Deuterium Global Dynamic Allocation

Quarterly Strategy Report Q1 2024

18 December 2023

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DGDA Investment and Economic projections for Q1 2024

All data in this report are sourced from Deuterium Global Asset Allocation proprietary models.

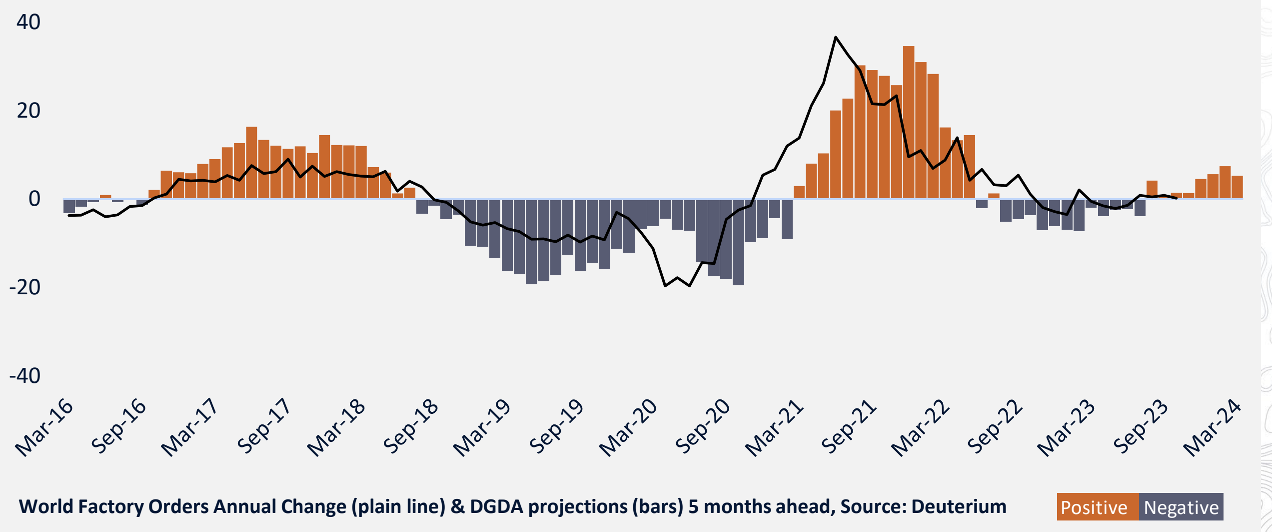
Deuterium Global Dynamic Allocation Outlook for Q1 2024: Slowing US and Chinese Growth

Deuterium models show coming slowdowns in US and Chinese consumption, production, and trade growth by the end of Q1 2024. World equity valuations likely will head lower in the next quarter, given that the current global economic recovery will have peaked much earlier than expected. Corporate earnings anticipations will be revised downward upon lower projected worldwide sales and trade volumes. Sovereign bond yields likely will stay low, as investors evaluate how quickly central banks will implement rate cuts when faced with reports of surprisingly slower global growth and still moderating price pressures. In such an environment, where real yields fall faster in the USA than elsewhere, the USD becomes less attractive compared to its major counterparts. Weak Chinese and US growth over the next quarter will keep commodity prices low. The cyclical recovery will look to be faltering worldwide, with US policy tightening and the unsuccessful Chinese response to internal deflation having led to weak aggregate demand growth in the two economies together representing roughly half of world output.

Legislative divisions in the USA mean that further fiscal stimulus over the coming months remains unlikely, even if lower US retail sales and production growth rates become apparent towards quarter end. The prospect of poorer US economic performance during an election year, with negative effects on US personal income and the labour market, will be very unwelcome to the current administration; and the US central bank will be under pressure to loosen quickly so as to avoid any appearance of election interference. Economic uncertainly will add to perceived US political instability in Q1 2024, with the two most likely candidates for US president both being subject to judicial investigations during the runup to the Q2 2024 primary elections.

By late Q1 2024, present investor confidence in a global recovery likely will shift back to concerns about a potential US recession. The rise in US long-term interest rates over the past six months, in conjunction with falling US money supply and credit growth, will, with the standard lags, have reversed the current acceleration in US output. Central bank policy decisions in the next quarter likely will not only reflect further price moderations, but uncertainty at unanticipated, sudden slowing in US and international activity. In such circumstances equities will perform poorly compared to sovereign bonds, and the USD will weaken against its principal alternative currencies.

Deuterium Global Dynamic Allocation models project that world factory orders will peak in Q1 2024



World Factory Orders Annual Change (plain line) & DGDA projections (bars) 5 months ahead, Source: Deuterium

DGDA Market Projections for Q1 2024: Reduce Risk

DGDA projections for Q1 2024	At 18 December 2023	Market moves projected for end Q1 2024
USA		
3 Month yields	5.38%	
10 Year yields	3.92%	+
US Dollar Index	102.1	--
S&P 500 Index	4741	--
China		
3 Month yields	2.87%	
Chinese Yuan	0.14	--
MSCI China	56	--
Japan		
3 Month yields	-0.16%	--
10 Year yields	0.61%	
Japanese Yen	0.01	+
Topix Share Index	2334	--
EMU		
3 Month yields	3.67%	
10 Year yields	2.02%	+
Euro	1.10	+
Euro Stoxx 50 Share Index	4535	--
UK		
3 Month yields	5.32%	+
10 Year yields	3.66%	+
British Pound	1.27	
FTSE 100 Share Index	7638	--
Commodity Markets		
All Commodities	481	
Oil & Energy	341	--
Gold & Precious Metals	586	+

Source: Deuterium, Refinitiv

bearish	negative -	neutral	positive +	bullish

DGDA Global Investment Conclusions : Reduce Risk

1. The recovery in world output will begin to fade as growth in the two largest global economies begins to decelerate late in the coming quarter. Slowing output, with world Inflation still subsiding will have investors expecting major central banks to lower directed interest rates. Major sovereign bond yields likely will have lower pressures from moderating inflation reinforced by downward pressures from weakening activity. Risk assets fare poorly, with pro-cyclical sectors such as Technology, Discretionary, Communications and Financials all underperforming.

Market Projections			
	Major Equities	Negative	–
	Developing Equities	Negative	–
	Oil, Industrial Commodities	Negative	–
	Major Bonds	Positivel	+
	Developing Bonds	Neutral	
	US Dollar	Negative	+
	Japanese Yen	Positive	+
	Euro	Positive	+
	British Pound	Neutral	

2. Central banks will direct their attention to supporting domestic activity as the global cycle recovery becomes less evident. Risks to worldwide industrial and consumption when trade growth fades in the wake of US and Chinese decelerations will make aggregate demand, rather than inflation, the foremost concern for policymakers. Monetary authorities will decide that lower interest rates are required at this point in their economic cycles. Given China's poor industrial prospects for the quarter, commodity prices probably will continue lower.

Monetary Policy Projections		
	USA	Loose
	China	Loose
	EMU	Loose
	Japan	Tightening
	UK	Neutral

3. In Q1 2024, growth rates for Developing and European economies will face headwinds from the USA and China, where insufficient monetary policy support over the past year will have undermined the potential for recoveries in their industrial and aggregate demand early in the next year.

Economic Projections		
	USA	Slowing
	China	Slowing
	EMU	Slowing
	Japan	Expansion
	UK	Slowing

Economic signals have started shifting down with China and India in Q1 2024: World Output Peaks

DGDA projections for production, orders, and exports have industrial activity expanding to start Q1 2024, but our models show the USA slowing with China and India late in the quarter.

Global Production Monitors (+/- 1)

Production Monitor	Production	Orders	Exports	Direction	Average
USA	Best	Best	Best	Up	0.14
Europe	Best	Best	Worst	Up	0.01
Japan	Best	Best	Best	Up	0.31
UK	Best	Best	Worst	Up	0.00
Canada	Best	Best	Best	Up	0.45
France	Best	Worst	Best	Up	0.14
Switzerland	Best	Worst	Best	Up	0.08
Germany	Best	Best	Best	Up	0.12
Australia	Worst	Best	Best	Up	0.24
Netherland	Best	Best	Best	Up	0.19
Spain	Best	Best	Best	Up	0.16
Sweden	Best	Best	Best	Up	0.03
Italy	Best	Best	Best	Up	0.15
China	Worst	Best	Best	Down	-0.25
South_Korea	Best	Best	Best	Up	0.15
Taiwan	Best	Best	Best	Up	0.07
Hong_Kong	Worst	Worst	Best	Up	0.03
Singapore	Best	Best	Best	Up	0.14
Indonesia	Worst	Best	Best	Down	-0.12
Thailand	Best	Worst	Best	Down	-0.01
India	Worst	Best	Best	Down	-0.01
Brazil	Best	Best	Best	Up	0.22
Russia	Best	Best	Best	Up	0.18
Mexico	Best	Worst	Best	Up	0.10
South_Africa	Best	Best	Best	Up	0.16

