

FANVESTMENTS, LLC

GLOBAL INVESTMENTS ∞ GLOBAL RETURNS

**Fanvestments All-Markets Alternative Investment Fund (FVAM)**

**Semi-Annual Performance Report 2014 H1**

**For YTD 2014 – thru June 30, 2014**

**FOR IMMEDIATE RELEASE**

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## CIO REPORT

As the sole owner of Fanvestments, LLC, the responsible entity of Fanvestments All-Markets (FVAM) Alternative Investment Fund, present this report together with the financial statements of Fanvestments All-Markets Fund (“the Fund”, “FVAM”), as well as financial statements for Fanvestments, LLC, for the First Half of 2014, ending June 30.

### Principal Activities

- The Fund is a registered investment vehicle domiciled in the United States, currently Rhode Island, and future plans to move/change to Delaware.
- The Fund invests primarily in assets/equities/options/companies listed on US Stock and Options exchanges, with companies that are domestic as well as outright Global.
- FVAM will have short side exposure (“Hedge”, “Hedged”), and has a defined Hedge strategy as well as cap allocation (Currently between 1 and 2 % of the Total Portfolio). The Fund will also have some exposure to Cash, and this level currently runs between 3 and 8% on average. (\*New funds to be divested promptly, and as the best opportunity allows, with the goal of getting below 10% cash within the following month)
- The investment objective of the Fund is to seek and achieve double digit returns, with a 10-15% long-term rate of net return goal, to be dynamically and ultra-actively managed. Protecting the Funds capital as a whole and Fund Growth are also two major objective, with a precise and extremely calculated hedging strategy, focusing on overall market risk, position risk, direct and non-direct hedging
- Fanvestments, LLC is the Investment Manager of the Fund.
- The Fund did not have any employees during the year. (Future plans to hire 2-3 employees, within Q4 thru First Half of 2015)

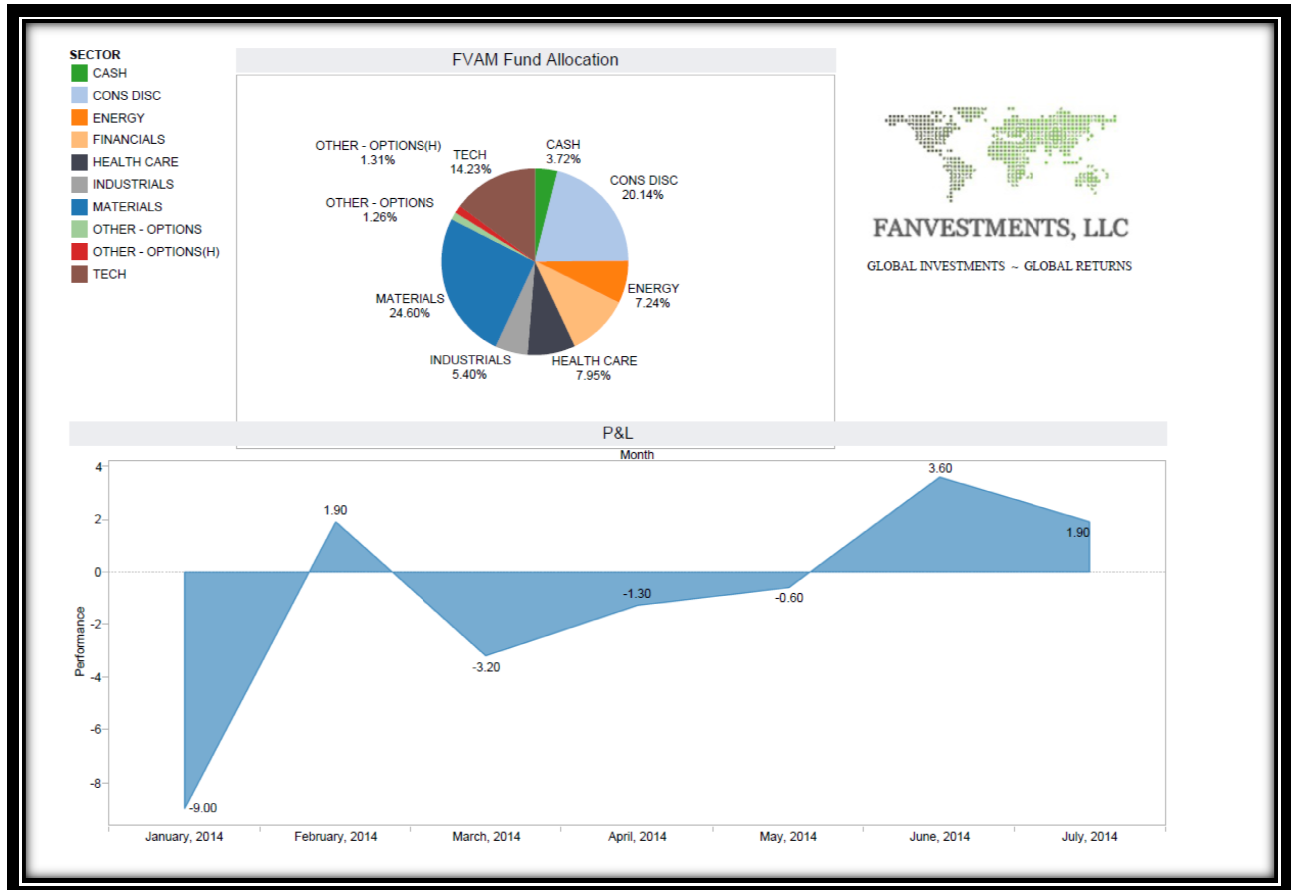
### Directors

The following persons held office as directors of Fanvestments, LLC during the year and up to the date of this report:

Matthew Fanning (Owner from Company Inception)

Currently, the above responsible entity acts as full Business and Operations Manager in addition to the Fund Management, from Compliance, Reporting, Accounting, Client Management. Business has plans over the next year to move compliance, law and accounting, and client account management to 3<sup>rd</sup> Party Servicing.

**FVAM Fund Performance**



(\*YTD, Net (all Fees) RoR (\*visual as of 7/7/14))

Breaking this right down, starting with January, Fund is down ~7% YTD (thru 7/10/14). Fund was officially launched October 2013, with 2 months pre (beta) launch Aug/Sep, and portfolio construction had initially begun March of 2013. With 3 “production” months under the belt, knowing the fund was truly not 100% where I needed it to be yet, we still went for the push the envelope route. The time was right for this move, and the need to learn some major lessons was necessary sooner than later. What tries to break us, makes us stronger and stronger if we continue to drive forward and never let up. I went with more of a technical bias into January and pushed to max risk. Every penny the fund could push, it pushed, between cash value and

margin. Grant it, one of these lessons I fore-mentioned – MARGIN. Well, the test was on, the fund was now 3 to 1 levered. I have also learned this is small potatoes leverage, have it your way, it was my max level – EVER.

Starting the business and fund bottoms up, AUM was on the backburner at the get-go (just moved up the priority track recently). I had my Business idea, had my Fund plan and high-level strategy, close to 20 years of knowledge with a never ending goal of mastery, it was time to begin execution. Strategy – “Field of Dreams” style, AUM on top of nothing is nothing, or worse, a disaster. Give the lowest level necessary to build the portfolio, add per the pace car test style. Follow the pace car, push the pace car and the pace car will speed up, hit the pace car and it will back down a level, continue to keep up, and continue to push the envelope all the way to the finish line. Best part of the markets, there are only short-term finish lines, all in all the track goes on forever, the game will go on. Dad taught us (older brother and I) early on, back to the little league pitching days, “Throw strikes, the speed will come”. Have never and will never forgotten this “Core” strategy, and correlate this to most of my major “impossible” goals and missions.

