Deuterium Global Dynamic Allocation

Quarterly Strategy Report Q3 2023

30 June 2023

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DGDA Investment and Economic projections for Q3 2023

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

CNBC John Interview

29th May 2023

https://youtu.be/M-Jv8tBoG0E

Deuterium Global Dynamic Allocation Outlook for Q3 2023: Global Recovery

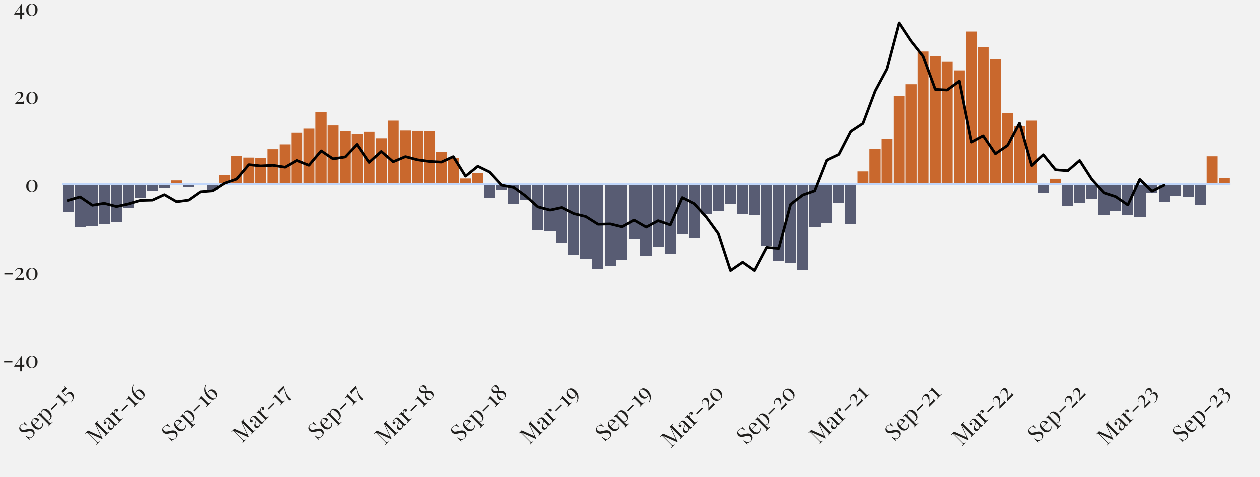
Risk asset valuations likely will continue higher in Q3 2023, finding support from lower worldwide inflation and the initial signs of an upturn in global output. Major bond markets will benefit from further falls in producer prices and subsiding headline inflation signalling that the pace of central banks tightening will slow significantly or stop. Higher global aggregate demand and an unexpectedly strong expansion in world factory orders likely will lift risk asset performance during the quarter. Equity valuations will rise to reflect upside revisions to corporate earnings projections upon improving global financial conditions and higher global growth.

In Q3 2023 US fiscal, monetary and immigration policies probably will have the US Dollar exchange rate stabilizing at a lower rate. The increase in US government debt/GDP from 82% to 137%, the costs of a high flux of illegal immigration, and the US working-age male labour participation rate among the lowest in the OECD still are indicative of structural currency weakness not fully reflected in present USD exchange rates. These structural factors likely probably will keep the US Dollar exchange rate lower than might be expected in the first stage of a worldwide economic recovery.

The high US headline inflation that brought real wages negative and lowered US disposable income growth is headed down quite rapidly. US producer prices and goods prices already have fallen below their levels of a year ago, and the rental inflation figures pushing up headline CPI now are negative as well. Lower inflation will boost US consumption and retail sales growth, even as lower commodity prices favour a move to expansions in global factory orders, durable goods, and exports.

Investor anticipations of an eventual Federal Reserve shift away from monetary tightening likely will continue keep the US Dollar low against its principal counterparts, while a bottom in the global business cycle, along with improving financial conditions worldwide, will support risk asset valuations, in particular those of major non-US equity and developing market shares.

Deuterium Global Dynamic Allocation models project that world factory orders will recover in Q3 2023



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

DGDA Market Projections for Q3 2023:

DGDA projections for Q3 2023	At 30 June 2023	Market moves projected for end Q3 2023
USA		
3 Month yields	5.31%	
10 Year yields	3.81%	
US Dollar Index	102.9	--
S&P 500 Index	4450	+
China		
3 Month yields	2.27%	
Chinese Yuan	0.14	--
MSCI China	61	
Japan		
3 Month yields	-0.13%	--
10 Year yields	0.4%	
Japanese Yen	0.0069	+
Topix Share Index	2289	
EMU		
3 Month yields	3.37%	--
10 Year yields	2.39%	
Euro	1.09	+
Euro Stoxx 50 Share Index	4399	
UK		
3 Month yields	5.18%	--
10 Year yields	4.39%	
British Pound	1.27	+
FTSE 100 Share Index	7532	
Commodity Markets		
All Commodities	482	+
Oil & Energy	346	
Gold & Precious Metals	552	

Source: Deuterium, Refinitiv

bearish	negative -	neutral	positive +	bullish

DGDA Global Investment Conclusions : Add to Risk

1. World Inflation will continue subsiding sufficiently during the quarter to bring forward investors' expectations of when global central banks will stop raising directed interest rates, even as global output will begin to expand. Lower major market bond yields in Q3 2023 will have begun to create much improved global liquidity conditions, in particular benefitting risk assets that are favoured in global cycle upswings.

Market Projections

Major Equities	Positive	+
Developing Equities	Positive	+
Oil, Industrial Commodities	Neutral	
Major Bonds	Neutral	
Developing Bonds	Neutral	
US Dollar	Negative	--
Japanese Yen	Positive	+
Euro	Positive	+
British Pound	Positive	+

2. Central banks have continued to announce further expected monetary tightening and to implement significant rapid, rate hikes. Lower US price pressures, and subsiding headline CPI elsewhere, may have investors again anticipating a halt to directed rate rises. While the US central bank pauses to assess by how much domestic inflation will lag policy effects, the ECB and BoE may have to take into account the external dampening effects on their domestic price levels that come from their higher exchange rates versus the USD.

Monetary Policy Projections

USA	Neutral
China	Loose
EMU	Tightening
Japan	Tightening
UK	Tightening

3. In Q3 2023 the US and European economies will shift to expansions in aggregate demand and production growth, while in the Far East industrial activity will begin to recover in line with higher worldwide exports. The Chinese economy nonetheless looks to grow at very low expansion rates for both production and consumption compared to previous cycles.