Source: Deuterium Best Worst

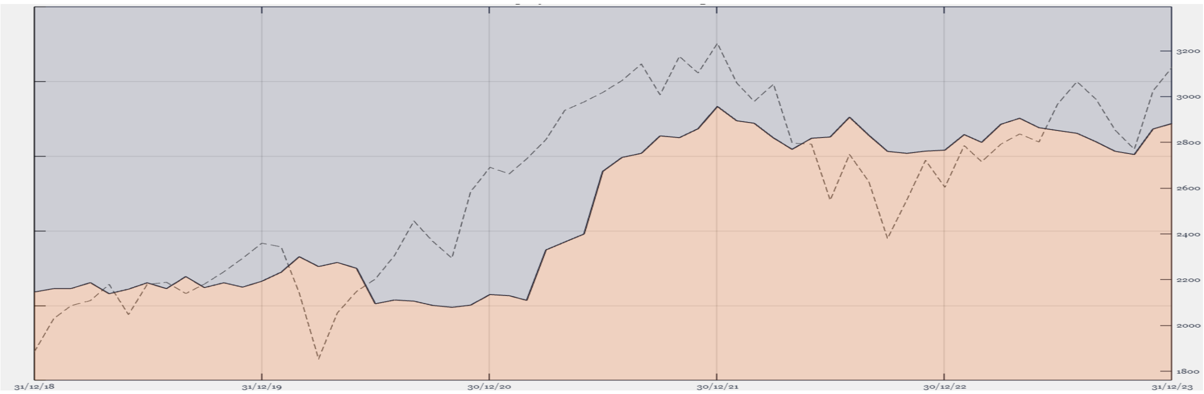
Our leading indicators for industrial activity show all but four economies as positive. These projections for production, factory orders, and durable goods suggest expanding growth to start the coming quarter. An absence of support from the USA, China, and India nonetheless will raise headwinds to worldwide demand, weighing on global output by quarter end.

Lagged policy effects and flat housing prices will keep global inflation subsiding; and while our models indicate better domestic conditions for industrial output in some European and in most Developing economies, the global recovery is likely to show signs of fading upon reports of weakness in two of the world's industrial giants.

European and Developing Equity Markets: Attractive Valuations ex USA & Japan

Growth in corporate earnings, cash flows, and dividends has left most European and Developing markets below fair value compared to their historical averages.

World equity index percent change from its historical valuation



Source: Deuterium

US and Japanese equities are overvalued, with most European and developing markets well below fair value in historical terms.

COUNTRY	Current Price	Target Price	Price Move required to get to target price
World	3129	2882	-7.9%
EAFE	2197	2312	5.2%
United States	4720	4173	-11.6%
EMU	4539	5269	16.1%
Japan	32686	27237	-16.7%
United Kingdom	7649	8550	11.8%
Canada	20779	20632	-0.7%
France	7576	8516	12.4%
Switzerland	11210	12895	15.0%
Germany	16752	19966	19.2%
Australia	7443	7361	-1.1%
Netherlands	790	968	22.5%
Spain	10172	12692	24.8%
Sweden	2365	2122	-10.3%
Italy	30359	41435	36.5%
Asia Ex Japan	532	581	9.3%
China	5574	6483	16.3%
South Korea	2544	2324	-8.7%

COUNTRY	Current Price	Target Price	Price Move required to get to target price
Taiwan	17653	15505	-12.2%
Hong Kong	16402	16512	0.7%
Singapore	3123	3649	16.8%
Indonesia	7176	8582	19.6%
Malaysia	1456	1877	28.9%
Thailand	1379	1558	13.0%
Philippines	6410	8564	33.6%
Emerging	993	994	0.1%
India	70514	70081	-0.6%
Brazil	130842	157340	20.3%
Russia	3009	3921	30.3%
Mexico	57036	57040	0.0%
Turkey	7813	7780	-0.4%
Resource	369	390	5.8%
South Africa	75290	91348	21.3%
Colombia	1175	1414	20.4%
Chile	6147	8336	35.6%
Argentina	989696	566495	-42.8%

Source: Deuterium, Refinitiv

Negative | Positive

Global Asset Allocation Conclusions for Q1 2024: Reduce Risk

Our models for US consumption, production, housing, and exports, all of which showed steady improvements over the past twelve months, now have begun to shift downward, signaling that by late Q1 2024, current accelerations in those key US measures will have flattened or reversed. Investor concerns that an inverted US yield curve and negative leading indicators were warning of an impending US recession have dissipated over the past few months upon better economic reports. Now they probably will reappear in force. The US and Chinese fiscal and monetary policies of the past year will have undermined their respective recoveries sufficiently to create at least a temporary impression that the world recovery is in doubt. The subsequent downward revisions to corporate earnings expectations likely will darken the outlook for risk asset valuations.

Major European and Developing Markets are undervalued

US and Japanese equities are overvalued compared with their historical metrics on standard measures, with shares in most US sectors above their averages for earnings, sales, book value, cash flow, and dividends. Shares in the materials and energy sectors remain below fair value levels, while three large capitalization sectors, information technology communication services, and financials after rebounds this year are far above their historical trends. The US equity overvaluation gives a negative reading to world shares, even though major European equity markets and most of the developing equity markets show as very attractive.

Inflation subsiding

In Q1 2024, slowing domestic inflation rates and weakening global activity will have central banks deciding how fast their monetary tightening should be reversed, while falling commodity prices likely will alleviate concerns about potential second round inflation effects. Uncertainties about the global recovery probably will leave investors with poorer visibility as to equity fundamentals and corporate profits. Commodity and energy prices will be much less well supported if the global cycle rebound is in doubt and China's projected industrial activity is to be lower yet. Producer prices, now flat to negative, lead consumer prices, while excess broad money supply growth leads overall inflation by two years. Given those measures, inflation may well be headed down for some time.

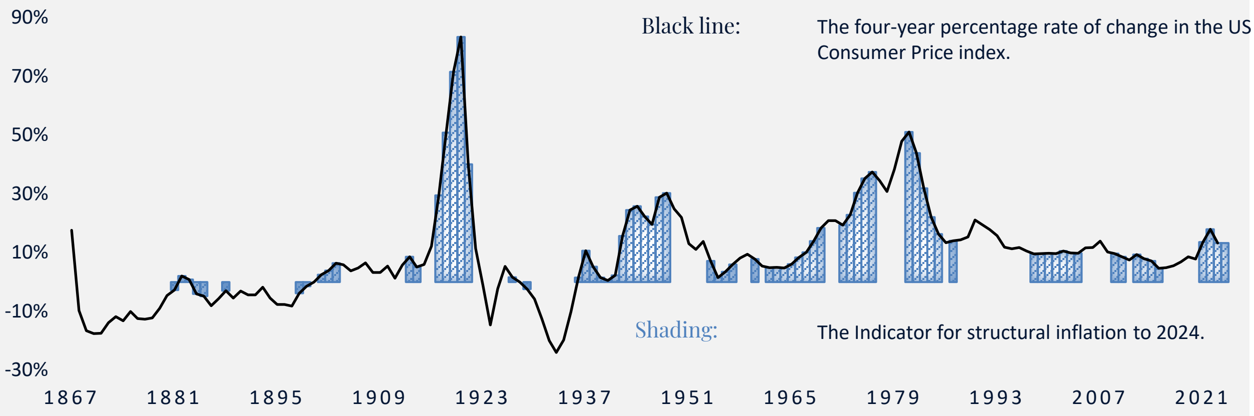
Pro-Cyclical sectors out of favour

A global context wherein central banks shift to monetary loosening because of concerns about the prospects for economic expansion is unfavourable to pro-cyclical equities. This likely means in particular a poor showing for US equities in the technology, consumer discretionary, communications, and financial sectors, whose fundamentals deteriorate markedly when US consumption, industrial production, and export growth begin to slow.

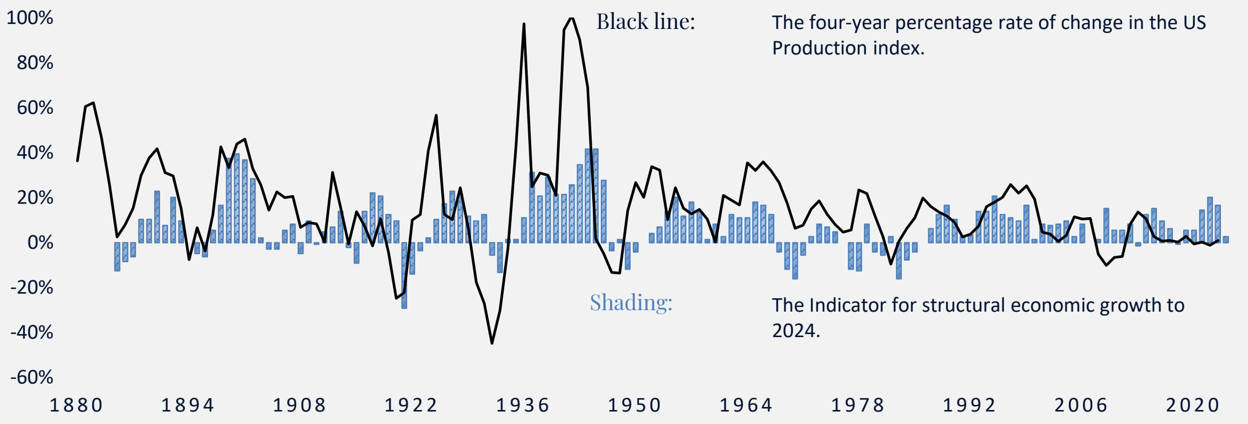
Deuterium Projections 1880-2024: Moderating Inflation & Slowing Growth

Our Q1 2024 projections for inflation to subside from a relatively high rate, and industrial activity growth to flatten during the quarter, are in line with our structural projections for US CPI and production through end 2024, based on our 150-year historical analysis (published separately).
The charts below show our predictive Indicators for US Structural Inflation & Growth from 1885 to 2024.

