Fanvestments Corporation
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FVAM Fund Quarterly Portfolio Report
Q2 - 2019

Fanvestments FVAM Diversified Multi-Asset Private Alternative Investment Fund (FVAM)

This Report describes the Fanvestments Diversified Multi-Asset 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 2019 (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), commodities and currencies, 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 for trends, as well as trend change, price and timeframe analysis, overbought and oversold indicators, volume spikes leading to capitulation. For investment style, looking for growth and value, "Growth at a Great Price". 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 driving the future, such as AI, Big Data, Cloud, Analytics, FinTech (such as mobile payments), as well as to find the Founders that are all-in and have a sense of brilliance. Price and Returns tends 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" , buy low-sell high, as a fundamental mindset. Fund will also seek to find opportunity 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 along side 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 business 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, 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, 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, increase 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 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 .

Q2 Highlights

Within the 2nd Quarter of 2019, the FVAM fund was slightly lower, net negative by -0.5%. The fund was up 0.36% in April, negative -0.89% in May, and just about flat for June. For the Quarter, the S&P was up about 3.9%, while the ACWX (World Index x-USA) was up 1.2%. 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 currently around 92% of the fund, the fund's performance and volatility is analyzed against the index, an all-stock index. Overall for the quarter, while the S&P 500 index did outperform, in May the Index was down 6.7% while FVAM was just down 0.83%. The S&P retraced just about all of the negative performance in June while FVAM stayed mostly flat. 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 up 0.5% in 2019 thru August.

For the 2nd Quarter, Celgene remained to be the fund's top performer, with Zynerba Pharma, Facebook and Cronos coming in next. Celgene was sold in the fund after the merger news with Bristol Myers occurred, while Facebook and Zynerba were also sold in full. Facebook was a shorter-term position based more on technicals and earnings. Bristol Myers (BMY) remains to be one of the fund's largest investments. The merger between Bristol and Celgene still has some time and remaining approval process before the merger is complete. I am actually for the merger, as I like both Bristol and Celgene by themselves, Bristol plus Celgene I believe will become a blockbuster Biotech company. Bristol Myers at the investment price point in the mid 40's should be a great opportunity at a great value, and also pays just under a 3% dividend. Looking into Q3, Bristol has broken above 50, and trading closer to the mid 50's. Previous or historical high levels for the stock traded closer to $80 and I think over the next year or two, it will head back to those levels. Using Earnings per Share (EPS) of $5.50 with a 15 PE Multiple, gets the stock price above $82. Average analyst estimates for 2020 have EPS above $6.   Can see more about Bristol Myers here : https://www.bms.com/investors.html

StoneCo, a brazil-based Financial Tech and payments company, providing cloud-based technology to conduct e-commerce in-store, online and mobile, remains a core position in the fund, and a top performer. With an average price just under $17/share, part of the position was sold above $40/share, and it currently sitting just under $40. Company was first noticed when seeing it as a Warren Buffet investment within Berkshire Hathaway, and is also in the funds focus of Financial Tech ("FinTech") and payments industry. Based on its latest earnings, 2nd quarter revenue increased 68%, with net income increasing by 172%. Can see more about StoneCo here : https://investors.stone.co/news-releases/news-release-details/stoneco-reports-second-quarter-2019-financial-results

Looking into Q3, one of the funds newest positions in the fund include Cloudera (CLDR), and currently holding onto newer positions from Q2 in Axovant Gene Therapies (AXGT) and Aveo Pharma (AVEO). Axovant and Aveo, both far more speculative biotech investments, which positions are sized appropriately (smaller) for that risk, but looking for a much larger 5-6x return. Axovant is involved with Gene Therapy, a field within biotech that is beginning to gain major traction for a strategy to treat major diseases. They are involved with Parkinson's Diseases, Dementia, as well as rare and fatal pediatric diseases. Aveo Oncology develops a portfolio of cancer related medicines and other areas of unmet medical needs. Cloudera, which hits within the Technology and Big Data focus, was being watched and then noticed a position taken by billionaire investor Carl Icahn. Cloudera focuses on data analytics, cloud technology, data centers and warehouse, as well as machine learning and artificial intelligence. Position was started around $6/share, quickly moved up closer to $9, longer term looking for a triple.

