below shows the further breakdown of only the fund's individual stock exposure. Currently, the heaviest focus of that exposure is allocated towards Technology and Bio-Tech / Pharma investments.

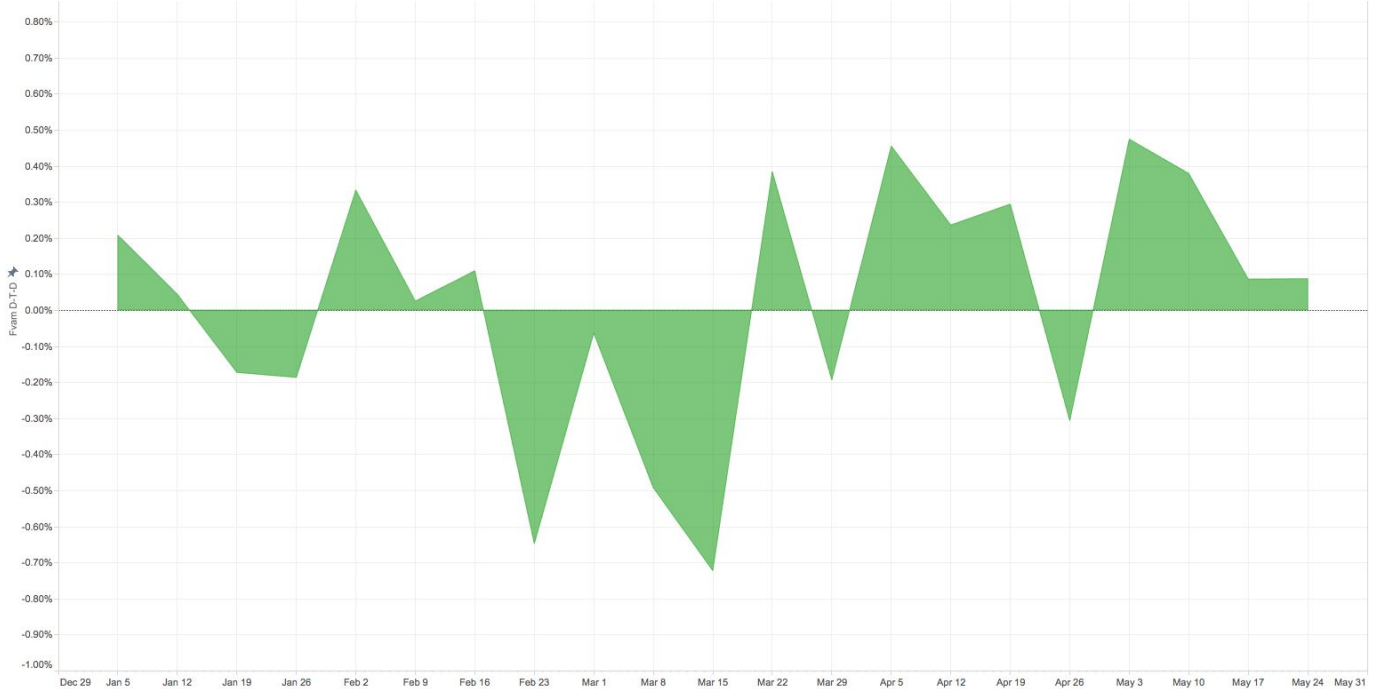


Performance Analysis: Analyzing the breakdown of the Fund's performance, as well as comparisons to other investment vehicles/index, such as the S&P 500, \$BRK-b (Warren Buffett's 'Berkshire Hathaway'), ACWX which tracks Global Markets minus the US (World x-US), and the Russell 2000 small cap index (\$IWM)