This chart shows the percent change over four years of US inflation & our four-year inflation indicator.



This chart shows the percent change over four years of US industrial production & our four-year production indicator.



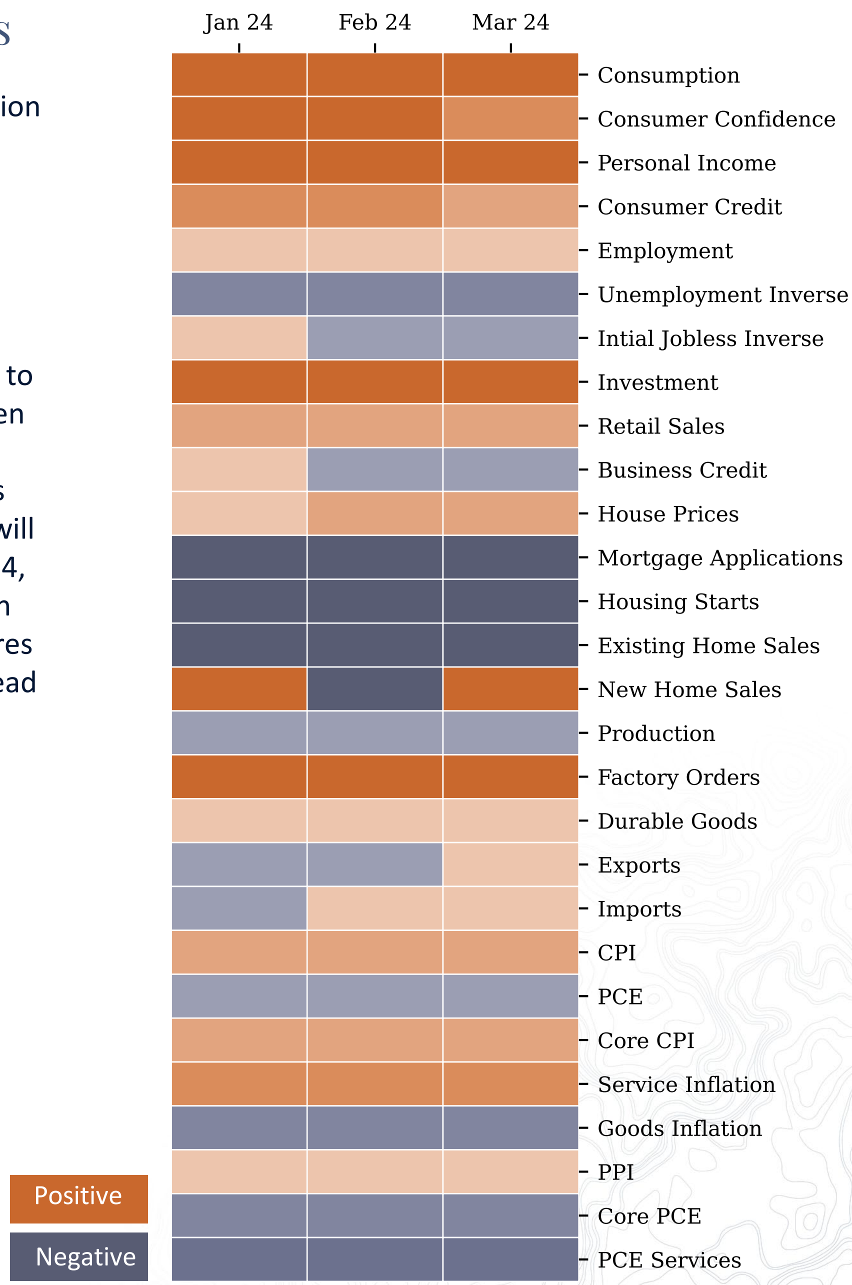
Sources: Deuterium, Bureau of Labor Statistics, U.S. Department of Labor, Board of Governors of the Federal Reserve System (US), Quarterly Journal of Economics (1700-1919)

The key measures that underpinned the historical trends in prices and industrial activity were money supply, commodity prices, interest rates, fiscal policy, and output. These lay behind the booms and bust in the equity, precious metals, and bond markets. The quarterly projections for inflation to move lower and production to remain almost flat are consistent with our historical projections.

USA Regional Investment Conclusions Q1 2024:
DGDA Economic Projections

Economic Projections

Deuterium Global Asset Allocation models project that US consumption will still be expanding at next quarter, with weakness in the jobs market showing by quarter end. US housing starts, sales, and mortgage applications still look to be contracting year on year, even as annual house price changes remain positive. Factory orders will expand yet US production will be weak overall. During Q1 2024, measures of US service inflation will stay high, but many measures including goods inflation will head lower during the quarter.



USA Annual Change Projections in Q1 2024

Source: Deuterium, Refinitiv

Market Valuations

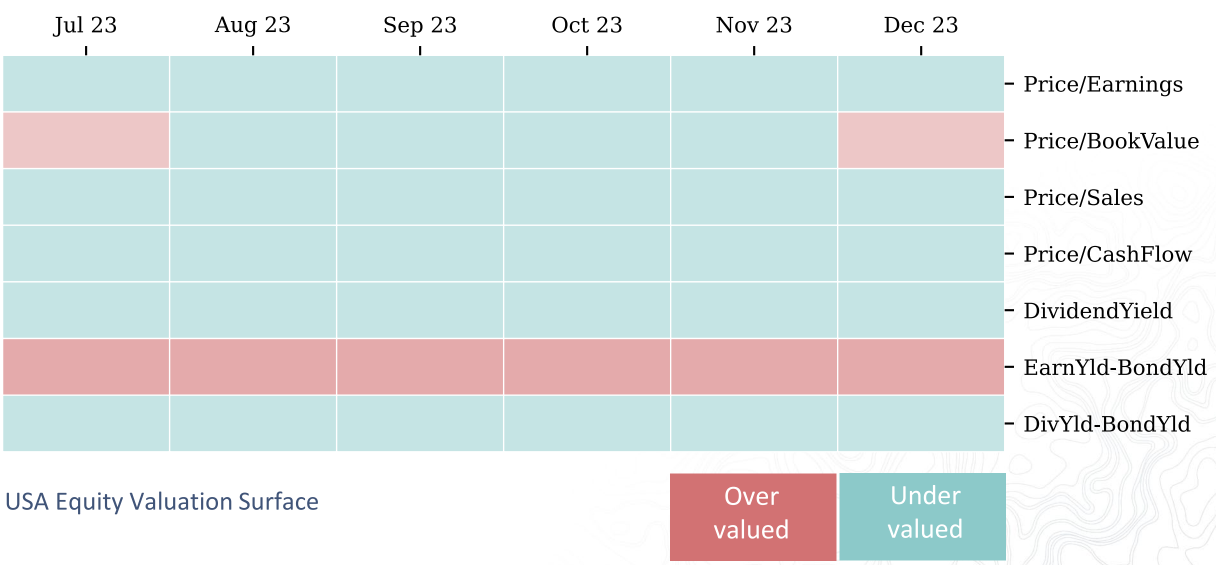
Outlook Summary

USA	Equities	Three Month Bills
		

Market Valuations

Equity valuation metrics show that US shares have moved to overvalued levels compared to historical bounds for earnings yields compared to bond yields and for price/book value.

Federal Reserve policy interventions have brought US bond yields to the point that US bond valuations now are fairly valued compared to their long-term averages. The US Dollar currently is somewhat undervalued on real yield and external account differentials.



USA Equity Valuation Surface

Source: Deuterium, Refinitiv

DGDA models show US equities to be overvalued on earnings yield compared to bond yield

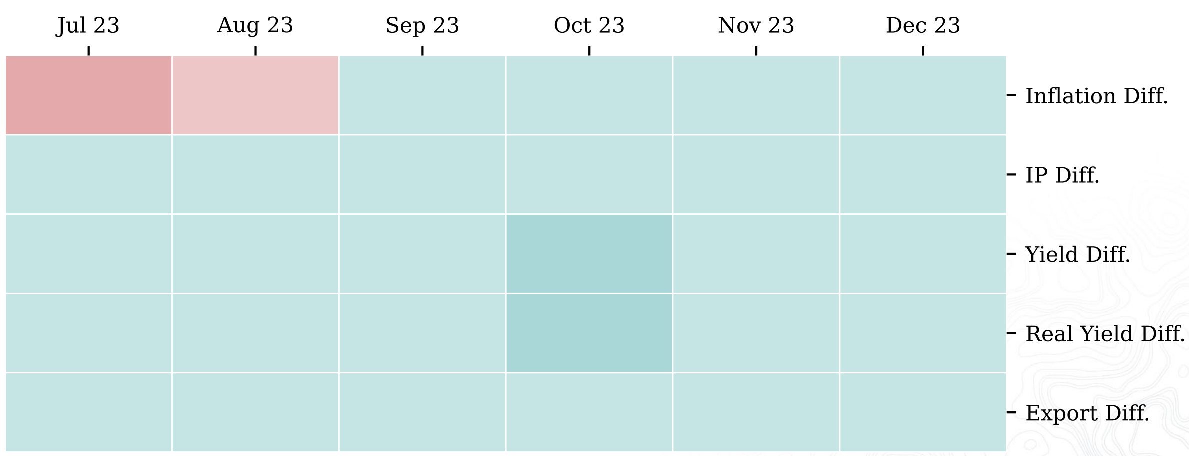
Monetary Policy and Transmission

Outlook Summary

USA	USD	Ten Year Bonds
	--	+

Monetary Policy and Transmission

DGDA models suggest that US inflation rates will subside further over the course of the year, so that the US central bank will shift to lowering short-term interest rates as US consumption and industrial growth slow during the coming quarter.