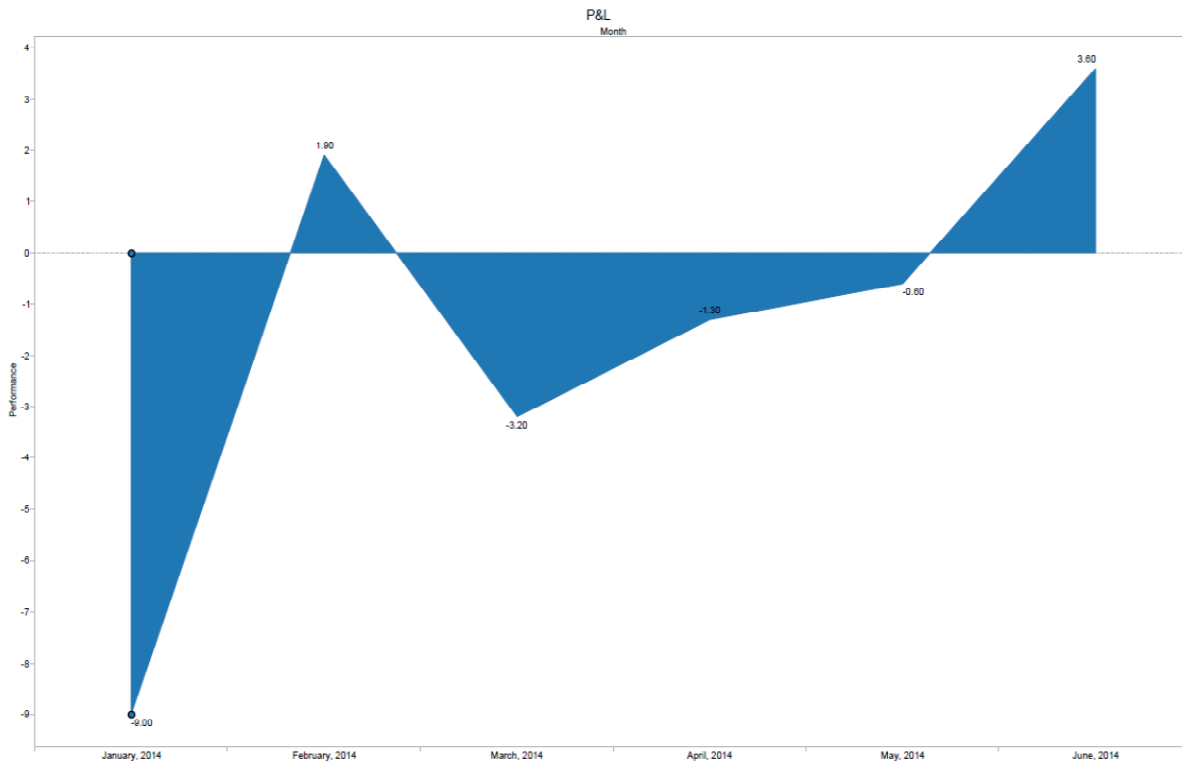
Back to my awful down 9 point January... Pushing the envelope on the risk factor, and margin factor, as well as a market long bias, backfires extra hard when the market itself pulls back 3.5% for the month. Two things happened quickly, “Margin Call”. This was the first time in my life I saw this action in my own account, and it did not feel pretty. Next step, Sell. Forced to sell something, or assets would start to get sold (they have this no mercy approach, remember end of Trading Places, I appreciate the approach) As Mom always said, you want to play, you might have to pay. I looked to the book and sold two winners of 2013, and began fine tuning the portfolio. Goal was to sell these two, PFE and WMT, in Q1 2014, just not this way. Again, when you are wrong and on their dime, options are limited. The total fund has an options book within, currently with a maximum 3.5% allocation in total, January the fund was closer to 9 or 10%. Coupled with options strategies (internal) not yet finalized and still being “learned” to the right allocation, long vs. short, naked vs. spreads, vertical vs. calendars – the whole defined strategy on the options book was still in its infancy. (Fortunately, this is no longer the case). Also, when the fund’s alpha engine and hedge guards are working against you, the only need is to first lower the risk book as a whole, and begin dissecting and finalizing the internal strategies.

To close out the summary on January’s downturn, one fact is now true in the fund. Margin has been reduced since, and is currently ~0.20:1, and will be worked closer to 1-5bps working margin. Margin has served its purpose, and will only be used via working capital within positions if necessary. Two words the fund will not hear again – “MARGIN CALL”. Personally, I learn lessons very hard, and have recently in Life taken to this ever that much more. Maximizing on this strategy of learning the hard way, to get to a genius level, for complete mastery.

January could have been up 9 as easy I was down 9, and I am ecstatic to the outcome that did occur. One of only a few, another one of those “the biggest Billion Dollar Lessons of my lifetime.

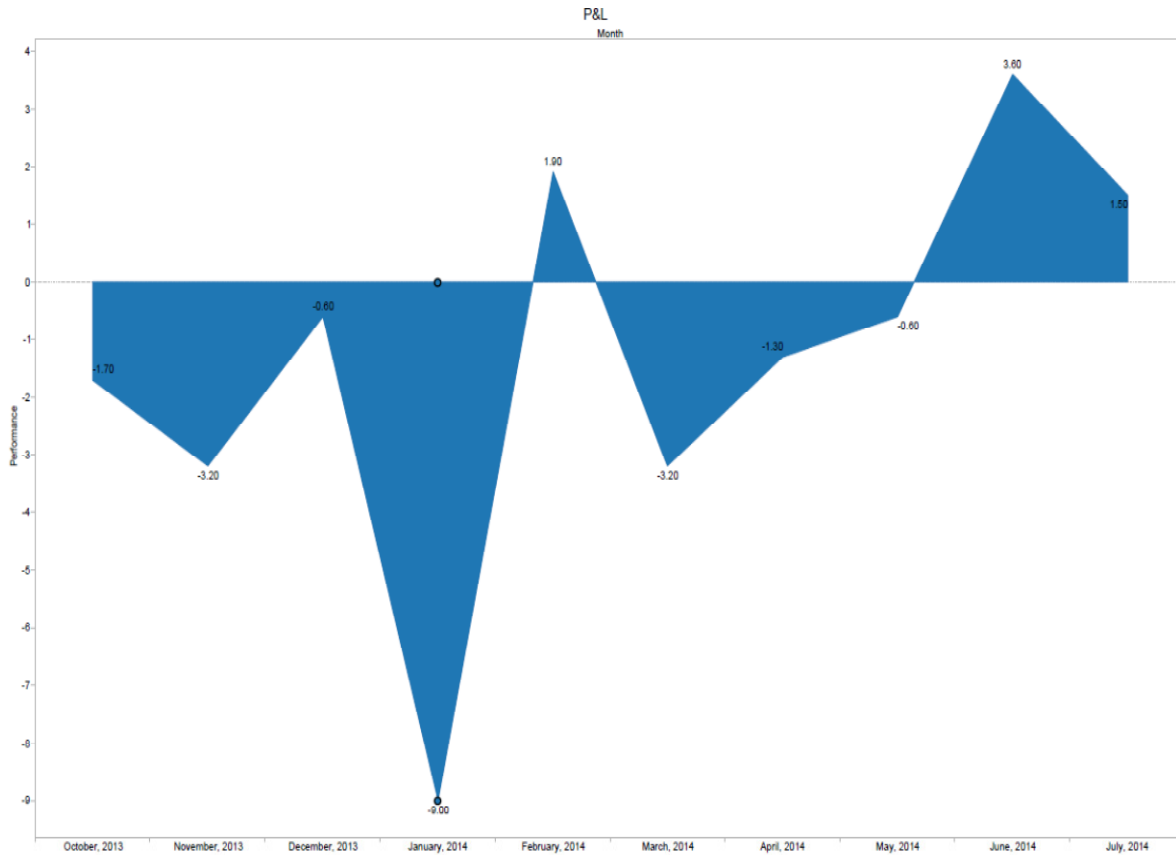
Over the next few months – thru today, tomorrow and the next day, the rigor that has engulfed me, continues. As I manage the fund, and the positions, I dedicate 18-20 hour days to study the markets, Global Business, the fund, and the entire Hedge Fund/Money Management Industry. As I was told early on, the fund is only half the battle; infrastructure and client management to accounting and compliance, it all has to be determined and figured out, and it all has to be better than the Industry, better then the same or the normal, and creating the New Normal – to reach the Fanvestments Level.

## Performance Chart 2



Sum of Performance for each Month. The marks are labeled by sum of Performance. The data is filtered on Month Year, which keeps 2014. The view is filtered on sum of Performance and Month. The sum of Performance filter keeps non-Null values only. The Month filter excludes Null, 10/1/2013 12:00:00 AM, 11/1/2013 12:00:00 AM, 12/1/2013 12:00:00 AM and 7/1/2014 12:00:00 AM.

