

Skycastle International USD Alternative Investment Portfolio

Information document | January 2023

STRATEGY & OVERVIEW

The Alternative USD Investment Portfolio uses quantitative principles supported by a qualitative overlay in order to identify alpha generating returns.

The Alternative USD Investment portfolio utilizes the implementation of multiple strategies for all market types offshore:

- **Mean Reversion:** Identifying securities that have been mispriced in the short- to medium term using a blend of strategies to profit as stocks revert back to their mean.
- **Momentum:** Price continuation and/or trend following. Buying securities that continue with momentum, the system attempts to capture as much of the trend as possible.
- **Market Neutral:** Being market neutral in bullish, bearish and sideways markets. Aiming to remove market risk by being equal weight both long and short within the same sector.
- **Special Opportunities:** Running a discretionary strategy both long and short and taking advantage of various market events or extremes in sentiment.

These strategies have been developed internally by our Development team by making use of Quantitative methods to establish a winning universe of stocks. The portfolio is actively managed and the investment horizon per strategy differs although the focus is over the short-to medium term.

For Tax Efficient structures, this is now managed in an Equity Index Basket (EIB) or/and Protected Cell Company (PCC).

INVESTMENT PROCESS

We have incorporated the most profitable strategies that are discussed and reviewed daily by the Investment team.

All Investment decisions have been enhanced and walked forward in order to be robust across multiple markets.

- From a **Technical perspective:** Allows us to time the market and manage our risk efficiently - Entering and exiting out of various positions by following the defined strategies.
- From a **Fundamental perspective:** We look at the top listed companies on the FTSE, Nasdaq and S&P. These are also the most liquid stocks listed on their respective exchanges.
- From a **Risk perspective:** We look to provide our clients with favourable risk to reward ratios with regards to Alpha generating returns.

We diversify investment strategies to be positioned at all times to take advantage of all market types. By using this approach with a blend of strategies together with sound risk management principles we believe a positive expectancy is created to generate Alpha.

Our aim is to provide double digit returns annually over a period of time

RISK PROFILE

MEDIUM to HIGH

*Standard Deviation (Measures the inherent volatility of the portfolio)	1.0%
**Sharpe Ratio (Measure of risk-adjusted return)	1.10
Largest Drawdown	-9.00%
Best Month	15.40%
Worst Month	-14.10%

PERFORMANCE

Alternative Investment Portfolio (USD) for the year 2022	21.10%
Ave Annualized Returns (USD) Since Inception date up to 31 Dec'22***	22.80%

FEES

Management Fee	1% per annum
Performance Fee	10%
Reporting	Quarterly
Inception	January 2020

This document is for information purposes only. The strategy is not available to the general public for investment.

Disclaimer

This fact sheet is a private publication, produced by Skycastle International Investments Pty Ltd (Previously the "Skycastle Group"), intended for private circulation and for use by the intended recipient only. This document may not be distributed to any person other than the intended recipient. This document is for information purposes only, returns are not guaranteed, and it is not intended to be nor should it be seen as an offer to sell or an invitation to invest. It is the responsibility of any person in possession of this document to inform themselves of, and observe, any applicable laws and regulations of their relevant jurisdiction. The performance indicated herein is historical and backdated, the value of all investments and the returns thereon may fluctuate, and as such historical performance is not necessarily an indication of future performance. The percentage returns are stated before the deduction of, or provision for fees. The monthly returns, the year-to-date returns and the return since inception have been reviewed but not audited. Skycastle International Investments Pty Ltd (Previously the "Skycastle Group") is responsible for the preparation and presentation of the returns set out in this fact sheet. ***The reported monthly returns were calculated as follows: Quadrant 1 – Based on trades done since March 2020 on a client portfolio, Quadrant 2 – Back tested data using an average return over 10 years and Quadrant 3 – Based on trades done since January 2020 on a client. All returns are annualized and calculated as follows: **Average Annualized Alternative USD returns up to 31 Dec 2021** – Average return of Quadrant 1, Quadrant 2 & Quadrant 3. **Average Annualized Alternative USD returns up to 31 Dec 2022** – Average return of Average Annualized Alternative USD returns up to 31 Dec 2021 and annual return for 2022. **The Alternative Investment Portfolio makes use of Derivatives. Derivatives are high risk products and geared/leveraged investments can lead to the loss of more than your initial investment. Investments employing the strategies described in this document are by nature speculative and may be volatile and therefore should only be considered by experienced investors.** Clients should access their statements electronically on a continuous basis. Note must further be taken thereof that client portfolio returns may differ depending on when accounts are opened, the commencement of trading and the portfolio size. The cost associated with investment in products is set out, in amongst others, the Skycastle International Investments Pty Ltd (Previously the "Skycastle Group"), mandate, which is available on request and will differ depending on, amongst others, the portfolio size. Please contact the Skycastle Group for additional information.

This document is for information purposes only. The strategy is not available to the general public for investment.