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 '19)
 High Level allocation heat map and pie chart:
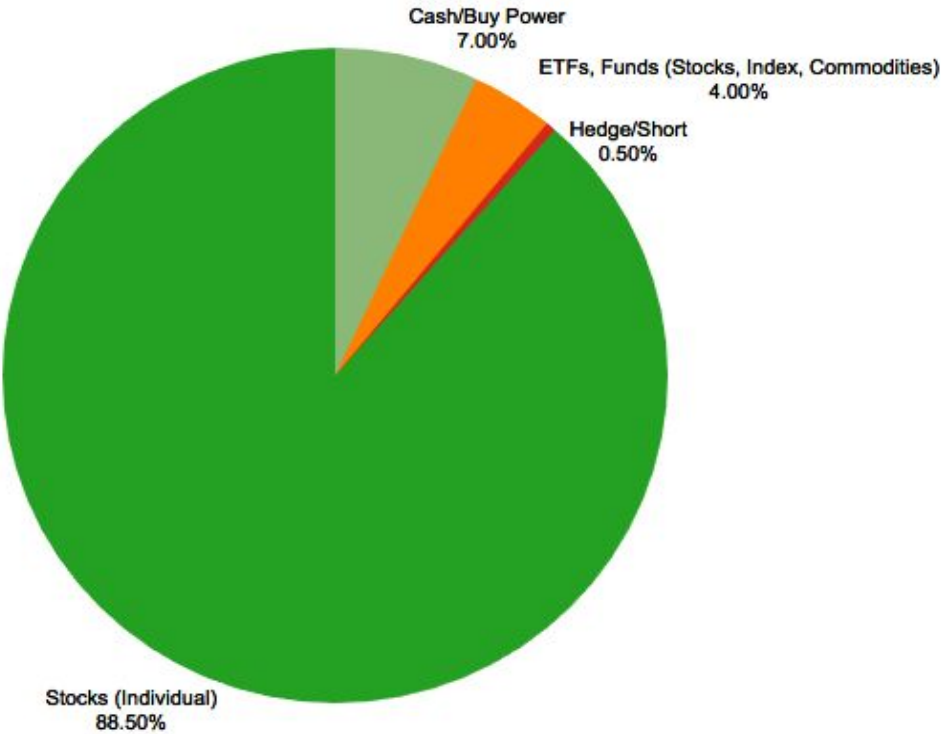
Below shows the further breakdown of only the fund's individual stock exposure. Currently, the heaviest focus of that exposure is allocated towards Technology and Bio-Tech / Pharma investments.
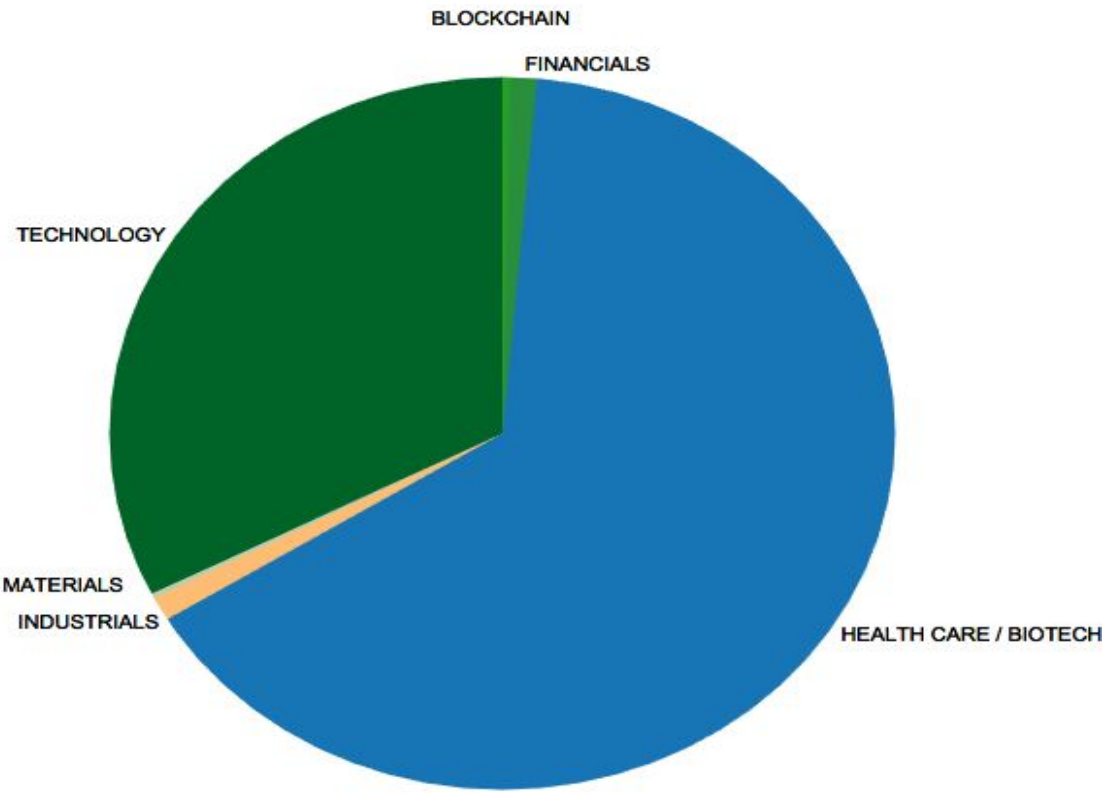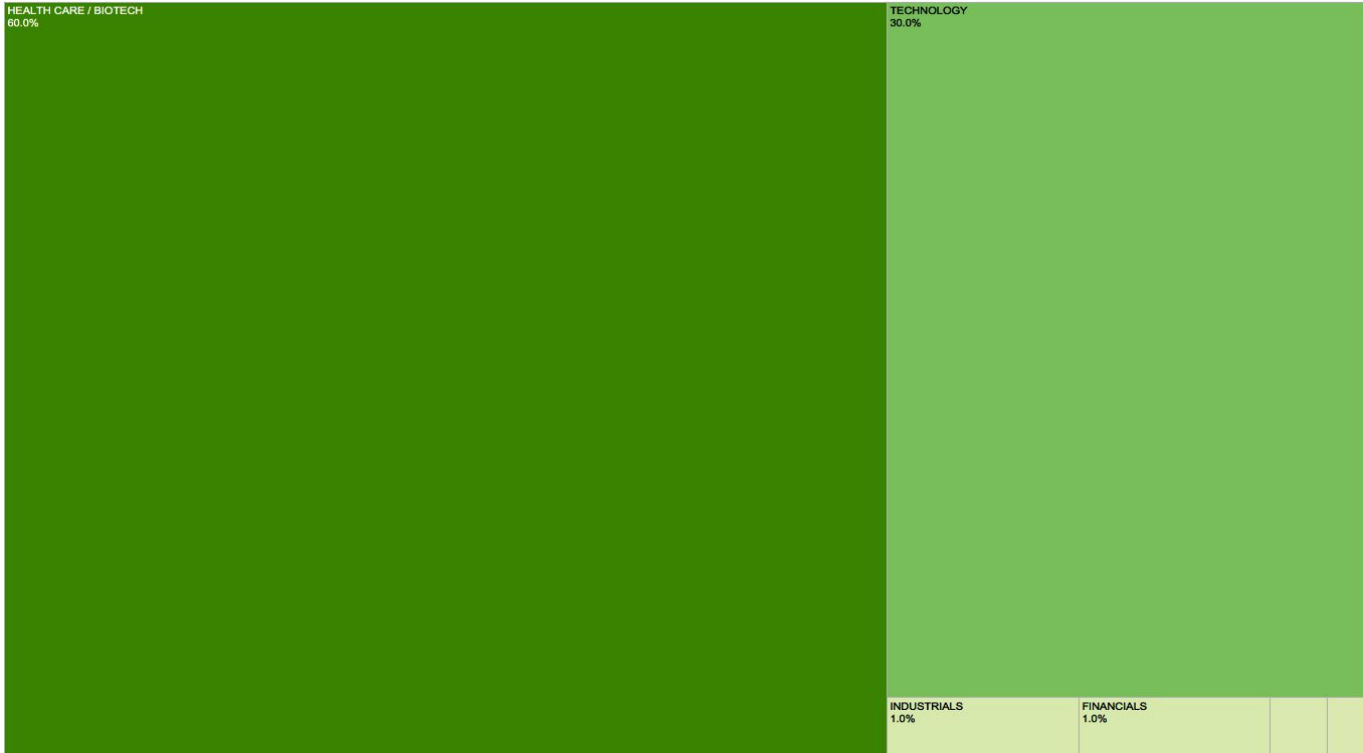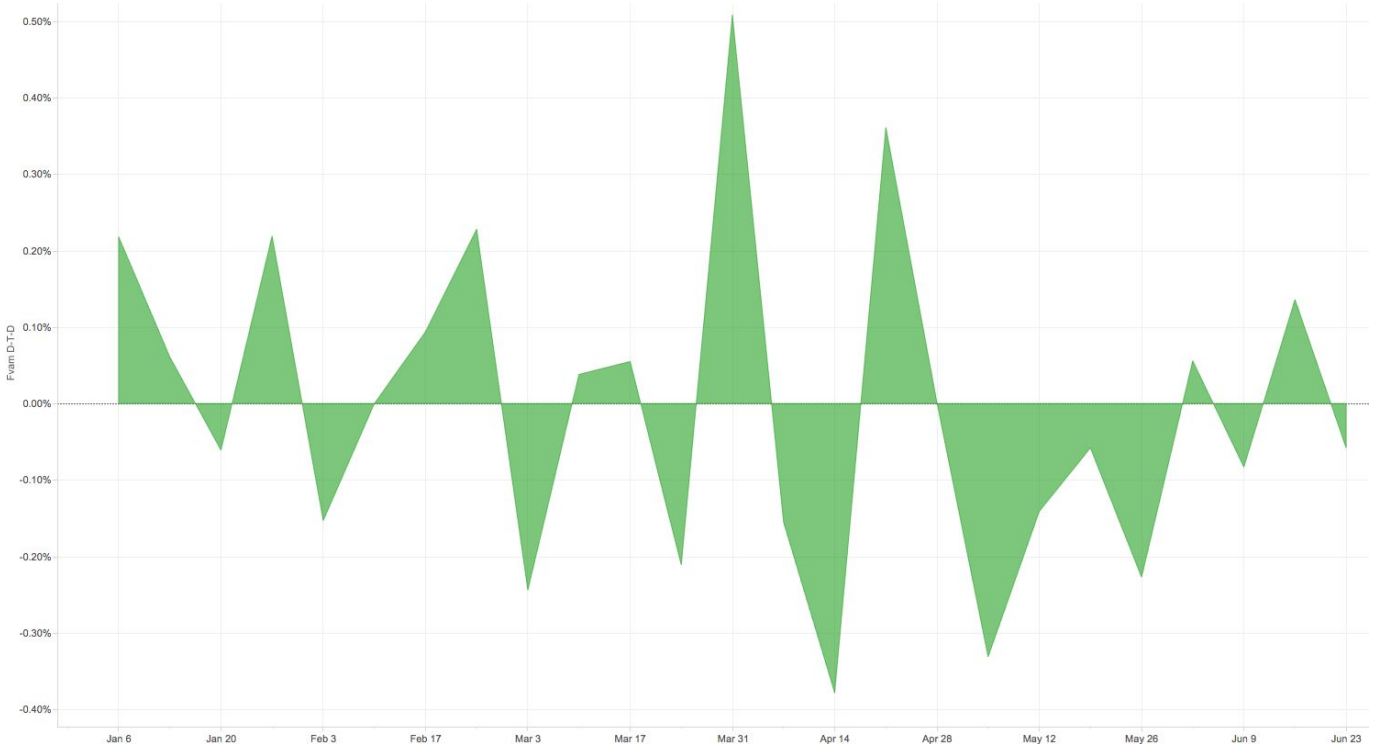
Performance Analysis: Analyzing the breakdown of the Fund's performance, as well as comparisons to other investment vehicles/index, such as the S&P 500, $BRK-b (Warren Buffett's 'Berkshire Hathaway'), ACWX which tracks Global Markets minus the US (World x-US), and the Russell 2000 small cap index ($IWM)
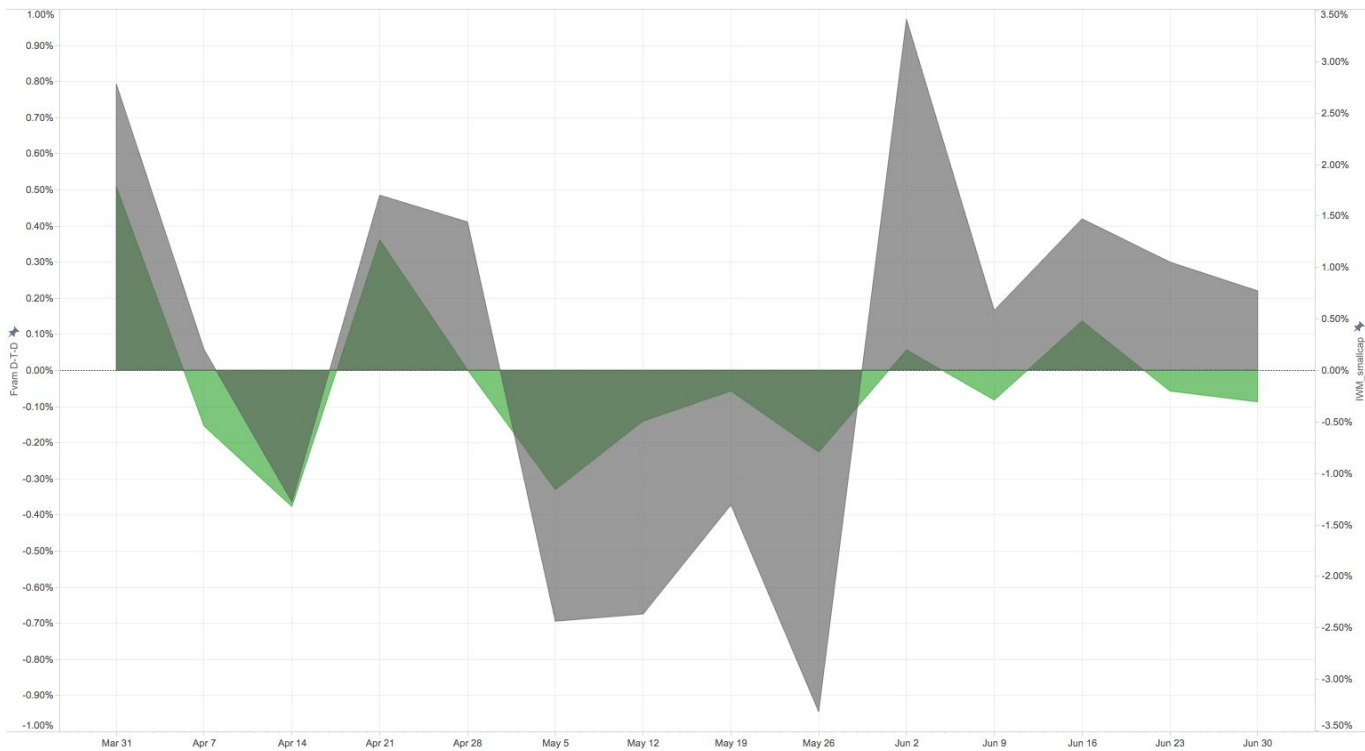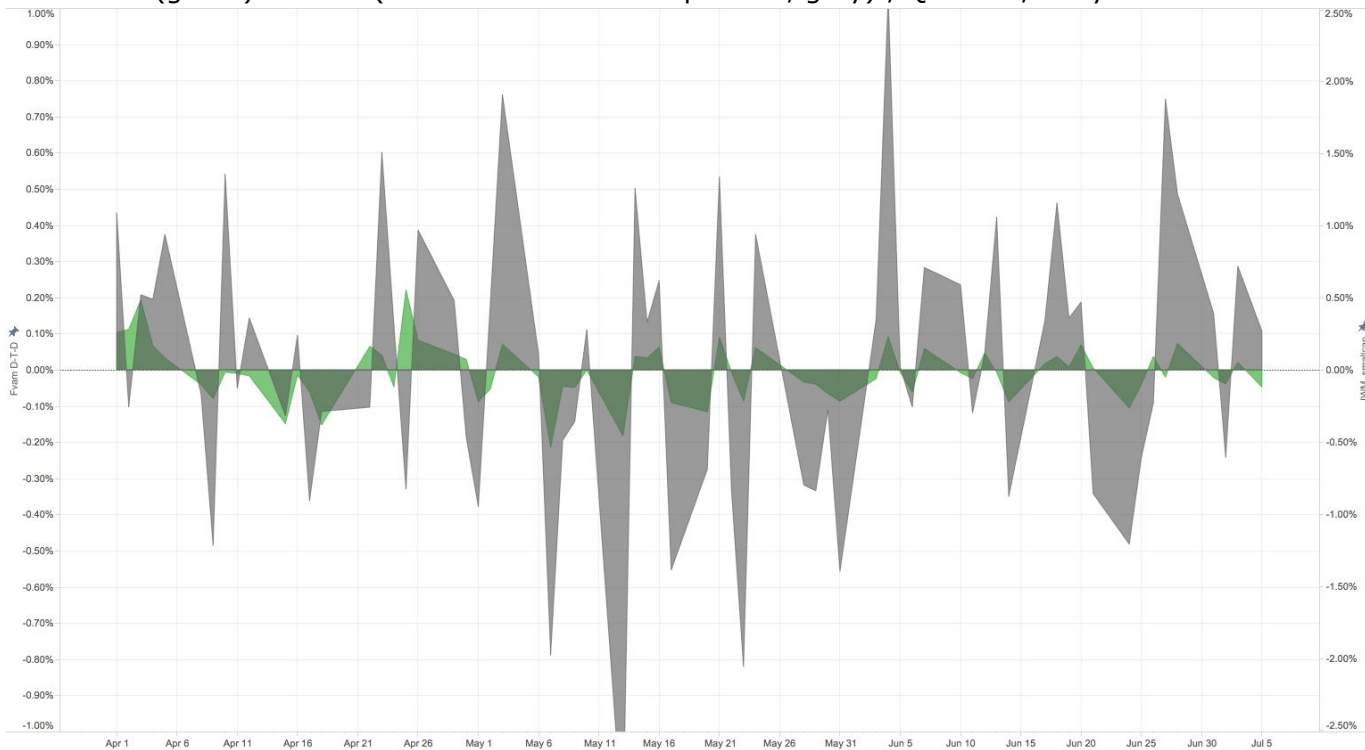
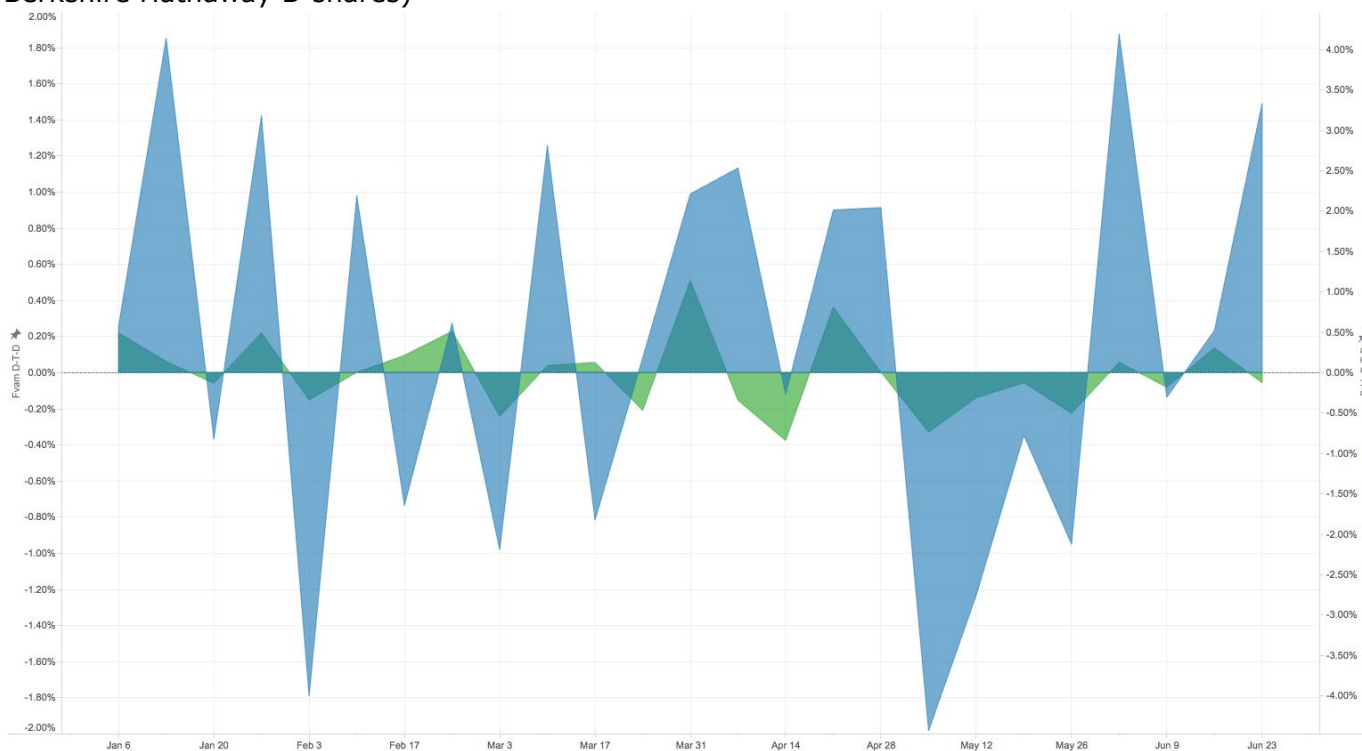FVAM fund, 2nd Quarter 2019 , Weekly
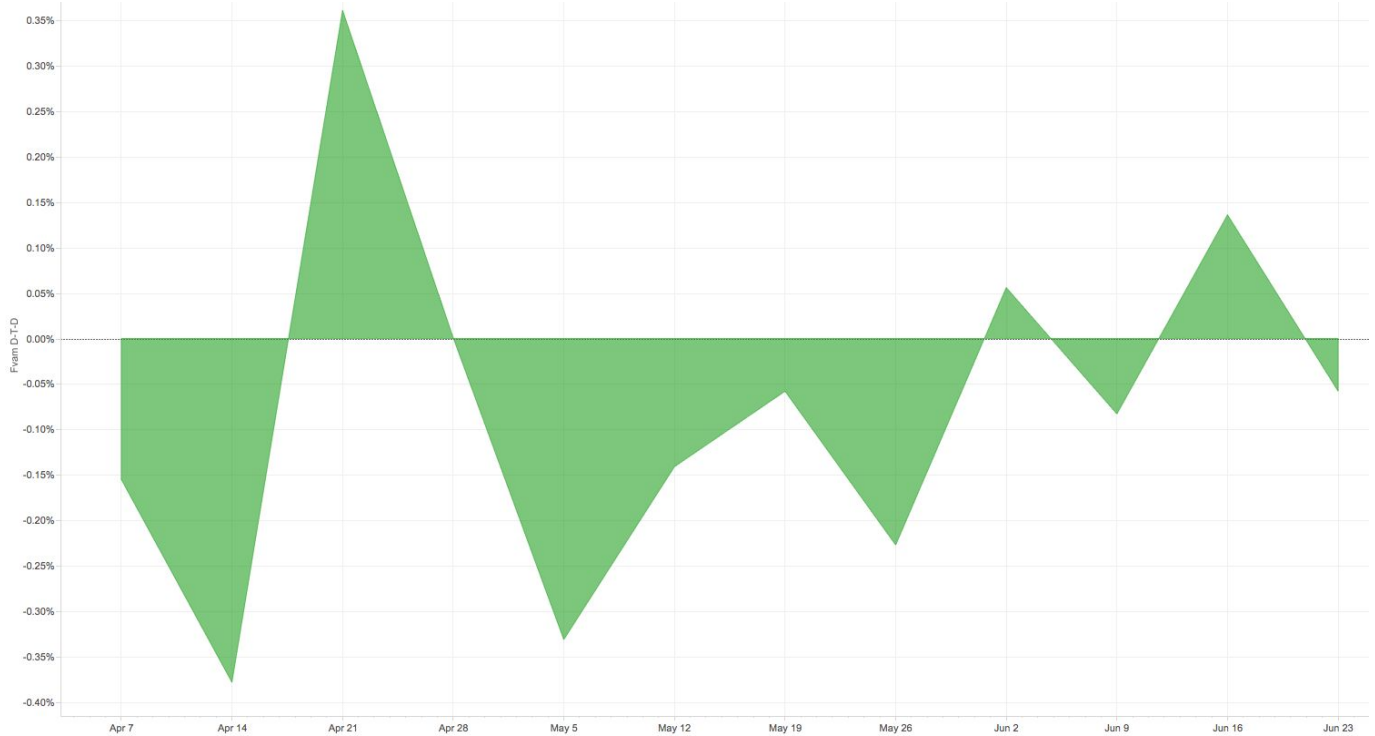
FVAM fund, H1 2019 (Jan-Jun), Weekly