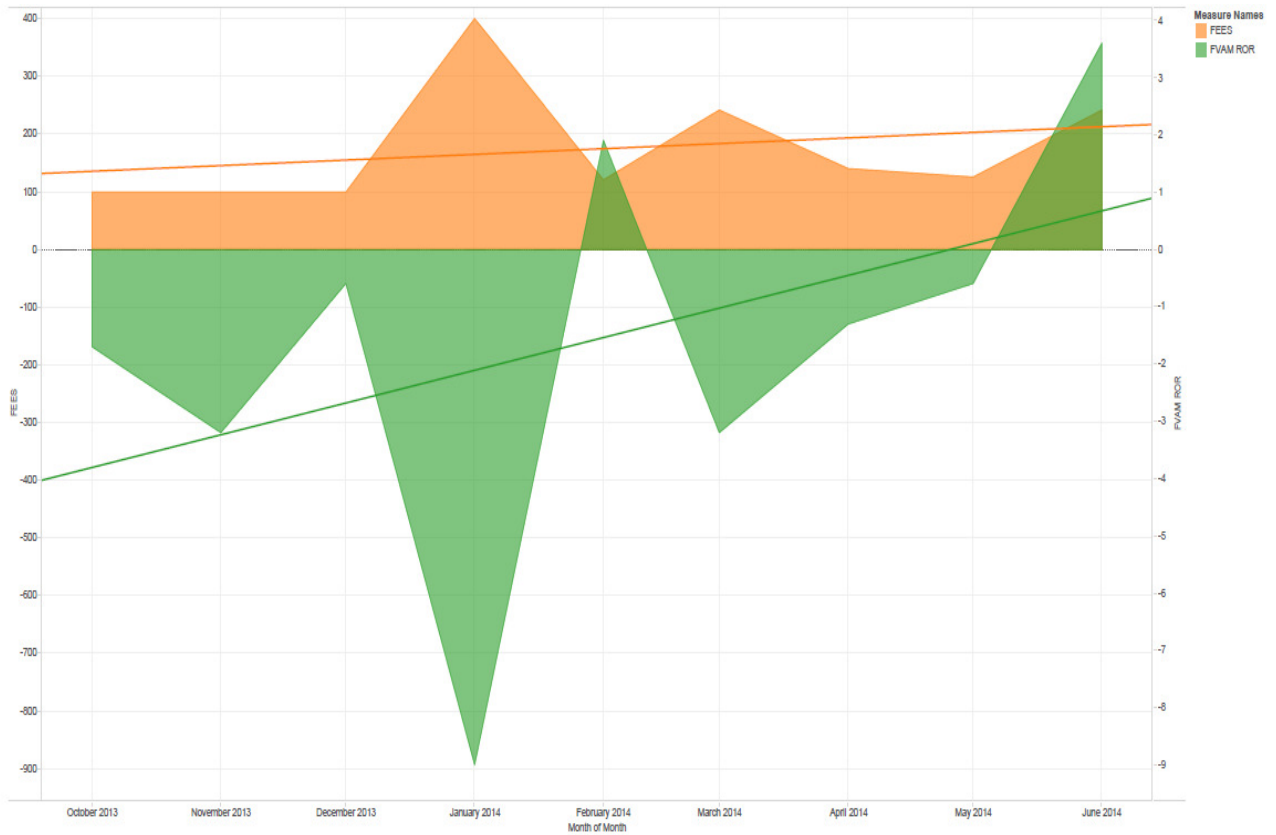
## Performance Chart 3



Sum of Performance for each Month. The marks are labeled by sum of Performance. The data is filtered on Month Year, which keeps 2013 and 2014. The view is filtered on sum of Performance and Month. The sum of Performance filter keeps non-Null values only. The Month filter excludes Null.

## Performance Chart 4

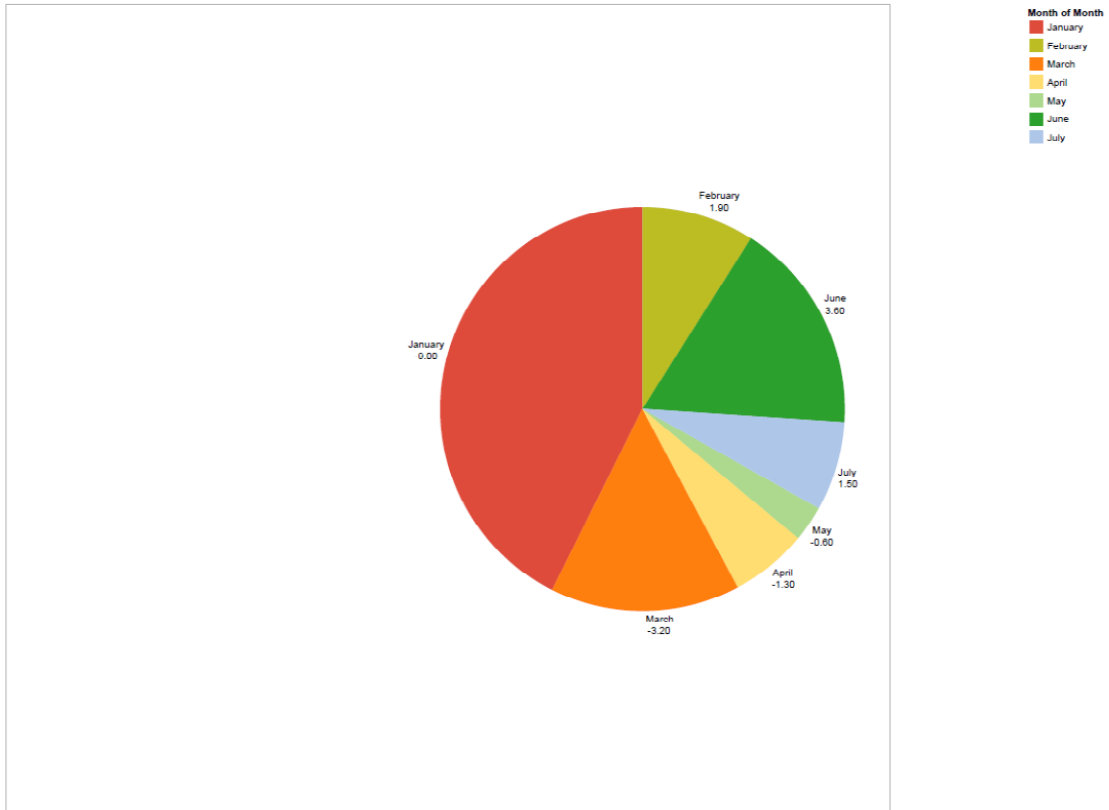
### FVAM Fund Performance vs. Fees



The plots of FEES and FVAM ROR for Month Month. Color shows details about FEES and FVAM ROR. The view is filtered on sum of FEES, which keeps non-Null values only.