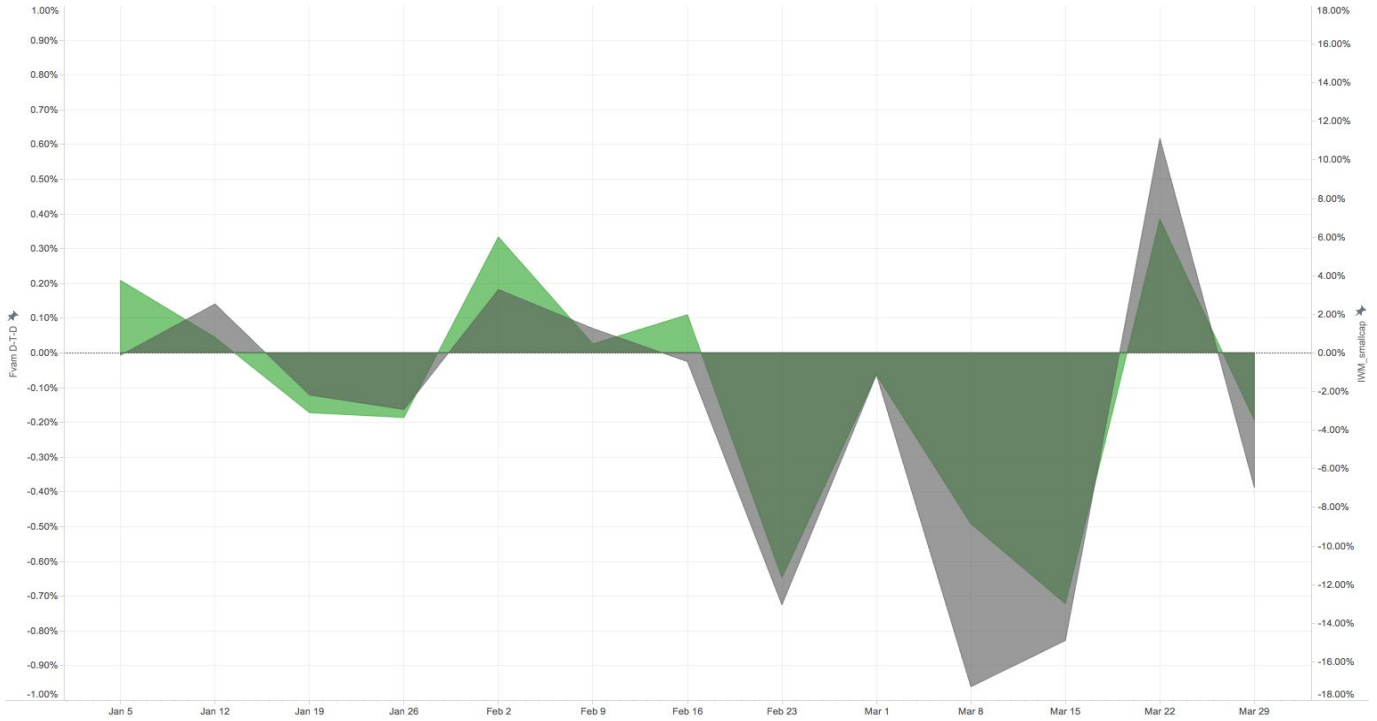
FVAM fund, 1st Quarter 2020 , Weekly



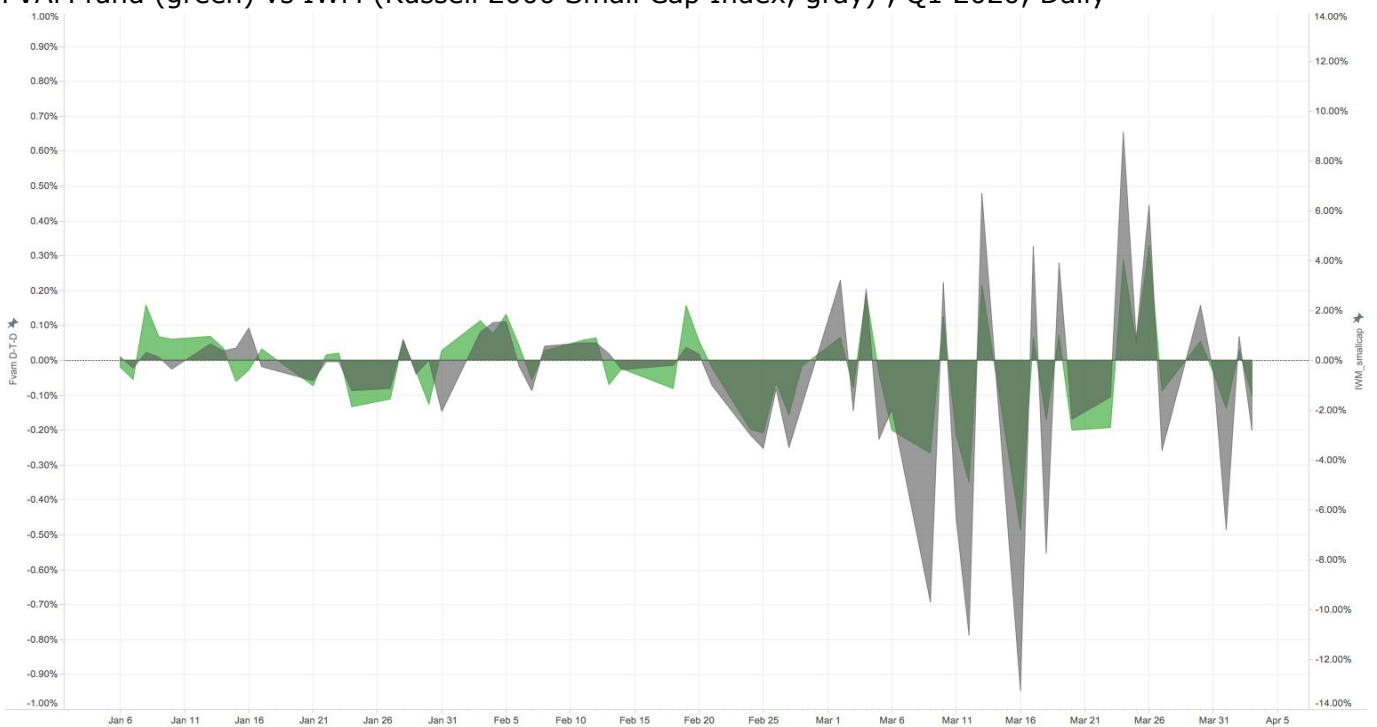
FVAM fund, 2020 Full-Year (thru May), Weekly



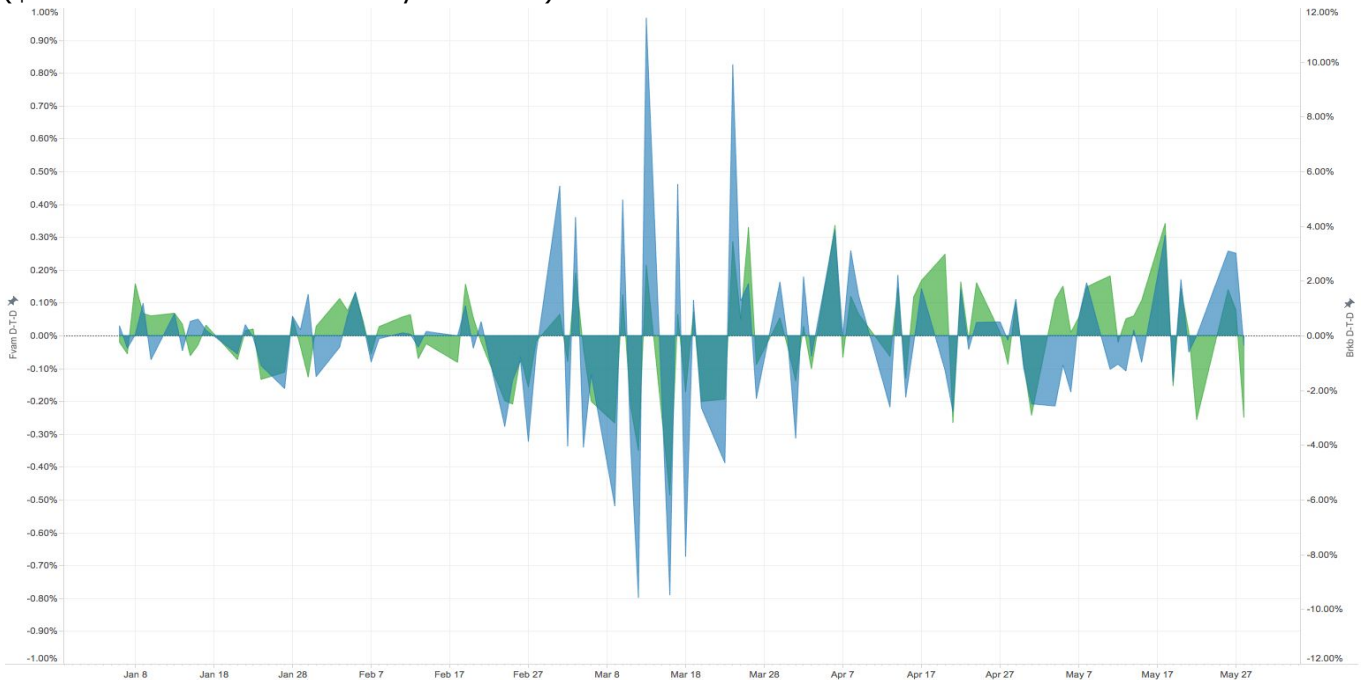
FVAM fund (green) vs IWM (Russell 2000 Small Cap Index, gray) , Q1 2020, weekly



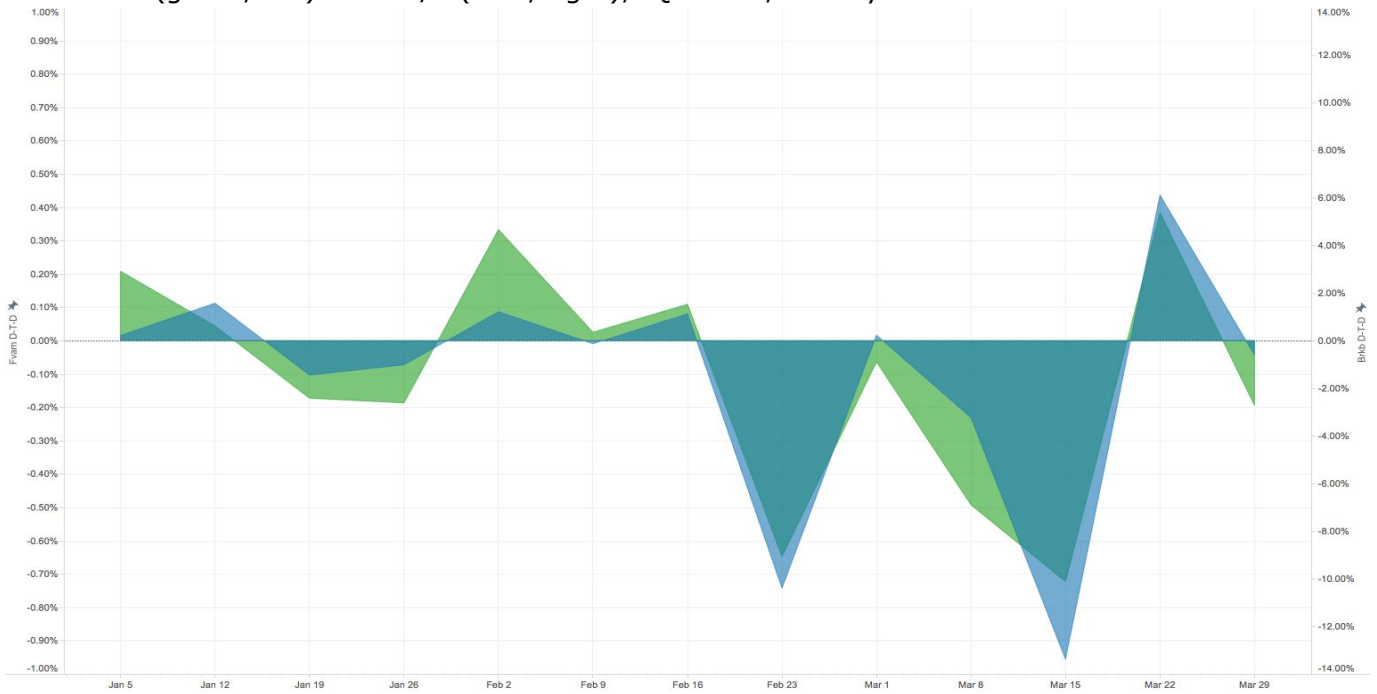
FVAM fund (green) vs IWM (Russell 2000 Small Cap Index, gray) , Q1 2020, Daily