Economic Projections

USA	Expansion
China	Slowing
EMU	Starting Expansion
Japan	Starting Expansion
UK	Starting Expansion

Global Economic signals have shifted for the better across the board for Q3 2023: Global Output Rising

DGDA projections for production, orders, and exports show that industrial activity will rebound in effectively all regions, signalling the start of a global cycle expansion in Q3 2023,

Global Production Monitors (+/- 1)

Production Monitor	Production	Orders	Exports	Direction	Average
USA				↑	0.15
Europe				↓	-0.03
Japan				↑	0.12
UK				↓	-0.06
Canada				↑	0.43
France				↓	-0.11
Switzerland				↓	-0.06
Germany				↓	-0.05
Australia				↑	0.34
Netherland				↑	0.09
Spain				↓	-0.17
Sweden				↓	-0.02
Italy				↓	-0.03
China				↓	-0.30
South_Korea				↑	0.10
Taiwan				↓	-0.28
Hong_Kong				↓	-0.08
Singapore				↑	0.03
Indonesia				↑	0.10
Thailand				↑	0.02
India				↑	0.13
Brazil				↓	-0.08
Russia				↑	0.01
Mexico				↓	-0.12
South_Africa				↑	0.24

Source: Deuterium

Best Worst

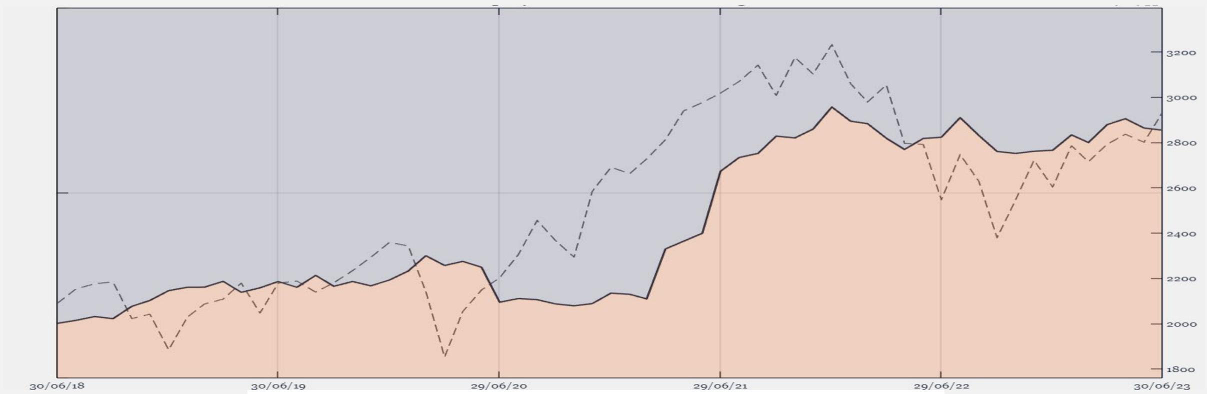
Our indicators for industrial activity all have rebounded from their very negative readings at the start of this year, with every one now either close to neutral or showing as positive. These projections for production, factory orders, and durable goods suggest a shift to expanding worldwide growth in the coming quarter. Higher real wages, improving trade, and better financial conditions will lessen the headwinds to worldwide demand, putting a floor under global output.

Lagged policy effects and flat US housing prices will keep inflation subsiding; while our models indicate that industrial output in the major economies likely will begin a recovery, accelerating for the first time in since the end of 2021.

Non-US Developed and Emerging Equity Markets: Very Attractive Valuations

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

World equity index percent change from its historical valuation



Source: Deuterium

US equities show as overvalued, with most other major markets except those of China and Japan well below fair value. UK, EMU, Far-East, and Emerging market equities show very attractive valuations.

COUNTRY	Current Price	Target Price	Price Move required to get to target price
World	2930	2854	-2.6%
EAFE	2127	2274	6.9%
United States	4382	4130	-5.7%
EMU	4304	4926	14.4%
Japan	33265	28508	-14.3%
United Kingdom	7502	9126	21.6%
Canada	19581	21794	11.3%
France	7203	8282	15.0%
Switzerland	11183	11033	-1.3%
Germany	15988	19463	21.7%
Australia	7196	7960	10.6%
Netherlands	759	872	14.9%
Spain	9365	9192	-1.8%
Sweden	2235	2275	1.8%
Italy	27410	37850	38.1%
Asia Ex Japan	568	607	6.9%
China	6506	5721	-12.1%
South Korea	2594	2522	-2.7%

COUNTRY	Current Price	Target Price	Price Move required to get to target price
Taiwan	17202	18713	8.8%
Hong Kong	19218	17749	-7.6%
Singapore	3222	3285	1.9%
Indonesia	6652	9710	46.0%
Malaysia	1395	1862	33.5%
Thailand	1509	1614	6.9%
Philippines	6405	7986	24.7%
Emerging	1001	1055	5.4%
India	63239	67347	6.5%
Brazil	118934	163236	37.2%
Russia	2816	4018	42.7%
Mexico	53563	61424	14.7%
Turkey	5428	6368	17.3%
Resource	361	438	21.5%
South Africa	75106	84422	12.4%
Colombia	1142	1713	50.0%
Chile	5763	8514	47.7%
Argentina	415186	282769	-31.9%

Source: Deuterium, Refinitiv

Negative Positive

Global Asset Allocation Conclusions for Q3 2023: Add to Risk

While the inverted US yield curve and falling leading indicators are calling for an eventual US recession, our models show that it is not for now. On the contrary, our projections across the consumption, investment, production, and price surfaces, country by country for all the regions, outline for Q3 2023 the start of at least a temporary recovery in global growth. They suggest that the sum of corporate balance sheet effects on investment, improved equity valuations, greater household liquidity, and higher household wealth effects on consumption will outweigh the negative effects from higher interest rates. The overall effect will be an amelioration of financial conditions that will start to lift world consumption and output, so that the economic environment likely will become supportive of risk asset valuations, given the very attractive levels for most equity markets.

Major non-US and Developing Markets are very undervalued

US equities are overvalued compared with historical averages for standard measures, with shares in most US sectors above their five-year averages for prices compared to earnings, sales, book value, cash flow, and dividends. In terms of their valuation metrics, shares in the materials and energy sectors remain substantially below their levels for fair value, while two large capitalization sectors, information technology and communication services, after rebounds this year are above their five-year averages. While US equity overvaluation gives a slight negative to world shares, 13 of the 34 equity markets under review show very attractive valuations at present, while only those of China and Japan among the majors are very expensive.

Inflation subsiding

In Q3 2023, slowing inflation rates will again bring down expectations for further monetary tightening and likely will leave interest rates stable or at somewhat lower levels worldwide. Those lesser headwinds and the start of a global recovery will lead investors to lift current poor projections for equity fundamentals and corporate profits, and to look to better fundamentals during the coming quarter's upturn of the global economic cycle. Inflation rates will continue to decline sufficiently to alleviate remaining pressure on interest rates during the quarter, while commodity and energy prices may find a floor at the start of a global cycle rebound, even if China shows much slower growth than expected. Producer prices, now negative, lead consumer prices, while broad money supply growth leads overall inflation by two years. Given those measures, headline inflation will be headed down.

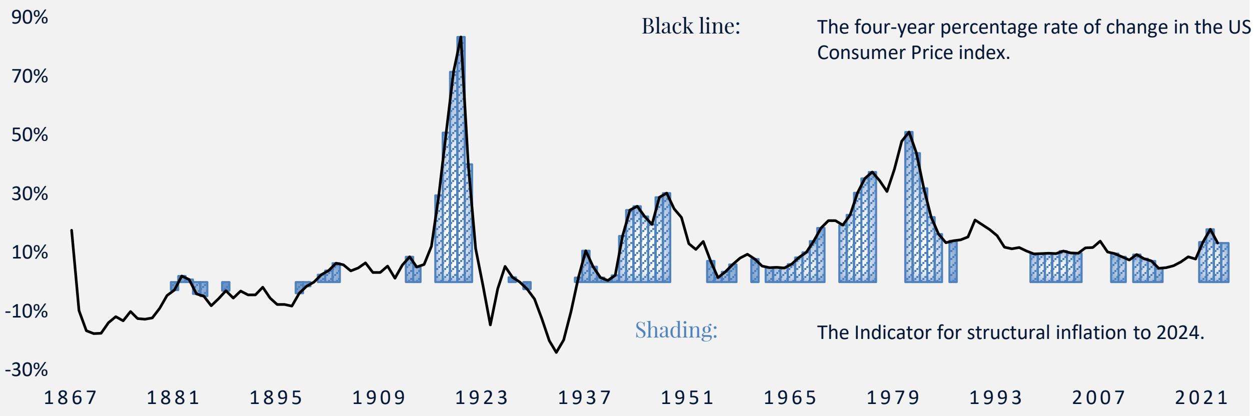
Pro-Cyclical sectors favoured

Central bank policy tightening, still in effect across the major regions, will be brought into question when the US inflation rate continues lower even as US consumption, industrial production, and export growth show expansions. With an upturn in the US cycle, large US sectors such as technology and consumer discretionary will outperform, while shares in US interest-sensitive sectors will do less well.

