



## **Performance Report - June 2020**

Past performance, monthly reviews and investment cases are provided for the following:

1. Volatility Strategy
2. Conservative Volatility Strategy
3. Traditional Asset Strategy
4. Comprehensive Portfolio Strategy



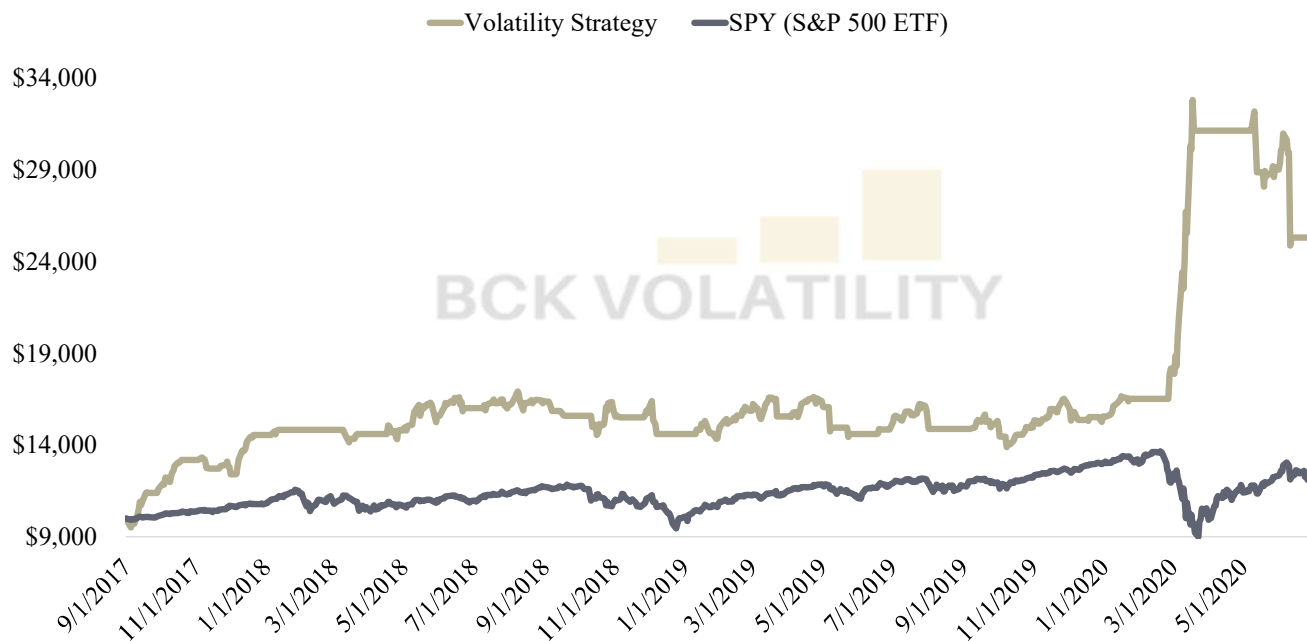
# Volatility Strategy

Live Performance Since September 1, 2017

The Volatility Strategy trades the ETNs/ETFs SVXY and VXX. SVXY seeks to track the .5x inverse of the performance of a synthetic 30 day weighted VIX future. VXX, on the other hand, seeks to track the performance of a synthetic 30 day weighted VIX future. These products are volatile, so a forward-looking strategy must focus on risk management above all else. Volatility is more predictable than day-to-day returns of the S&P 500 and this trend will, in all likelihood, continue.

The strategy aims to beat benchmark returns over a complete market cycle. While this is attainable in the volatility industry, maintaining these returns while reducing risk is the challenge. The strategy uses proprietary volatility signals to determine ideal market conditions for long volatility/short volatility trades. These signals are designed to adapt to any market condition, as we strive for performance over a long time horizon.

