Deuterium Global Dynamic Allocation Fund

Investor Presentation

March 2022 (Q1)

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Agenda

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Introduction

The fund's objective is to generate positive returns over the course of the global business cycle, which typically runs for five years; by pursuing a policy of active allocation across asset classes and global markets – global equities (countries, regions and sectors), debt (and durations), currencies, commodities, property and cash. Decisions are driven by a global, long-term and dynamic asset allocation model that is adjusted from time to time by short-term tactical asset allocation shifts in anticipation of changing market, fiscal and political conditions.

Our beliefs
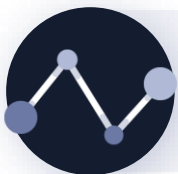
Macroeconomic factors drive the majority of broad asset class returns. Quantitative analysis of these factors, focused particularly on the short term, is key to predicting market direction.

Quantitative processes that are evidence-driven, transparent, dispassionate and systematic have a significant edge over the human brain.

Quantitative processes have their limitations, so it is essential that **experienced managers** interpret their output and exercise discretion.

Diversification and **flexibility** are critical to delivering superior risk-adjusted returns.

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Introduction

Our approach: To combine quantitative, fundamental macro modelling with decades of manager experience to deliver high risk–adjusted returns.

Diversified

Investing across up to 35 markets, with ~350 holdings on average, alpha is generated from equity direction, currency and bond direction, regional equity weightings, sector weightings and commodities
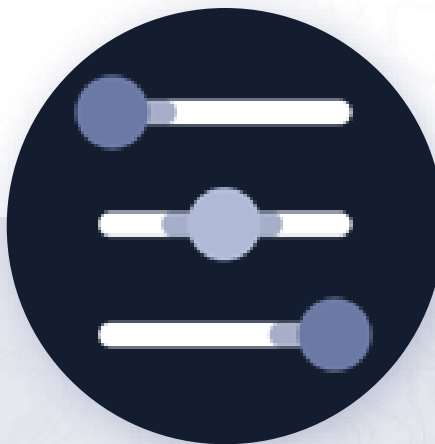
Flexible

Not constrained by narrow bands nor managed to a benchmark. The portfolio can dynamically adjust its allocation, with equities typically moving anywhere between 20% and 80%, over the course of a business cycle

Liquid

Directly invested in global large and mega-cap securities; equities (average market cap US$119bn*), sovereign debt of the largest developed countries, currencies and any commodities exposure achieved with liquid ETFs

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Investment Process

Our four-step process blends the power of large-scale quantitative analytics with fund manager expertise. The process is designed to be evidence-driven, systematic, dispassionate, seamless and transparent.

1. Models

The team builds predictive models

Sophisticated macro-economic modelling.

Analysis of 27 countries and 28 economic factors.

4-6 weeks forecasts updated daily with new data.

2. Scores

Models produce directional scores

Scores for 27 equity and sovereign bond markets, USD currency pairs and US sectors.

Aggregated with central bank policy, price pattern and valuation scores.

3. Positions

Scores translate into suggested positions

Positions are formulated in deep liquid markets.

Positions identified by reference to global market cap weightings.

4. Discretion

Managers discuss and interpret positions

Managers typically deviate from suggested positions when policy or politics are likely to have an outsized influence on market behaviour.

The final decision rests with the Lead Fund Manager.

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

1. Models: Overview

Fundamental Macro and Financial Data

1. Some 50 million data series are considered

2. ~800,000 data series taken into our models

3. Series are transformed for stationarity

4. Normalized z-scores are generated

5. Each series is tagged to allow it to be mapped to different dimensions

28 Macro Variables mapped to the 4 GDP Components

Consumer
1. Consumption
2. Consumer Confidence
3. Personal Income
4. Consumer Credit
5. Employment
6. Unemployment Inverse
7. Initial Jobless Inverse