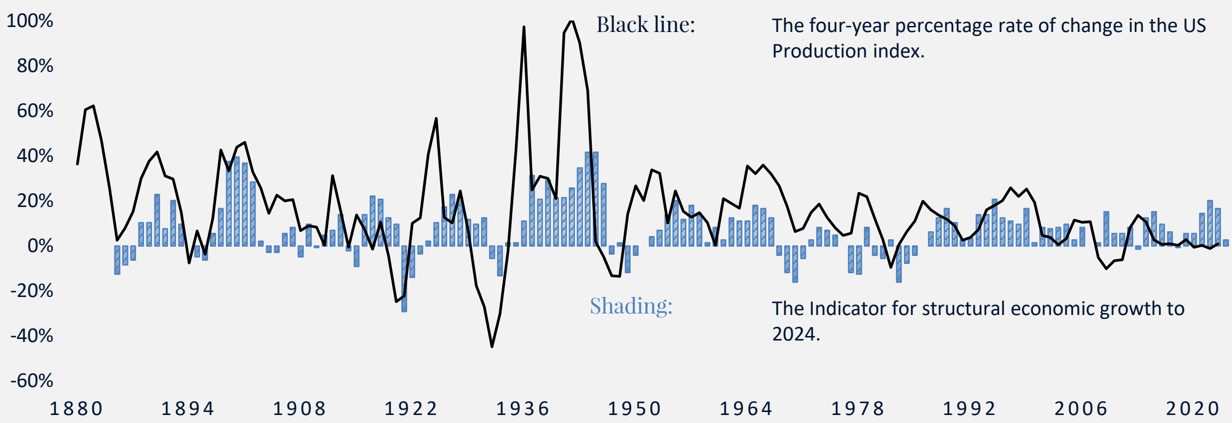
Deuterium Projections 1880-2024: Moderating Inflation

Our Q3 2023 projections for inflation to subside from a relatively high rate, and industrial activity growth to begin to expand during the quarter, are in line with our structural projections for US CPI and production through end 2023, 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 evolution of prices and industrial activity were money supply, commodity prices, interest rates, fiscal policy, and output. These therefore lay behind the booms and bust in the equity, precious metals, and bond markets. Our quarterly projections for inflation to move lower are consistent with our historical projections, available on our website.

USA Regional Investment Conclusions Q3 2023:
DGDA Economic Projections

Economic Projections

Deuterium Global Asset Allocation models project that US consumption will be expanding at a steady rate next quarter, with consumer confidence rebounding strongly 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 recover more quickly than overall US production. During Q3 2023, measures of US service inflation will stay high, but goods and producer prices will decelerate during the quarter.

USA Annual Change Projections in Q3 2023

Source: Deuterium, Refinitiv

Market Valuations

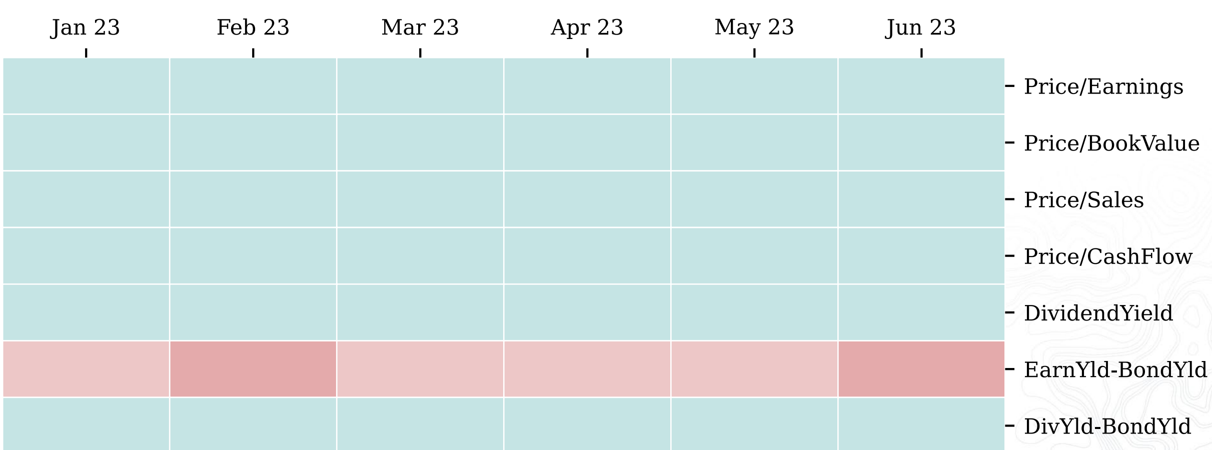
Outlook Summary

USA	Equities	Three Month Bills
	+	

Market Valuations

Equity valuation metrics show that US shares less overvalued than they have been for most of the past two years. Comparisons of nearly all US equity metrics such as trailing earnings and dividend yields against US bond yields now are below historical bounds.

Federal Reserve policy interventions and lower reported US inflation 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

Over valued | Under valued

Source: Deuterium, Refinitiv

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

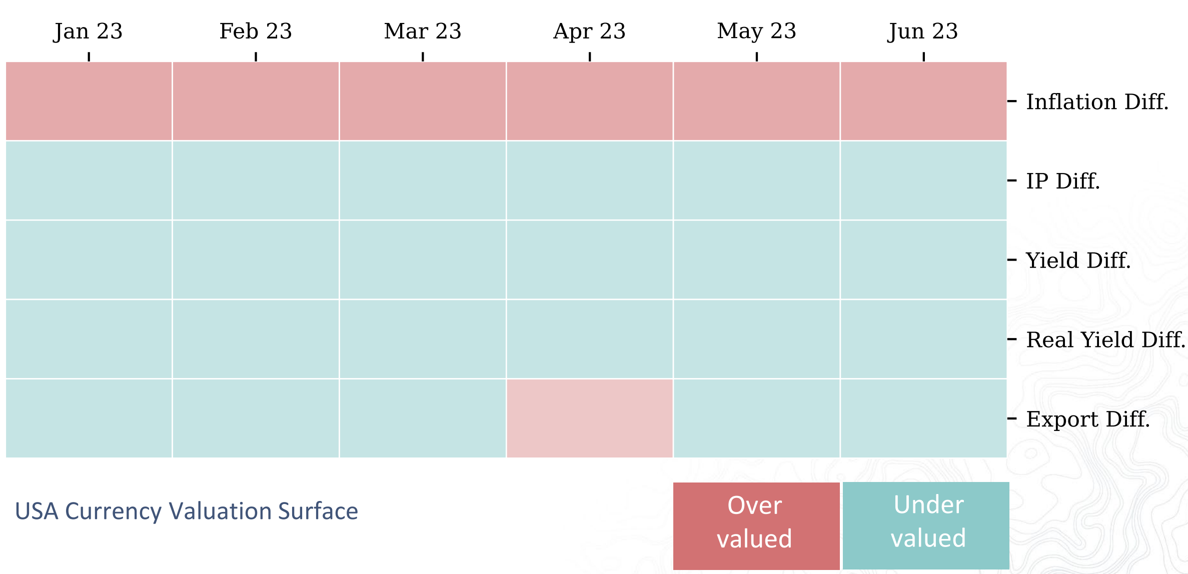
Monetary Policy and Transmission

Outlook Summary

USA	USD	Ten Year Bonds
		

Monetary Policy and Transmission

DGDA models suggest that US inflation rates will subside again over the course of Q3 2023, so that the Federal Reserve's upward pressure on US short-term interest rates may appear less necessary, even as rebounds in US consumption and industrial growth materialize during the quarter.