## Volatility Strategy - Live Performance



Live Performance Report - Volatility Strategy

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	-	-	16.1%	13.6%	(3.0%)	13.7%	45.4%
2018	2.0%	0.0%	(1.6%)	1.4%	5.4%	2.7%	1.3%	1.0%	(4.8%)	1.2%	1.0%	(8.4%)	0.4%
2019	2.7%	5.9%	(2.0%)	5.4%	(11.0%)	1.8%	4.3%	(4.0%)	2.9%	(2.3%)	9.2%	(4.8%)	6.6%
2020	6.1%	10.1%	71.3%	0.0%	(6.4%)	(13.2%)	-	-	-	-	-	-	62.6%

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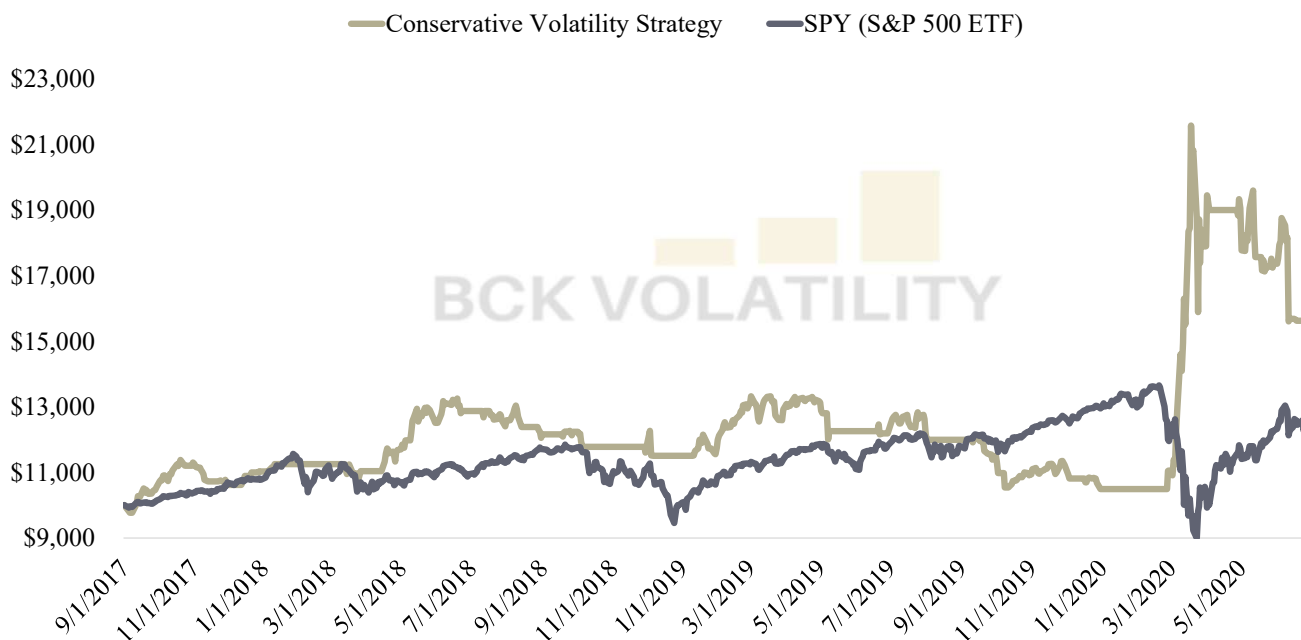
# Conservative Volatility Strategy

Live Performance Since September 1, 2017

The Conservative Volatility Strategy trades the ETNs/ETFs ZIV and VXZ. ZIV seeks to track the inverse of the performance of a synthetic 4th-7th month weighted VIX future. VXZ, on the other hand, seeks to track the performance of a synthetic 4th-7th month weighted VIX future. These products are less volatile than SVXY and VXX, but still volatile, so a forward-looking strategy must focus on performance and risk management.

Volatility is more predictable than day-to-day returns of the S&P 500 and this trend will, in all likelihood, continue. The strategy aims to beat benchmark returns over a complete market cycle. While this is attainable in the volatility industry, maintaining these returns while reducing risk is the challenge. Our strategy uses volatility signals to determine ideal market conditions for long volatility/short volatility trades. These signals are designed to adapt to any market condition, as we strive for performance over a long time horizon.