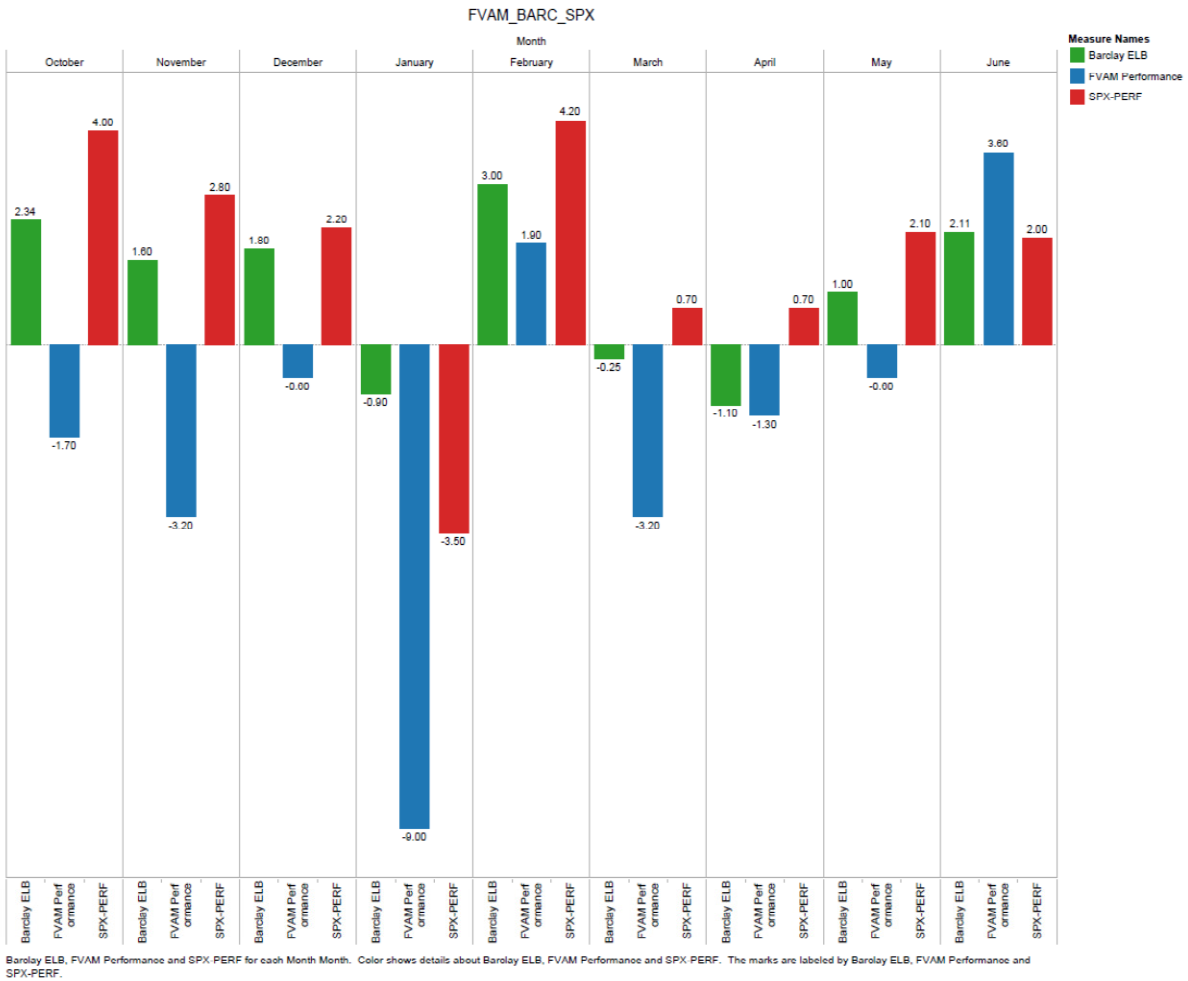


## Performance Chart 5



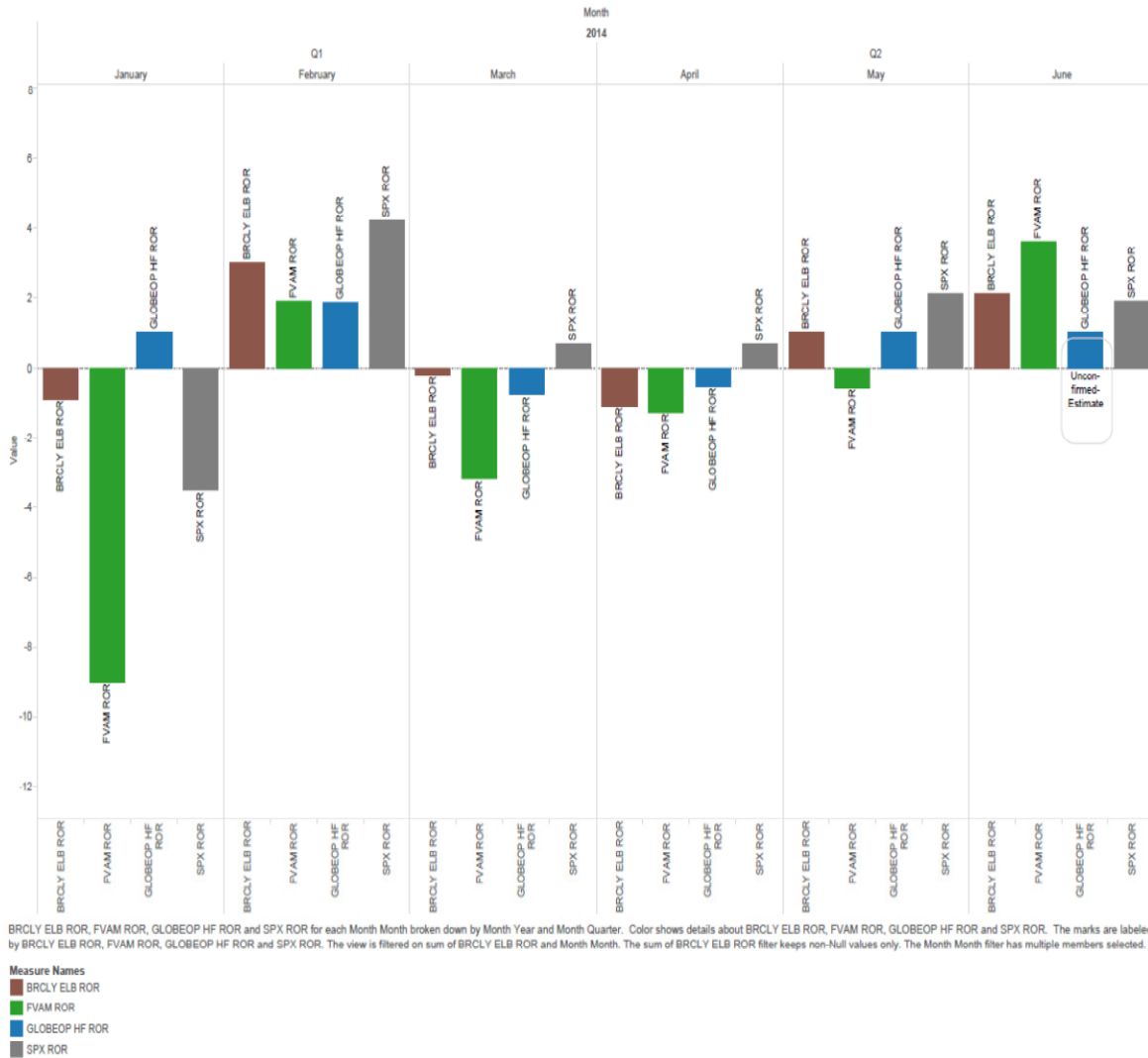
Month Month and sum of Performance. Color shows details about Month Month. The marks are labeled by Month Month and sum of Performance. The data is filtered on Month Year, which keeps 2014. The view is filtered on sum of Performance and Month Month. The sum of Performance filter keeps non-Null values only. The Month Month filter keeps 11 of 11 members.

## Performance Comparison Chart 1



\*Major comparison indexes: Barclays Equity Long-Bias (BarclayHedge.com), and the S&P 500