Producer
1. Production
2. Factory Orders
3. Durable Goods
4. Exports
5. Imports

Capital Spending
1. Investment
2. Retail Sales
3. Business Credit
4. House Prices
5. Mortgage Applications
6. Housing Starts
7. Existing Home Sales
8. New Home Sales

Price
1. CPI
2. PCE
3. Core CPI
4. Service Inflation
5. Goods Inflation
6. PPI
7. Core PCE
8. PCE Services

Primarily drive

Equity and commodity markets

Bond and currency markets

Prediction operators: Directionality, amplitude and other vectors

DEUTERIUM
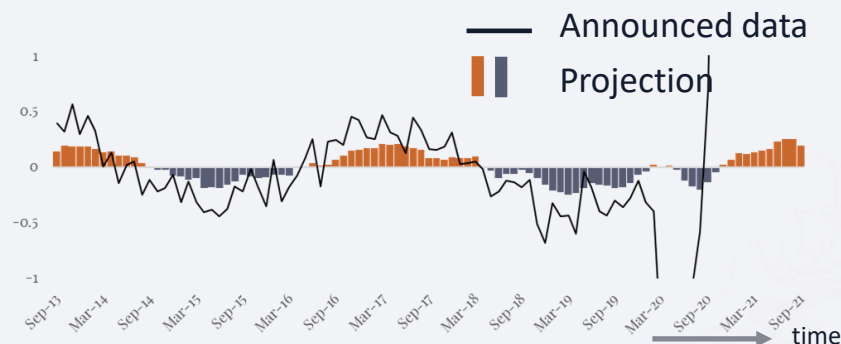GLOBAL DYNAMIC ALLOCATION FUND

1. Models: Projections

The process seeks to forecast, several months ahead, the 28 Macro Variables that drive asset prices. Modelling is carried out for each country and globally, and for each Macro Variable.


Announced data

Projection

The chart on the left shows, as an example, the 'Production' Macro Variable within the 'Producer' GDP Component, on a global basis as of June 2021. The team's projections are shown as shaded bars 6 months ahead of announced data (the continuous line). At the right of the chart the projection extends ahead of the actual data in an upwards direction: The team's models are forecasting a rebound in global production.

The model outputs may be viewed as heat maps (illustrated on the right) that show on the y-axis the development of the projections over the past 3 years, with the x-axis selectable by dropdown menu to show:
- Macro Variables for each country and globally
- Countries for each Macro Variable and as an aggregate of all variables
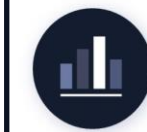

3 years ago

Current

Positive

Negative

Variable
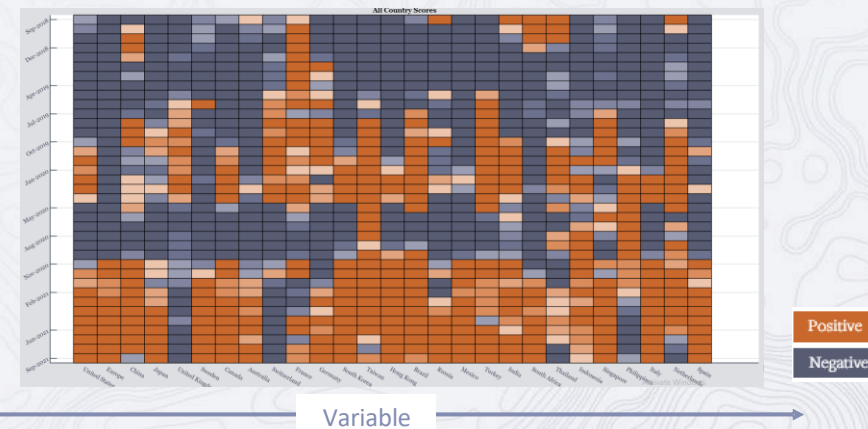
Forecasts are not a reliable indicator of future performance

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

2. Scores

This Macro Models combine with Policy, Valuation and Price inputs. Weightings are applied to produce an overall market direction probability score (% chance the market will go up/down in the next 4 to 6 weeks).