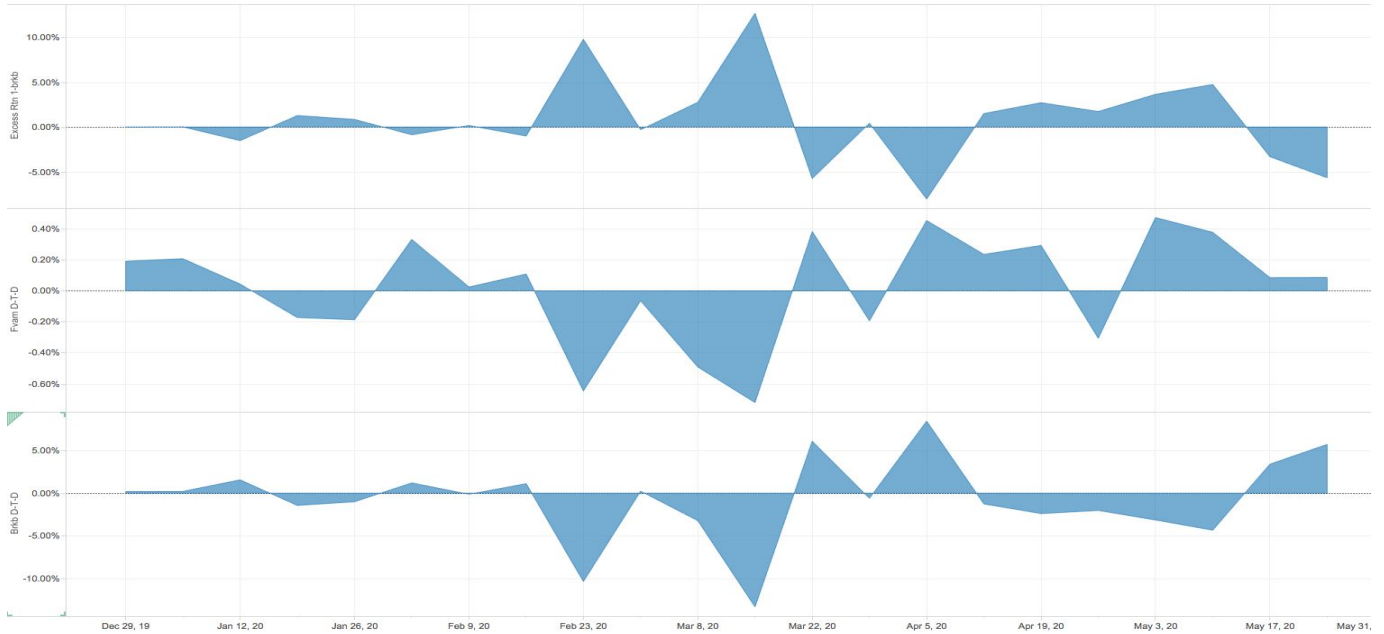
FVAM fund (green, left) vs BRK/b (blue, right), 2020 Year-to-Date (thru May), Weekly
 (\$BRK-B : Berkshire Hathaway B-shares)



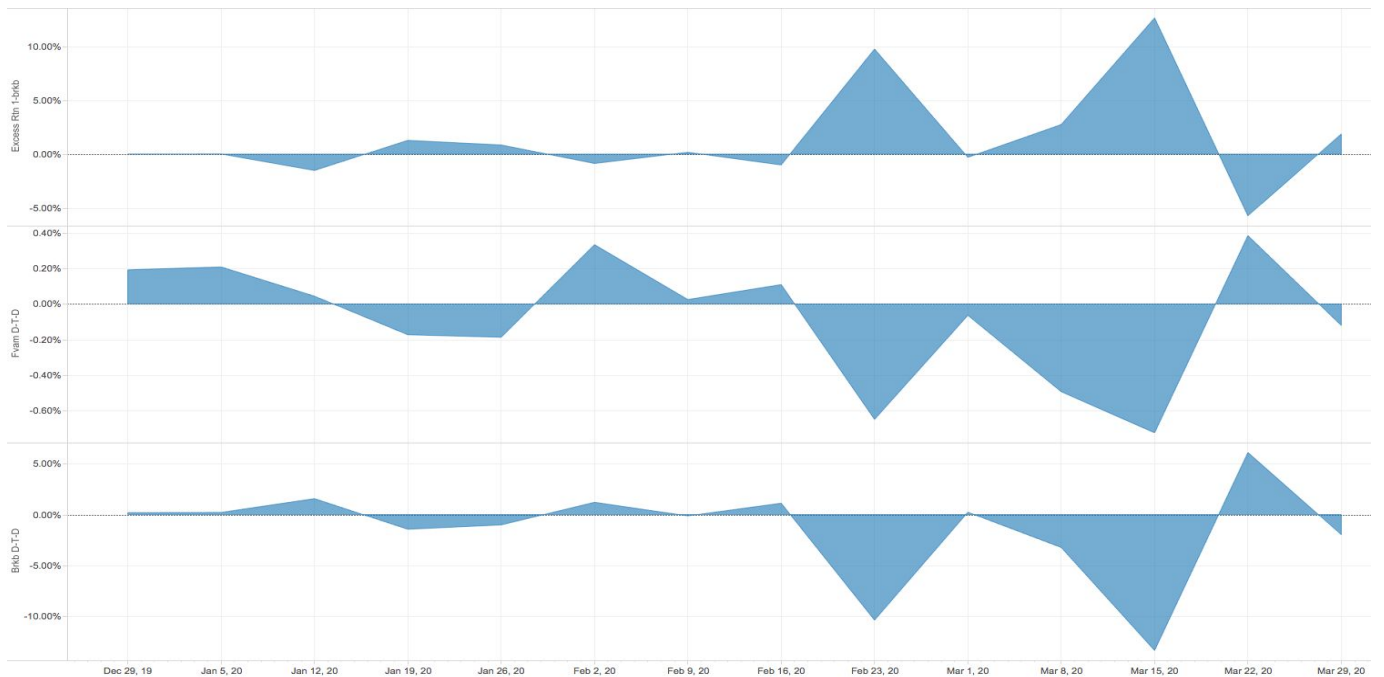
FVAM fund (green, left) vs BRK/b (blue, right), Q1 2020, Weekly