USA Currency Valuation Surface

Over valued | Under valued

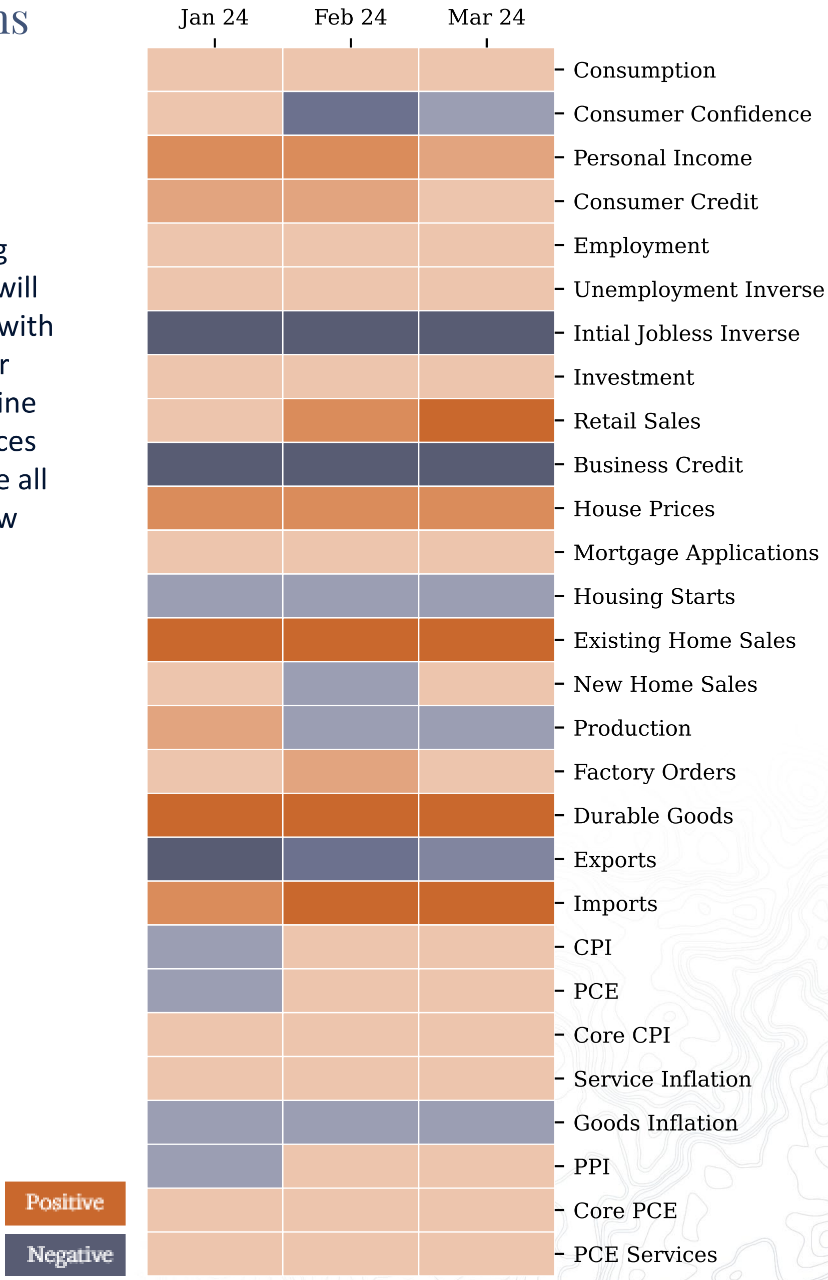
Source: Deuterium, Refinitiv

DGDA models show the USD to be undervalued with favourable relative output trends, international real yield comparisons, and external account measures

China Regional Investment Conclusions Q1 2024:
DGDA Economic Projections

Economic Projections

DGDA models show that real output growth in China will encounter headwinds in the consumer sector from lower confidence and mixed housing conditions. Industrial activity will continue to slow significantly with weaker production and poorer external trade as exports decline on an annual basis. Goods prices will continue contracting while all other price measures will show modest increases at best.



China Annual Change Projections in Q1 2024

Source: Deuterium, Refinitiv

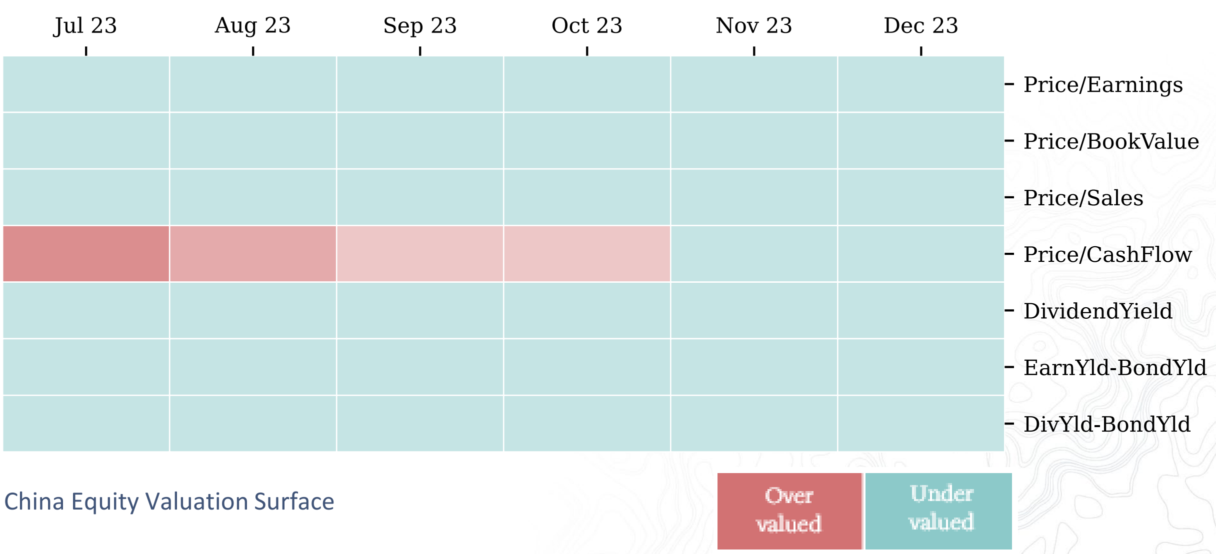
Market Valuations

Outlook Summary

China	Equities	Three Month Bills

Market Valuations

Valuation tools suggest that Chinese shares in mainland indices are attractively valued on long-term metrics, including measures for trailing earnings and dividend yields, while Hong Kong equities are fairly valued compared to fundamentals.
Chinese bond market valuations are attractive, while the Yuan remains somewhat overvalued on international comparisons.



China Equity Valuation Surface

Source: Deuterium, Refinitiv

DGDA models show Chinese equities as undervalued for dividend yield to bond yield, and price to sales measures

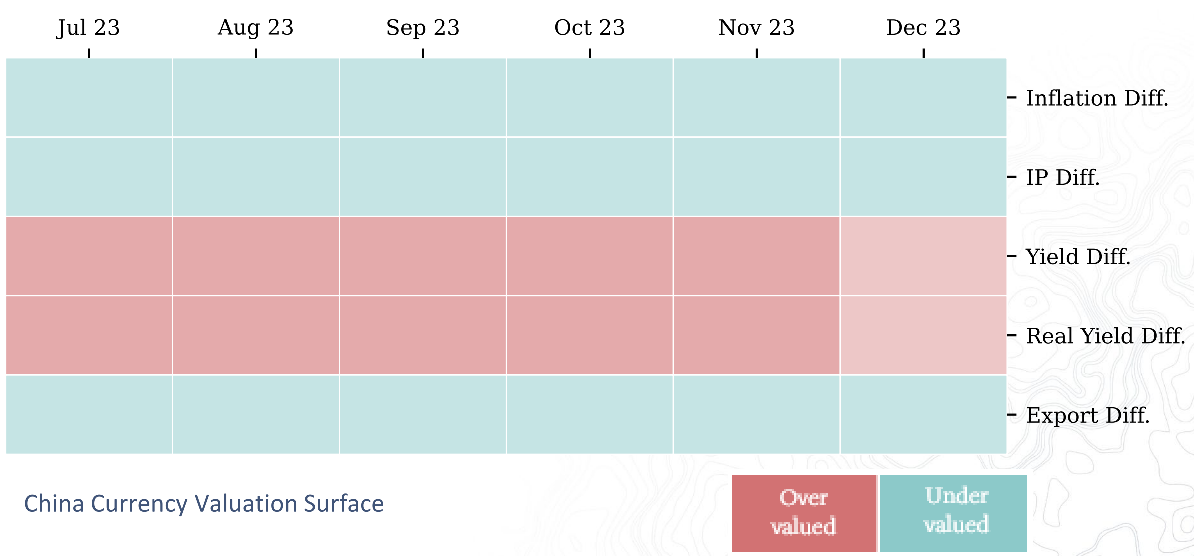
Monetary Policy and Transmission

Outlook Summary

China	CNY	Ten Year Bonds
	--	

Monetary Policy And Transmission

Chinese monetary authorities have reversed their prior steps that slowed credit expansion, responding in part to low domestic inflation, and to financial system stress from negative conditions for Chinese property markets. While China's monetary channels show some positive transmission effects into the real economy, our models suggest this won't be sufficient to reverse the shift to lower consumption and production growth in Q1 2024.

