

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

FVAM Fund Quarterly Portfolio Report  
Q2 - 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 2nd 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".

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## **PRINCIPAL INVESTMENT STRATEGY**

The FVAM Fund consists of a diversified portfolio of mixed asset-types, with a majority focus invested 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, to drive long-term positive durable returns through all types of economic and global financial cycles. 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", 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 to be an all weather fund, "all-markets' ', meaning the fund can navigate through all types of economic and market cycles, taking advantage of the upside and withstand 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 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, 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.**

## Q2 Highlights

For the 2nd Quarter of 2023, the FVAM fund finished just slightly positive, producing a 0.3% return. FVAM had a tough time in April & May, but came back strong in June. The fund was down 2.77% in April, down 1.2% in May, and up 4.25% in June. On a relative basis for the 2nd Quarter, based on an internal performance tracker of ~35 indexes/sectors, FVAM underperformed by 1.8%, on an overall average basis, still outperforming over half of the components. FVAM outperformed the Barclay hedge fund index almost 3 to 1. For the Quarter, the S&P 500 was up 8.2%, the Dow Jones up 3.5%, with the small cap etf IWM, up 5.3%. The ACWX etf, which tracks stocks around the world excluding the United States, was up 1.1% for the quarter. Cathie Wood's ARKK thematic growth & innovation fund, was down almost 10%. 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. Another reference point, a more relative and important benchmark for the fund, is Warren Buffett's Berkshire Hathaway. Using the BRK/b shares, Berkshire was up about 10% for the 2nd quarter of 2023.

The fund's top performing investments year-to-date through the end of the 2nd quarter were Tesla (TSLA), Amazon (AMZN), and Live Nation Entertainment (LYV) as the top three. Following them up was AMD (AMD), Alphabet (GOOGL), Crispr (CRSP), Marvell Technology (MRVL), Taiwan Semi (TSM), Unity Software (U), and Alibaba (BABA) rounding out the top 10 performing positions. Of those top 10; Alibaba, AMD, Taiwan Semiconductor, Marvel Tech, Google and Unity have been sold in full. Positions in Amazon, Crispr, Live Nation and Tesla remain, with Amazon a top position and Tesla still in top 10, with Crispr slightly smaller but a long-term non-core position. In the quarter, Google (GOOGL), AMD (AMD), Alibaba (BABA) Marvel (MRVL), Taiwan Semi (\$TSM), Unity (\$U) were all sold, all for gains, with a couple positions re-initiated into Q3. Google was initially bought mostly between October thru December 2022, average price low to mid 90's, selling most around 104. Position has been re-initiated in Q3. The fund increased core investments in Amazon (AMZN), Live Nation (LYV) and JD.com(JD). The fund initiated a new core position in Intel (INTC), Renaissance IPO (IPO), and a non-core position in MP Materials (MP). Positions in Walgreens, Okta, Salesforce, Las Vegas Sands, and Sanofi were all reduced or sold-in-full. Looking further into Amazon, currently the fund's 2nd best performing position year-to-date, and top 3 position in size. AMZN is a longer-term "core" investment for the fund. Position was reduced in the quarter, and increased back to a top position thru Q3. Stock was around \$140 in mid-September. Based on its Q2-2023 earnings report, Amazon produced quarterly revenue of \$134.4 Billion, over \$540 billion in 12-month sales. Keeping with its current 11% revenue growth rate, looking for \$760 billion in 2026 revenue. 12-month price target at \$171, about another 30%+ upside from current levels. Looking at multiple variables, but comes to ~3.5x sales, or 12x price-to-book, which is the 5-yr average. Longer-term out 3-4 years, looking for \$256, using 11% year-over-year revenue growth, and 3.5x Revenue. Almost 100% upside from current price.

Can read more about Amazon here: [Amazon Q2-2023 Earnings Report](#)

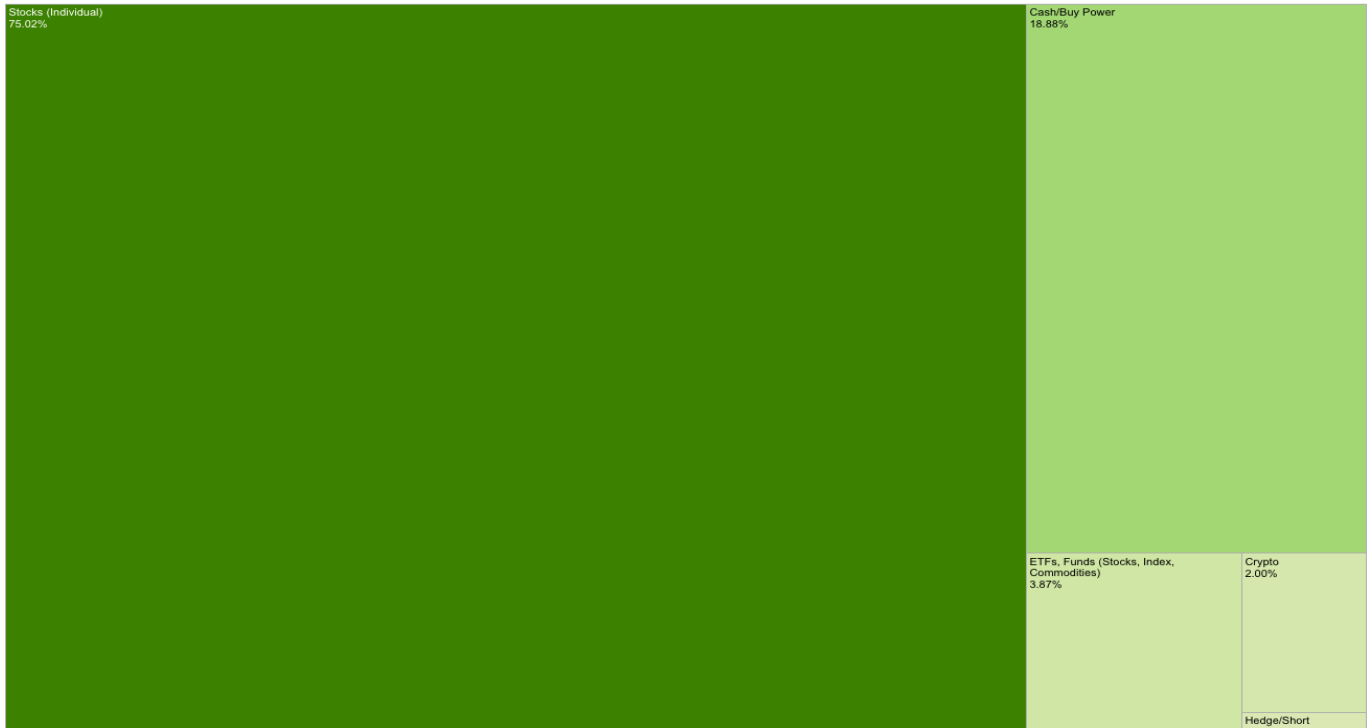
Looking into Q3 2023, new positions were initiated in Generac (GNRC) and Shopify (SHOP), although neither made it thru the quarter, as both have been sold-in-full. Added to positions JD, BABA, and Albermale (ALB). Positions in Walgreens (WBA) and Verizon (LVS) were sold in-full, taking small losses, dividends helped keeping those losses smaller. Positions in Disney and Live Nation were also sold in-full, for gains, and both have been re-initiated late in the quarter. New core positions started in Bristol Myers (BMY) and Blackstone (BX), as well as getting back into Google (GOOGLE), all 3 moving up to top 10 positions.

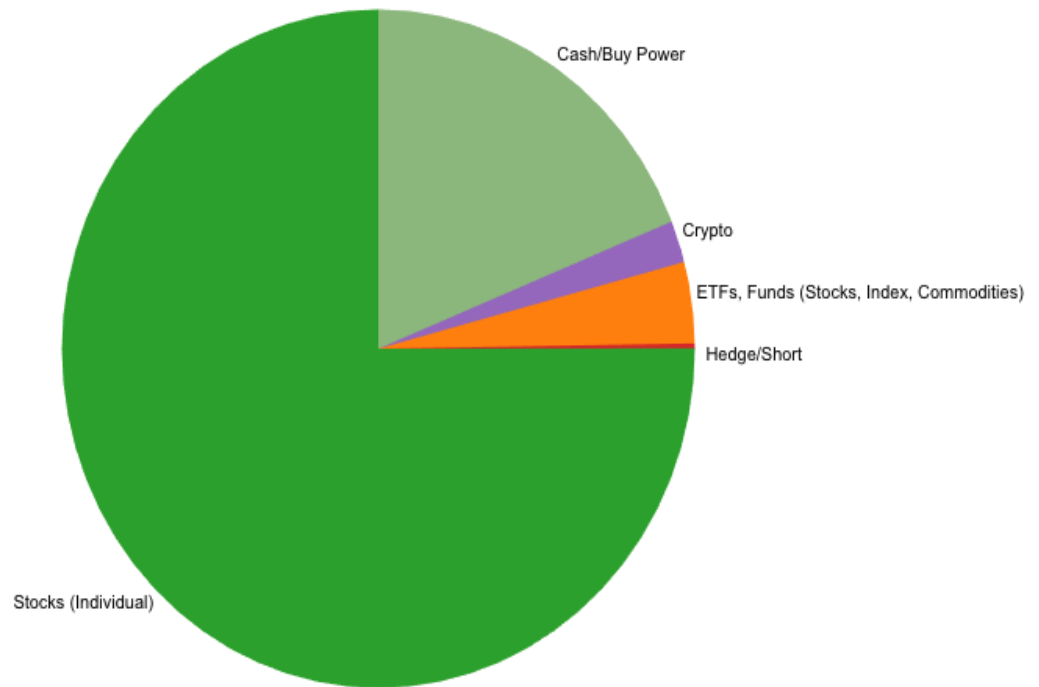
Bristol Myers (BMY) is a global leading biopharma that discovers, develops, and delivers products to help patients prevail against serious diseases. Bristol focuses in the areas of cardiovascular, oncology, hematology, and immunology, providing a diverse pipeline of over 30 medicines. Their largest products in relation to revenue come from Eliquis, Opdivo, and Orencia. Eliquis focuses on reducing risk of stroke and blood clots, and produced \$6.6 billion in revenue in the first half of 2023 (H1-2023). Opdivo, in some cases combined with other drugs/methods, is used to treat patients with certain types of cancer, and produced \$4.4 billion in revenue in H1-2023. Orencia helps with RA - Rheumatoid Arthritis, and produced \$1.7 billion in H1. The fund started buying BMY in mid September and has an average cost just above \$60, with the stock around \$59. 12-month Price-target at \$75, ~30% upside, using multiple metrics but averages out to 3.5x Sales, which is its 5yr average. Stock also comes with a 3.9% dividend, about double the dividend of the S&P 500. Longer-term target @ \$98.