## Conservative Volatility Strategy - Live Performance



Live Performance Report - Conservative Volatility Strategy

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	-	-	5.5%	7.1%	(6.1%)	3.9%	10.3%
2018	2.0%	0.0%	(1.9%)	6.0%	6.9%	2.9%	(2.2%)	(3.4%)	0.6%	(3.7%)	0.3%	(2.6%)	4.4%
2019	4.2%	9.3%	(1.4%)	1.6%	(6.7%)	(0.6%)	(0.3%)	(1.4%)	(4.1%)	(4.9%)	2.6%	(6.5%)	(8.8%)
2020	0.0%	5.4%	61.8%	6.5%	(8.7%)	(10.2%)	-	-	-	-	-	-	48.8%

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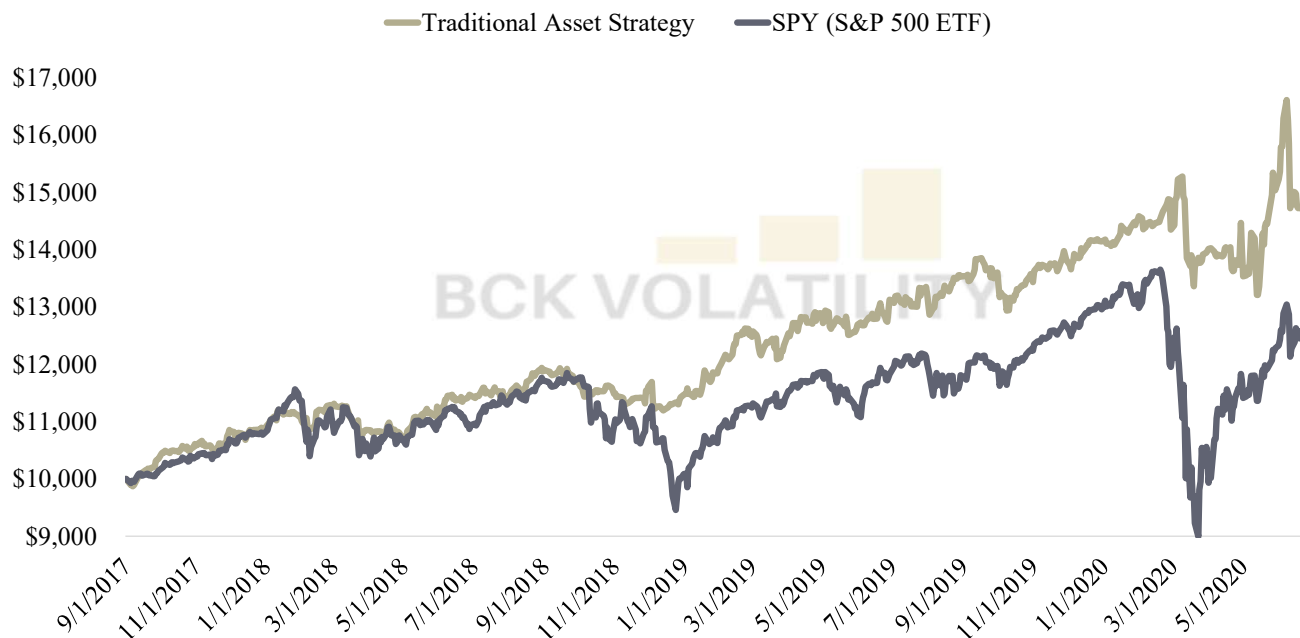
# Traditional Asset Strategy

Live Performance Since September 1, 2017

The Traditional Asset Strategy trades the ETNs/ETFs MDY, IEF, and IAU. MDY seeks to track the performance of the S&P Midcap 400. IEF seeks to track the returns of 7-10 year US Treasury Bonds. IAU aims to reflect the returns of the price of gold. These benchmarks can be purchased interchangeably to enhance returns while trading traditional assets.

Volatility is more predictable than day-to-day returns of the S&P 500 and this trend will, in all likelihood, continue. Having said that, there is a strong correlation between equities, bonds, gold, and volatility. Because of this, the Traditional Asset Strategy uses volatility signals to determine ideal market conditions for long equity, long gold, and long bond trades. This strategy aims to beat benchmark returns over a complete market cycle. These signals are designed to adapt to any market condition, as we strive for performance over a long time horizon.