USA Currency Valuation Surface

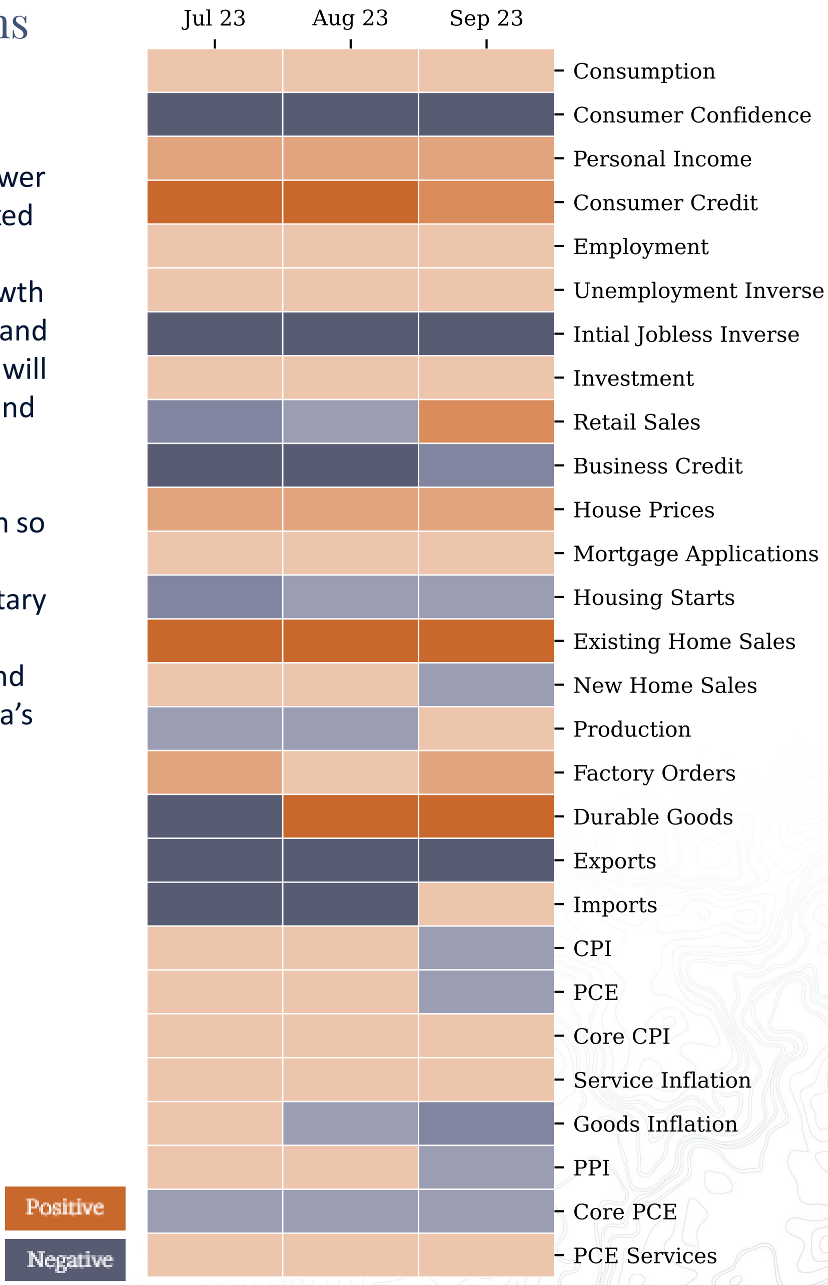
Source: Deuterium, Refinitiv

DGDA models show the USD to be fairly valued with poor inflation differentials but favourable relative output trends, international real yield comparisons, and external account measures

China Regional Investment Conclusions Q3 2023:
DGDA Economic Projections

Economic Projections

DGDA models show that real output growth in China will encounter headwinds from lower consumer confidence and mixed housing conditions. Industrial activity will show positive growth in production, factory orders, and durable goods. External trade will slow significantly. Consumer and producer prices will continue decelerating over the quarter, with inflation now low enough so that Chinese authorities can implement even looser monetary policy in order to alleviate the stresses that property price and credit issues have put on China's financial system.



China Annual Change Projections in Q3 2023

Source: Deuterium, Refinitiv

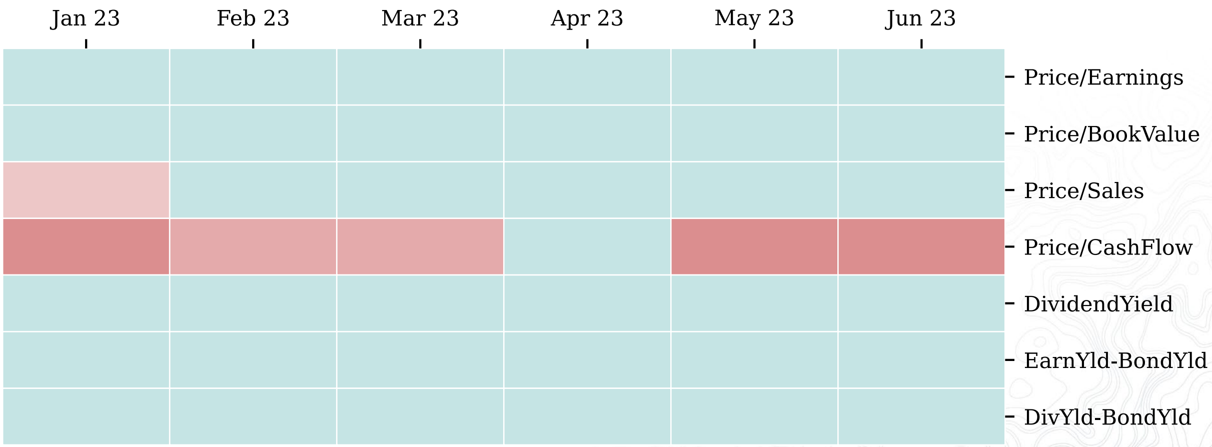
Market Valuations

Outlook Summary

China	Equities	Three Month Bills
		

Market Valuations

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



China Equity Valuation Surface

Over valued | Under valued

Source: Deuterium, Refinitiv

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

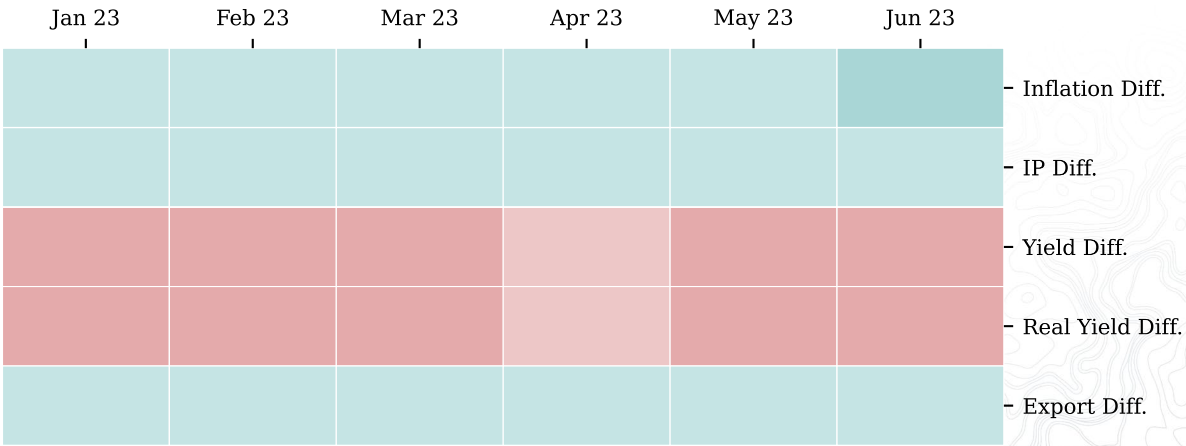
Monetary Policy and Transmission

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. China's monetary channels show positive transmission effects into the real economy, which should lead through support for consumption and production.