Can read more about Bristol Myers here: [BMY Q2-2023 Quarterly Results](#)

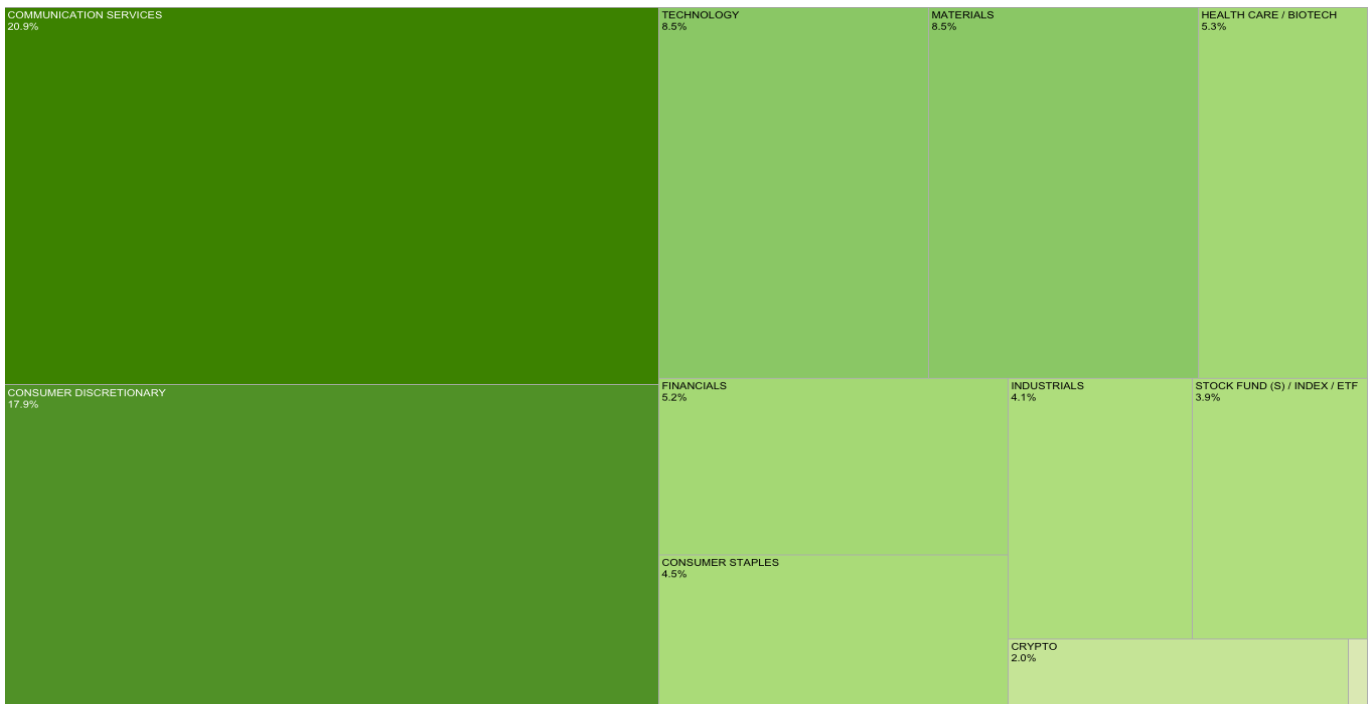
Below shows reporting created & analyzed within Data Analytics software, Tableau Software, which has data integration into the fund's internal database/spreadsheets. (\*Portfolio Data as of April 2023)

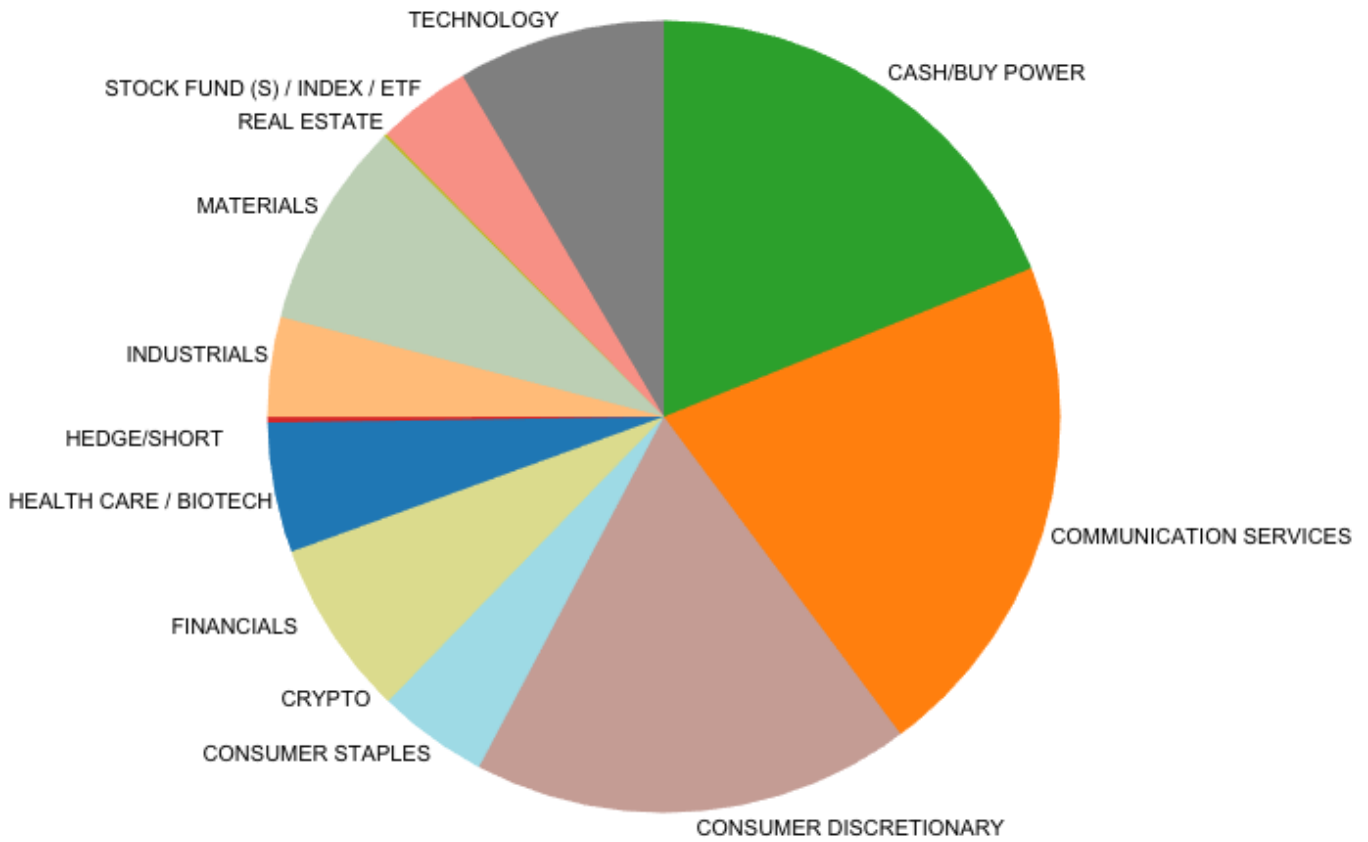
High Level allocation heat map and pie chart:



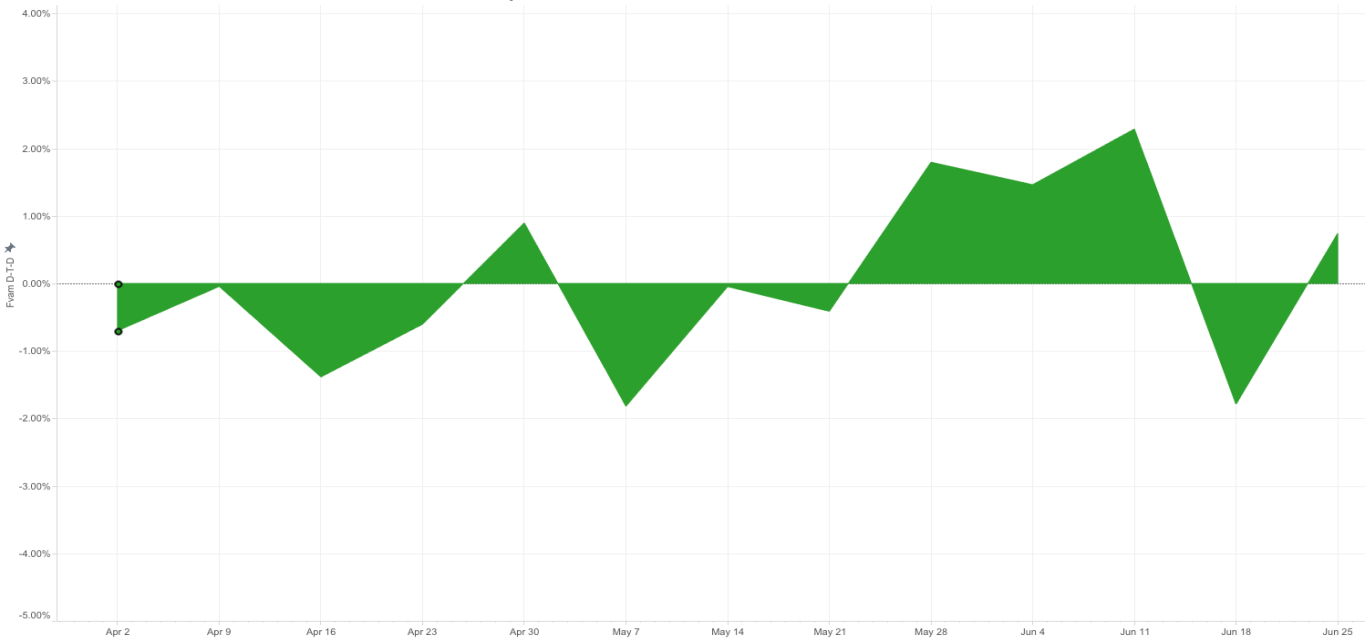


Below shows the further breakdown of only the fund's individual stock exposure.