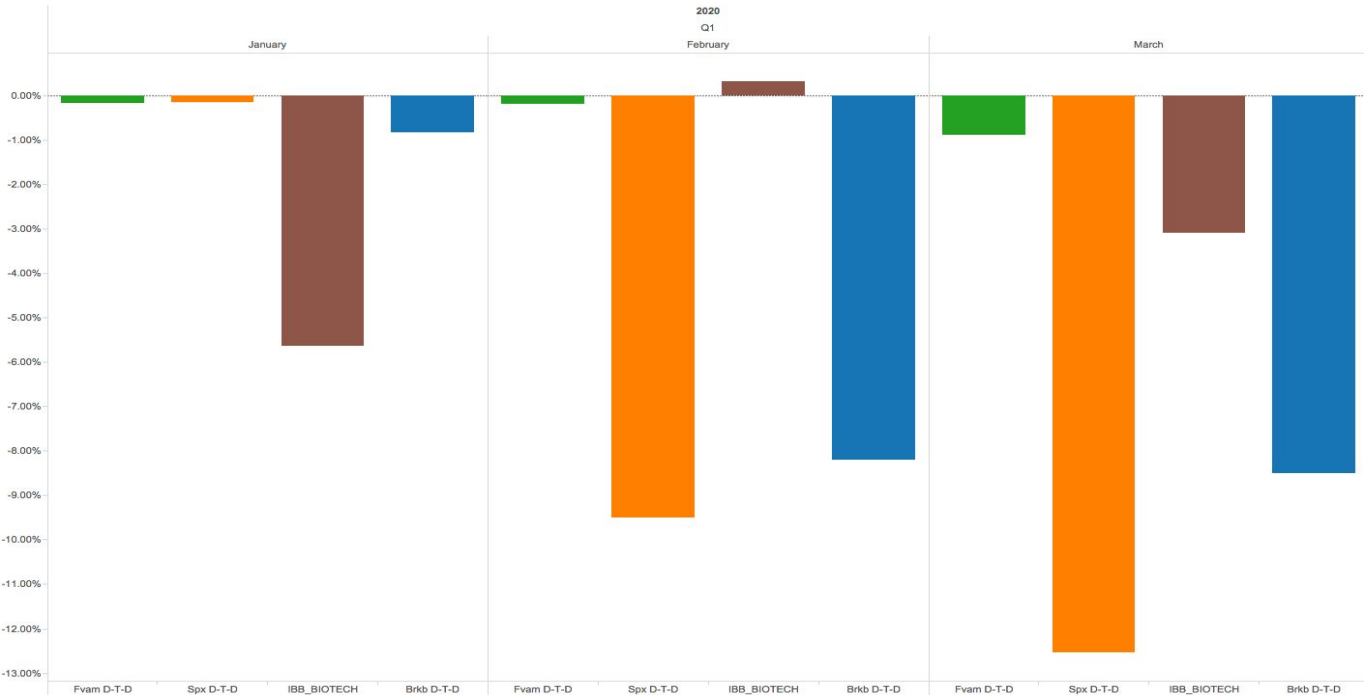
FVAM vs BRK/b and relative return (FVAM vs BRK/b), weekly, 2020 YTD (thru May)
 (excess, positive = outperformance, negative - underperformance)



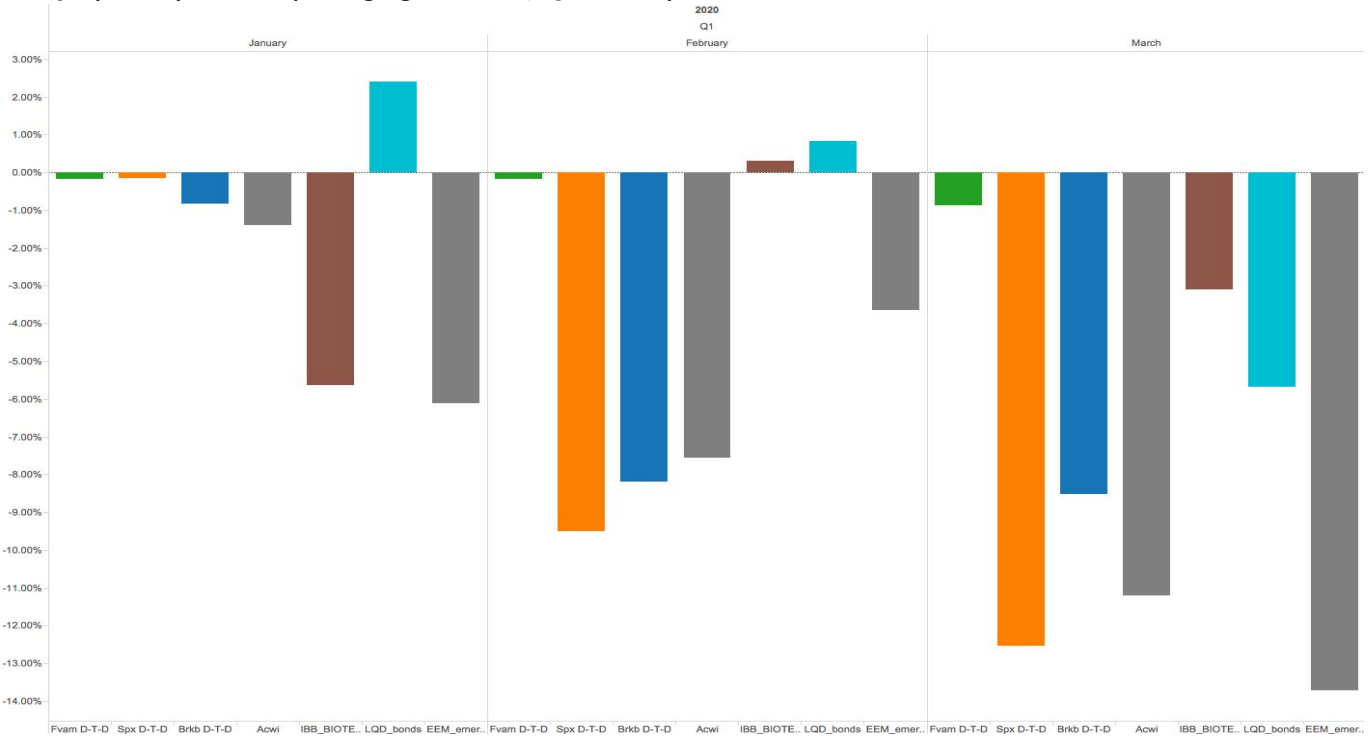
FVAM vs BRK/b and relative return (FVAM vs BRK/b), weekly, Q1 2020
 (excess, positive = outperformance, negative - underperformance)