China Currency Valuation Surface

Over valued | Under valued

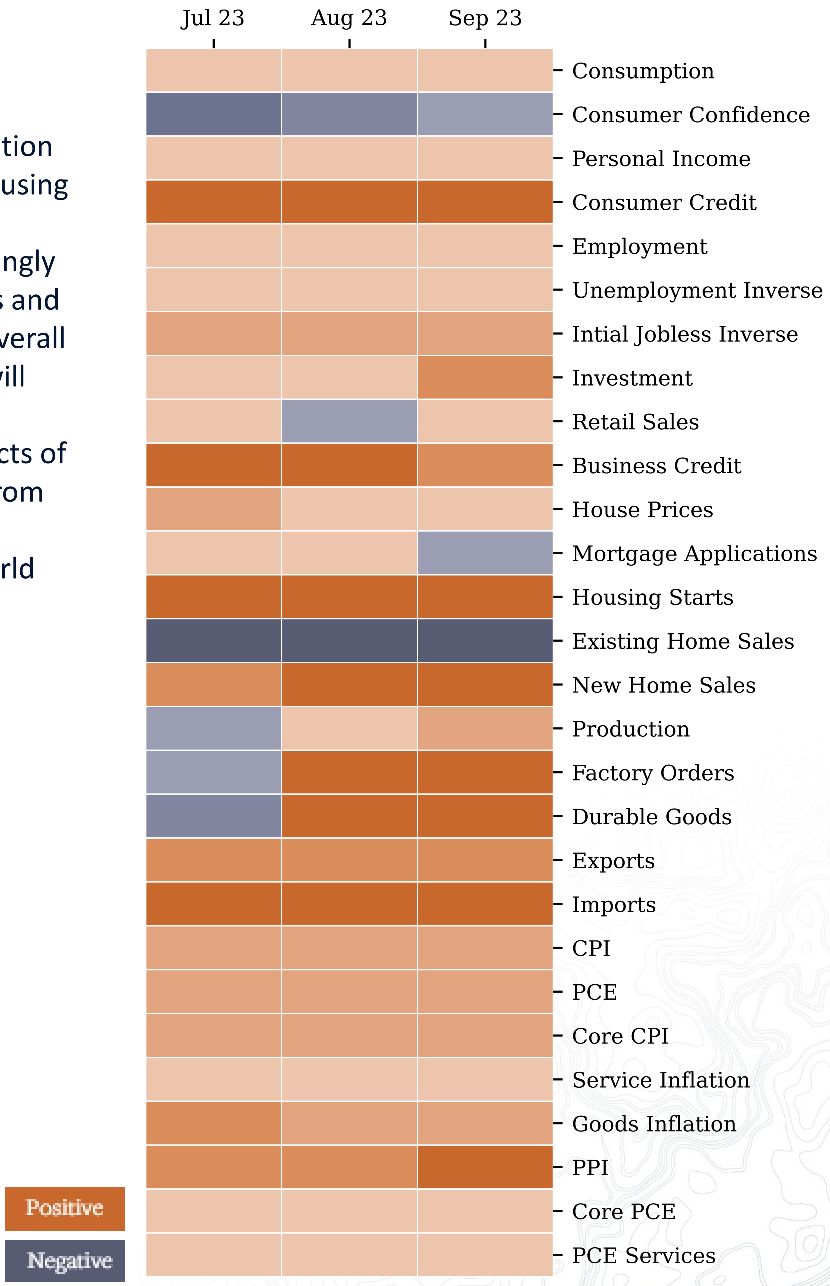
Source: Deuterium, Refinitiv

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

Japan Regional Investment Conclusions Q3 2023:
DGDA Economic Projections

Economic Projections

DGDA models show a steady expansion in Japanese consumption over the quarter, with higher housing starts and new home sales. 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. Lagged effects from the low Yen have kept Japanese inflation positive in line with world CPI and will lift PPI measures by quarter end.



Japan Annual Change Projections in Q3 2023

Source: Deuterium, Refinitiv

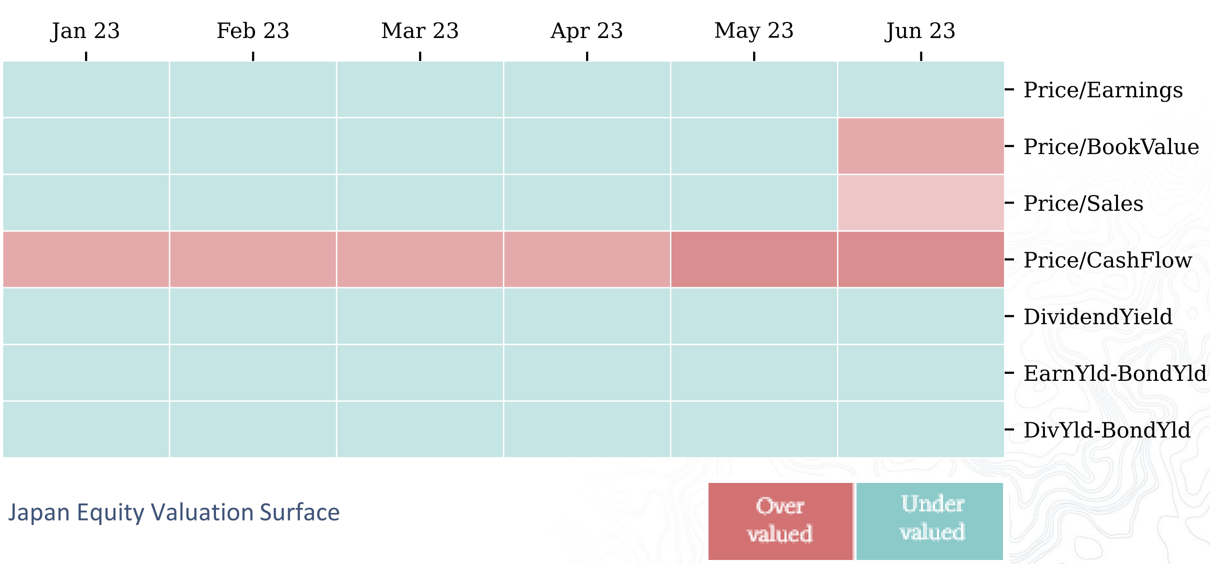
Market Valuations

Outlook Summary

Japan	Equities	Three Month Bills

Market Valuations

Japanese shares are near fair value, with several metrics such as price/earnings and earnings and dividend yields compared to long-term bond yields showing as attractive when measured against their historical averages. The Yen looks to be fairly valued.