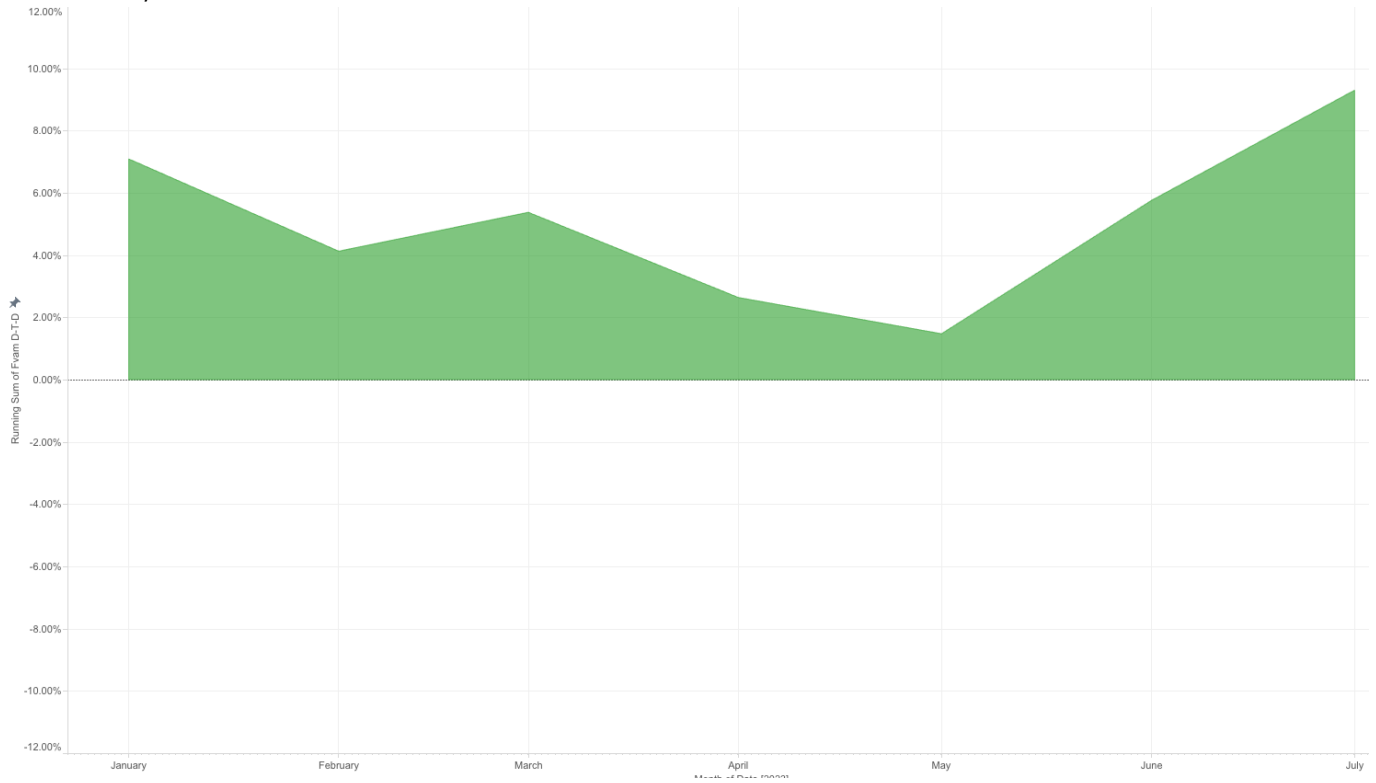




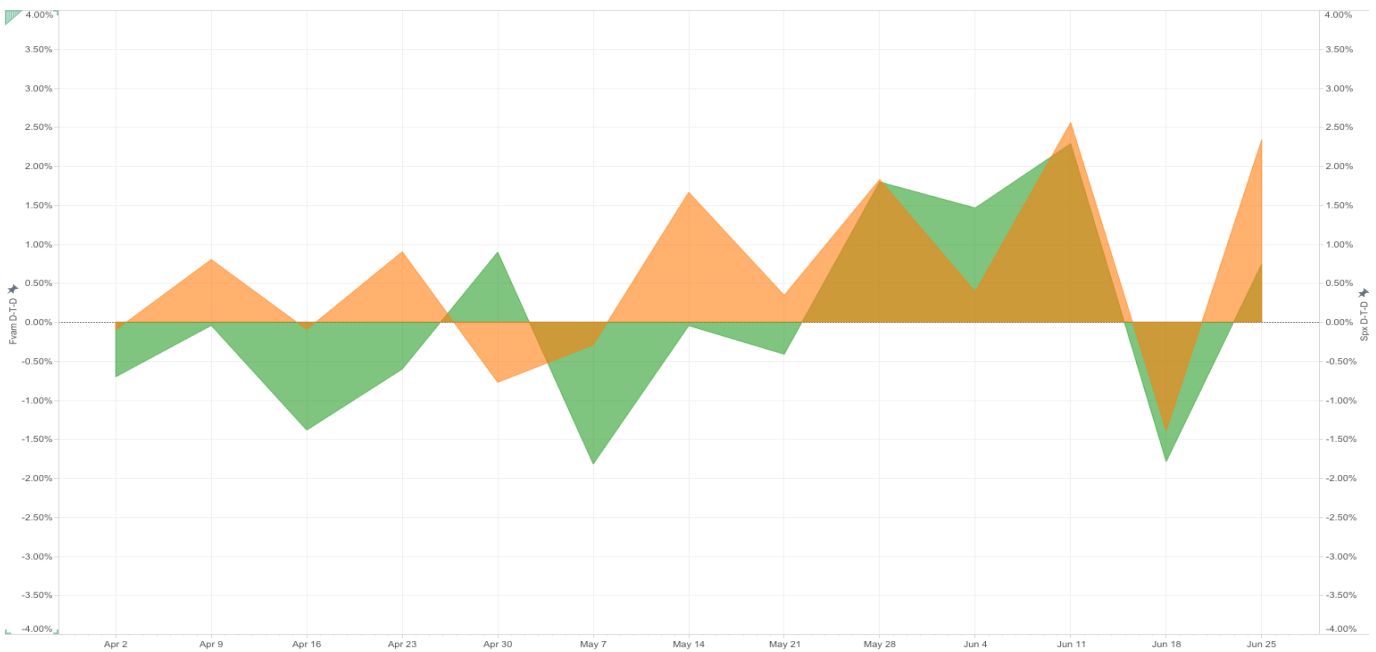
Performance Analysis: Analyzing the breakdown of the Fund's performance, as well as comparisons to other investment vehicles/index, such as the S&P 500, \$BRK-b (Warren Buffett's 'Berkshire Hathaway'), ACWX which tracks Global Markets minus the US (World x-US), and the Russell 2000 small cap index (\$IWM)  
 FVAM fund, 2nd Quarter 2023 , Weekly returns



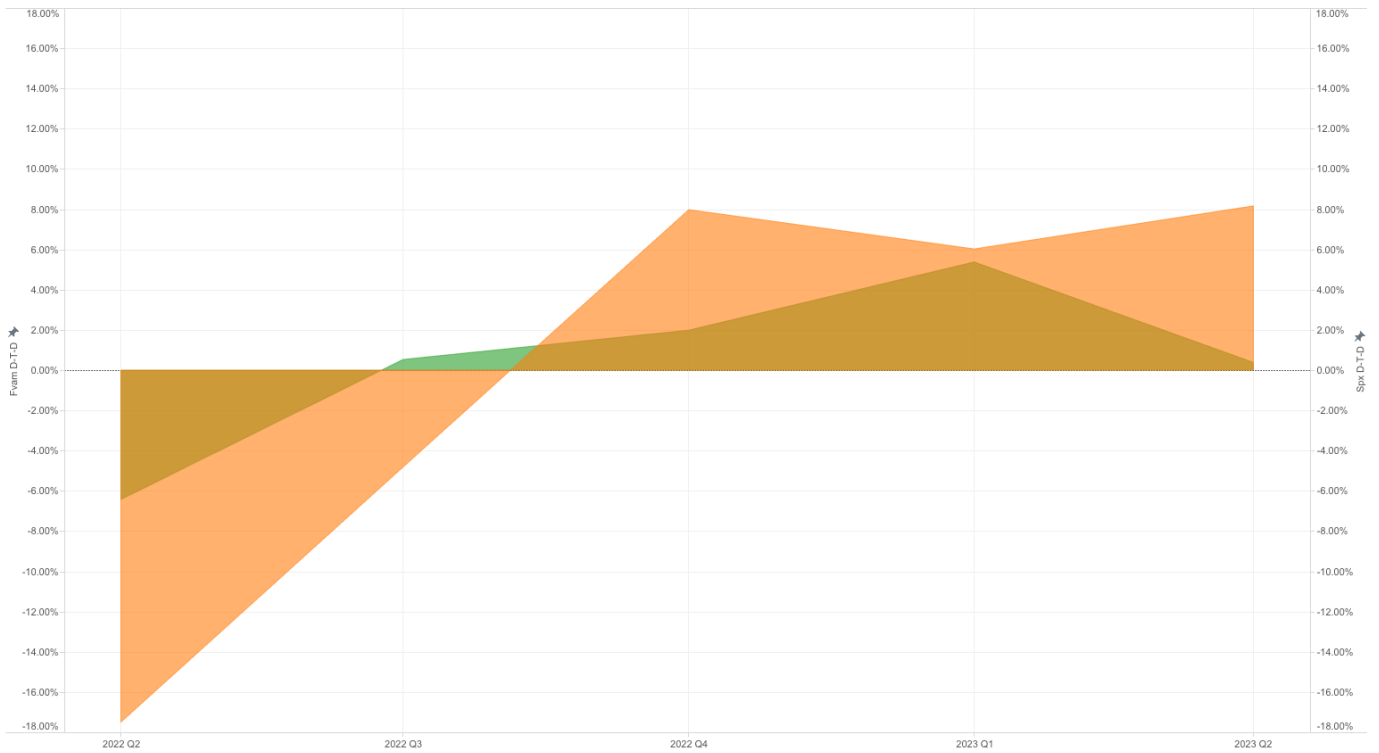
### FVAM fund, 2023 YTD cumulative return