FVAM fund (green) vs IWM (Russell 2000 Small Cap Index, gray) , Q2 2019, weekly
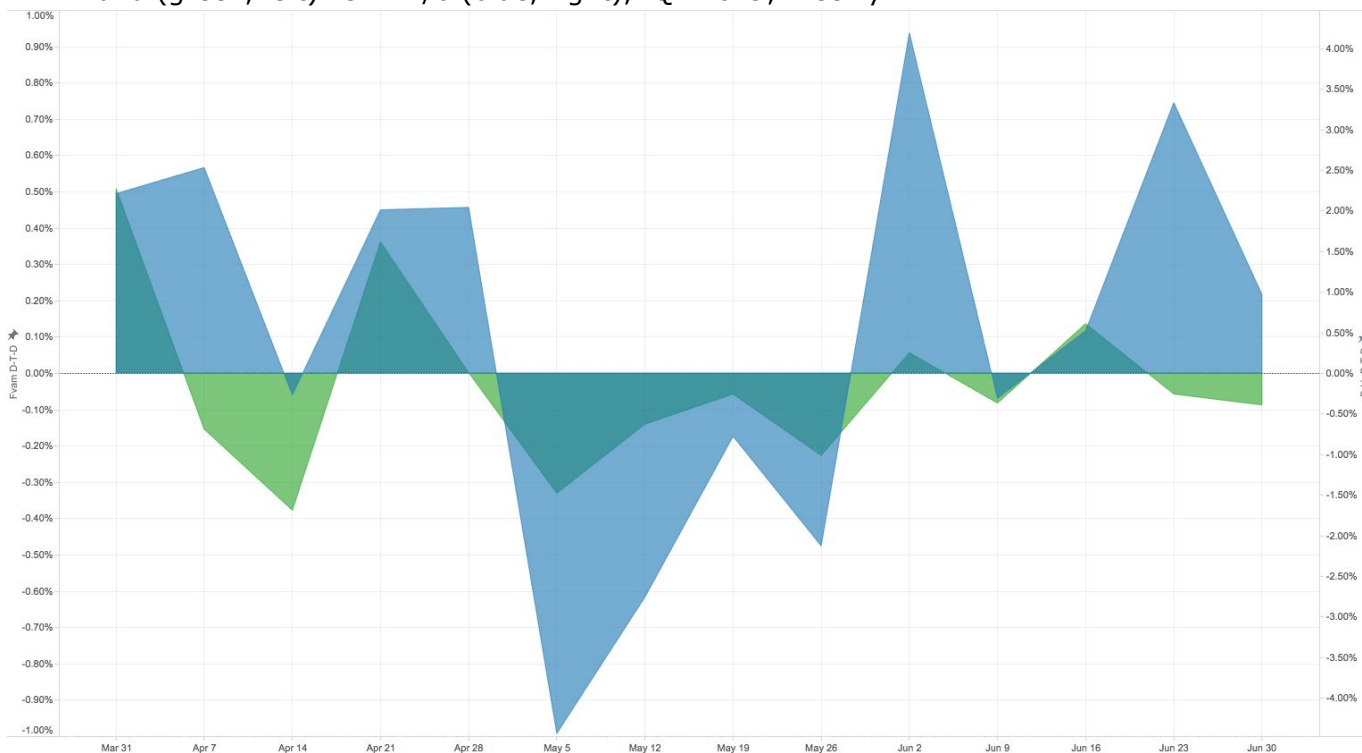