Outlook Score

Model projections combined with Policy models for each country

Policy models reflect the monetary policy environment of the relevant Central Bank

75%

Valuation Score

Valuation scores look at market valuations vs key valuation metrics

They are instrument, country and sector specific and include PE, yield, price to book / cashflow

12.5%

Price Score

Price pattern scores look at a number of technical indicators

They are instrument, country and sector specific and focus on price against moving averages

12.5%

— Strongest score
— Weakest score

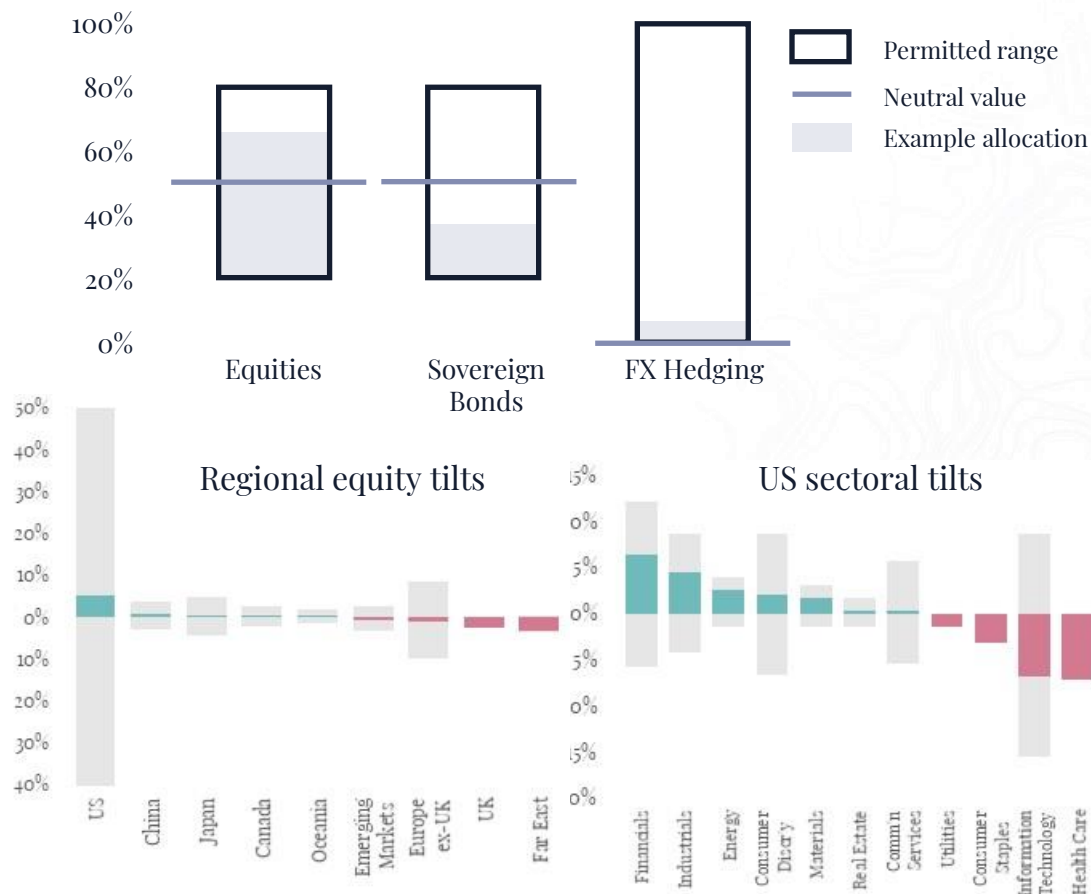| Market	Macro	Valuation	Price	Direction	Score
Equity World				⌃	36%
Equity EAFE				⌃	48%
Equity Emerging				⌃	8%
US Dollar				⌄	-38%
US Bond Price				⌄	-86%
Oil				⌃	20%
Gold				⌄	-42%
Equity USA				⌃	63%
Equity Europe				⌃	50%
Equity Japan				⌃	6%
Equity UK				⌄	-6%
Equity Canada				⌃	13%
Equity France				⌃	0%
Equity Switzerland				⌄	-13%
Equity Germany				⌃	81%
Equity Australia				⌃	25%
Equity Netherlands				⌄	-6%
Equity Spain				⌄	-6%
Equity Sweden				⌃	56%
Equity Italy				⌃	19%
Equity China				⌃	56%
Equity South Korea				⌄	-19%
Equity Taiwan				⌄	-38%
Equity Hong Kong				⌄	-19%
Equity Singapore				⌄	-13%
Equity Indonesia				⌄	-19%
Equity Thailand				⌃	38%
Equity India				⌃	25%
Equity Brazil				⌄	-50%
Equity Russia				⌃	19%
Equity Mexico				⌃	0%
Equity South Africa				⌃	19%