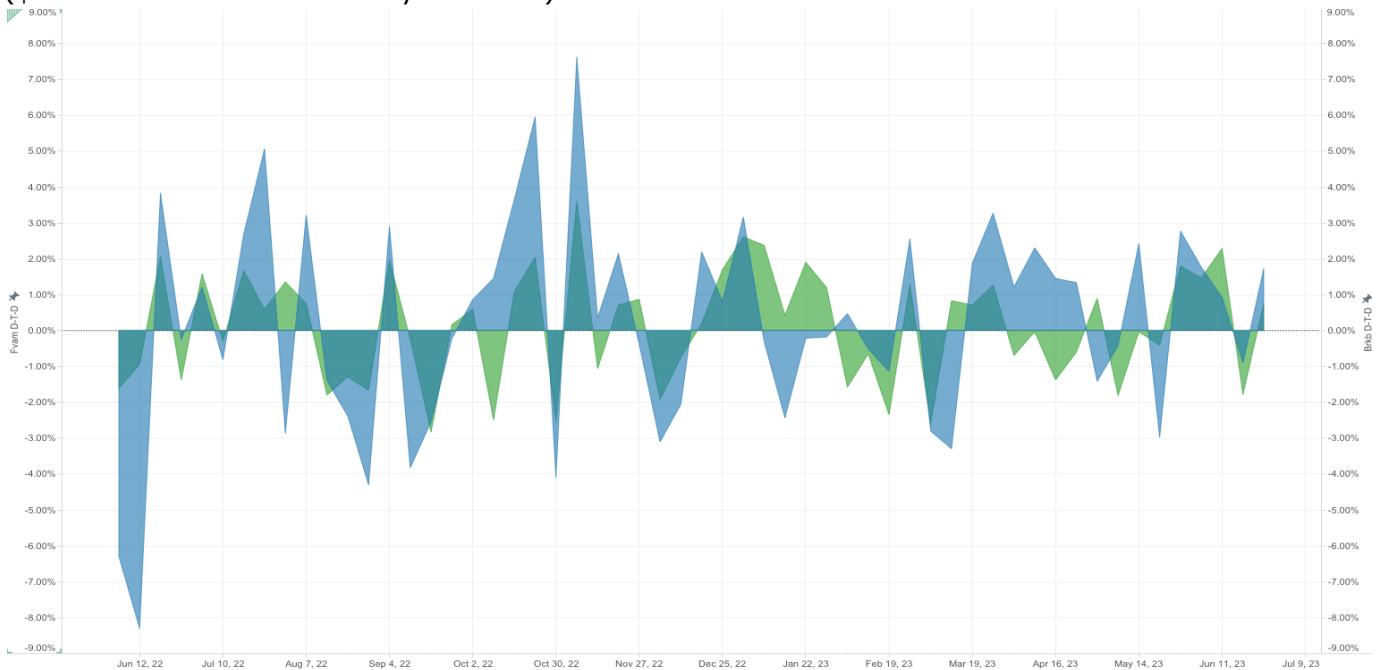
### FVAM fund (green) vs SPX (S&P 500, orange), Q2 2023, weekly



### FVAM fund (green) vs SPX (S&P 500, orange), 1-year, Quarterly (Q2 '22 thru Q2 '23)

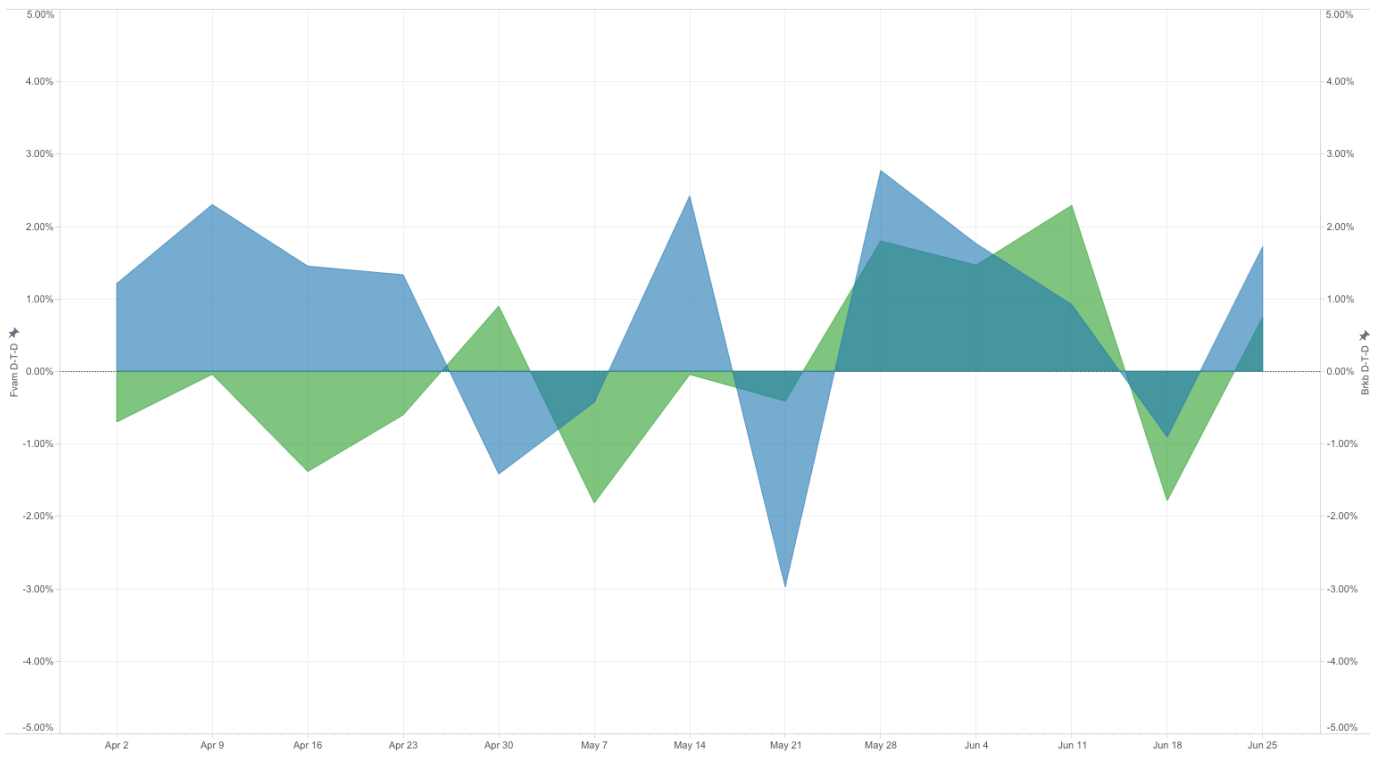


FVAM fund (green, left) vs BRK/b (blue, right), 1-year (thru June), Weekly (\$BRK-B : Berkshire Hathaway B-shares)