FVAM fund (green) vs IWM (Russell 2000 Small Cap Index, gray) , Q2 2019, Daily

FVAM fund (green, left) vs BRK/b (blue, right), 2019 Year-to-Date thru June, Weekly ($BRK-B : Berkshire Hathaway B-shares)

FVAM fund (green, left) vs BRK/b (blue, right), Q2 2019, Weekly

FVAM vs BRK/b and relative return (FVAM vs BRK/b), weekly, H1 2019 (Jan-Jun)
(excess, positive = outperformance, negative - underperformance)
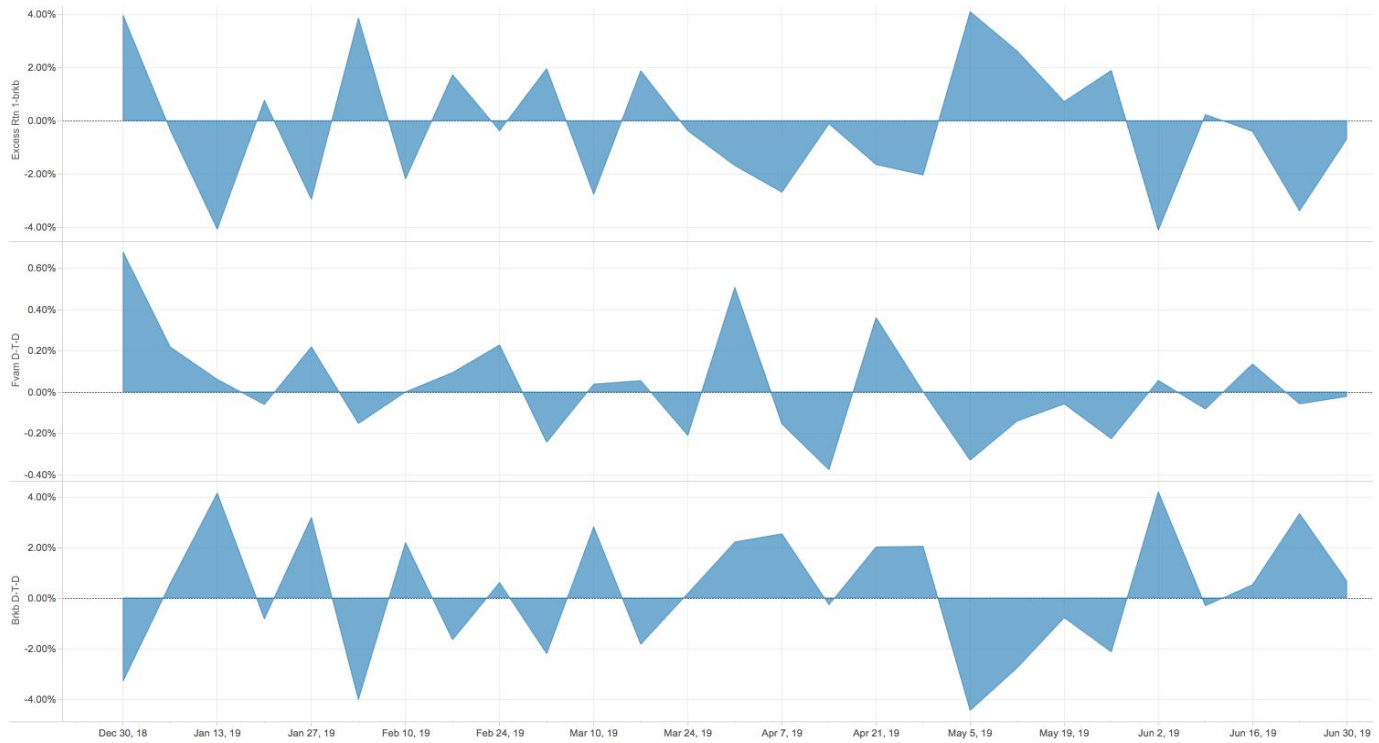
FVAM vs BRK/b and relative return (FVAM vs BRK/b), weekly, Q2 2019
(excess, positive = outperformance, negative - underperformance)
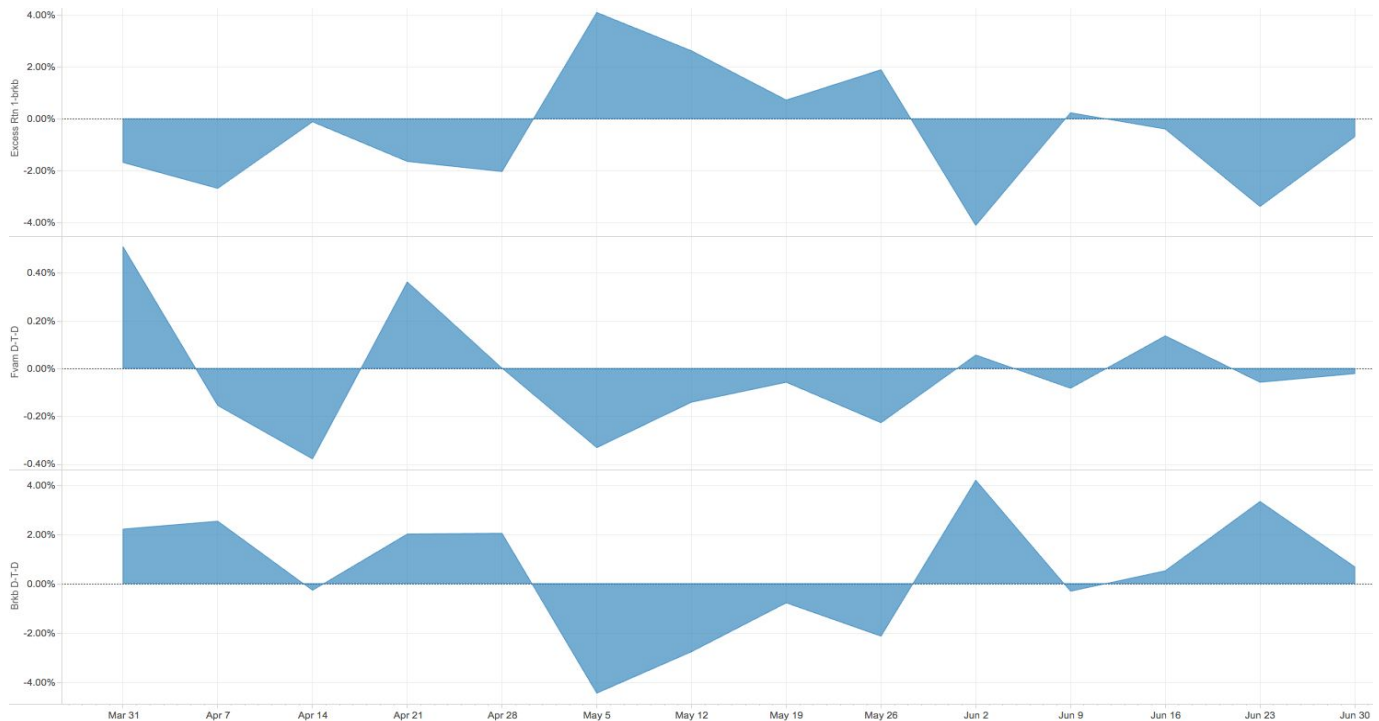
FVAM (Green) vs S&P500 vs IBB (BioTech Index Fund) vs BRK/b (Berkshire Hathaway) , 2nd Quarter - 2019