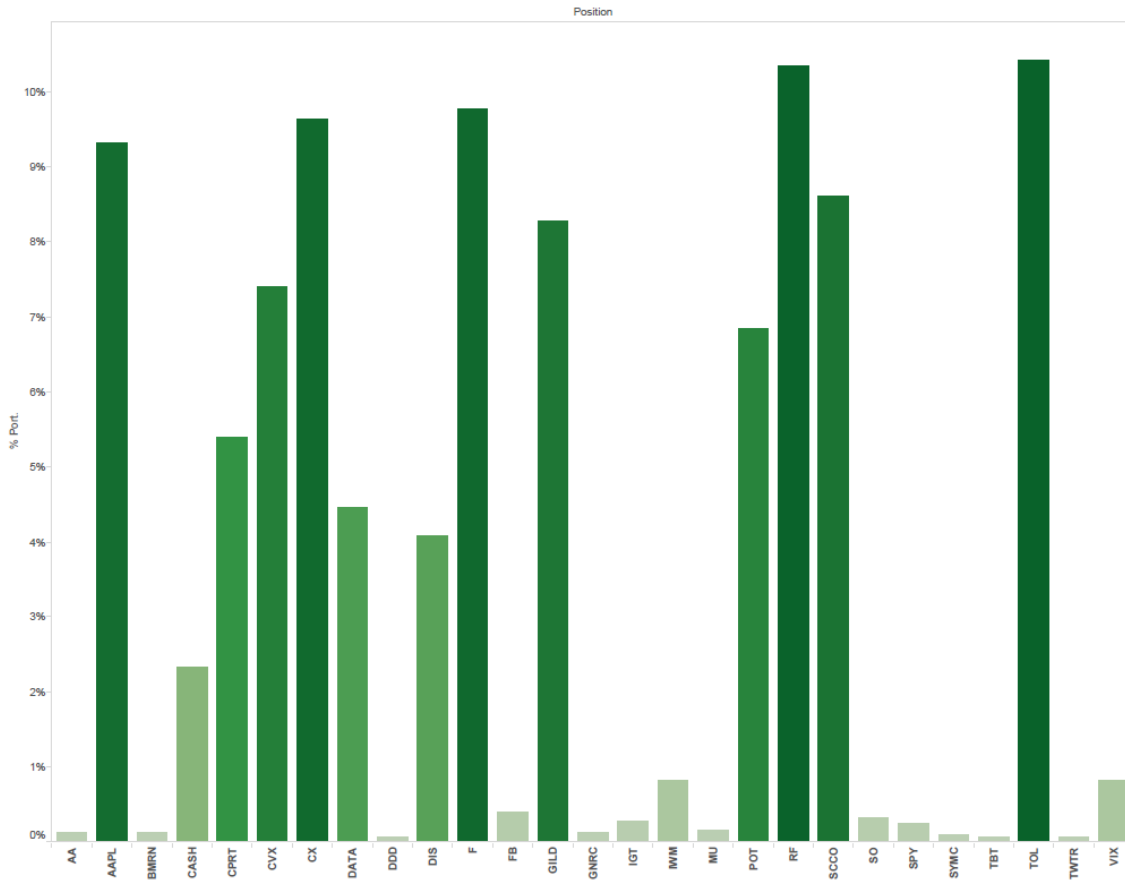
## Performance Comparison Chart 2



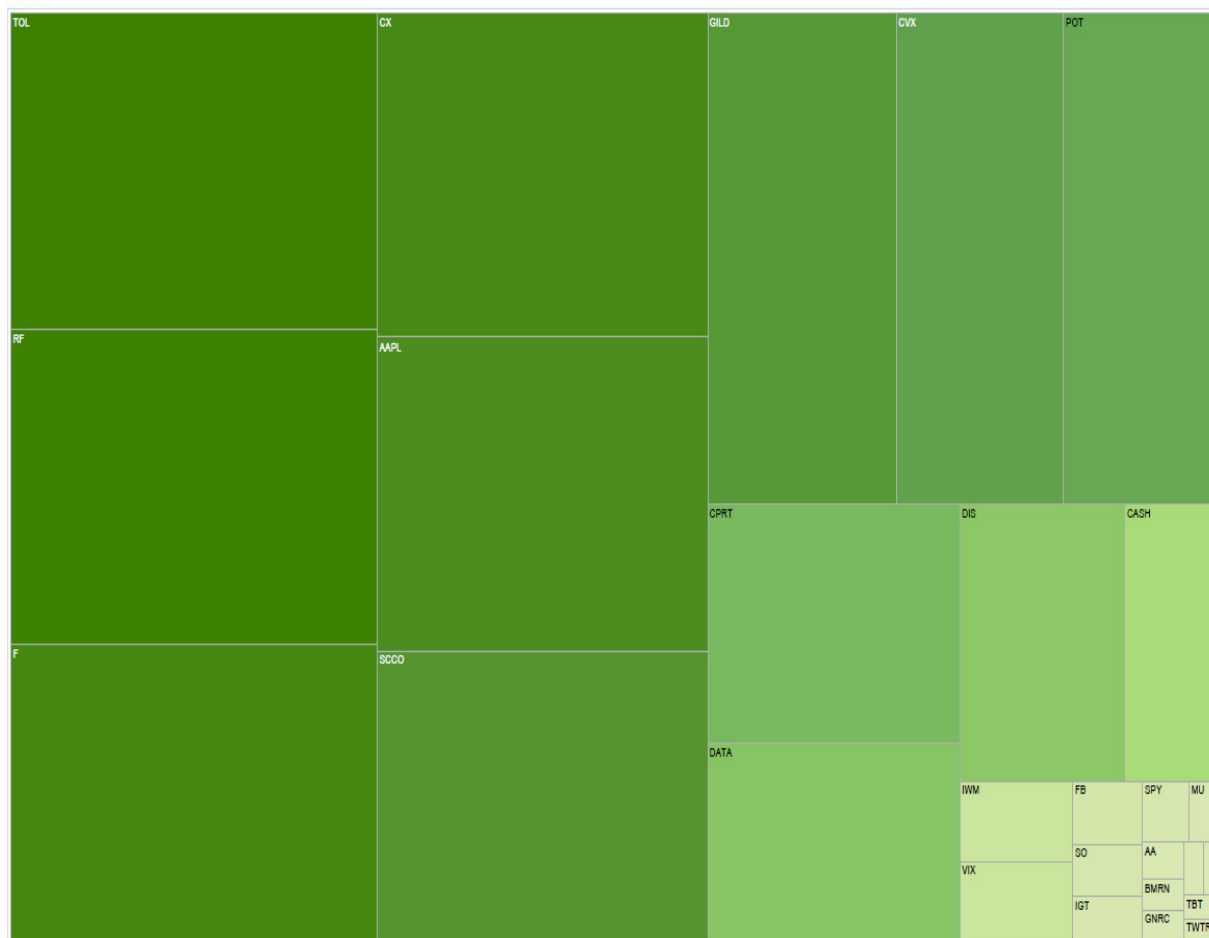
\*Major comparison indexes: Barclays Equity Long-Bias (BarclayHedge.com), GlobeOP Hedge Fund Index (SSCGlobeOpIndex.com, SS&C) and the S&P 500.