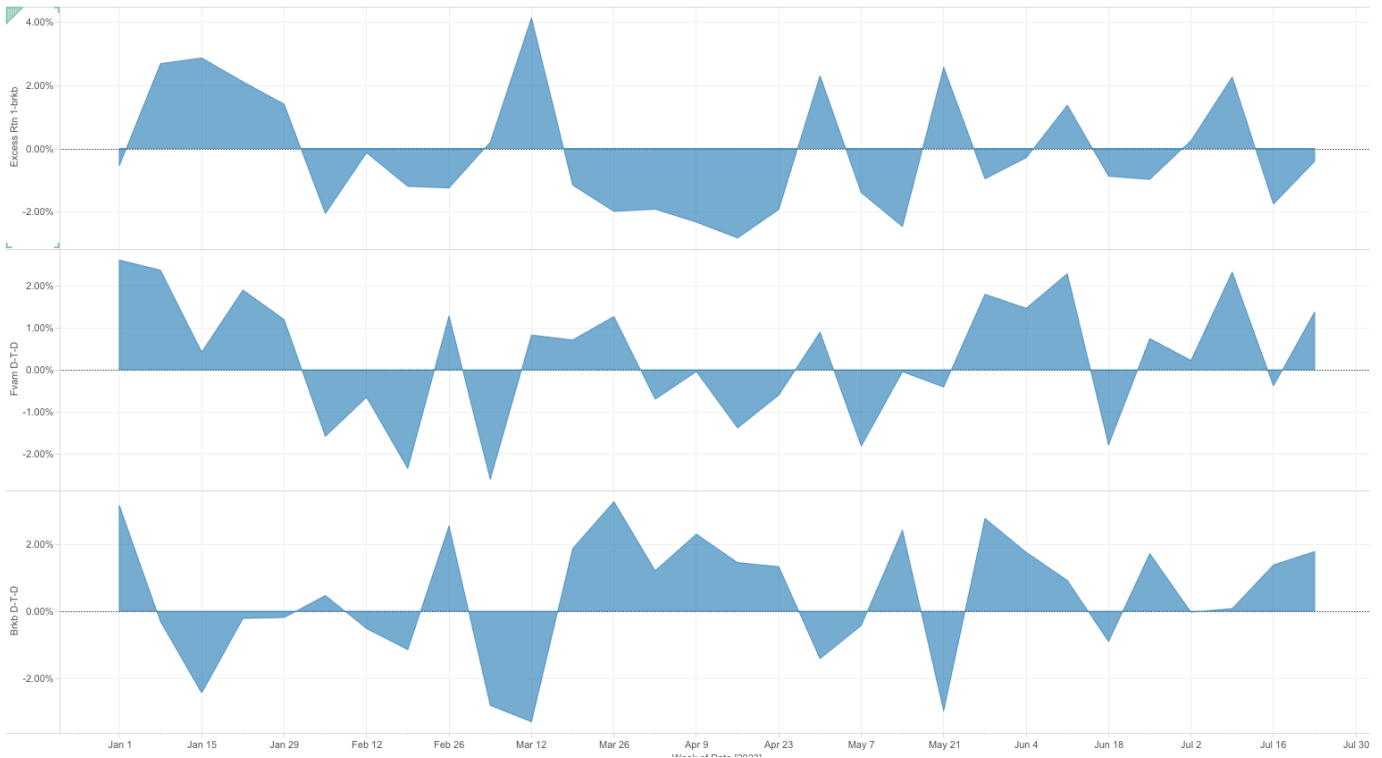


FVAM fund (green, left) vs BRK/b (blue, right), Q2 2023, Weekly

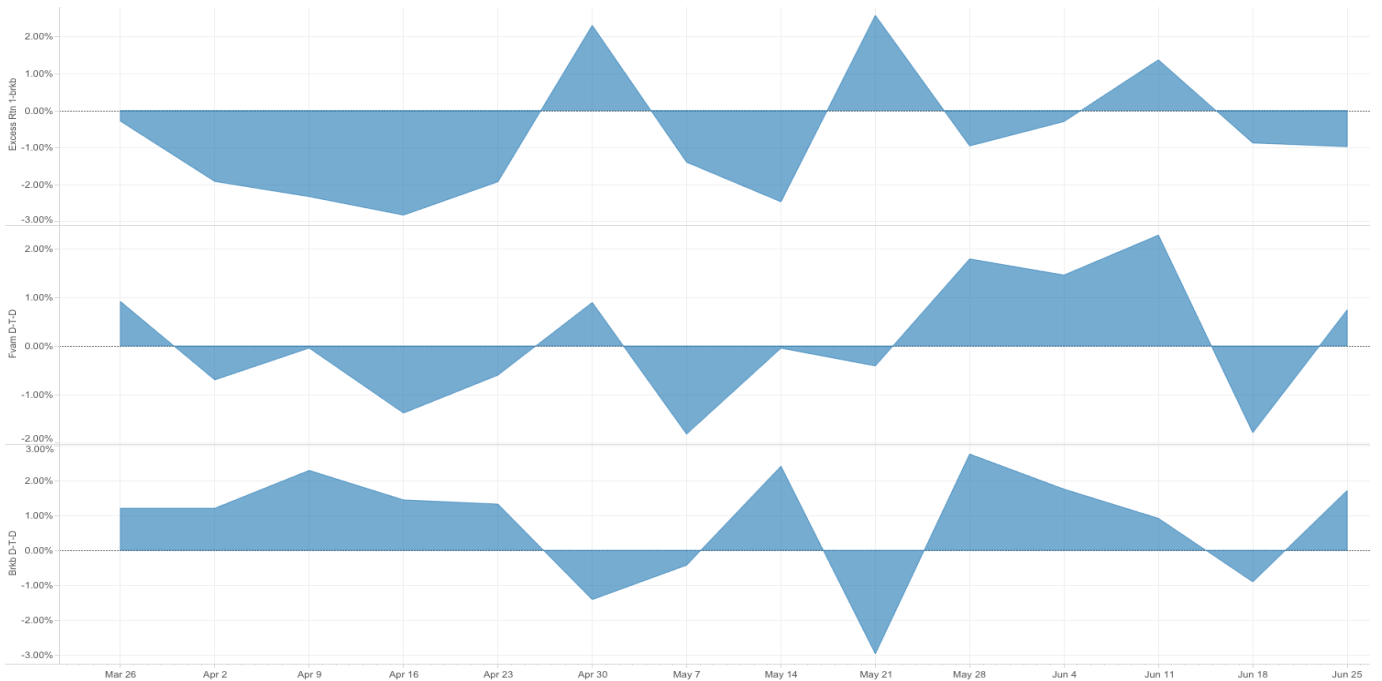




FVAM vs BRK/b and relative return (FVAM vs BRK/b), weekly, YTD thru July (excess: positive = outperformance, negative = underperformance)



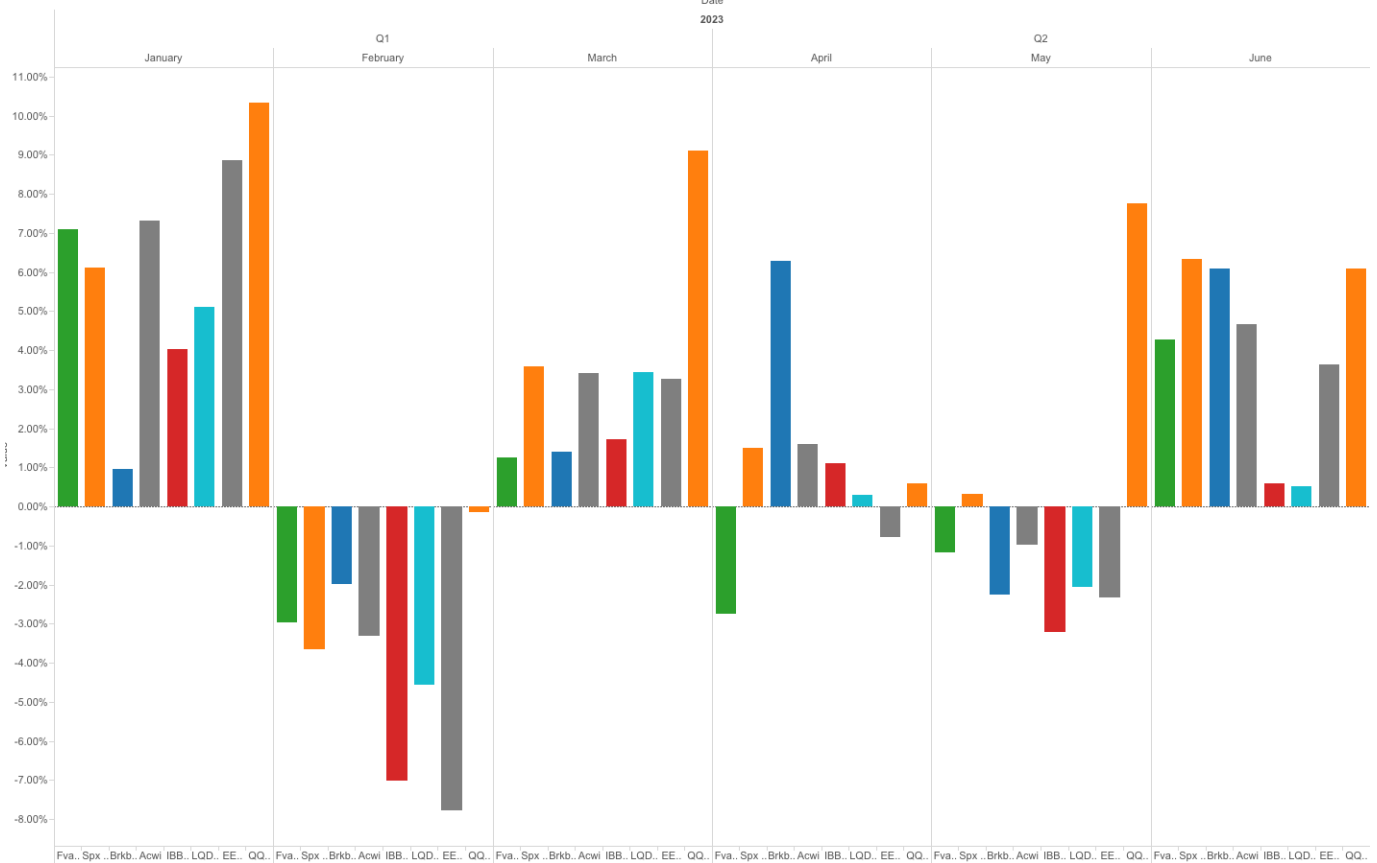
FVAM vs BRK/b and relative return (FVAM vs BRK/b), daily, Q2 2023  
(excess, positive = outperformance, negative = underperformance)



FVAM (Green) vs S&P500 vs IBB (BioTech Index Fund) vs BRK/b (Berkshire Hathaway) , 2nd Quarter - 2023

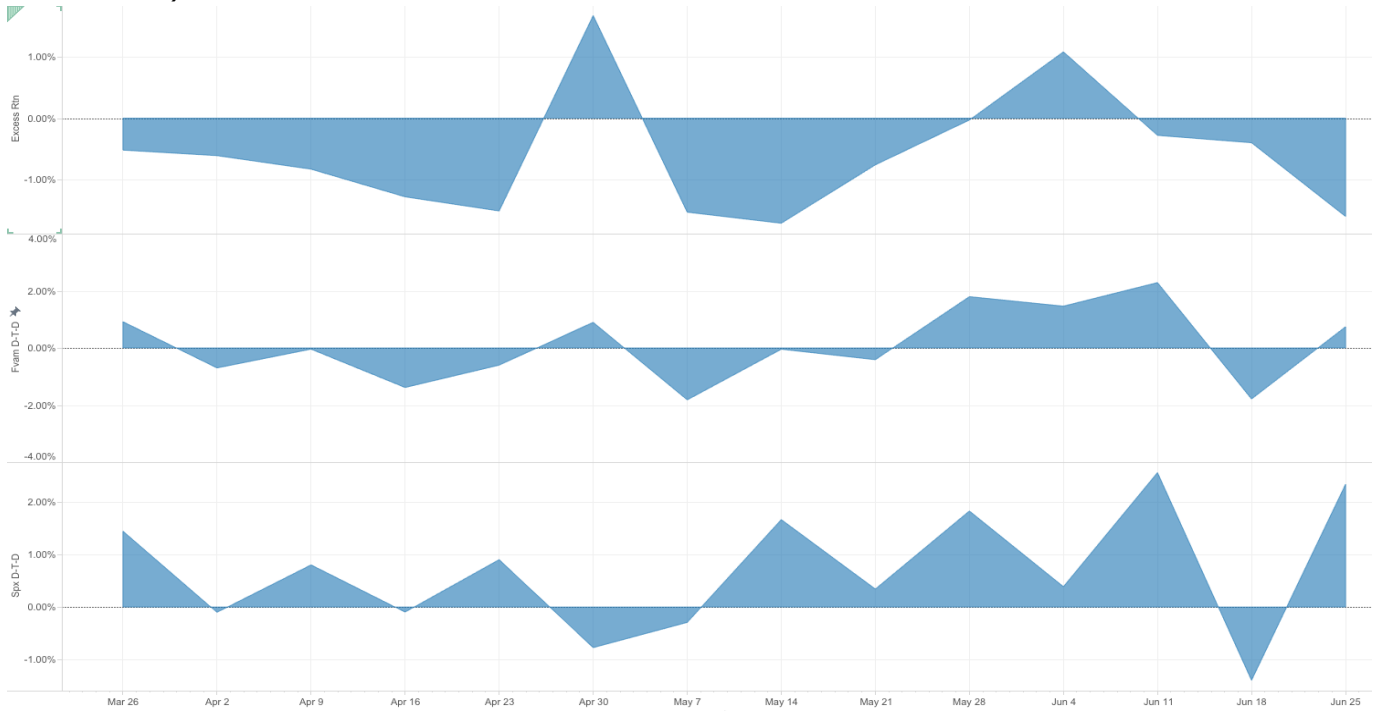


FVAM (green) vs S&P500 vs BRK/b (Berkshire Hathaway) vs ACWI (World Index) vs IBB (BioTech Index Fund) vs LQD (Bonds) vs EEM (Emerging Markets) vs QQQ (Nasdaq), H1 - 2023