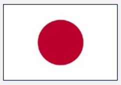
Japan Equity Valuation Surface

Source: Deuterium, Refinitiv

DGDA models show that Japanese equities are near fair value on historical metrics

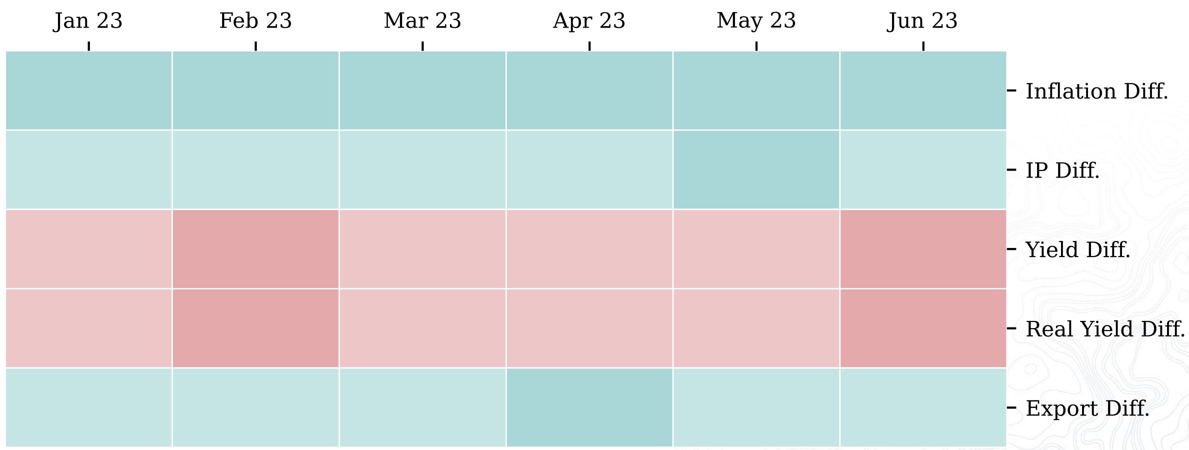
Monetary Policy and Transmission

Outlook Summary

Japan	JPY	Ten Year Bonds
		

Monetary Policy And Transmission

Japanese monetary authorities have yet to align 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 less at odds with the other central banks as inflation heads lower in the major countries, allowing the Yen to move higher once again.



Japan Currency Valuation Surface

Source: Deuterium, Refinitiv

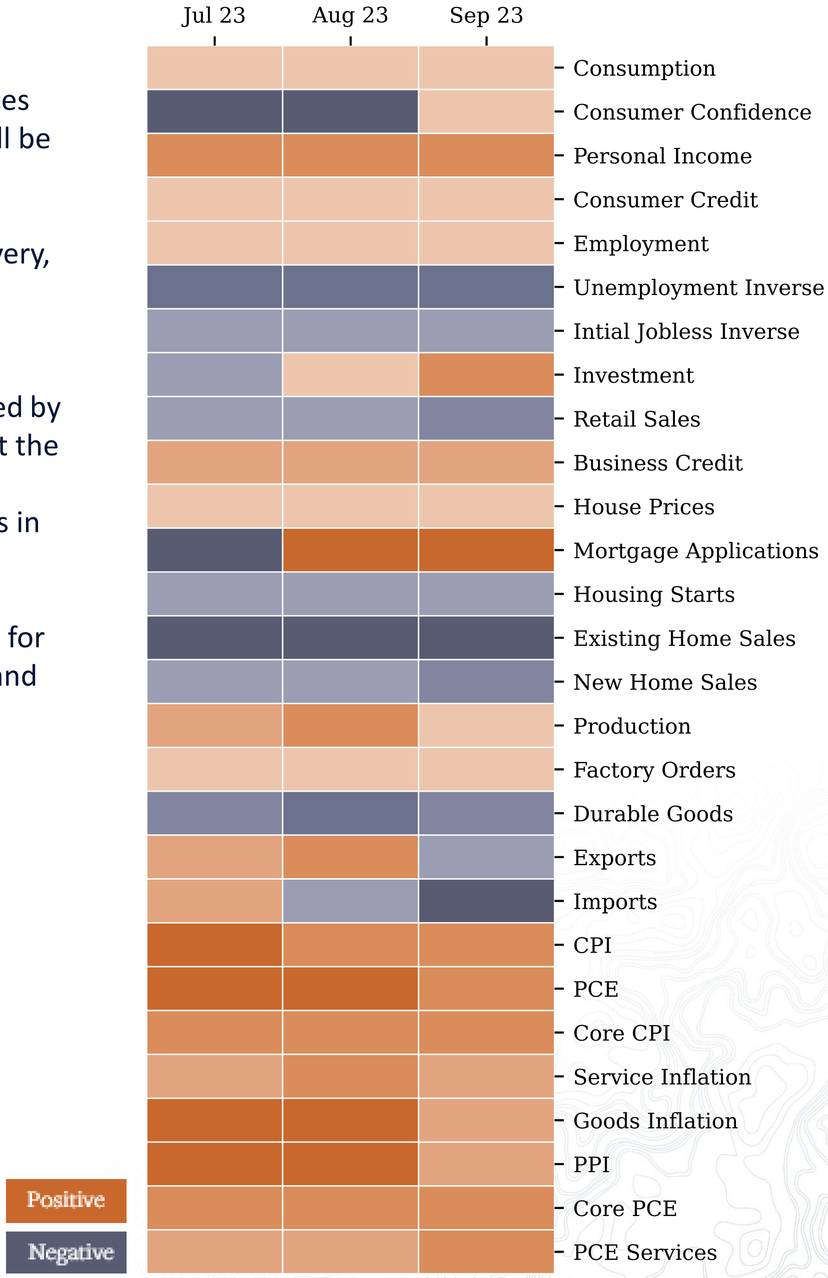
DGDA models show the JPY to be close to fair value with favourable relative inflation and positive relative output rates, but poor relative yield differentials

Eurozone Regional Investment Conclusions Q3 2023:

DGDA Economic Projection Surfaces

Economic Projections

DGDA models show that house prices and mortgage applications likely will be positive over the quarter, despite weaker starts and sales. The EMU consumption surface shows a recovery, with rising personal income and a rebound in consumer confidence.
As in Japan, the expansion in both export and import growth, prompted by last year's Euro depreciation against the USD, will fade by late Q3 2023.
Moderately positive annual changes in EMU production and factory orders suggest higher Eurozone industrial activity growth. EMU inflation rates for consumer prices, producer prices, and goods inflation look to stay high.