Portfolio – Allocation – Diversification

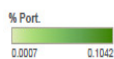
Portfolio Chart 1



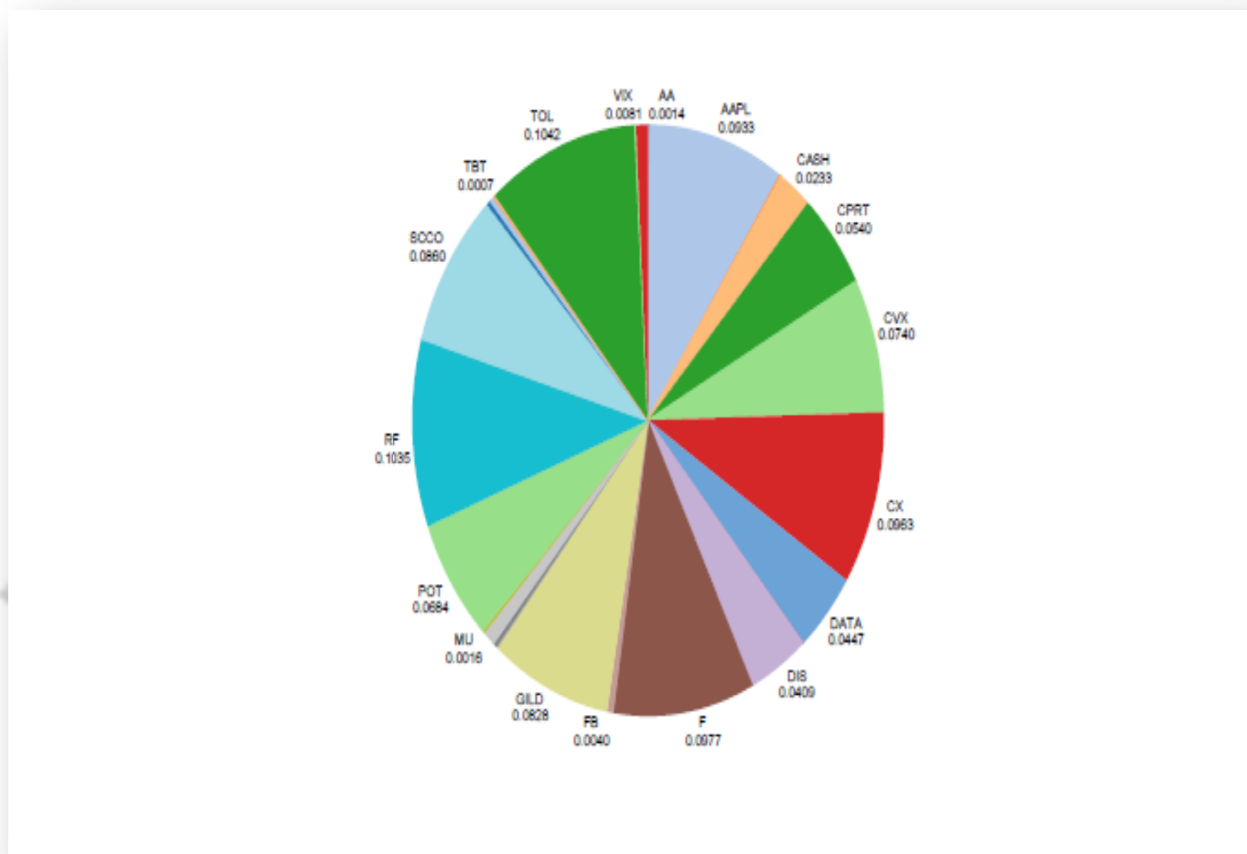
## Portfolio Chart 2



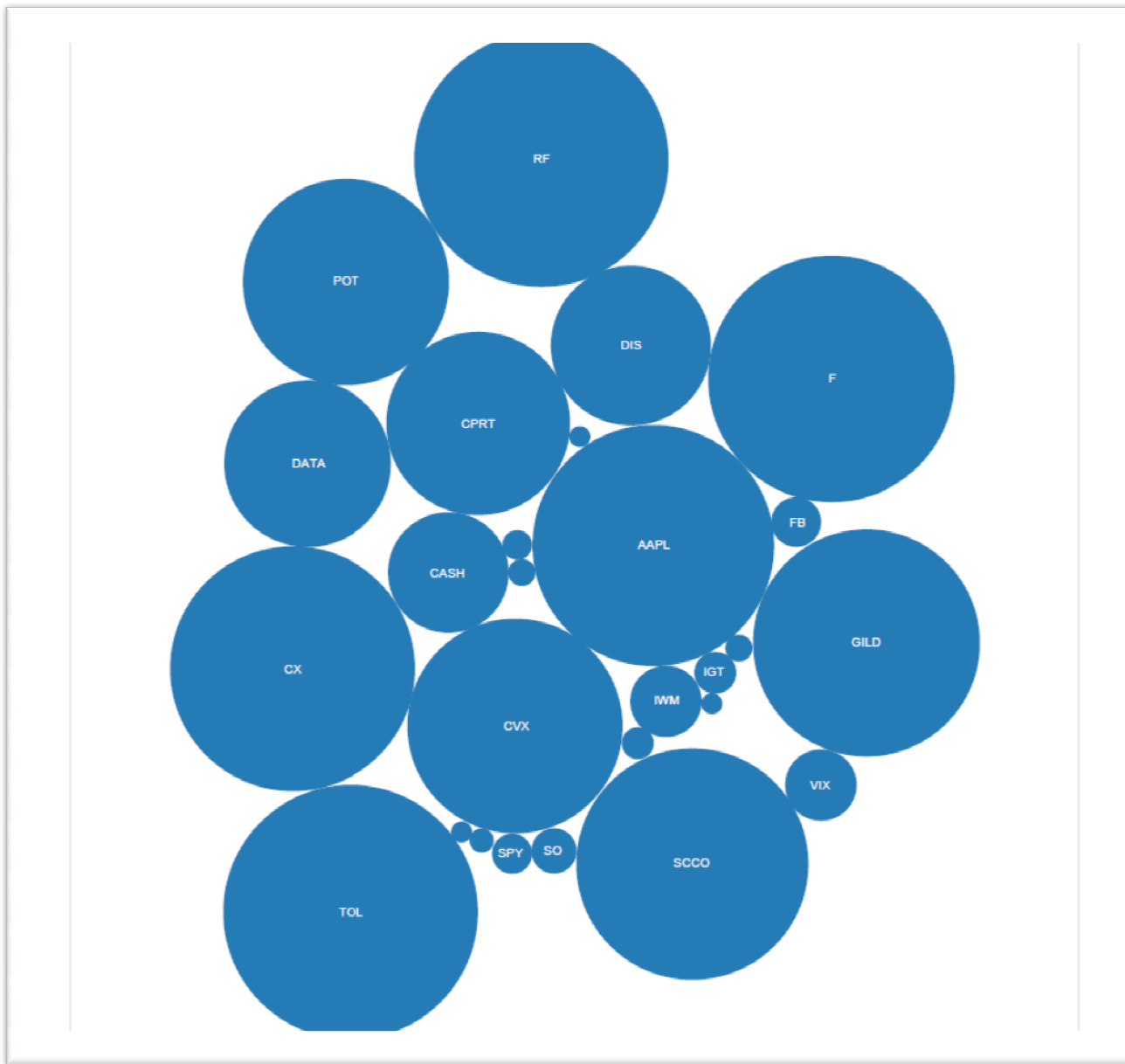
Position. Color shows sum of % Port.. Size shows sum of % Port.. The marks are labeled by Position. The data is filtered on % Port., which ranges from 0 to 0.111715274. The view is filtered on Position, which excludes Null and GLD.



Portfolio Chart 3



Portfolio Chart 4



## AUM

As mentioned above, AUM is now more of a focus than in the initial phases (needed to build business and a fund), then bring on the AUM.