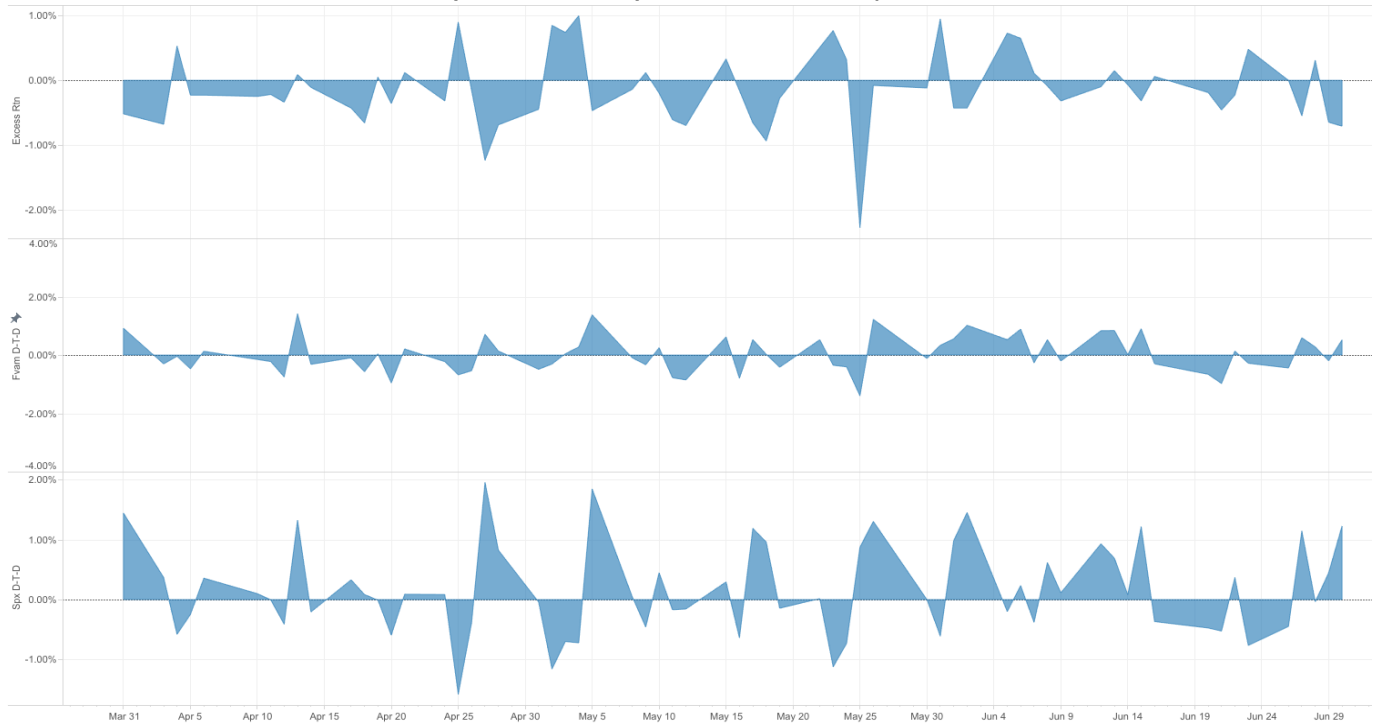


FVAM vs SPX and relative return (FVAM vs SPX), Q2 - 2023, weekly

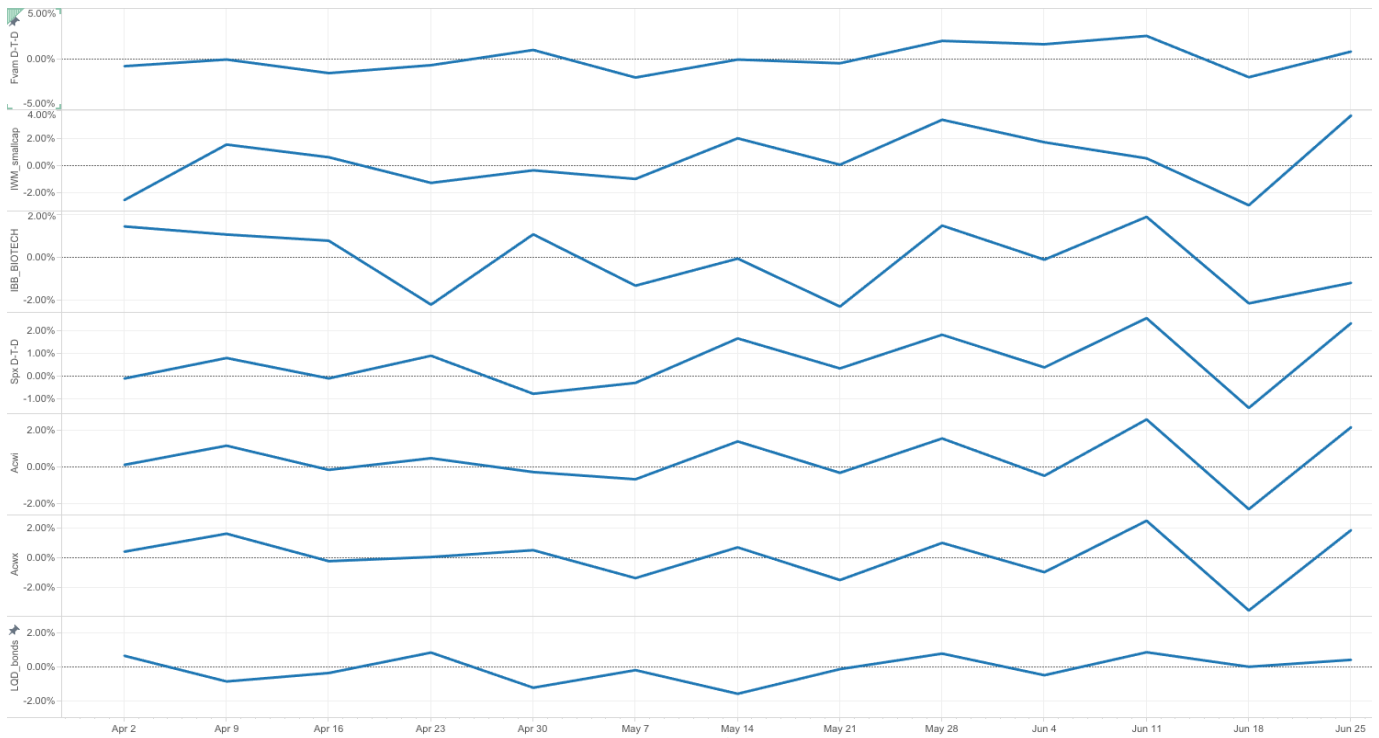
(\*excess return shows FVAM vs SPX, shows by how much FVAM is outperforming or underperforming the S&P 500)



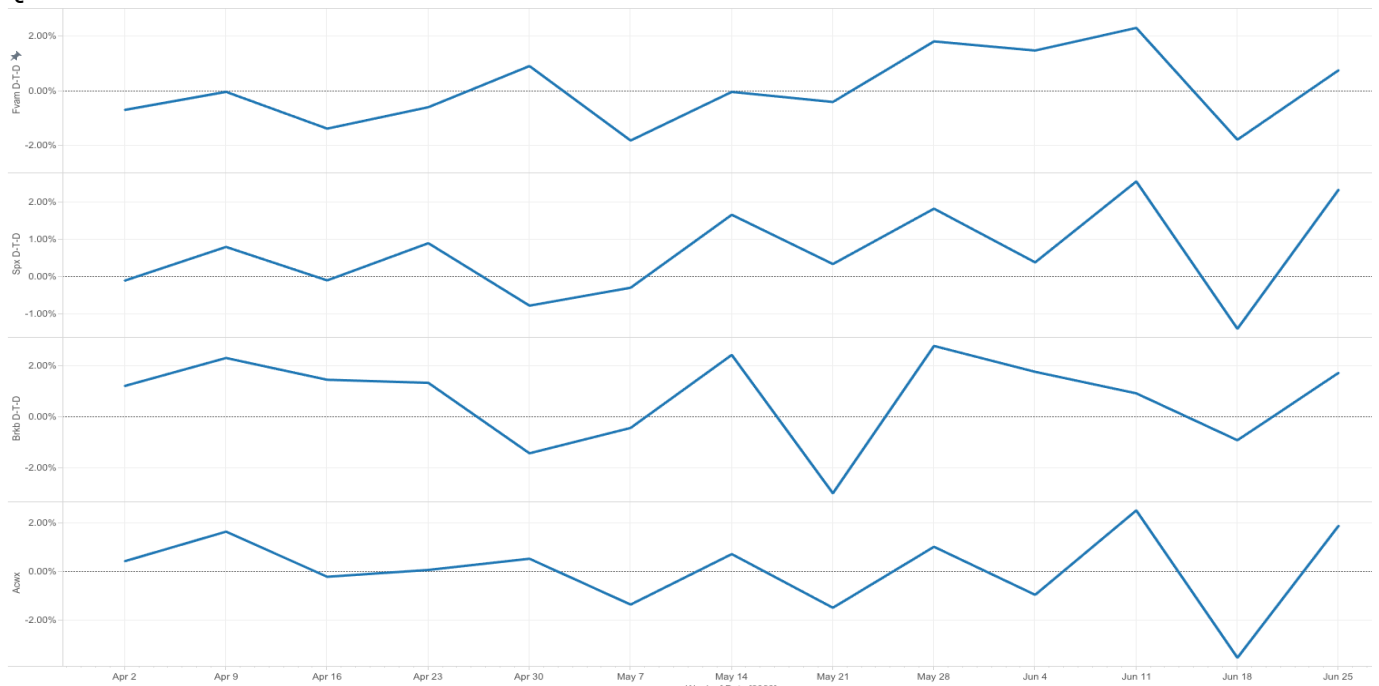
FVAM vs SPX and relative return (FVAM vs SPX), Q2 - 2023, Daily