FVAM 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 - 2019)
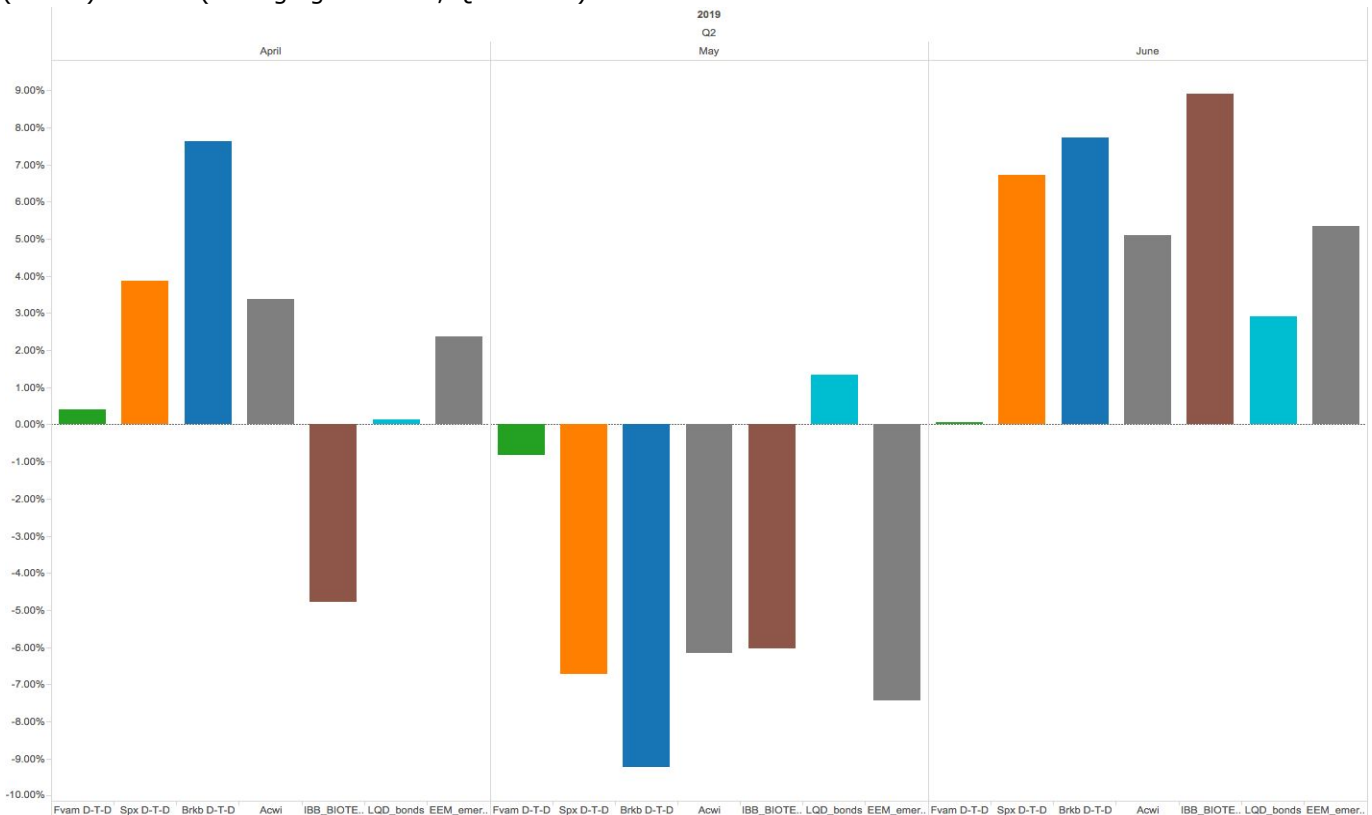
FVAM (top) compared to SPX (S&P 500, bottom), Q2 2019 - Weekly
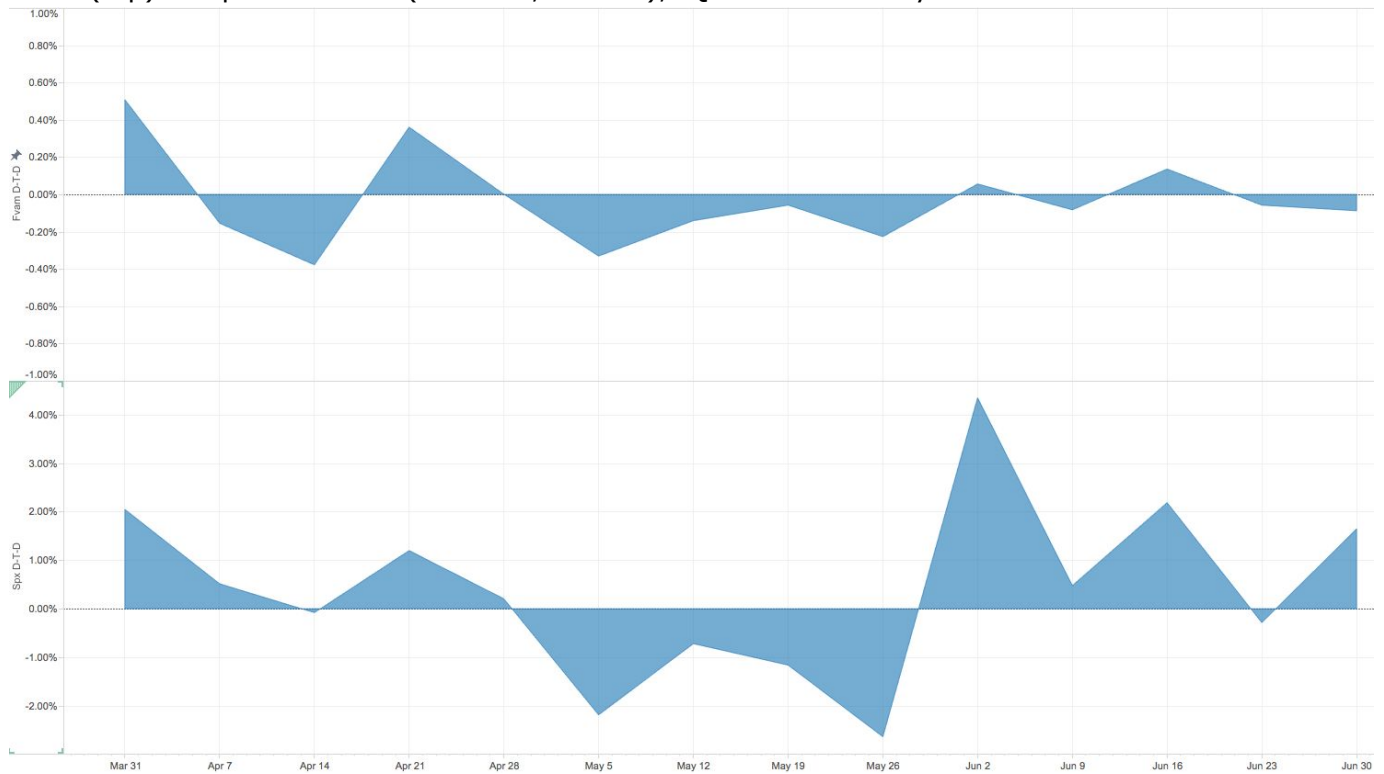
FVAM vs SPX and relative return (FVAM vs SPX), weekly, H1 2019
(*excess return shows FVAM vs SPX, shows by how much FVAM is outperforming or
underperforming the S&P 500)
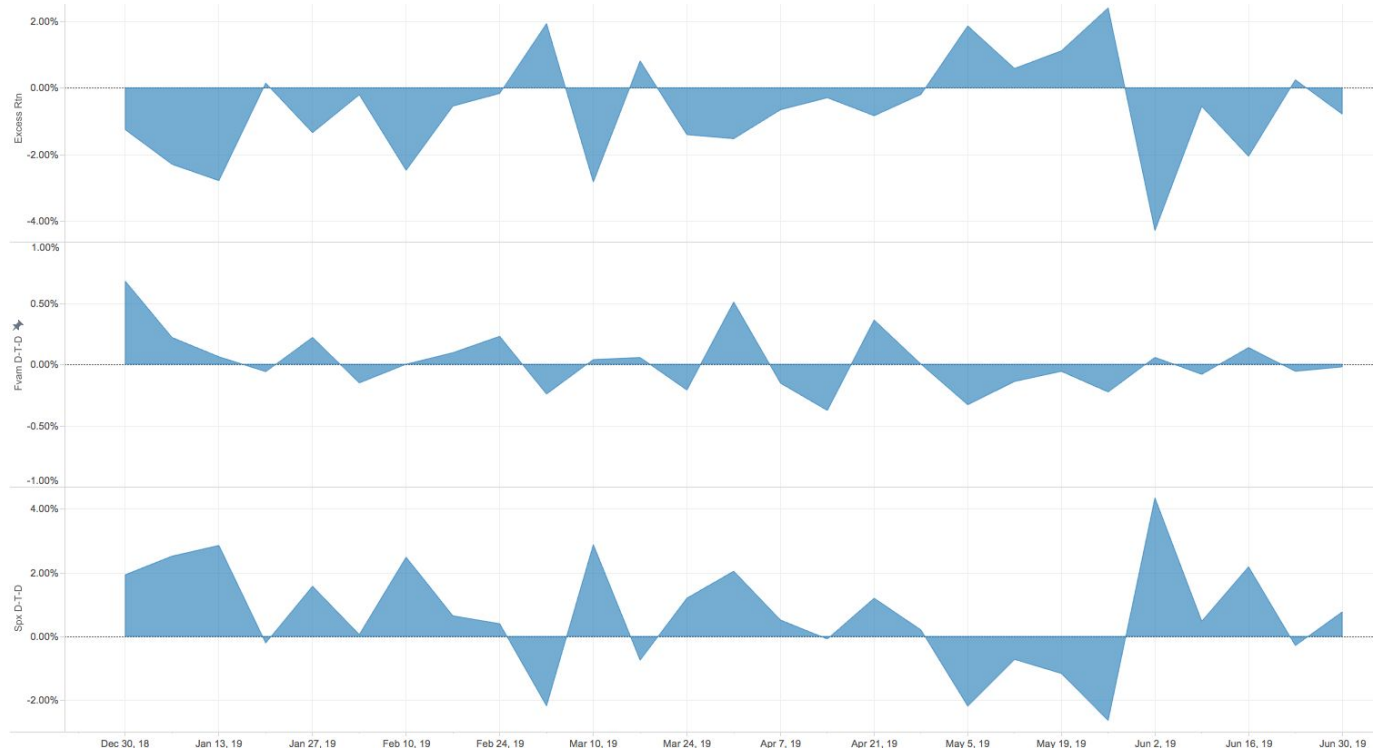
FVAM vs IWM (small caps) vs IBB (biotech) vs SPX (S&P 500) vs ACWI (world index) vs ACWX (world x-US) vs LQD (bonds), Weekly, Q2
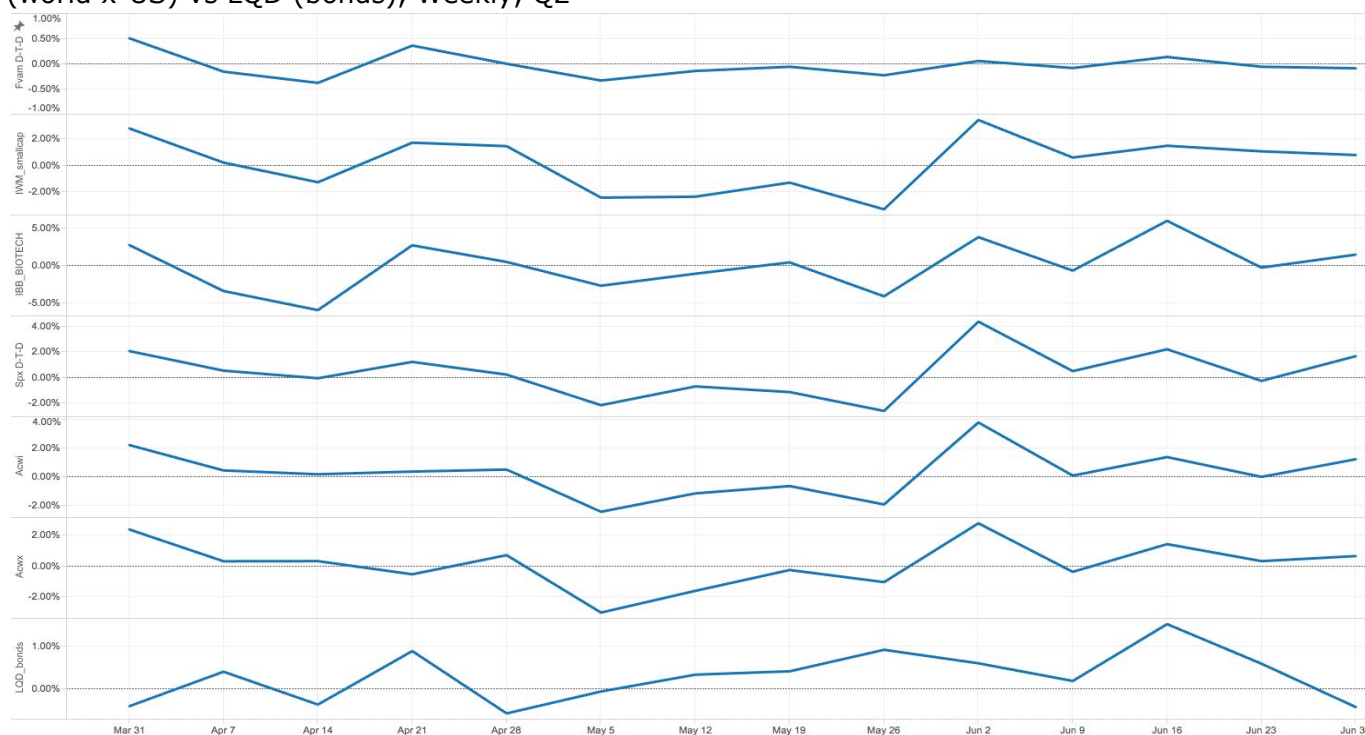
FVAM vs S&P 500 ($SPX) vs Berkshire Hathaway ($BRK/b) vs $ACWX (World Index x-US), Daily, Q2
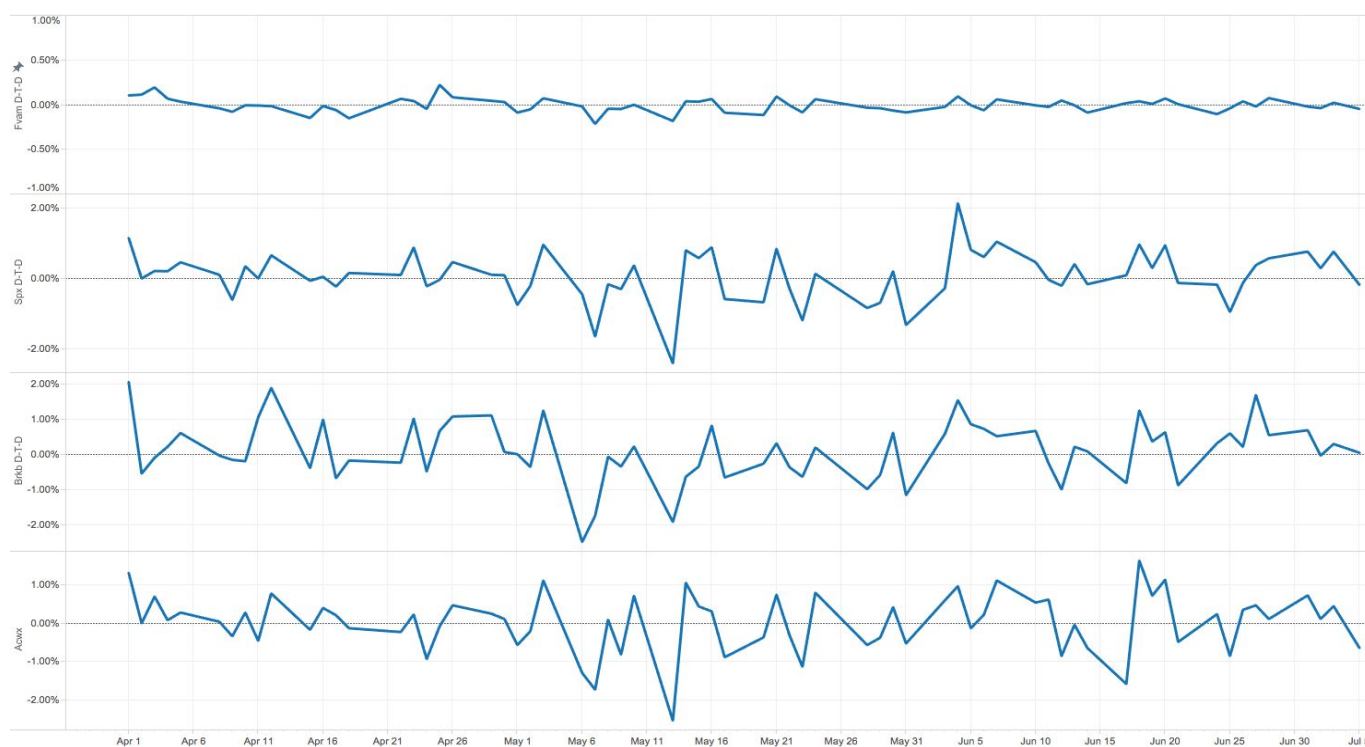
FVAM (green) vs EEM (Emerging Markets) , Q2 2019, Weekly