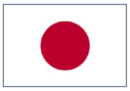


China Currency Valuation Surface

Source: Deuterium, Refinitiv

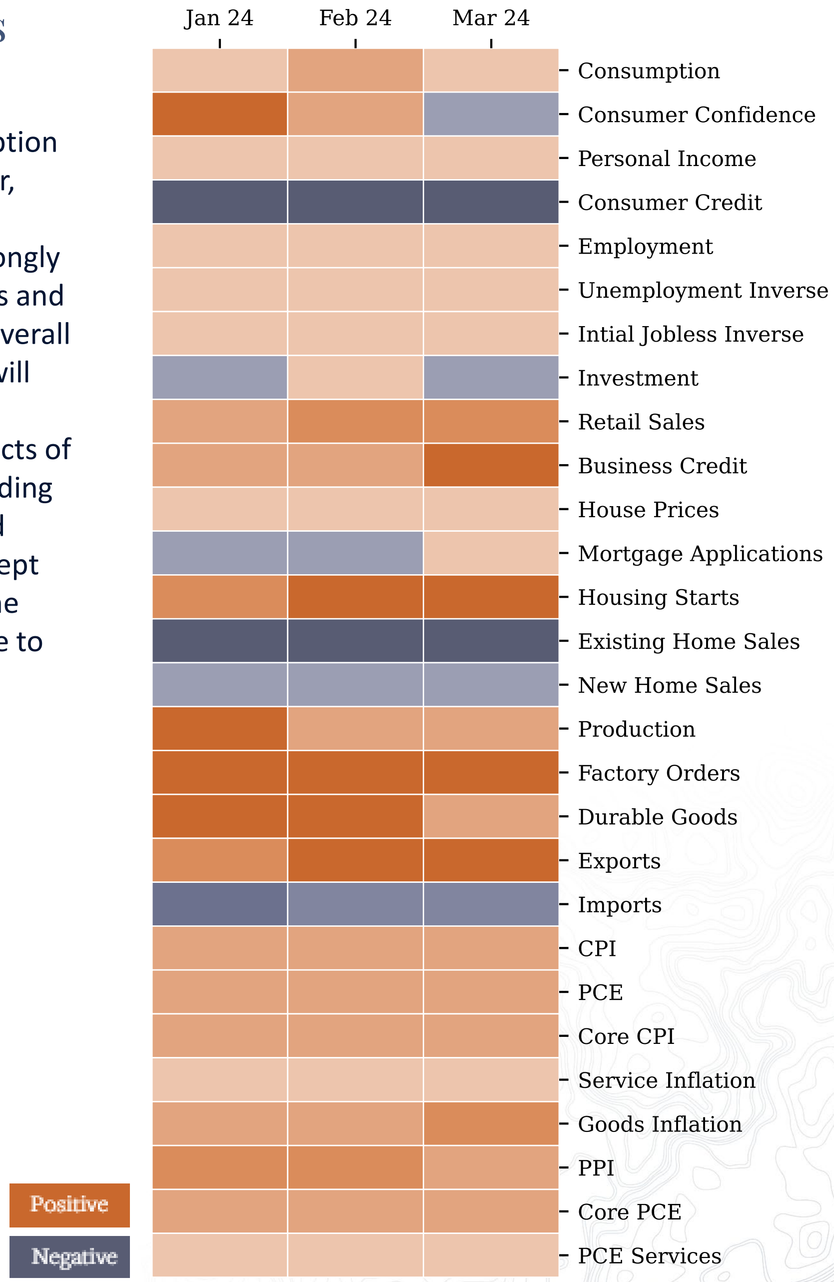
DGDA models show the CNY to be somewhat overvalued on international nominal and real yield comparisons

Japan Regional Investment Conclusions Q1 2024:
DGDA Economic Projections



Economic Projections

DGDA models show a lesser expansion in Japanese consumption and confidence over the quarter, with higher housing starts. Production looks to recover strongly with a rebound in factory orders and durable goods output, so that overall Japanese output growth likely will accelerate. The rise in Japanese imports reflects the trailing effects of Yen weakness with a corresponding drop in Japan's imports. Lagged effects from the low Yen have kept Japanese inflation positive in line with world CPI and will continue to lift PPI.



Japan Annual Change Projections in Q1 2024

Source: Deuterium, Refinitiv

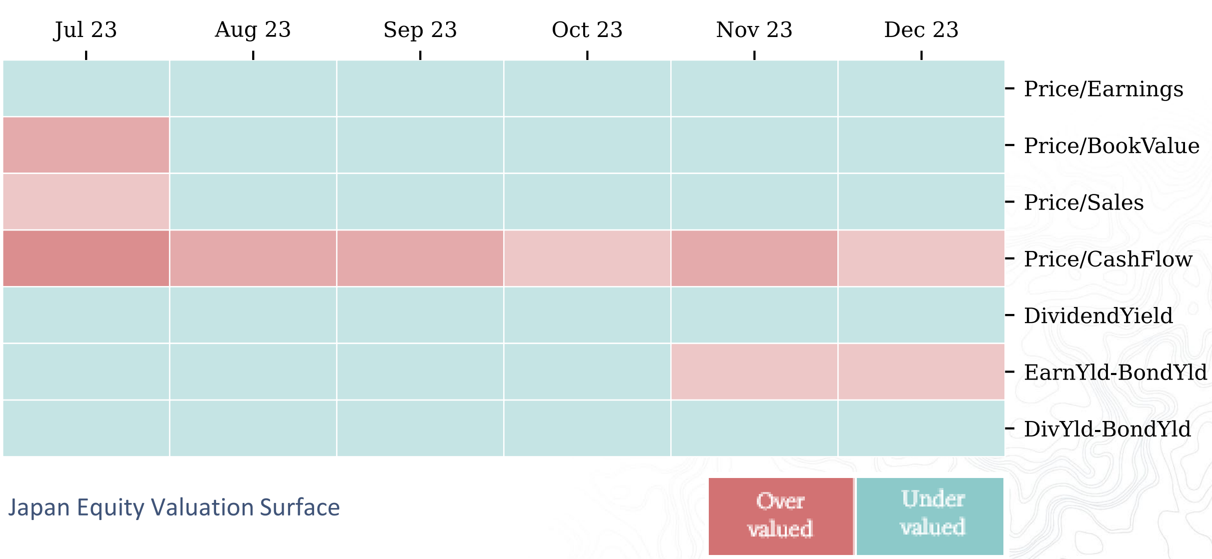
Market Valuations

Outlook Summary

Japan	Equities	Three Month Bills
	--	--

Market Valuations

Japanese shares are overvalued on price/cash flow and earnings yield to bond yield comparisons when measured against their historical averages. The Yen looks to be fairly valued.



Japan Equity Valuation Surface

Source: Deuterium, Refinitiv

DGDA models show that Japanese equities are overvalued on historical metrics

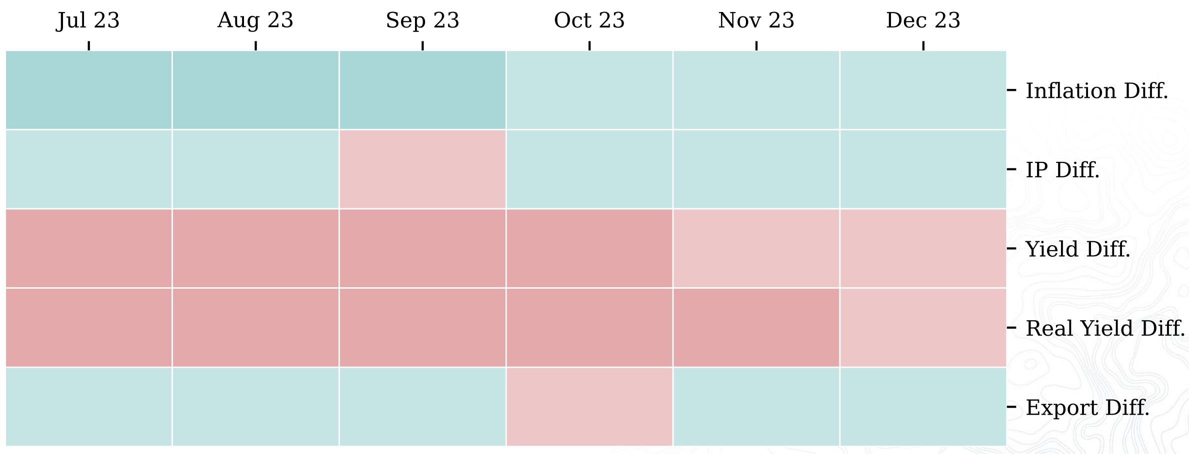
Monetary Policy and Transmission

Outlook Summary

Japan	JPY	Ten Year Bonds
	+	

Monetary Policy And Transmission

Japanese monetary authorities never aligned with their major economy counterparts in lifting directed interest rates, reflecting Japan's particular difficulties in countering deflationary pressures over past cycles. The BoJ's continued loose policy may become entirely in line with the other central banks as inflation heads lower in the major countries, and growth slows in the USA and China.