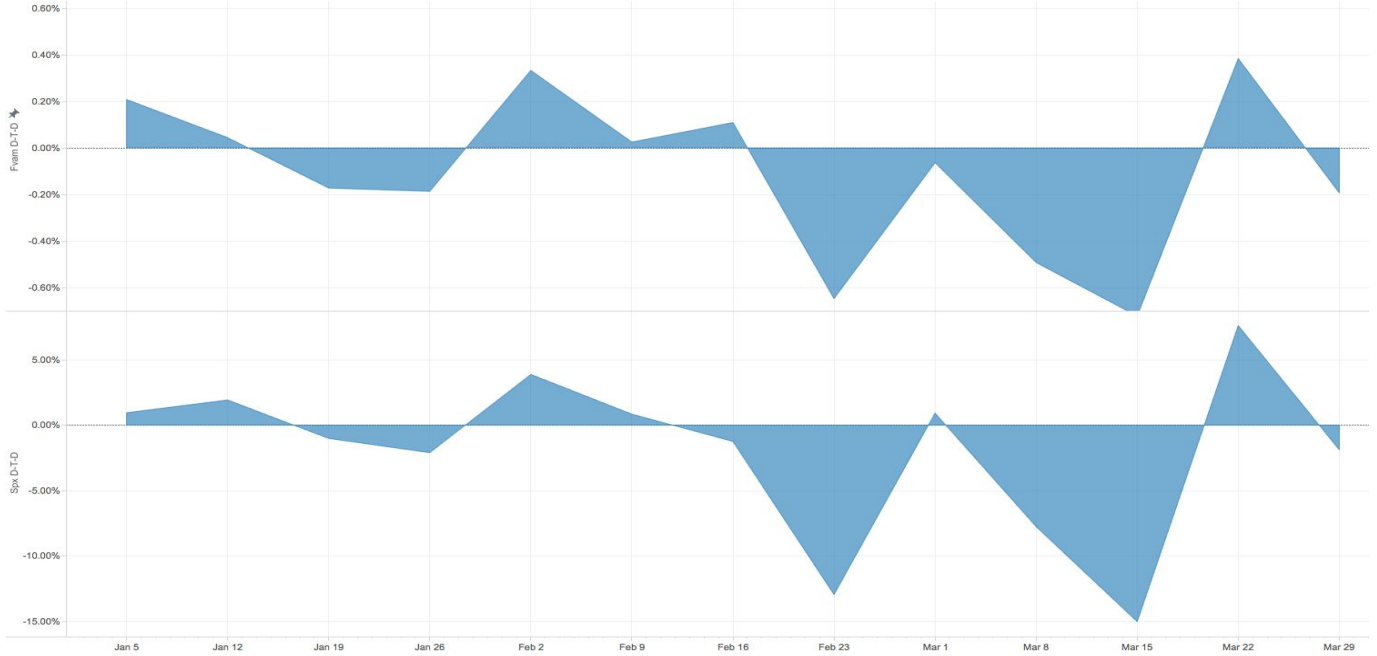
FVAM (Green) vs S&P500 vs IBB (BioTech Index Fund) vs BRK/b (Berkshire Hathaway) , 1st Quarter - 2020



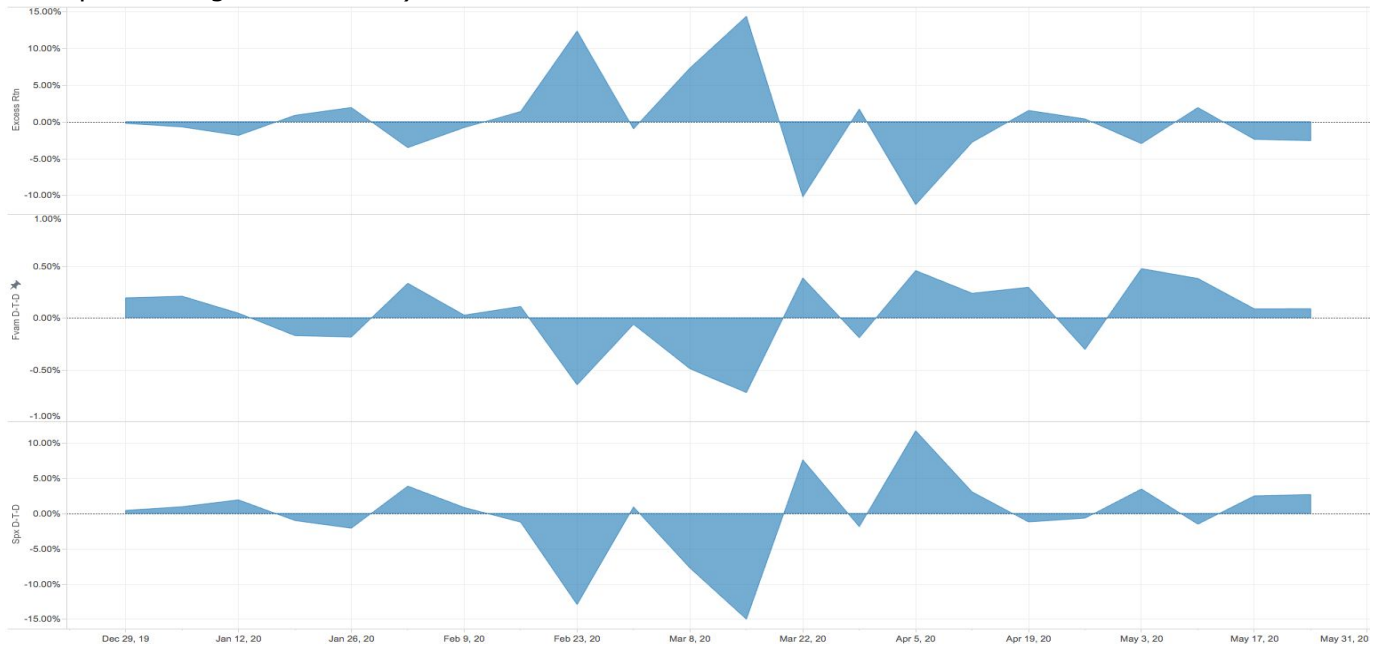
FVAM (green) vs S&P500 vs BRK/b (Berkshire Hathaway) vs ACWI (World Index) vs IBB (BioTech Index Fund) vs LQD (Bonds) vs EEM (Emerging Markets , Q1 - 2020)



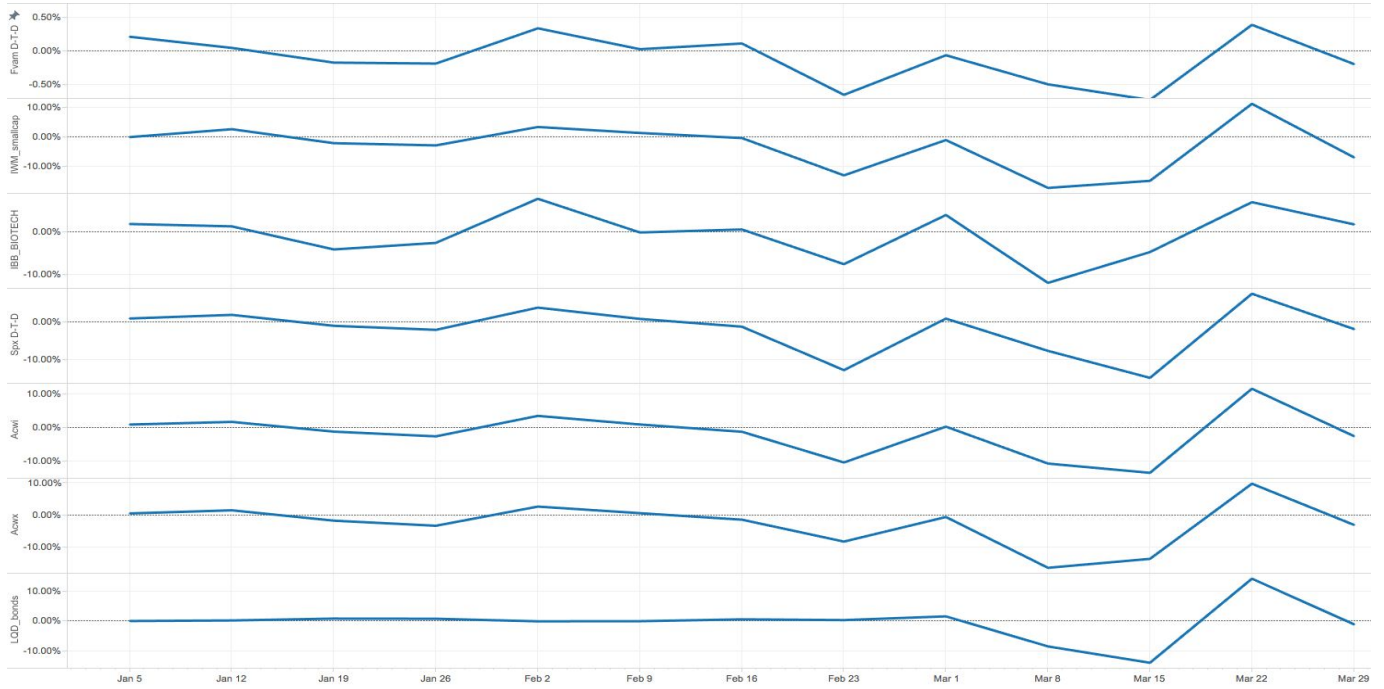
FVAM (top) compared to SPX (S&P 500, bottom), Q1 2020 - Weekly