FVAM (green) vs LQD (Investment Grade Corporate Bonds), H1 2019, Weekly
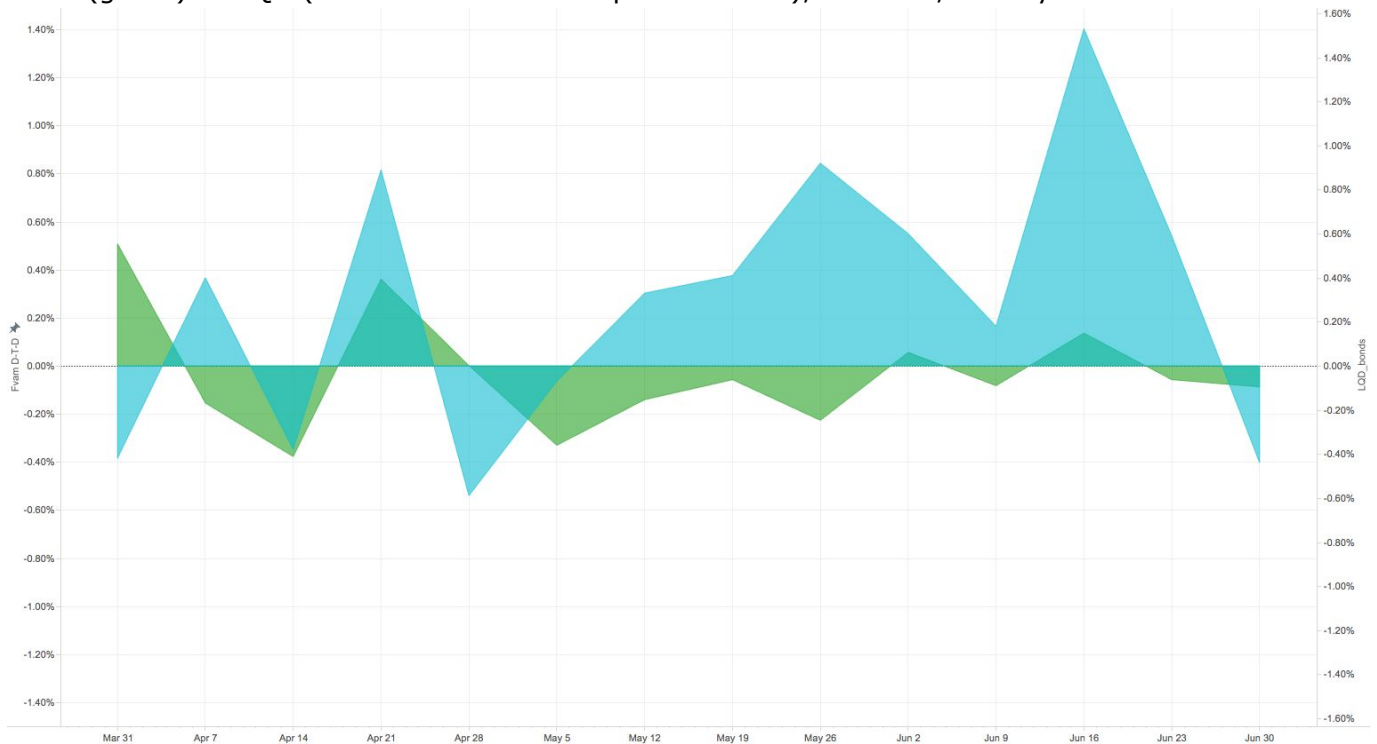
S&P 500 (orange) vs ACWX (World Index minus U.S.), Q2 2019, Weekly
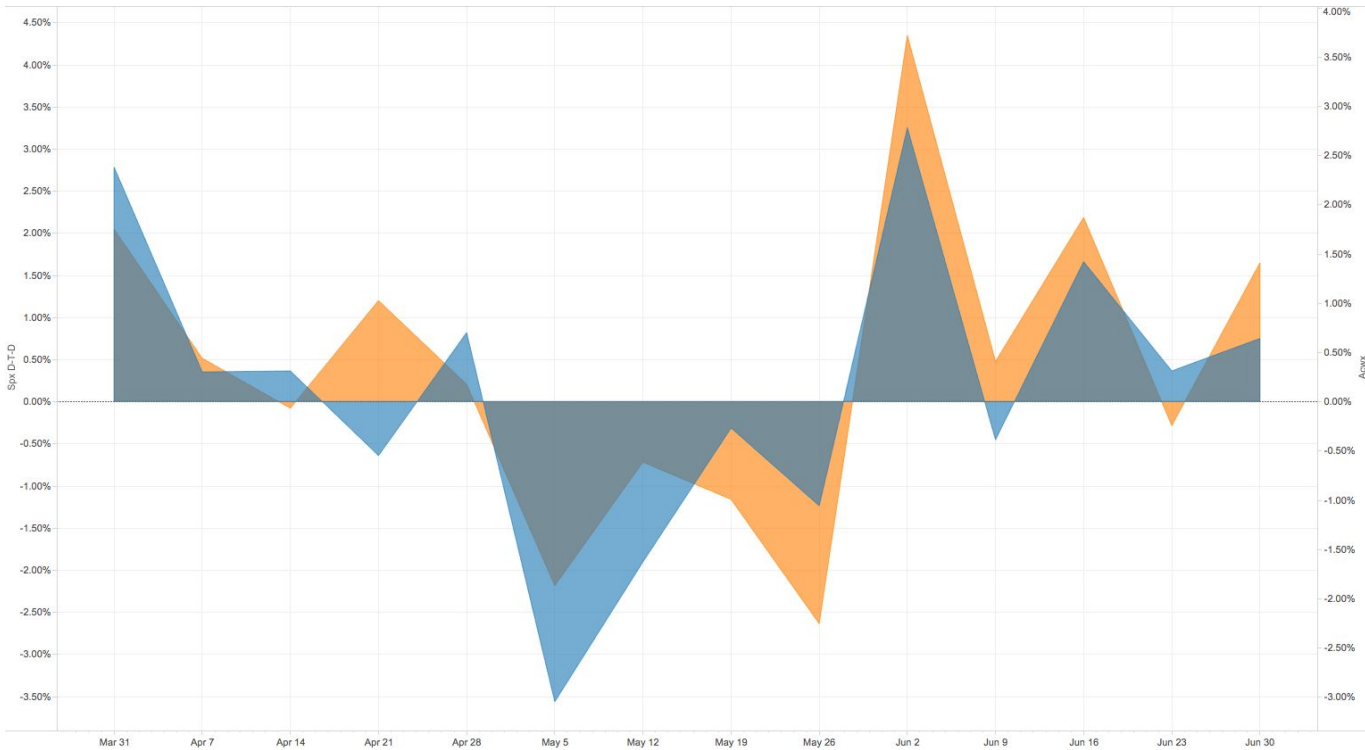
FVAM vs ACWI (World Index), with Relative Return (excess return), Q2 2019, Weekly
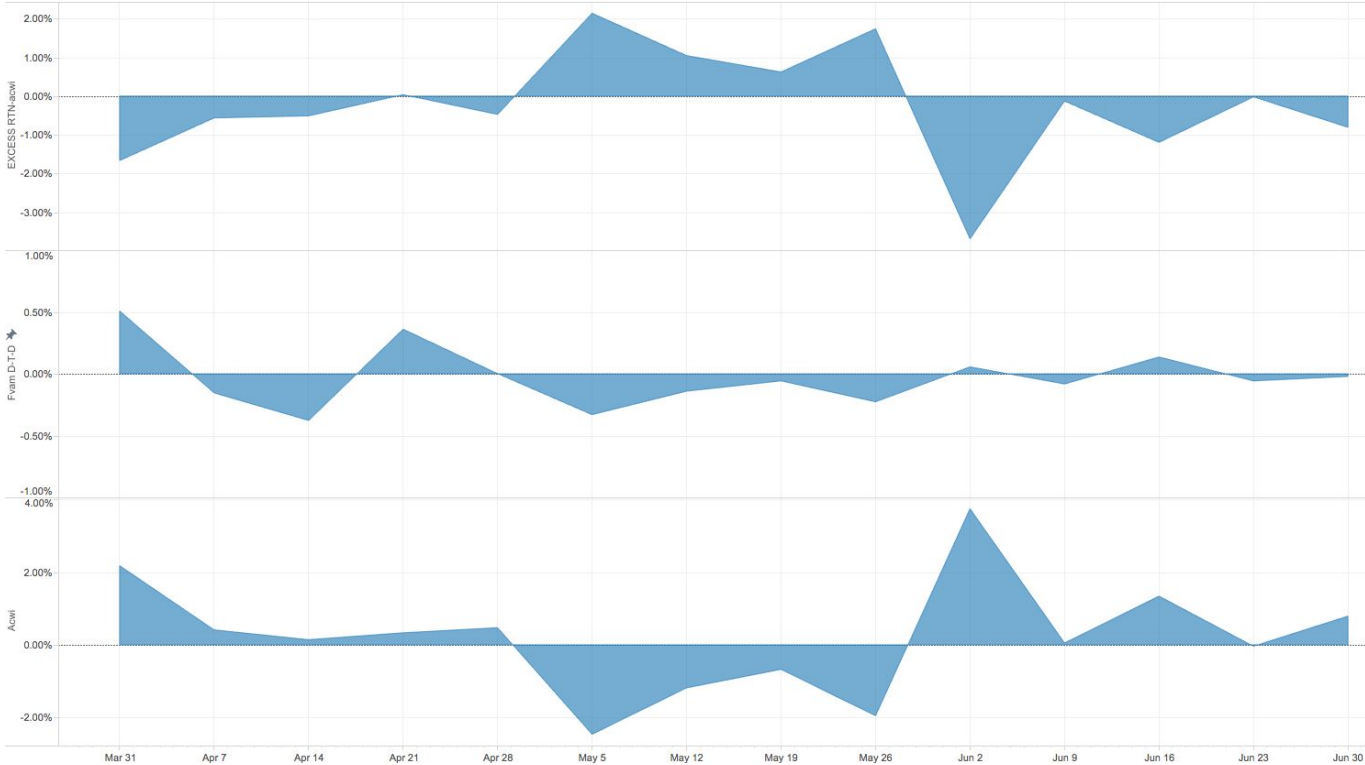
FVAM (green) vs ACWX (World Index minus USA, blue) vs S&P 500 (orange) , H1 2019, monthly returns
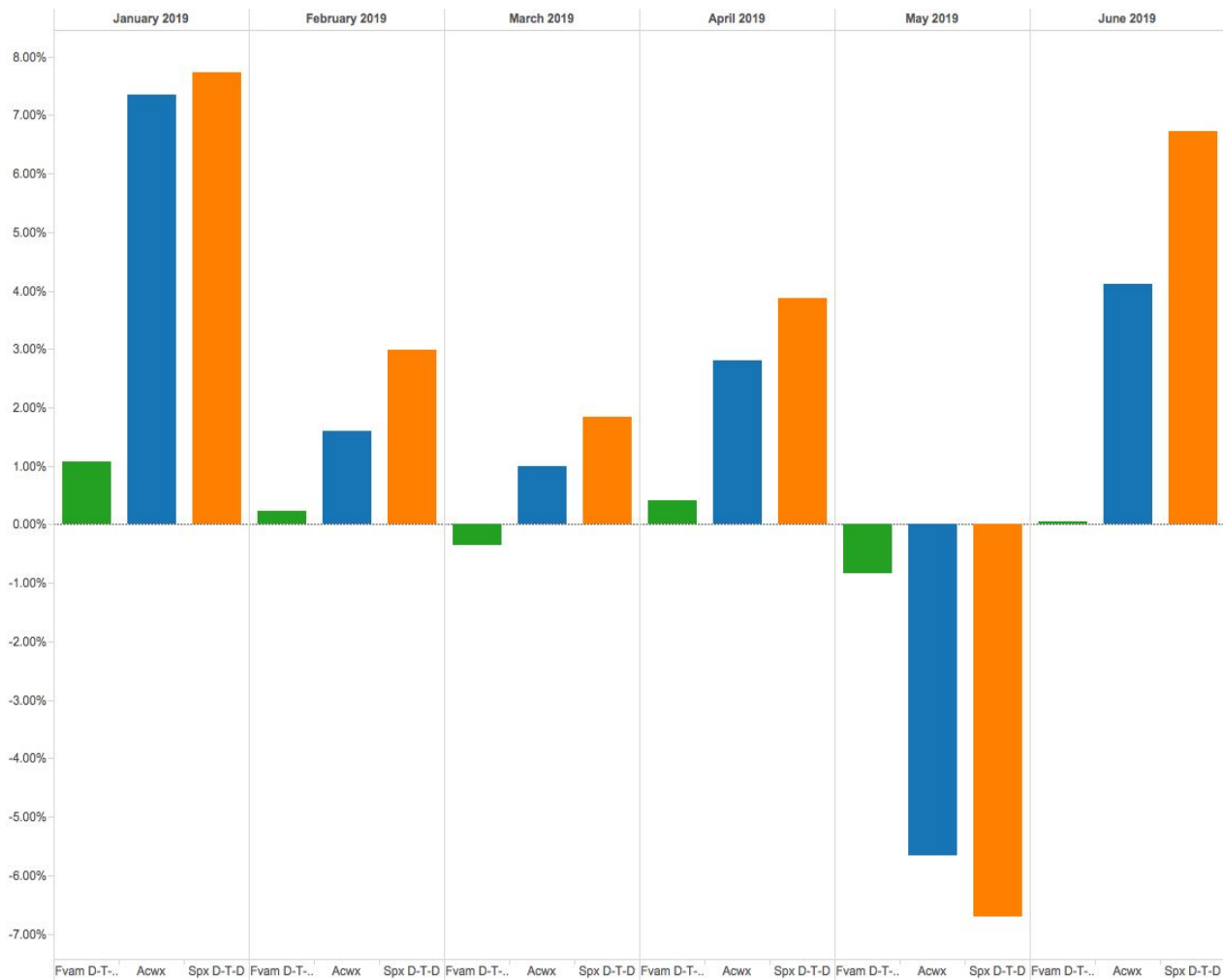
Reference 1: FVAM Fund Performance Stats (showing view of February 2019, FVAM vs SPX, Statistics)