## Traditional Asset Strategy - Live Performance



Live Performance Report - Traditional Asset Strategy													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	-	-	3.5%	2.6%	2.3%	(0.1%)	8.4%
2018	2.3%	1.7%	(3.8%)	(1.5%)	4.1%	2.8%	0.1%	3.9%	(1.4%)	(2.2%)	1.1%	(1.2%)	5.8%
2019	4.3%	4.3%	(0.8%)	4.0%	(1.4%)	3.4%	0.6%	2.5%	0.5%	(1.2%)	2.9%	2.4%	23.5%
2020	3.0%	(1.6%)	(2.6%)	0.3%	7.2%	(5.3%)	-	-	-	-	-	-	0.6%

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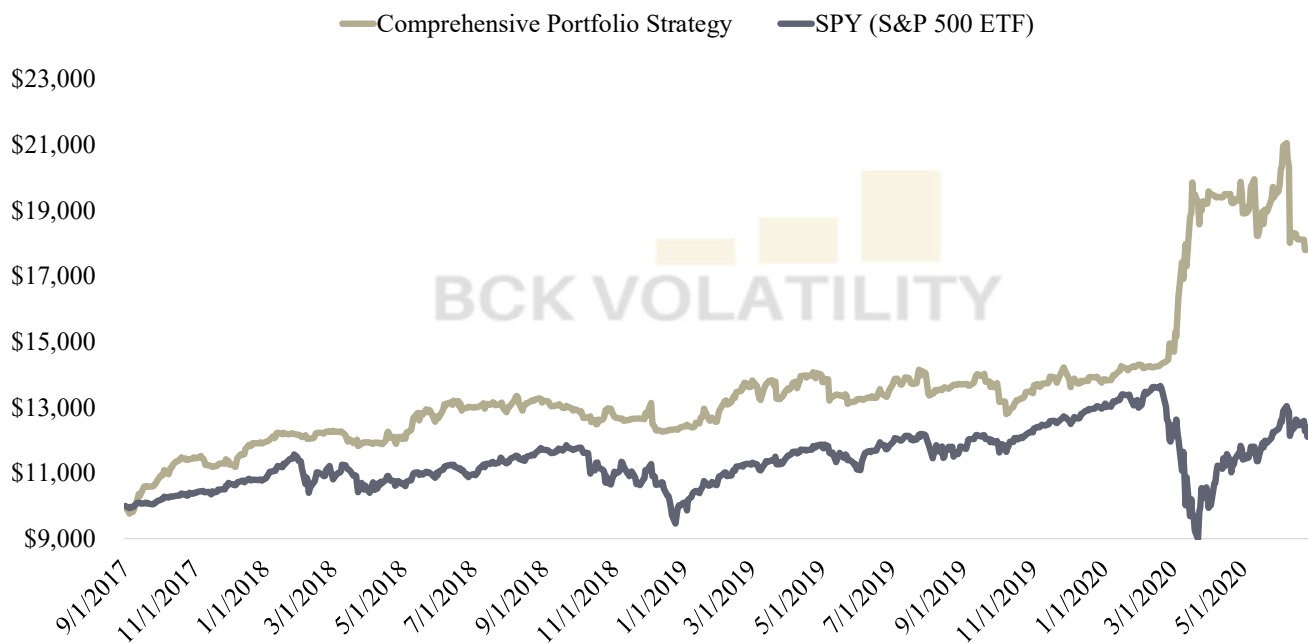
# Comprehensive Portfolio Strategy

Live Performance Since September 1, 2017

The Comprehensive Portfolio Strategy combines the Volatility, Traditional Asset, and Conservative Volatility strategies into a single, diversified portfolio. The weightings for each strategy are as follows: 50% allocated to the Traditional Asset Strategy, 30% allocated to the Volatility Strategy, and 20% allocated to the Conservative Volatility Strategy.

The Comprehensive Portfolio Strategy aims to reduce risk by diversifying across strategies. In addition, the strategy aims to beat benchmark returns over a complete market cycle.