Japan Currency Valuation Surface

Over valued | Under valued

Source: Deuterium, Refinitiv

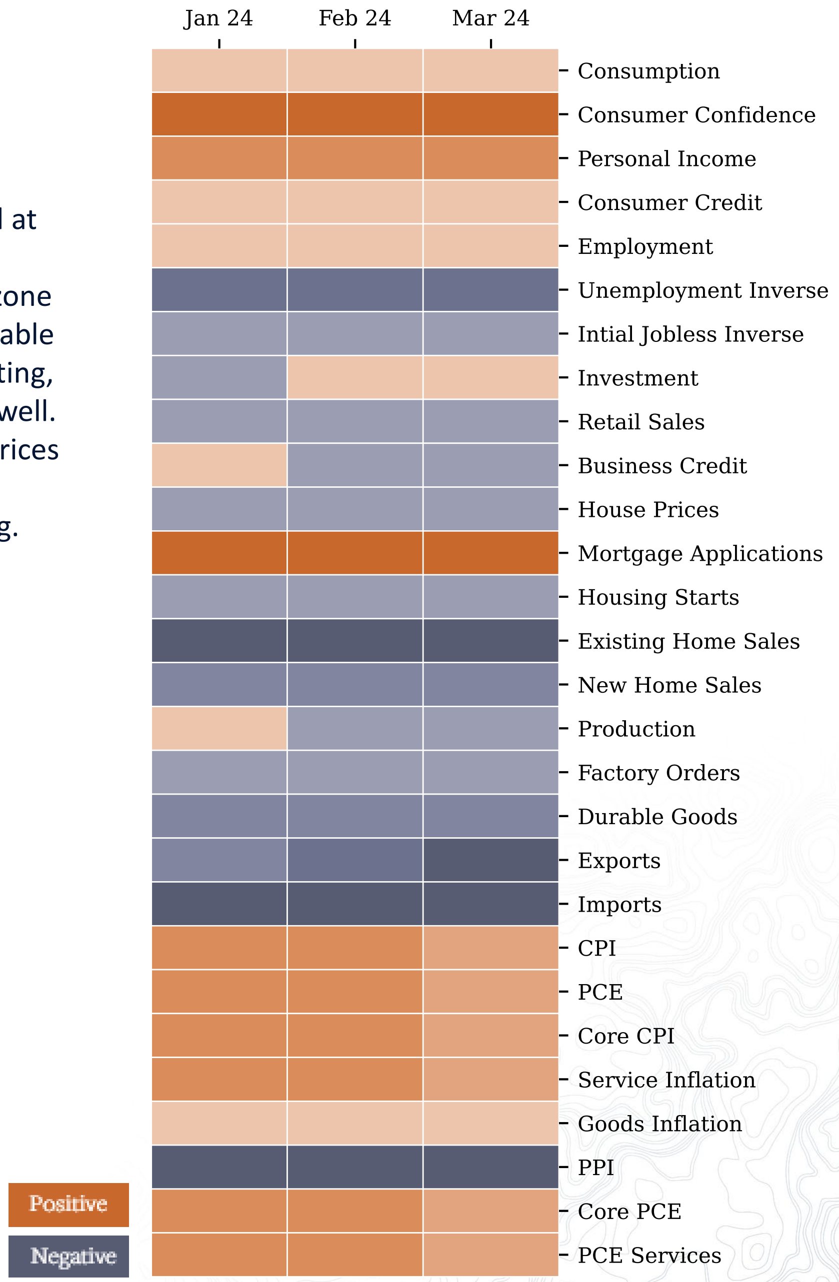
DGDA models show the JPY to be close to fair value with favourable relative inflation and positive relative output rates, but poor relative yield differentials

Eurozone Regional Investment Conclusions Q1 2024:

DGDA Economic Projection Surfaces

Economic Projections

DGDA models show expanding consumption in line with higher consumer confidence and personal income. Housing looks to be mixed at best, showing contractions in both existing and new home sales. Eurozone production, factory orders, and durable goods output will continue contracting, while trade activity will be poor as well. EMU inflation rates for consumer prices and goods inflation will continue to subside, with producer prices falling.



Eurozone Annual Change Projections in Q1 2024

Source: Deuterium, Refinitiv

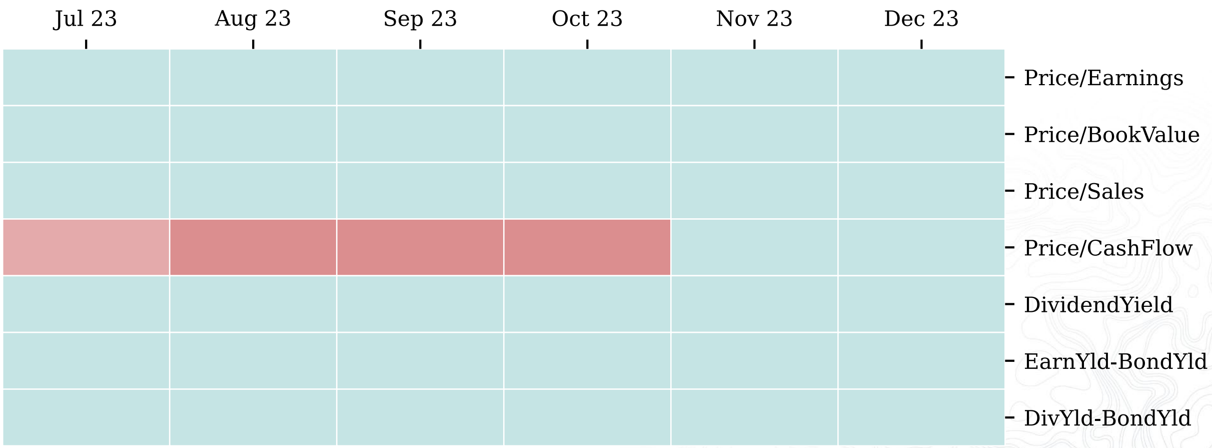
Market Valuations

Outlook Summary

Eurozone	Equities	Three Month Bills
		

Market Valuations

Eurozone equities are undervalued according to all measures, including comparisons of trailing earnings yields and dividend yields to long-maturity bond yields. They remain more attractive than US shares on nearly all metrics. Eurozone bonds still look to be somewhat overvalued given the Eurozone's high inflation, while the Euro shows as attractive.



Eurozone Equity Valuation Surface

Over valued | Under valued

Source: Deuterium, Refinitiv

DGDA models show EMU equities to be attractively valued on all measures including price to earnings, dividend yield, and earnings yield to bond yield comparisons

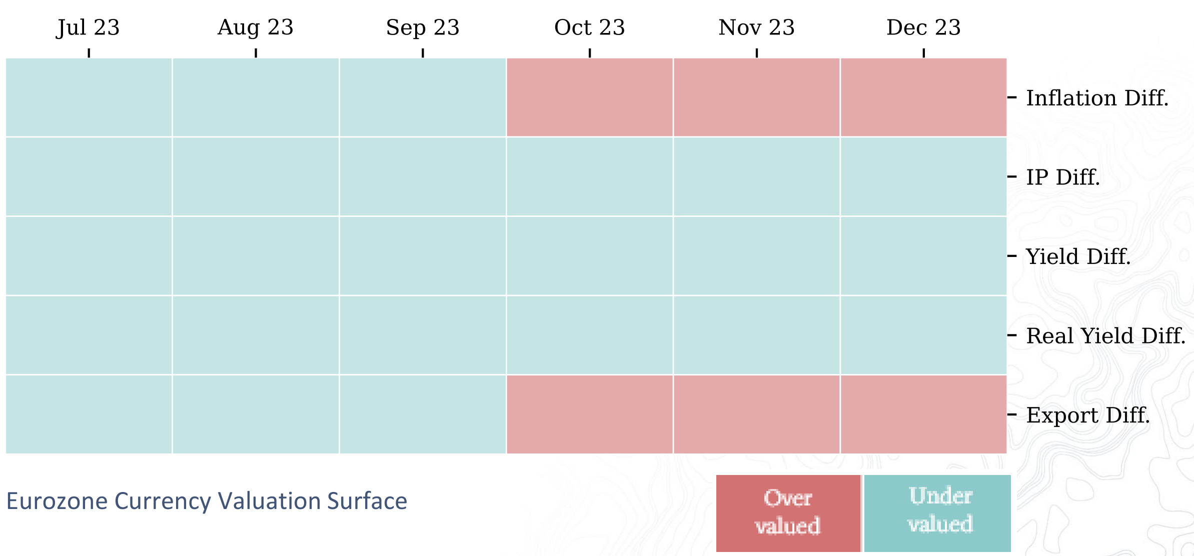
Monetary Policy and Transmission

Outlook Summary

Eurozone	EUR	Ten Year Bonds
		

Monetary Policy And Transmission

The ECB has followed the Federal Reserve's lead for monetary policy and likely will implement rate cuts immediately as the US central bank decides to do so. A reversal of monetary tightening also will mitigate relative pressures in sovereign fixed-income markets across the zone.