AUM: Assets under Management

AUM-GR: AUM Growth Rate Month-over-Month

2014 Remaining AUM Targets:

AUG 27k

OCT 50K

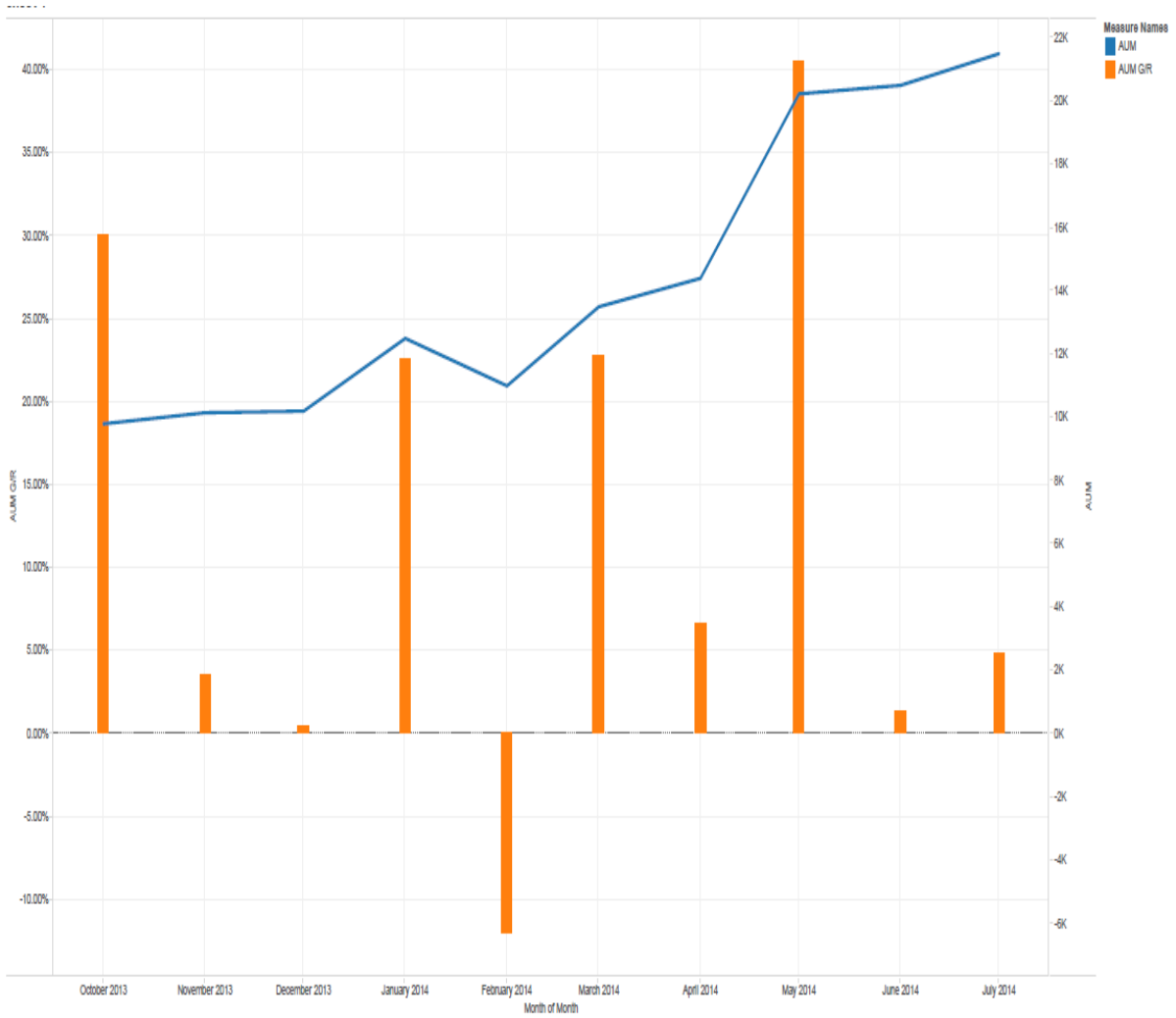
EOY 100k+

Personal Stake of AUM: Currently about 90% of total assets





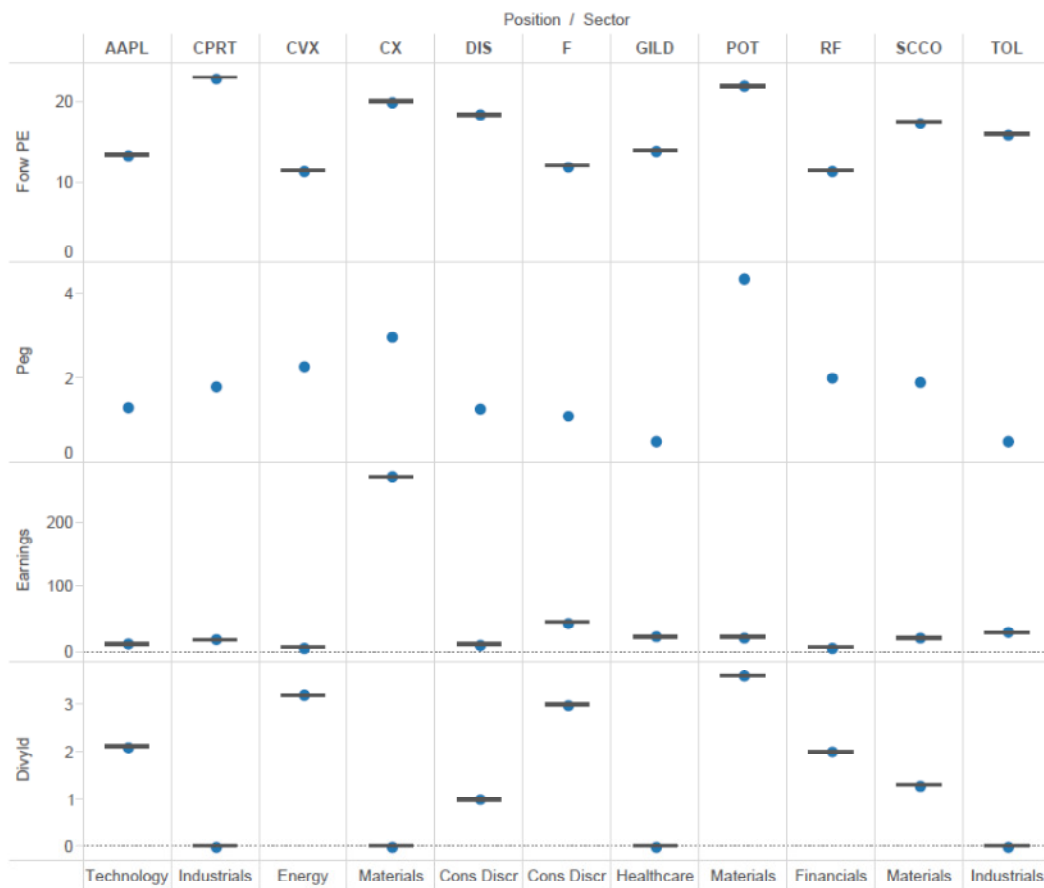
## AUM Chart 1



The trends of AUM GR and AUM for Month Month. Color shows details about AUM GR and AUM.

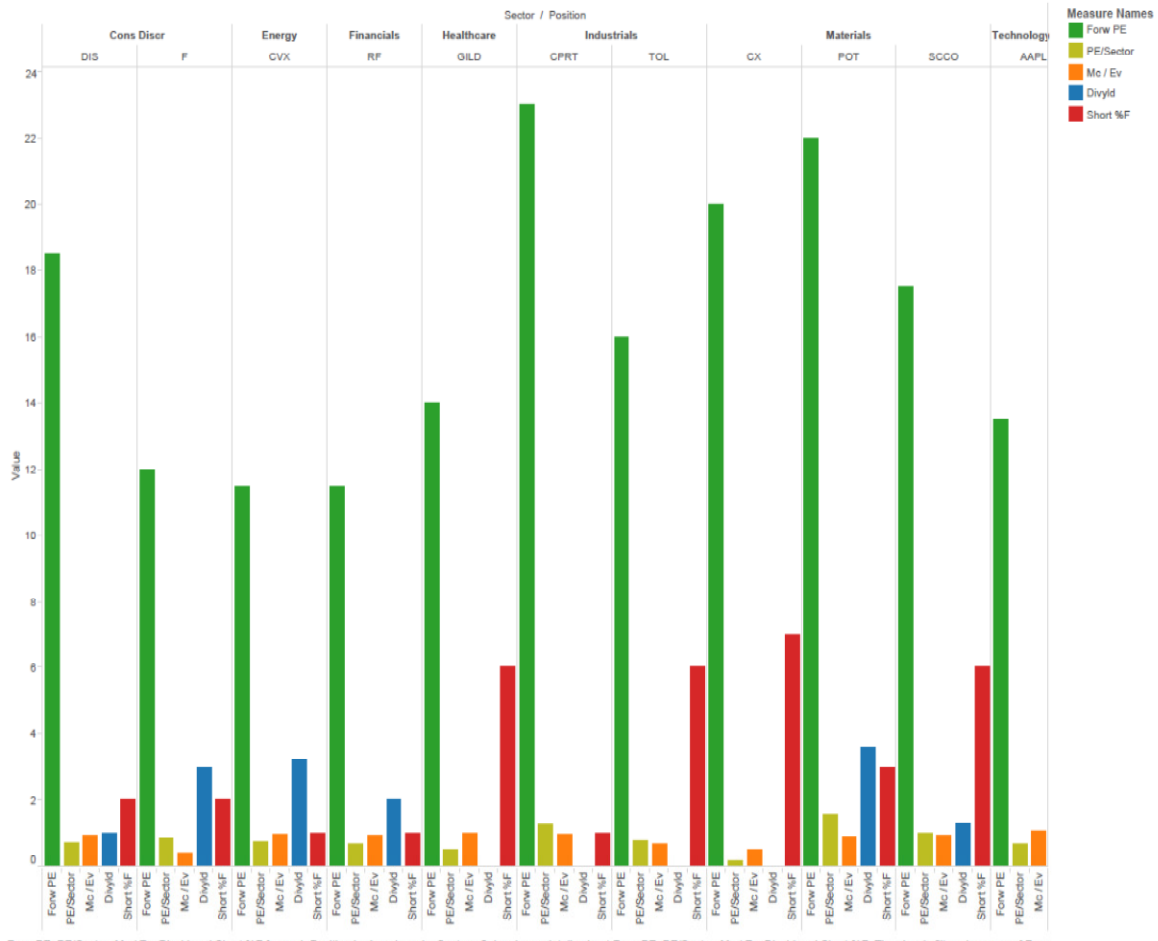
## Portfolio Fundamentals

### Fundamentals Chart 1 (Value)



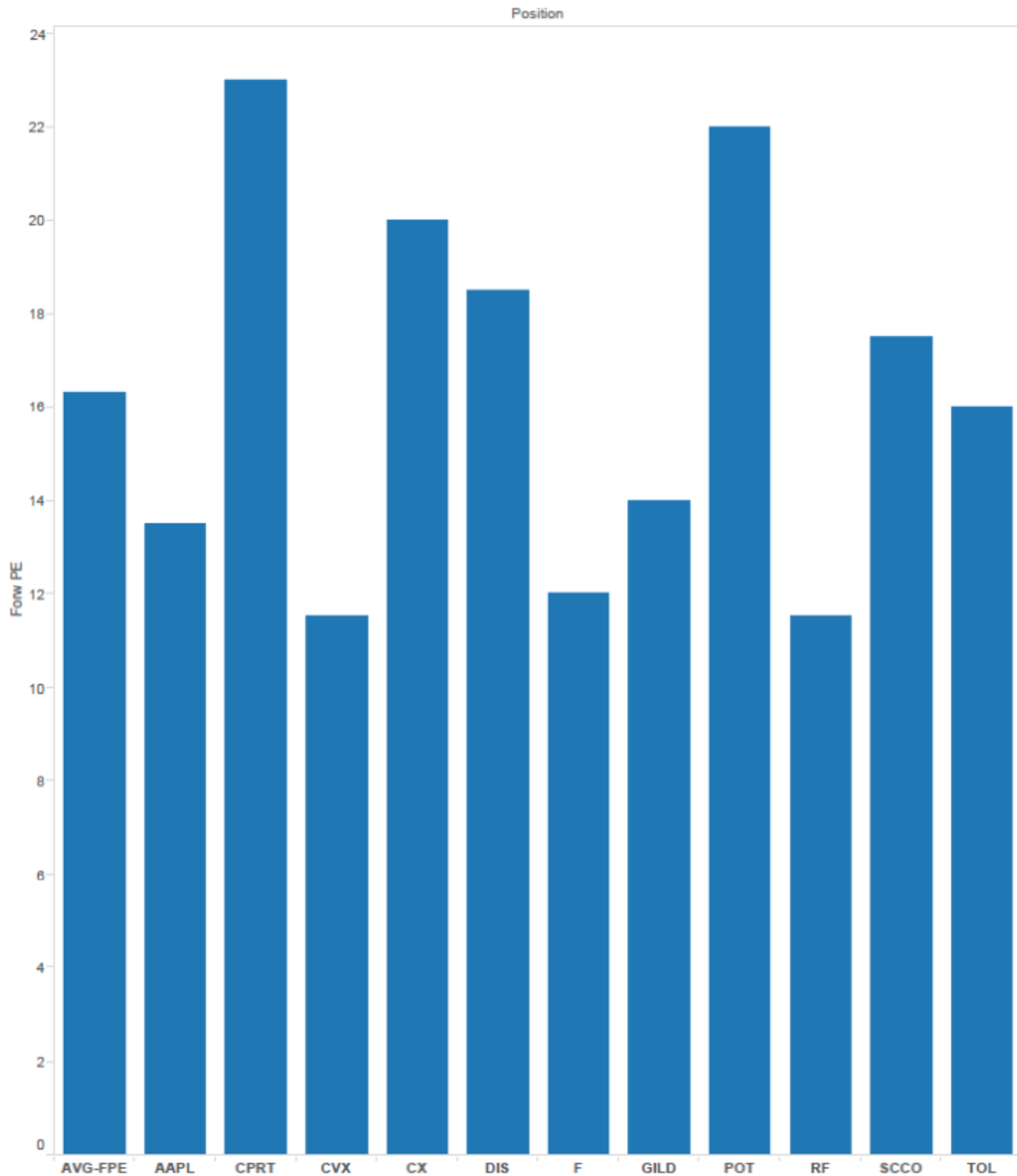
Sum of Forw PE, sum of Peg, sum of Earnings, sum of Divyld, sum of Mc / Ev and sum of '14 Return for each Sector broken down by Position. Details are shown for Position. The view is filtered on sum of Forw PE and Position. The sum of Forw PE filter keeps non-Null values only. The Position filter has multiple members selected.