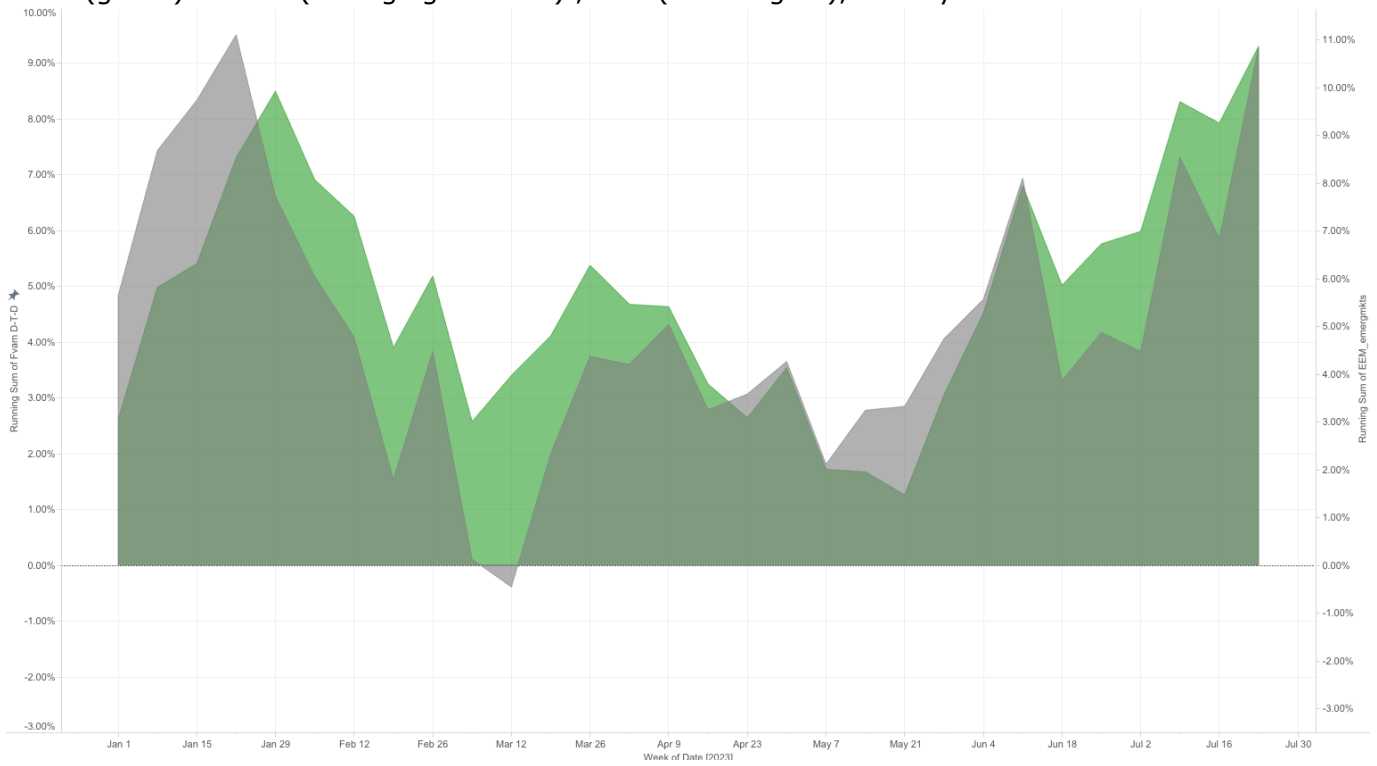
FVAM vs IWM (small caps) vs IBB (biotech) vs SPX (S&P 500) vs ACWI (world index) vs ACWX (world x-US) vs LQD (bonds), Weekly, Q2



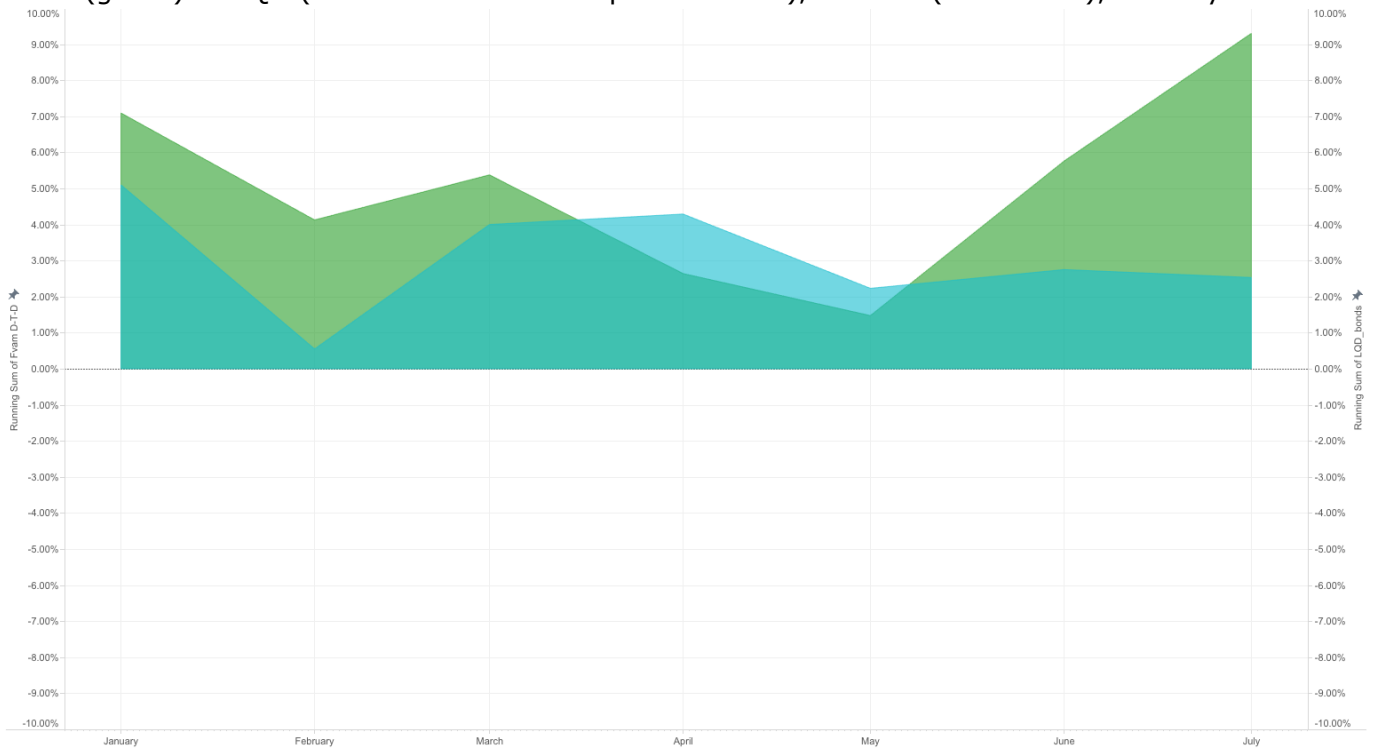
FVAM vs S&P 500 (\$SPX) vs Berkshire Hathaway (\$BRK/b) vs \$ACWX (World Index x-US), Weekly, Q2



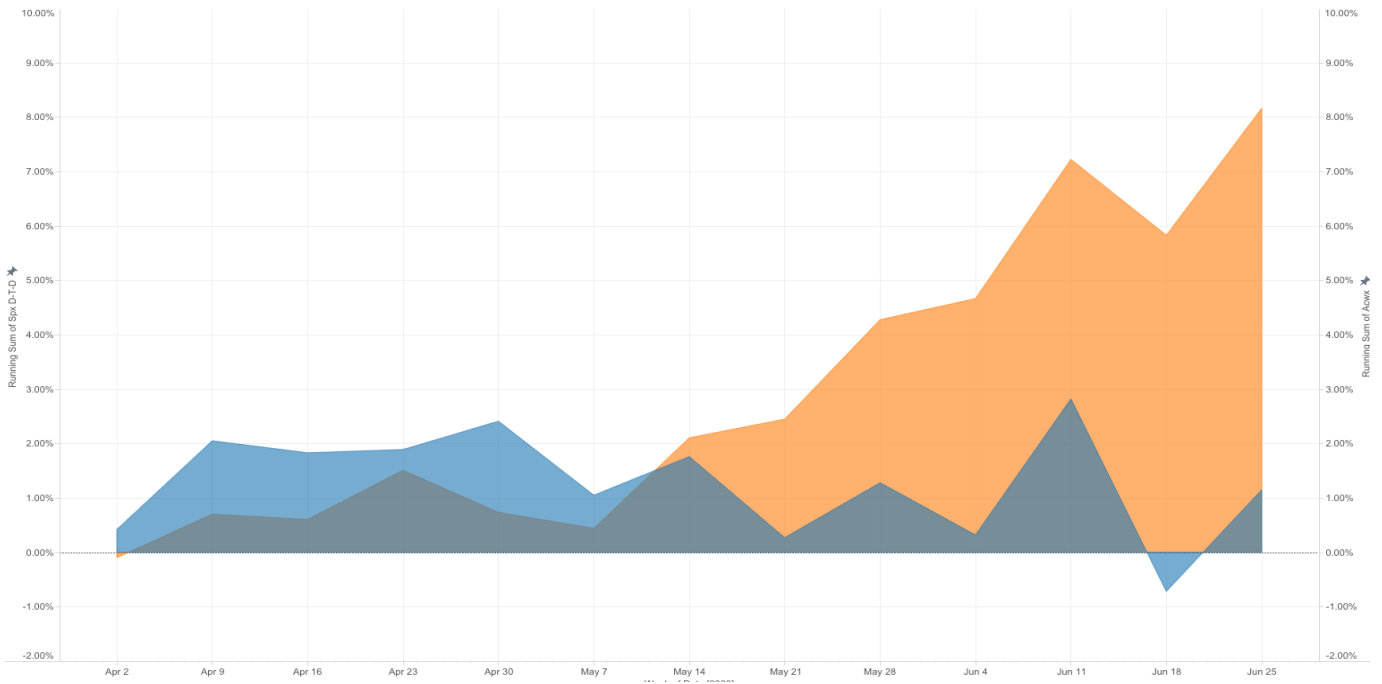
FVAM (green) vs EEM (Emerging Markets) , YTD (thru August), Weekly