Eurozone Currency Valuation Surface

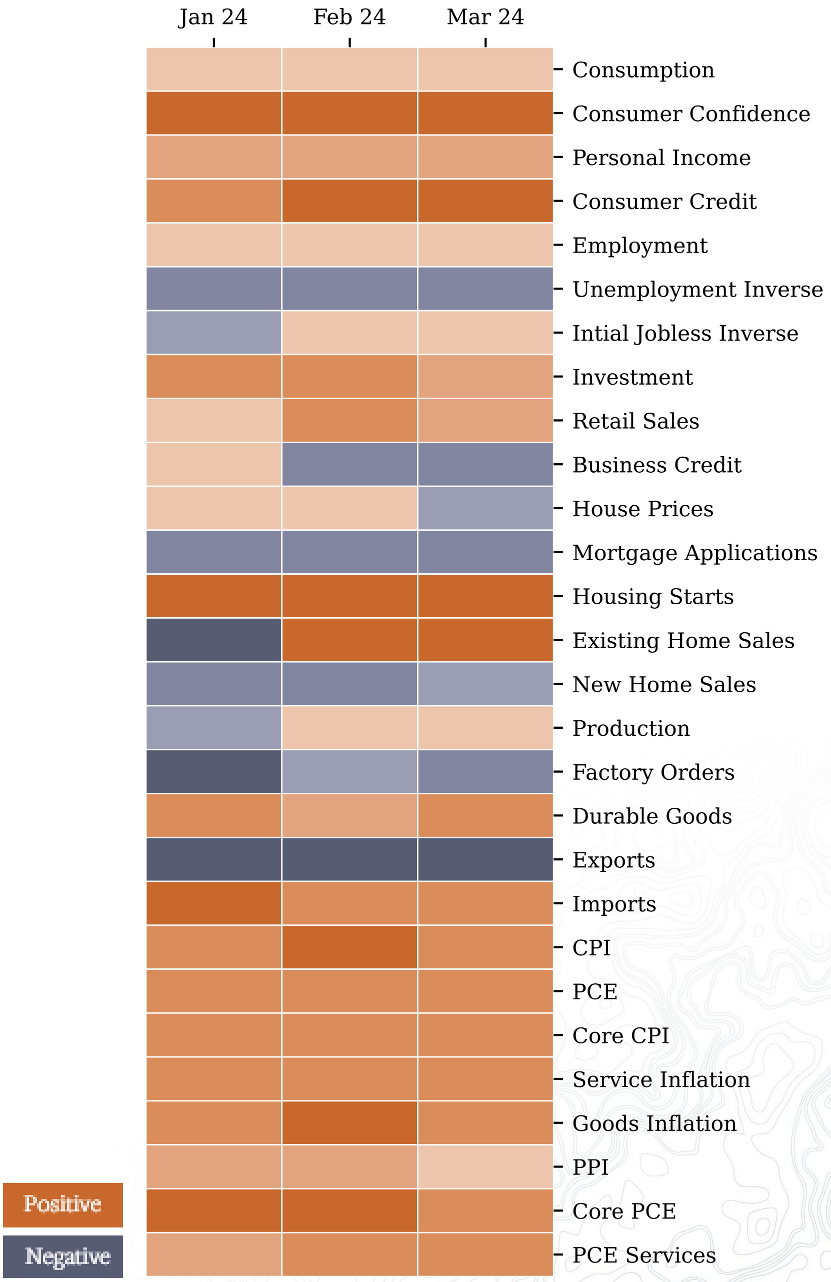
Source: Deuterium, Refinitiv

DGDA models show that the Euro looks to be fairly valued on historical yield comparisons

UK Regional Investment Conclusions Q1 2024:
DGDA Economic Projection Surfaces

Economic Projections

DGDA models show in Q1 2024 a better outlook for UK consumption bolstered by stronger confidence and higher consumer credit. UK rate hikes still are having negative effects on housing, so that UK mortgage applications and house prices will continue lower over the coming quarter. UK production and durable goods output look to recover despite weak orders and contracting exports. All UK inflation measures will remain among the highest of the major economies under review.



UK Annual Change Projections in Q1 2024

Source: Deuterium, Refinitiv

Market Valuations

Outlook Summary

UK	Equities	Three Month Bills
	--	+

Market Valuations

UK share valuations are very attractive and are more so than those for many major equity markets. The prior deep contractions in UK GDP, along with FTSE 100 companies often having global earnings tied to developing markets, have UK shares showing as undervalued across all metrics.

The Pound shows as undervalued. UK bonds look still to have somewhat expensive valuations given their low yields in real terms.

UK Equity Valuation Surface

Source: Deuterium, Refinitiv

DGDA models show UK equities to be very attractively valued on all measures including price to earnings and price to cash flow comparisons

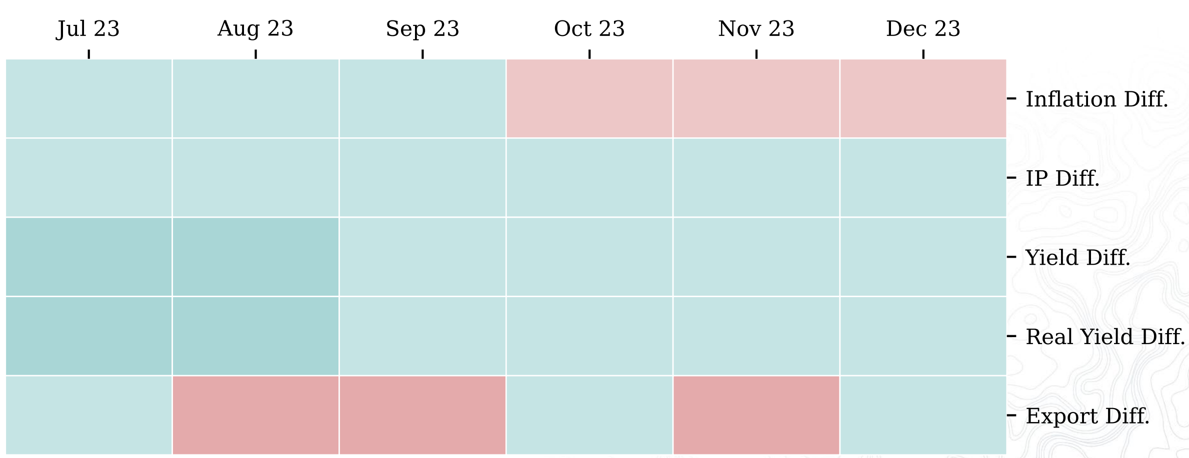
Monetary Policy and Transmission

Outlook Summary

UK	GBP	Ten Year Bonds

Monetary Policy And Transmission

The BoE was early to pivot to rate hikes when first faced with rapidly rising headline inflation; and sustained price rises put added pressure on the BoE to raise base rates. The US Federal Reserve's pause has allowed the BoE to halt rate hikes for now, and looser US policy eventually will be followed by the same in Great Britain. UK inflation is running higher than elsewhere, leaving the Pound with poor fundamentals.



UK Currency Valuation Surface

Over valued | Under valued

Source: Deuterium, Refinitiv

DGDA models show the Pound to be somewhat undervalued on measures including international yield and business cycle comparisons

Emerging, Far East ex Japan, and Commodity Markets

Regional Investment Conclusions Q1 2024

Outlook Summary

Emerging Equities	Far East Equities	Commodities
	--	

Economic Projections

Commodity prices likely will fall over the quarter as growth in world factory orders peaks on lesser output from the USA and China. Developing market economies that rely upon commodity exports for international reserves will be come under pressure from lower demand, with Far East economies most affected on the downside by China's slowdown. Valuations for developing equity markets have stayed very low in historical terms and remain among the most attractive worldwide.