The data below, displaying just May 2019 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 then 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. F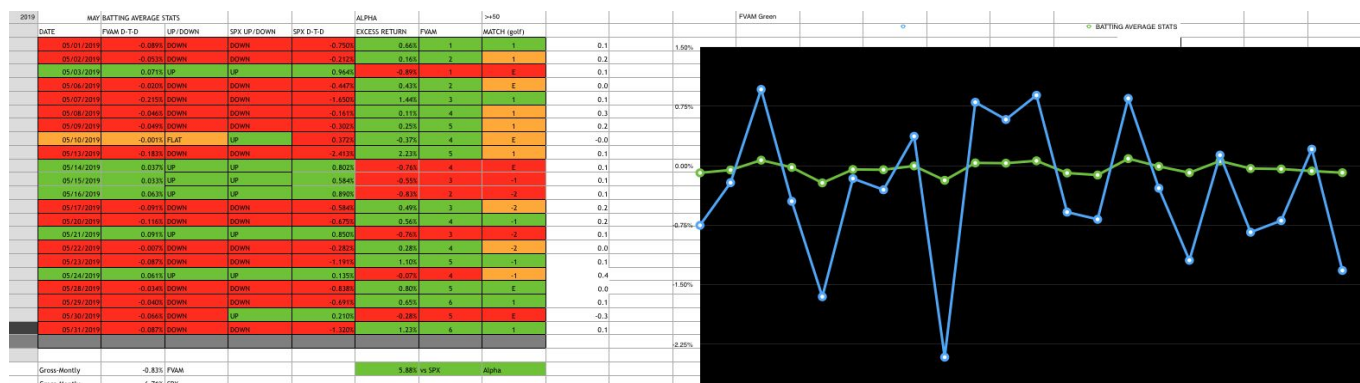or example, if FVAM outperforms the S&500 by more than 50bps, then FVAM wins that day (the "golf" term is just used to simplify the matchup similar to how match play in golf is scored, did FVAM win the day (or the "hole")).