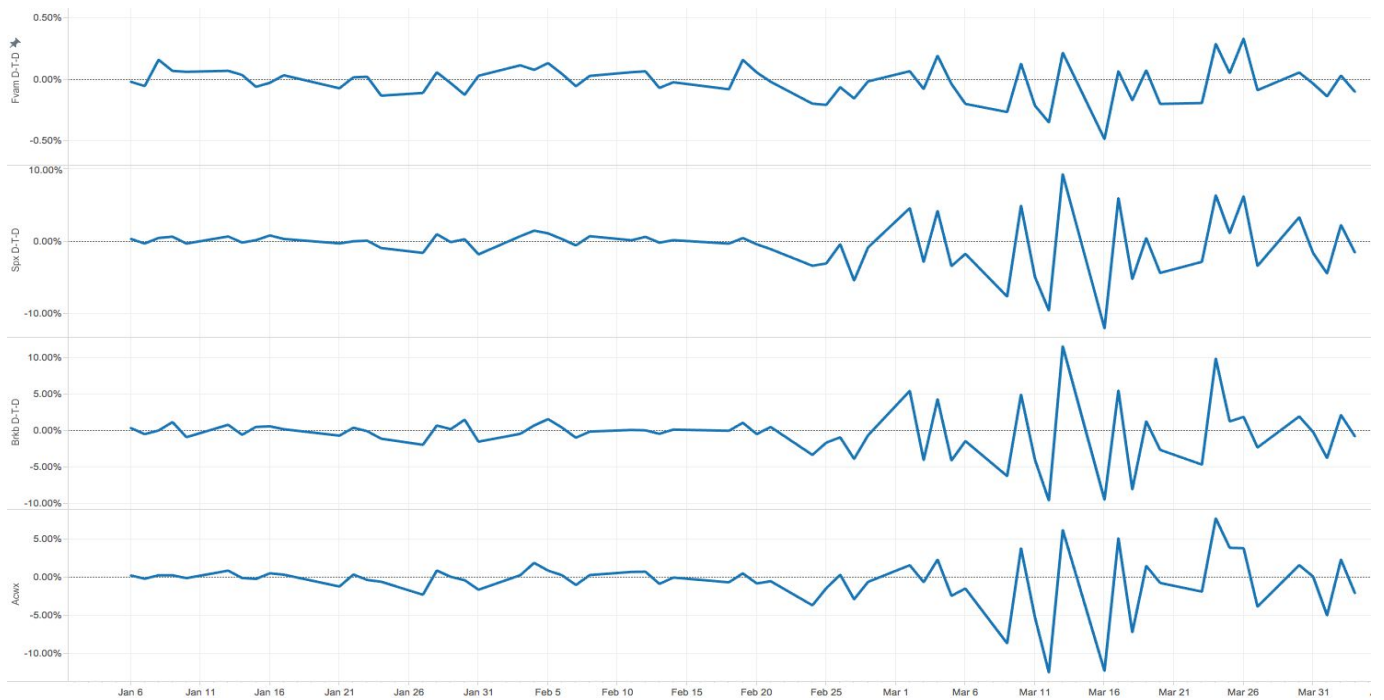
FVAM vs SPX and relative return (FVAM vs SPX), YTD, thru October
 (*excess return shows FVAM vs SPX, shows by how much FVAM is outperforming or underperforming the S&P 500)



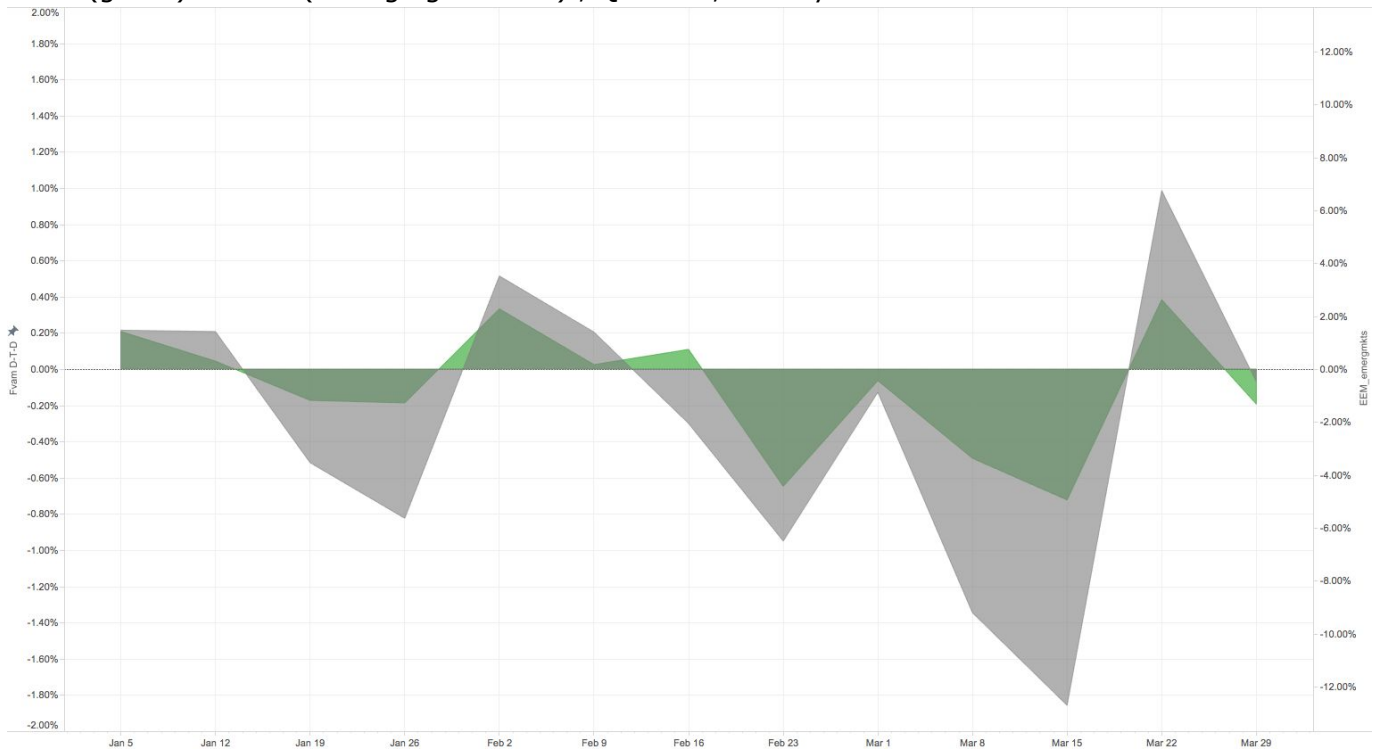
FVAM vs IWM (small caps) vs IBB (biotech) vs SPX (S&P 500) vs ACWI (world index) vs ACWX (world x-US) vs LQD (bonds), Weekly, Q1