Eurozone Annual Change Projections in Q3 2023

Source: Deuterium, Refinitiv

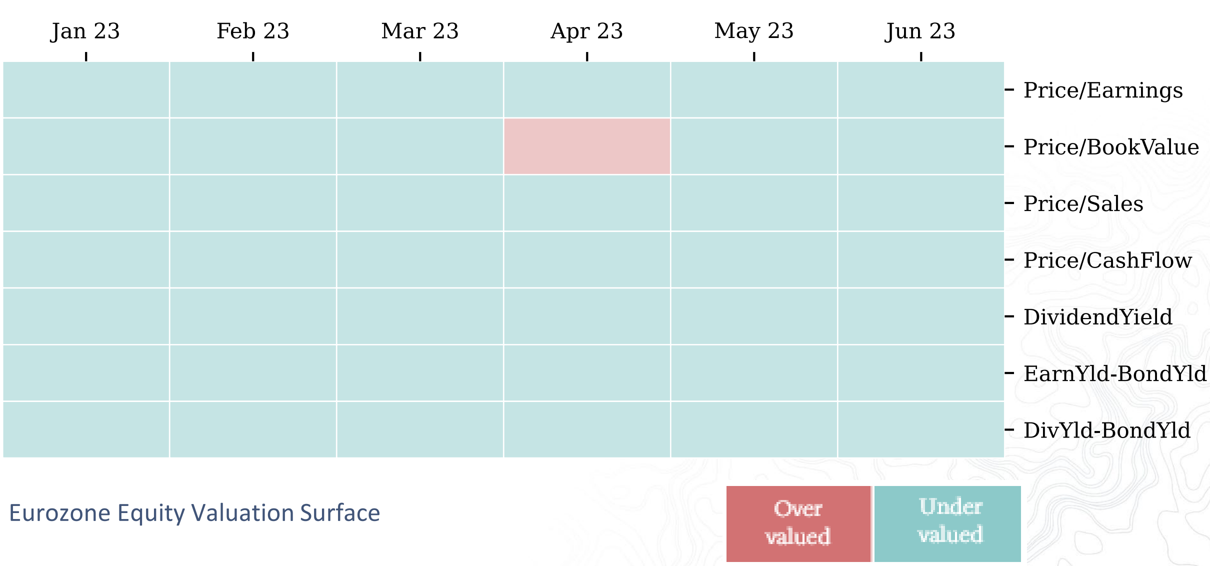
Market Valuations

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 most 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

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 declared its firm commitment to further tightening in order to counter Eurozone inflation, all the while stating that it will intervene to support sovereign fixed-income markets as needed across the zone. The ECB's alignment with the US Federal Reserve's policy shift to tightening kept upward pressure on EMU short-term interest rates, but the current move away from monetary tightening in the USA will bring into question how much higher rates across the Eurozone will need to rise during the coming quarter.

Eurozone Currency Valuation Surface

Over valued | Under valued

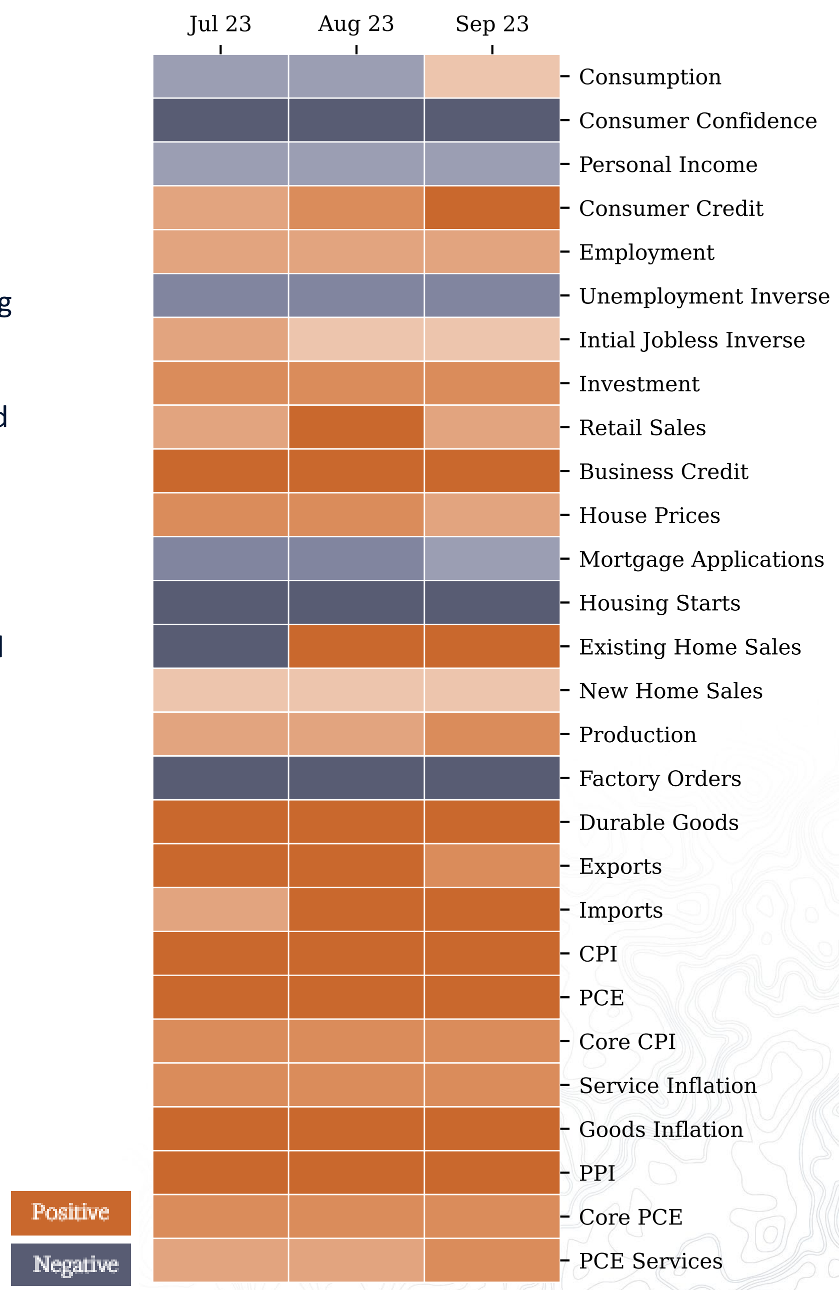
Source: Deuterium, Refinitiv

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

UK Regional Investment Conclusions Q3 2023:
DGDA Economic Projection Surfaces

Economic Projections

DGDA models show for most of Q3 2023 a poor outlook for UK consumption, constrained by weak confidence and lower personal income. With UK rate hikes still having negative effects, UK housing starts and mortgage applications will continue contracting over the coming quarter. UK production and durable goods output look to recover despite weak orders. Last year's low pound versus the USD still will translate into higher external account activity for Q3 2023. All UK inflation measures will remain high.