May 2019

2019	MAY BATTING AVERAGE STATS				ALPHA		>+50					FVAM Green			BATTING AVERAGE STATS
DATE	FVAM D-T-D	UP/DOWN	SPX UP/DOWN	SPX D-T-D	EXCESS RETURN	FVAM	MATCH (golf)								
05/01/2019	-0.089%	DOWN	DOWN	-0.750%	0.66%	1	1	0.1							
05/02/2019	-0.053%	DOWN	DOWN	-0.212%	0.16%	2	1	0.2							
05/03/2019	0.071%	UP	UP	0.964%	-0.89%	1	E	0.1							
05/06/2019	-0.020%	DOWN	DOWN	-0.447%	0.43%	2	E	0.0							
05/07/2019	-0.215%	DOWN	DOWN	-1.650%	1.44%	3	1	0.1							
05/08/2019	-0.046%	DOWN	DOWN	-0.161%	0.11%	4	1	0.3							
05/09/2019	-0.049%	DOWN	DOWN	-0.302%	0.25%	5	1	0.2							
05/10/2019	-0.001%	FLAT	UP	0.372%	-0.37%	4	E	-0.0							
05/13/2019	-0.183%	DOWN	DOWN	-2.413%	2.23%	5	1	0.1							
05/14/2019	0.037%	UP	UP	0.802%	-0.76%	4	E	0.1							
05/15/2019	0.033%	UP	UP	0.584%	-0.55%	3	-1	0.1							
05/16/2019	0.063%	UP	UP	0.890%	-0.83%	2	-2	0.1							
05/17/2019	-0.091%	DOWN	DOWN	-0.594%	0.49%	3	-2	0.2							
05/20/2019	-0.116%	DOWN	DOWN	-0.675%	0.56%	4	-1	0.2							
05/21/2019	0.091%	UP	UP	0.850%	-0.76%	3	-2	0.1							
05/22/2019	-0.007%	DOWN	DOWN	-0.282%	0.28%	4	-2	0.0							
05/23/2019	-0.087%	DOWN	DOWN	-1.191%	1.10%	5	-1	0.1							
05/24/2019	0.061%	UP	UP	0.135%	-0.07%	4	-1	0.4							
05/28/2019	-0.034%	DOWN	DOWN	-0.838%	0.80%	5	E	0.0							
05/29/2019	-0.040%	DOWN	DOWN	-0.693%	0.65%	6	1	0.1							
05/30/2019	-0.066%	DOWN	UP	0.210%	-0.28%	5	E	-0.3							
05/31/2019	-0.087%	DOWN	DOWN	-1.320%	1.23%	6	1	0.1							
Gross-Montly	-0.83%	FVAM			5.88%	vs SPX	Alpha								
Gross-Montly	-6.71%	SPX													

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 Health Care Index, showing each stock within that index/sector along with its relative size and weight compared to the overall index
(*as of Sept 2019)