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

3. Positions

Scores generate 'Suggested' portfolio positions in the 'Primary' asset classes. A positive probability of a market rising/falling results in a position above/below the neutral value

- Permitted range
- Neutral value
- Example allocation

Equities   Sovereign Bonds   FX Hedging

Regional equity tilts

US sectoral tilts

US, China, Japan, Canada, Oceania, Emerging Markets, Europe ex-UK, UK, Far East

Financials, Industrials, Energy, Consumer Discry, Materials, Real Estate, Comm Services, Utilities, Consumer Staples, Information Technology, Health Care

- All position sizing starts with a combination of score and a risk minimum and maximum.

- Regional equity positions have risk limits set by reference to world market cap.

- Sector positions are expressed using US sectoral tilts and have limits set by sector market cap vs the relevant local index.

- The fund buys baskets of cap-weighted individual ESG-screened equities (rather than ETFs).

- Bond allocations are based on the bond scores, with a fixed risk limit and competition for capital from the equity allocations. Positive and negative views are also expressed using duration, with the US 10 Year Treasury the neutral position.

- The fund is 'go anywhere' and the FX composition of the portfolio is an active choice in the investment process. FX forwards may be used, based on the SmartMarkets scores for currencies combined with the Managers' discretion. The FX hedging permitted range shown at 0-100% is theoretical; based on an extreme scenario and will in practice be much smaller.

Above positions are illustrative rather than representative of the current portfolio.

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

4. Discretion

Managers can choose to hold or delay implementation of positions for several reasons.

Example considerations

- Strong aggregated scores that may mask important weak individual factors
- Policy responses (and policy mistakes) that may happen too quickly for the underlying models to capture.
- Weak probability scores for a market that changes direction in the short term.
- Strong negative score in a market that could lead to contagion across global equity markets.
- Level of risk premium in bond markets

When exercised

Daily real time, continuous investment team discussions at the desk, aiming to make unanimous decisions. Lead Manager has ultimate decision-making authority

Weekly structured and minuted investment committee meeting sets GDA current macro view. The majority of trading takes place as a result of this weekly meeting

Quarterly Investment Summary (QIS) outlining what the models are showing for the coming three months. This is distributed to clients

Managers can adjust the suggested positions in the 'Primary' asset classes and, at this point in the process, may possibly consider investments in 'Secondary' asset classes (such as corporate bonds, commodities and cash).

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Environmental Social & Governance

By investing in equities directly, the fund can focus upon ESG where peers cannot

The fund seeks to avoid exposure to harmful business practices and products. Article 8 compliant*; promotes environmental, social or both characteristics and follows good governance practices.

Unlike funds which invest in ETFs, the fund buys equities directly. This means it is able to exclude companies based on business practices and products determined to be harmful to the environment and society.