UK Annual Change Projections in Q3 2023

Source: Deuterium, Refinitiv

Market Valuations

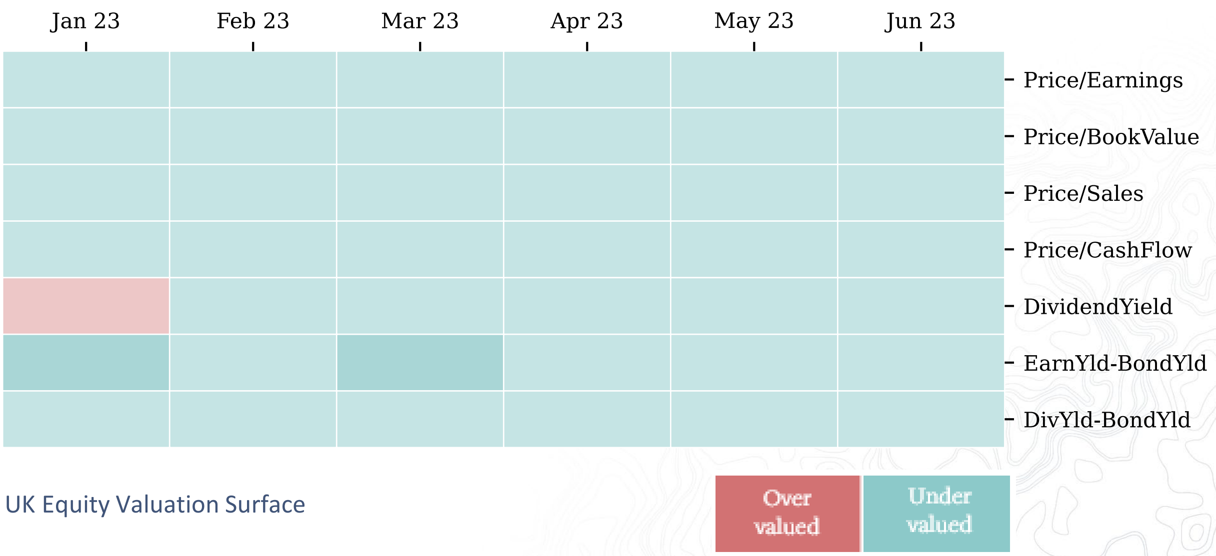
Outlook Summary

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

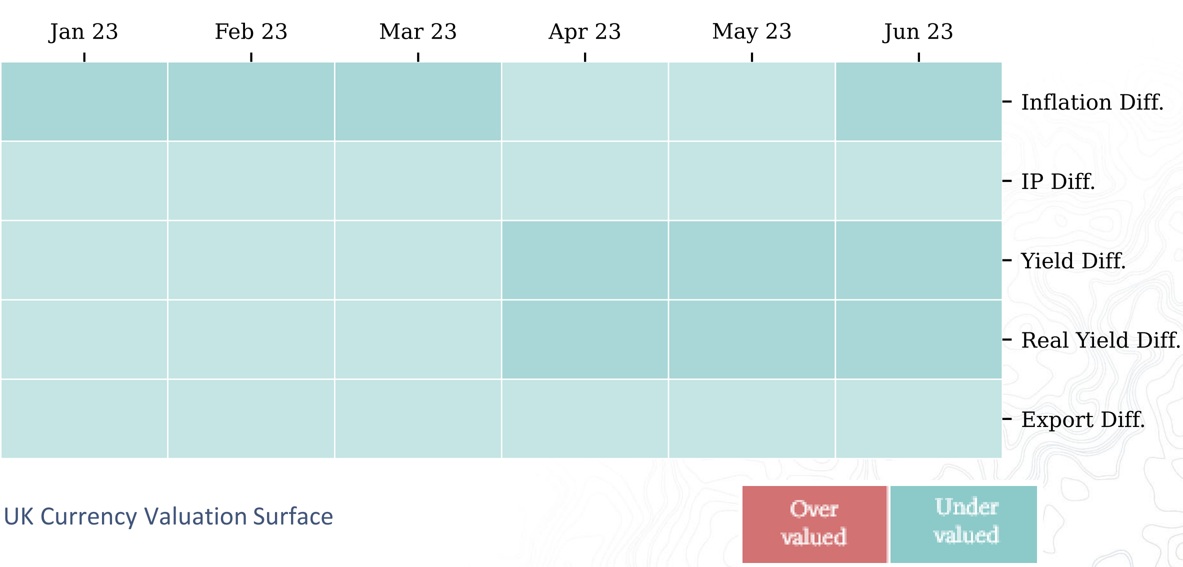
Monetary Policy and Transmission

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 have put added pressure on the BoE to raise base rates. When the UK shifted to fiscal accommodation in order to lessen the burden of rising energy prices, the central bank nonetheless had to revert to quantitative easing in order to prevent long duration gilt yields moving quickly to the upside. The current shift away from further tightening by the US Federal Reserve has raised the UK's nominal yield difference in favour of the Pound.



UK Currency Valuation Surface

Source: Deuterium, Refinitiv

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

Emerging, Far East ex Japan, and Commodity Markets

Regional Investment Conclusions Q3 2023

Outlook Summary

Emerging Equities	Far East Equities	Commodities
	+	+

Economic Projections

Commodity prices likely will rebound over the coming quarter as world factory orders accelerate for the first time in 18 months. Developing market economies that rely upon commodity exports for international reserves will find support in the return to expansions in world output, with China's slower than expected recovery dampening somewhat the cyclical rise in prime materials prices. Improving international financial conditions from lower interest rates and the lower US Dollar will provide a much more favourable global growth environment. Valuations for developing equity markets have remained very low and are among the most attractive worldwide. The current divergence between major equity market and emerging equity market valuations still is at its widest for years. This has Brazilian and other developing resource equity markets at as much as 35% discounts to their long-term valuations.

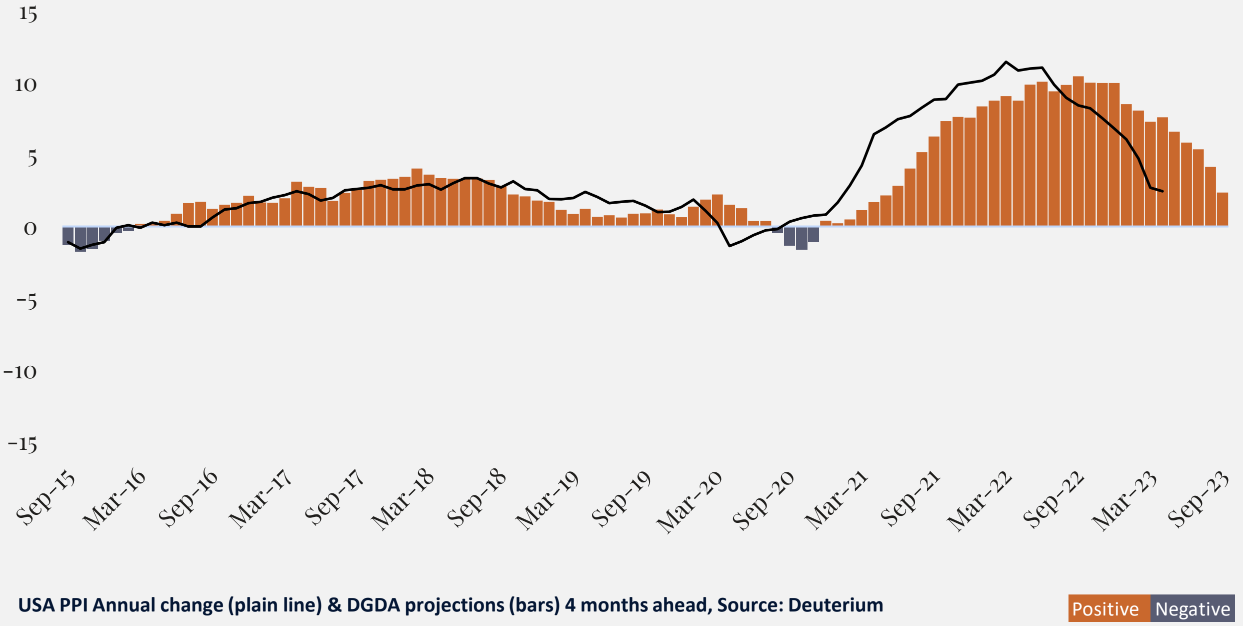
Monetary Policy And Transmission

Investors' expectations for major central bank policies again will shift away from anticipations of rapid tightening towards moderation or even incipient rate reductions. The Federal Reserve, already slowing its tightening pace, will have to decide how much longer to implement rate hikes when faced with lower US inflation from falling goods prices and shelter costs. The BoE and ECB likely will be slow to follow a US lead to less tightening, given their higher respective inflation rates, and the risk of disorderly UK and Eurozone fixed income markets should those central banks not show sufficient resolve to contain inflation. A bottom in the global economic cycle, with production and trade recovering worldwide, and with major bond markets likely stable, will provide an environment in which risk asset valuations in the Far East and developing regions can move significantly higher.

Market Valuation And Sentiment

Shares for Far East ex Japan countries such as Taiwan remain undervalued compared to historical measures, while those of developing markets such as Mexico and Brazil also show as highly attractive compared to their long-term averages.

DGDA models show the USA producer price inflation rate subsiding further during Q2 2023



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

About the Author: John Ricciardi

Lead Manager of the Deuterium Global Dynamic Allocation Fund
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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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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.