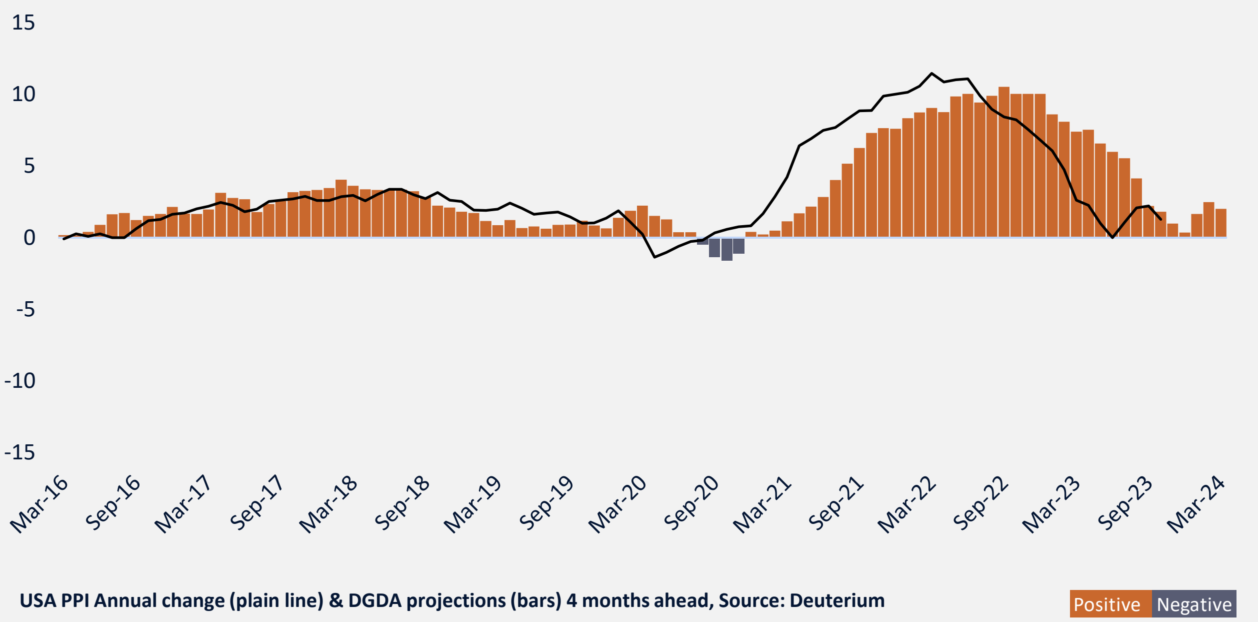
Monetary Policy And Transmission

Investors' expectations for central bank policies will soon shift to anticipations of rapid loosening. The Federal Reserve, will have to choose a monetary policy that reflects both a slowing economy and lower goods prices and shelter costs. The ECB followed the US central bank's lead so far in this cycle, and with Eurozone real interest rates low in comparison to those in the USA, the USD stayed high. That likely will reverse as US real yields come down. The Q1 2024 deceleration in the global economic cycle, even if it turns out to be only a temporary slowing of world production and trade growth, likely will be a headwind to developing region risk asset valuations.

Market Valuation And Sentiment

Shares for Far East ex Japan countries such as Taiwan are overvalued compared to historical measures, while those of developing markets such as Brazil show as attractive compared to their long-term averages.

DGDA models show the USA producer price inflation rate staying low during Q1 2024



USA PPI Annual change (plain line) & DGDA projections (bars) 4 months ahead, Source: Deuterium

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Lead Manager of the Deuterium Global Dynamic Allocation Fund
Head of Global Asset Allocation, Deuterium Capital Management, LLC

Before joining Deuterium in January 2021, John was the Head of Global Asset Allocation at Merian Global Investors (MGI). John co-founded Kestrel Investment Partners LLP in 2011, whose global asset allocation business was acquired by MGI. Prior to Kestrel, John served as the Head of Asset Allocation at Iveagh Limited between 2006 and 2011, where he launched the Iveagh Wealth Fund.

Earlier in his career, John cofounded Cursitor Management. Cursitor was one of the first firms to offer top-down, global asset allocation solutions for institutions. Upon the sale of Cursitor to Alliance Capital in 1996, John became the Head of Global Asset Allocation for AllianceBernstein, where he served until 2003. With AllianceBernstein, John also cofounded Bullrun Financial in 2000, a pioneer of quantitative portfolio strategies for institutions and advisers. John chaired the business through to 2010 when it was sold to Quantal International Inc.

About Deuterium

Deuterium Capital Management LLC ("Deuterium") managing more than $1 billion in assets, as of 31-Dec-2022 including $260 million in absolute return style, long/short, private fund assets, has launched its global macro hedge fund ("GDALS") on the same UCITS, daily-dealing platform as its long-only, multi-asset fund ("GDA"). GDALS Deuterium's Global Dynamic Allocation Long/Short Fund, looks to combine the best of quantitative macro fundamental analysis with decades of manager experience in a UCITS, daily dealing, global macro hedge fund. GDA The Deuterium Global Dynamic Allocation Long Only Fund, a UCITS, daily dealing, long only, multi asset fund with a ten-year track record has a 5-star Morningstar USD and 5-crown Trustnet GBP rating.

Deuterium's website can be viewed at www.deuterium.us

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Download fund data and read investment updates from this fund manager at www.**deuterium.us**

Important Disclosures

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The Deuterium Global Dynamic Allocation Fund (the "Fund") is an Undertakings for the Collective Investment in Transferable Securities ("UCITS"), a sub-fund of an Irish Collective Asset-management Vehicle ("ICAV") and is not marketed in the United States. Past performance results of the fund strategy include results of the Merian Global Dynamic Allocation Fund (the "Merian Fund") and are for illustrative purposes and are not necessarily indicative of future performance of the strategy. The Merian Fund was managed from its inception by John Ricciardi and with a substantively similar investment objective and investment process as the Fund. That being said, any performance results portrayed for the Merian Fund relate only to the investment strategy employed for the Merian Fund over the specified investment period. No direct comparison should be presumed between the Merian Fund and Fund or any other current or future funds managed by Deuterium. No representation is being made that any portfolio managed by Deuterium will or is likely to achieve results similar to those of the Merian Fund, and this data is provided for informational purposes only.

Simulated/Hypothetical performance results are unaudited and do not reflect actual results of the current Fund. Simulated/Hypothetical performance results are for illustrative purposes only and are not necessarily indicative of performance that would have been actually achieved if an investment utilized the current strategy during the relevant periods, nor are these simulations necessarily indicative of future performance of the strategy. The graphs, charts and other visual aids are provided for informational purposes only. None of these graphs, charts or visual aids can of themselves be used to make investment decisions. No representation is made that these will assist any person in making investment decisions and no graph, chart or other visual aid can capture all factors and variables required in making such decisions. An investment with Deuterium is speculative and involves significant risks, including the potential loss of all or a substantial portion of invested capital, the use of leverage, and the lack of liquidity of an investment.

This document contains forward-looking statements. The opinions, forecasts, projections or other statements, other than statements of historical fact, are forward-looking statements. Actual events or results or the actual performance may differ materially from those reflected or contemplated in such statements. Prospective investors should pay close attention to the assumptions underlying the analyses and forecasts contained in this presentation, which are based on assumptions believed to be reasonable in light of the information presently available. Such assumptions may require modification as additional information becomes available. Nothing contained in this presentation may be relied upon as a guarantee, promise, assurance or a representation as to the future. These statements have not been reviewed by anyone outside of Deuterium and while Deuterium believes these statements are reasonable, they do involve a number of assumptions, risks and uncertainties. References to market or composite indices or other measures of relative market performance over a specified period of time are provided for information only. Reference or comparison to an index does not imply that the portfolio will be constructed in the same way as the index or achieve returns, volatility, or other results similar to the index. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs or any performance fees. Unlike indices, the Fund will be actively managed and may include substantially fewer and different securities than those comprising each index.

Morningstar USD Flexible Allocation: Flexible Allocation portfolios have a largely unconstrained mandate to invest globally in a range of asset types. These portfolios tend to hold regularly rotating positions in stocks, bonds, commodities, cash, and their related derivatives. These funds may exhibit characteristics fitting cautious allocation, moderate allocation, or aggressive allocation at any point in time. They may also regularly rotate between countries and regions. These portfolios typically hold from 20% to 80% of exposure in equities and between 20% to 80% of exposure in fixed income and cash. Morningstar CHF Moderate Allocation: CHF Moderate Allocation funds have a mandate to invest in a range of asset types for a CHF-based investor. The equity component will usually be between 35% & 65% in the normal running of the fund. These portfolios tend to hold regularly rotating positions in stocks, bonds, commodities, cash, and their related derivatives. These funds may exhibit characteristics fitting cautious allocation, moderate allocation, or aggressive allocation at any point in time. They may also regularly rotate between countries and regions. Morningstar EUR Flexible Allocation – Global: funds have a largely unconstrained mandate to invest globally in a range of asset types for an EUR-based investor. Funds in this category may have up to 30% gross exposure allocated to alternative sub-strategies. These portfolios tend to hold regularly rotating positions in stocks, bonds, commodities, cash and their related derivatives. These funds may exhibit characteristics fitting cautious allocation, moderate allocation, or aggressive allocation at any point in time. They may also regularly rotate between countries and regions. Morningstar GBP Flexible Allocation: funds have a mandate to invest in a range of asset types including equities, bonds, property, commodities, cash and liquid alternatives for a GBP-based investor. These portfolios tend to exhibit a 'home bias' but have a largely unconstrained mandate to invest in a mix of equity and non-equity securities. Funds in this category may have up to 30% gross exposure allocated to alternative sub-strategies.

A decision to invest should take into account all of the objective and characteristics of the fund as set out in more detail in the fund documents. The relevant articles of association, prospectus, supplement and key investor information document (KIID) and/or PRIIPs KID, available in English, and the latest annual/semi-annual report (as applicable) are available free of charge by clicking on https://www.deuterium.us/. Complete information on the risks of investing in the Fund are set out in the Fund's prospectus. A summary of your investor rights is available in English by clicking on https://www.deuterium.us/

The on-going charges are the fees the Fund charges to investors to cover the costs of running the Fund. Additional costs, including transaction fees, will also be incurred. These costs are paid out by the Fund, which will impact on the overall return of the Fund. For the avoidance of doubt, if you make a decision to invest, you will be buying shares in the Fund and will not be investing directly in the underlying assets of the Fund.