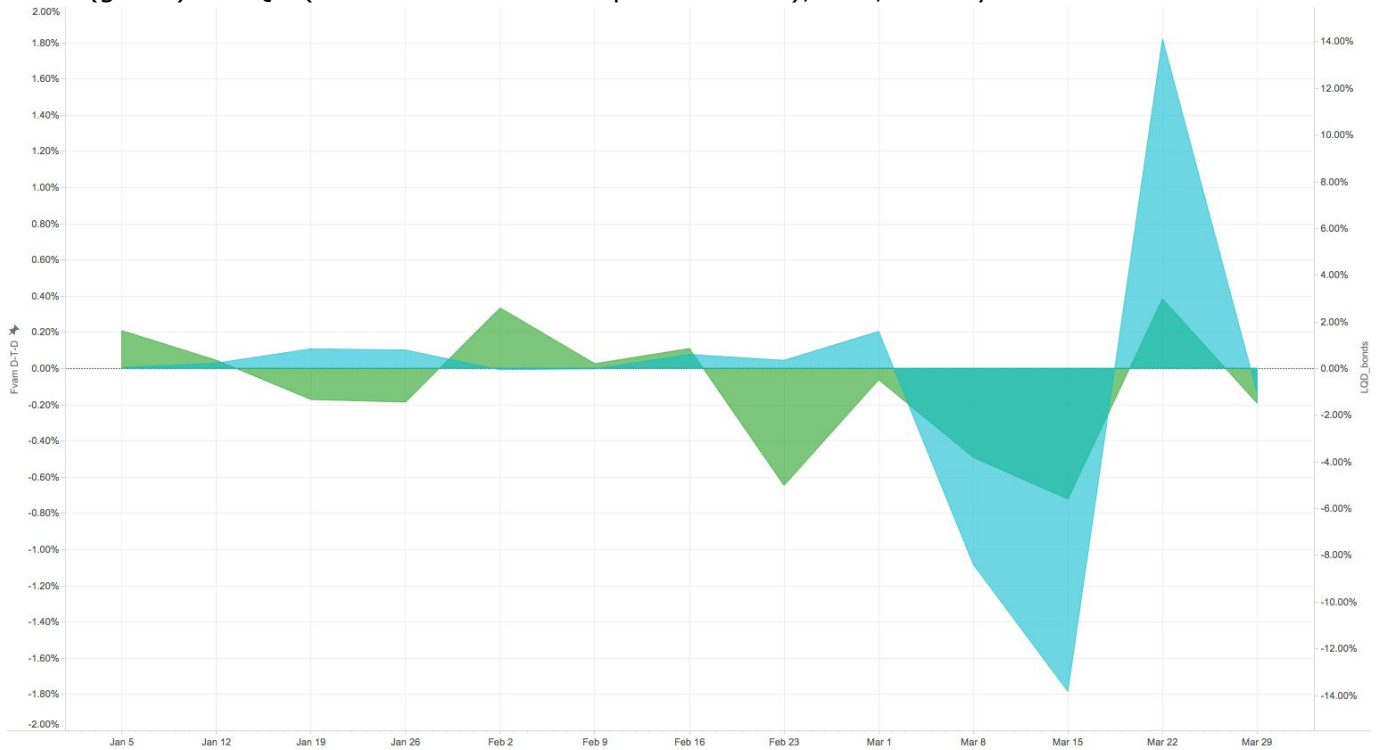
FVAM vs S&P 500 (\$SPX) vs Berkshire Hathaway (\$BRK/b) vs \$ACWX (World Index x-US), Daily, Q1



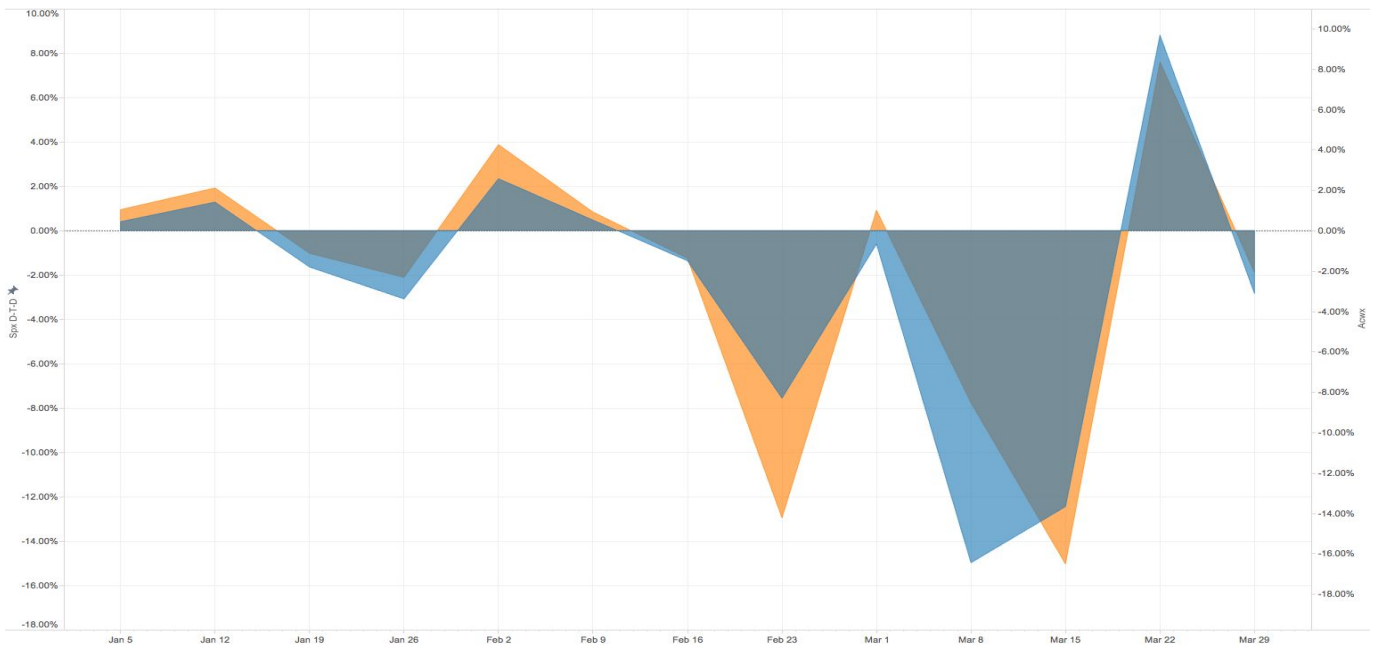
FVAM (green) vs EEM (Emerging Markets) , Q1 2020, Weekly