## Fundamentals Chart 2 (Value)



Forw PE, PE/Sector, Mc / Ev, Divyld and Short %F for each Position broken down by Sector. Color shows details about Forw PE, PE/Sector, Mc / Ev, Divyld and Short %F. The view is filtered on sum of Forw PE and Position. The sum of Forw PE filter keeps non-Null values only. The Position filter has multiple members selected.

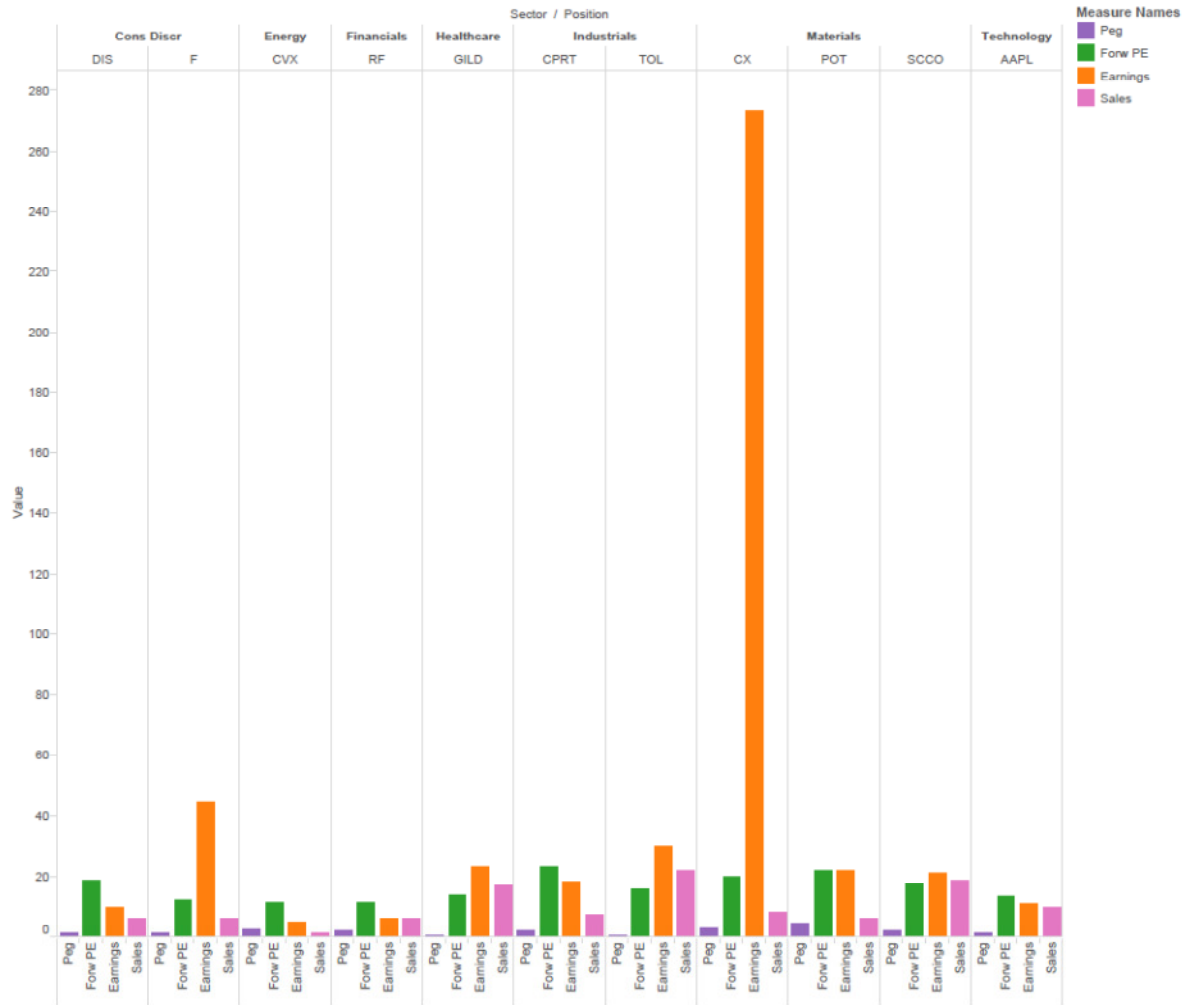
**Fundamentals Chart 3 (Future Value)**



Sum of Forw PE for each Position. The view is filtered on sum of Forw PE, which keeps non-Null values only.

\*Forward PE using 2015 estimates

Fundamentals Chart 4 (Growth)



Peg, Forw PE, Earnings and Sales for each Position broken down by Sector. Color shows details about Peg, Forw PE, Earnings and Sales. The view is filtered on sum of Forw PE and Position. The sum of Forw PE filter keeps non-Null values only. The Position filter has multiple members selected.

## Business and Fund Financials

2014					
REVENUE & INCOME					
FVAM FUND	AMOUNT				
Fund Fees	\$ 3.56				
PM Profit %	\$ 908.53				
R/T Net (Fees) Fund P/L	\$ (700.00)	Gr P&L YTD	\$ 806		
		Fees	1500		
Total Fund Revenue	\$ 912.10			TOTAL REV	\$ 912.10
Total Personal Income	\$ 93.76			TOTAL EXP	\$ 9,275.00
Client Deposits Credited				Fund P/L	\$ (700.00) Net Fees
				Client Payout	\$ 115.00
				PROFIT/LOSS	\$ (9,177.90)
				PL EXP RATIO	-10.06242807 Need to confirm formula, an
FANVESTMENTS BUSINESS					
REV STREAM 1	\$ 912.10				
REV STREAM 2	\$ -				
REV STREAM 3	\$ -				
Total Revenue	\$ 912.10				
Total Income	\$ 91.21				
TOTAL					
EXPENSES:					
[REDACTED]					
Business Accounting					
	\$ 120.00	maint fees			
	\$ 100.00				
Data Services:					
	\$ 250.00	2YR Sub			
Vendor Integrations					
	\$ 2,000.00				
	\$ 40.00				
Advertisement:					
	\$ 200.00				
	\$ 180.00				
	\$ 360.00				
	\$ 211.00				
	\$ 150.00				
	\$ 148.00				
	\$ 300.00				
Office Expenses					
	\$ 350				
	\$ 900				
Charity					
	\$ 151				
	\$ 50				
Office Equipment / Hardware					
	\$ 700				
	\$ 1565				
TOTAL \$ 9,275.00					

Ad Expenses	\$ 1,549.00
Client Count	4
Customer Acq. Cost	\$ 387.25

- “Visuals” or Visualizations within this document were created out of Tableau Software. Fanvestments is now fully integrated as of May and have just begun touching the surface. Some of the above are Real-Time connected to Real-Time data, which I use as fund trackers (stat trackers). Full Doc, Fund is also long \$DATA for a 5% non-core position.
- More information on the fund and Business:
  - [www.fanvestments.com](http://www.fanvestments.com)
  - [www.fanvestments.me](http://www.fanvestments.me)
  - Twitter: @fanvestments
  - Facebook/Fanvestments
  - [www.linkedin.com/pub/matthew-fanning/96/672/13b/](http://www.linkedin.com/pub/matthew-fanning/96/672/13b/)
  - [mfanning@fanvestments.com](mailto:mfanning@fanvestments.com)
- Numbers are un-audited by 3<sup>rd</sup> Party, which for full year will be (albeit, my self-built accounting and financial skills should match and adhere to the highest of standards regarding financial quality and ethics)
- Fund Prospectus is available from Fanvestments.com, as well as my News Year Day Yearly Portfolio Newsletter is available from my blog - #TheFanvestor – at Fanvestments.me
- Fanvestments, LLC is actively seeking Fund Seed/Business Investment, with 3 high level structures currently worked out (and open) for 3mm, 5mm, and 25mm. All LP Deals, with all options on the table for discussion (LP on Fund, Stake in Business, Dividend, and future stake on future funds as well as Businesses).

All I need is 10 minutes of your time !!

In recent months I have retired from a 14-Year High Quality Software Development Career, to take Fanvestments so far passed the next level, where the Hedge Fund Industry Best of the Best List is not just a Goal – it is a DEFINITE PLAN – and personally – I can already see my name on the list.