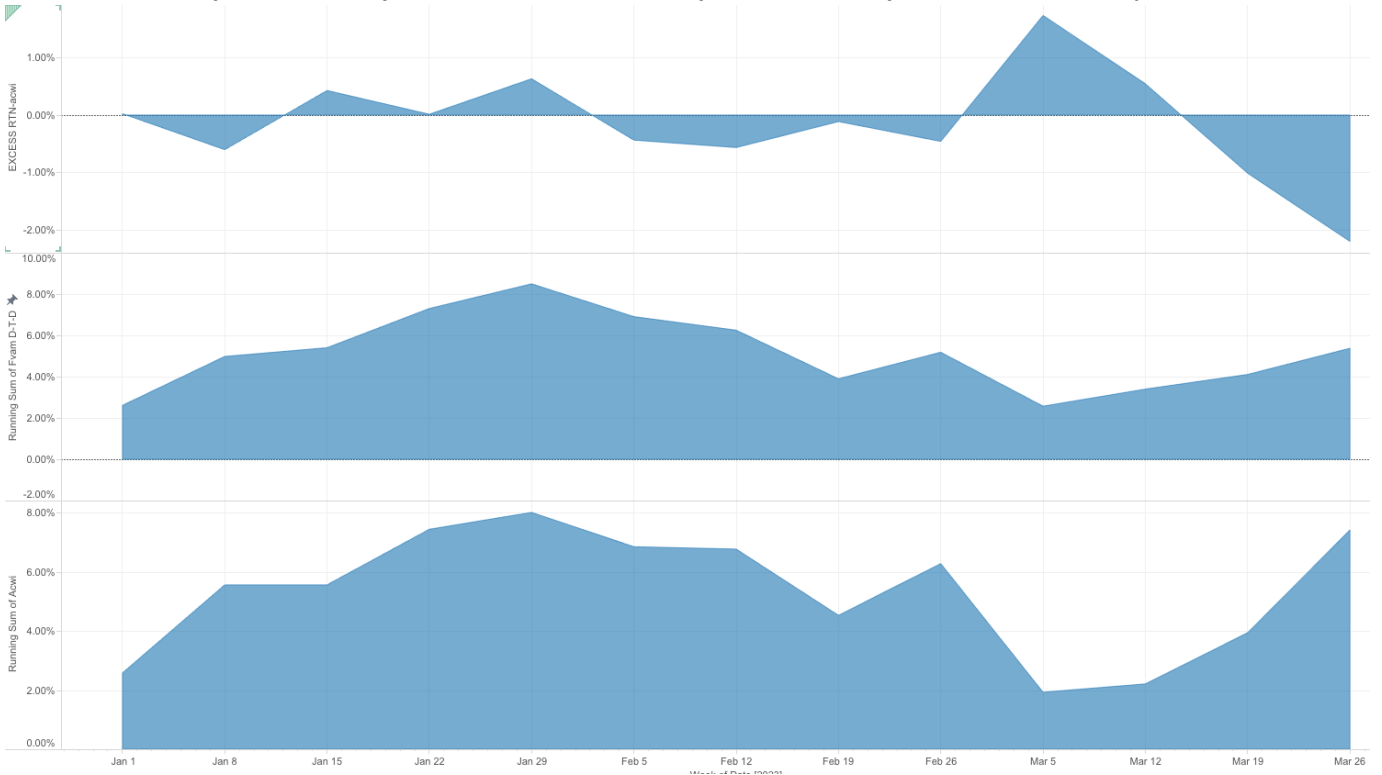
FVAM (green) vs LQD (Investment Grade Corporate Bonds), YTD '22 (thru 2023), Monthly



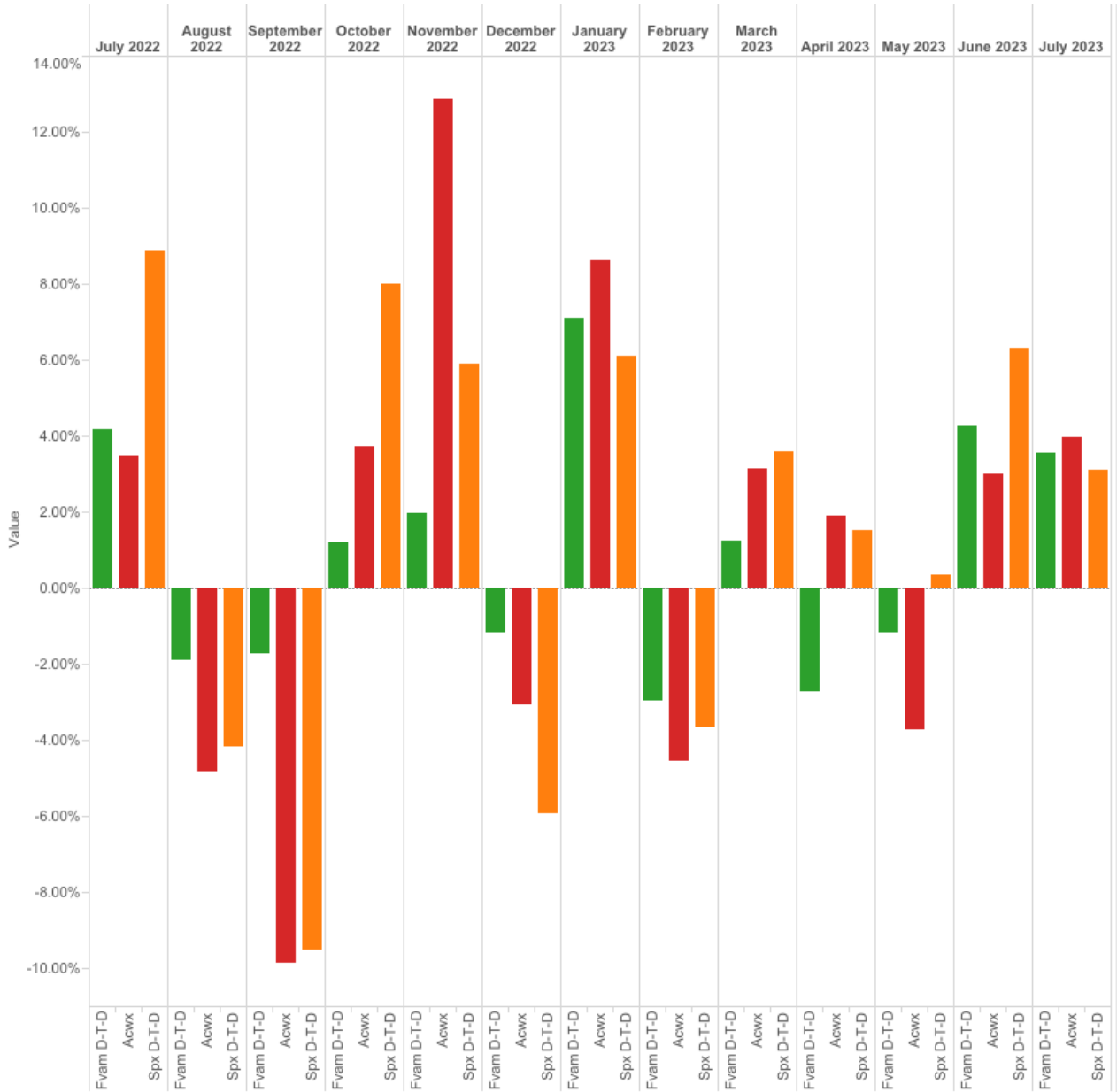
S&P 500 vs ACWX (blue, World Index minus U.S.), Q2 2023, Weekly



FVAM vs ACWI (World Index), with Relative Return (excess return), Q2 2023, Weekly



FVAM (green) vs ACWX (World Index minus USA, blue) vs S&P 500, Year-to-Date (1-year thru April '23), monthly returns

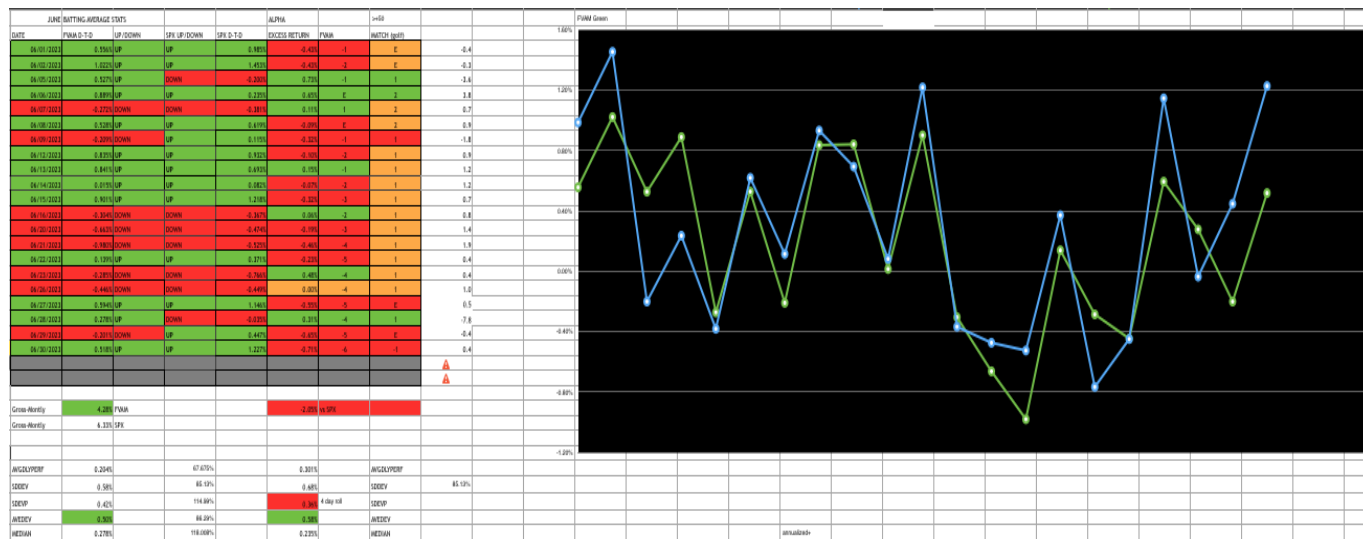




Reference 1: FVAM Fund Performance Stats (showing view of January 2023, FVAM vs SPX, Statistics)

The data below, displaying just January 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.

January 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 Dow Jones 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 September 2023)