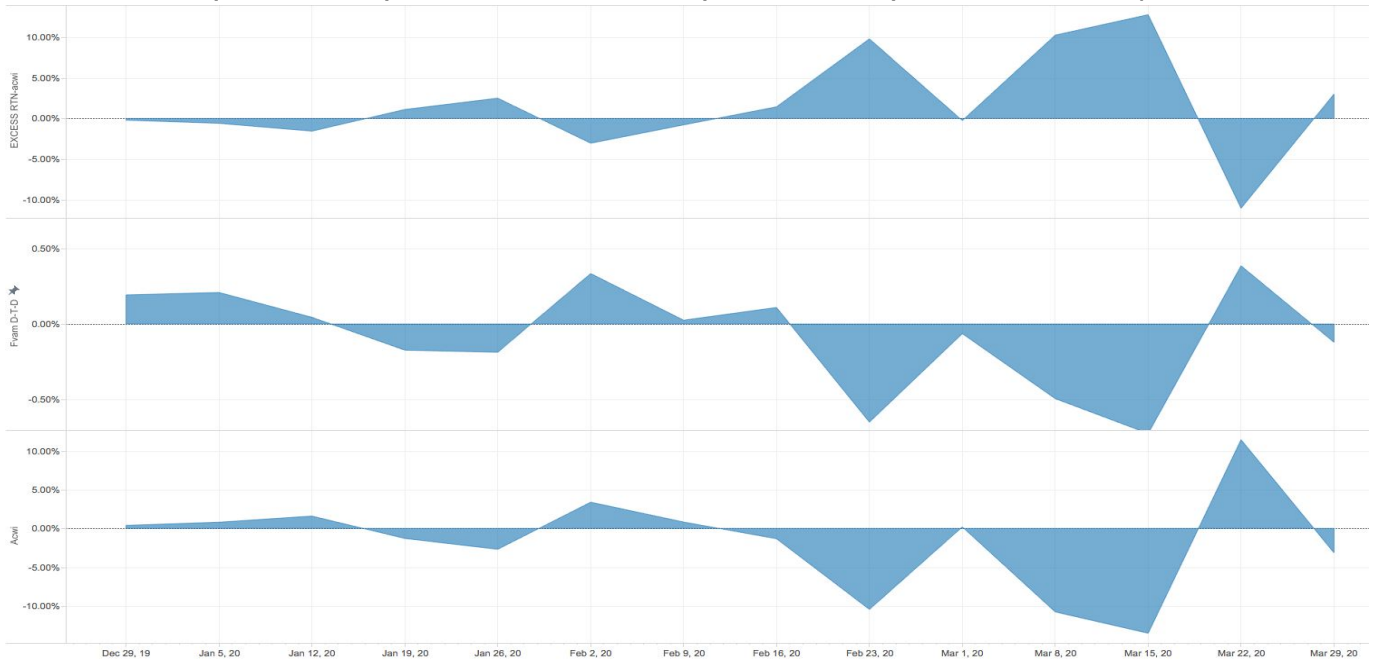
FVAM (green) vs LQD (Investment Grade Corporate Bonds), YTD, Weekly



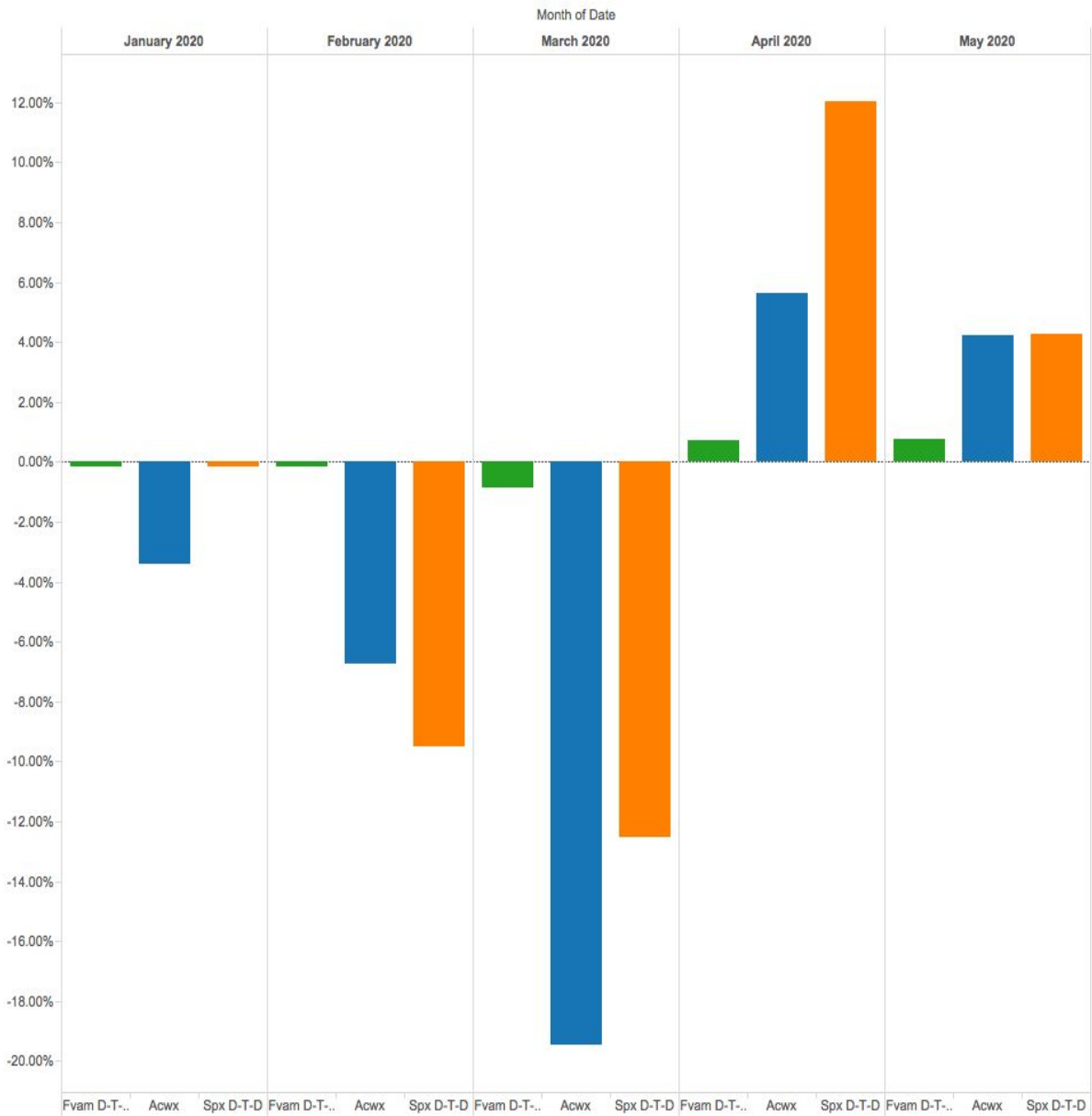
S&P 500 (orange) vs ACWX (World Index minus U.S.), Q1 2020, Weekly



FVAM vs ACWI (World Index), with Relative Return (excess return), Q1 2020, Weekly



FVAM (green) vs ACWX (World Index minus USA, blue) vs S&P 500 (orange) , H1 2020 (thru May), monthly returns



Reference 1: FVAM Fund Performance Stats (showing view of February 2020, FVAM vs SPX, Statistics)

The data below, displaying just February 2020 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.

February 2020



*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 500 - Healthcare 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 May 2020)