## Comprehensive Portfolio Strategy - Live Performance



Live Performance Report - Comprehensive Portfolio Strategy

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	-	-	7.6%	6.7%	(1.0%)	4.7%	19.0%
2018	2.2%	0.9%	(2.7%)	0.9%	5.1%	2.8%	(0.0%)	1.6%	(2.0%)	(1.4%)	0.9%	(3.7%)	4.3%
2019	3.8%	5.8%	(1.3%)	3.9%	(5.3%)	2.1%	1.5%	(0.2%)	0.3%	(2.3%)	4.7%	(1.6%)	11.6%
2020	3.3%	3.3%	30.1%	1.5%	(0.1%)	(8.6%)	-	-	-	-	-	-	28.7%

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Volatility Strategy <sup>4</sup>		Traditional Asset Strategy <sup>4</sup>		Conservative Volatility Strategy <sup>4</sup>		Comprehensive Portfolio Strategy <sup>4</sup>		S&P 500 (SPY ETF) <sup>4</sup>	
Principal	\$ 10,000	Principal	\$ 10,000	Principal	\$ 10,000	Principal	\$ 10,000	Principal	\$ 10,000
Final Value <sup>1</sup>	\$ 25,307	Final Value <sup>1</sup>	\$ 14,236	Final Value <sup>1</sup>	\$ 15,621	Final Value <sup>1</sup>	\$ 17,815	Final Value <sup>1</sup>	\$ 12,442
Years	2.8	Years	2.8	Years	2.8	Years	2.8	Years	2.8
Sharpe <sup>2</sup>	1.20	Sharpe <sup>2</sup>	0.81	Sharpe <sup>2</sup>	0.59	Sharpe <sup>2</sup>	1.12	Sharpe <sup>2</sup>	0.37
Annualized Returns	38.9%	Annualized Returns	13.3%	Annualized Returns	17.1%	Annualized Returns	22.7%	Annualized Returns	8.0%
Total Return	153.1%	Total Return	42.4%	Total Return	56.2%	Total Return	78.1%	Total Return	24.4%
Max Drawdown	-24.2%	Max Drawdown	-14.5%	Max Drawdown	-27.7%	Max Drawdown	-15.5%	Max Drawdown	-34.1%
Sortino Ratio <sup>2</sup>	1.98	Sortino Ratio <sup>2</sup>	1.23	Sortino Ratio <sup>2</sup>	1.00	Sortino Ratio <sup>2</sup>	1.70	Sortino Ratio <sup>2</sup>	0.54
Downside Deviation <sup>2</sup>	17.8%	Downside Deviation <sup>2</sup>	9.4%	Downside Deviation <sup>2</sup>	18.8%	Downside Deviation <sup>2</sup>	11.9%	Downside Deviation <sup>2</sup>	15.5%
Correlation to Market <sup>3</sup>	-16.4%	Correlation to Market <sup>3</sup>	27.7%	Correlation to Market <sup>3</sup>	-23.6%	Correlation to Market <sup>3</sup>	-5.4%	Correlation to Market <sup>3</sup>	100.0%
Kurtosis <sup>3</sup>	30.42	Kurtosis <sup>3</sup>	13.76	Kurtosis <sup>3</sup>	36.36	Kurtosis <sup>3</sup>	23.89	Kurtosis <sup>3</sup>	14.79
Skew <sup>3</sup>	1.00	Skew <sup>3</sup>	(0.47)	Skew <sup>3</sup>	2.08	Skew <sup>3</sup>	(0.83)	Skew <sup>3</sup>	(0.70)
Tail Ratio <sup>3</sup>	1.10	Tail Ratio <sup>3</sup>	1.08	Tail Ratio <sup>3</sup>	1.05	Tail Ratio <sup>3</sup>	1.10	Tail Ratio <sup>3</sup>	1.04
Standard Deviation <sup>3</sup>	29.3%	Standard Deviation <sup>3</sup>	14.4%	Standard Deviation <sup>3</sup>	32.1%	Standard Deviation <sup>3</sup>	18.0%	Standard Deviation <sup>3</sup>	22.7%

Notes:

(1) Based on MOC prices

(2) Data sourced from Kenneth R. French - Data Library

(3) Data sourced from Yahoo Finance

(4) Data as of June 30, 2020