Exclusions include industries such as tobacco and controversial weapons, as well as companies causing severe environmental damage, or involved in serious violations of ethical norms and human rights.

* We are currently working with external legal counsel to implement prospectus updates and an ESG framework for the firm in order to formalise the fund's Article 8 accreditation.

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Track Record

Approaching a 10 year track record for the fund strategy. John Ricciardi, with the support of the team of analysts, has managed the strategy to the same investment objective, policy and process since 4 April 2012.

Legend: Fund — Morningstar USD Flexible Allocation

APR 2012 — Kestrel launches Global Dynamic Allocation (GDA) Fund

DEC 2019 — Merian acquires global dynamic allocation team, analytics, and GDA Fund from Kestrel. Fund rebranded Merian

JUL 2020 — Jupiter completes its acquisition of Merian

AUG 2020 — Deuterium agrees to acquire GDA analytics from Jupiter and to take on the team, which continues to run the Merian fund while setting up the new fund

JAN 2021 — Merian fund closes and Deuterium fund launches with just an 8 days performance period gap

Source: Deuterium as of 31 December 2021. Performance shown is in USD unless otherwise stated below.

Fund performance is Deuterium Global Dynamic Allocation Fund U1 class USD ACC from 1 May 2021, with fee-adjusted A class USD ACC from 27 January 2021 to 30 April 2021. Data prior to 27 January 2021 constitutes simulated past performance as follows:

1. The Merian Global Dynamic Allocation Fund U1 class USD ACC net of fees and charges for the period from 1 January 2016 to 15 January 2021, fee-adjusted A USD ACC from 14 July 2012 to 31 December 2015, and U1 GBP Hedged ACC in GBP from 4 April 2012 (launched by Kestrel) to 13 July 2012; and

2. A composite of 50% FTSE World Local Index and 50% Barclays US Aggregate Bond Index for the 8 days performance period 16 January 2021 to 26 January 2021.

Source: Deuterium as of 31 December 2021

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Track Record

Consistent month-on-month performer with strong performance characteristics relative to our peer group

Fund performance month-on-month net of fees

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	-	-	-	-1.9	-3.6	3.5	1.6	0.6	1.6	-0.1	0.8	1.8	**4.1**
2013	5.4	2.5	1.4	1.5	-0.7	-3.3	1.9	-2.7	3.3	2.5	0.3	1.3	**13.9**
2014	-2.6	3.7	-0.4	0.2	1.4	1.0	-0.1	2.5	-2.0	1.9	2.3	-1.1	**6.8**
2015	2.9	0.8	2.3	1.8	0.1	-2.6	-0.1	-4.3	-2.9	4.2	-0.2	-1.9	**-0.3**
2016	-3.9	-1.9	3.1	-0.2	1.1	1.0	3.2	0.4	0.2	-0.8	-0.4	2.0	**3.5**
2017	1.3	1.8	0.4	1.3	1.2	-0.7	1.1	0.8	-0.2	0.6	0.3	1.2	**9.3**
2018	3.0	-3.4	-1.2	0.7	0.8	0.5	1.2	0.7	-0.4	-2.3	1.5	-2.1	**-1.3**
2019	3.1	0.8	2.1	0.9	-0.9	3.2	0.8	-0.2	1.3	0.9	1.5	2.0	**16.4**
2020	0.7	-5.9	-8.7	7.3	1.3	1.3	4.3	2.8	-1.5	-1.1	7.9	1.7	**9.2**
2021	-0.8	1.1	0.5	3.0	0.9	1.0	-0.5	2.0	-3.5	4.5	-1.9	2.1	**8.7**

Fund performance v Morningstar USD Flexible Allocation

7.1%

3.8%

Annualised return since inception

8.1%

7.5%

Annualised volatility since inception

■ Fund ☐ Morningstar USD Flexible Allocation Average

3 years — 2nd

5 years — 2nd

Since inception — 1st

Morningstar Category Quartile Ranking
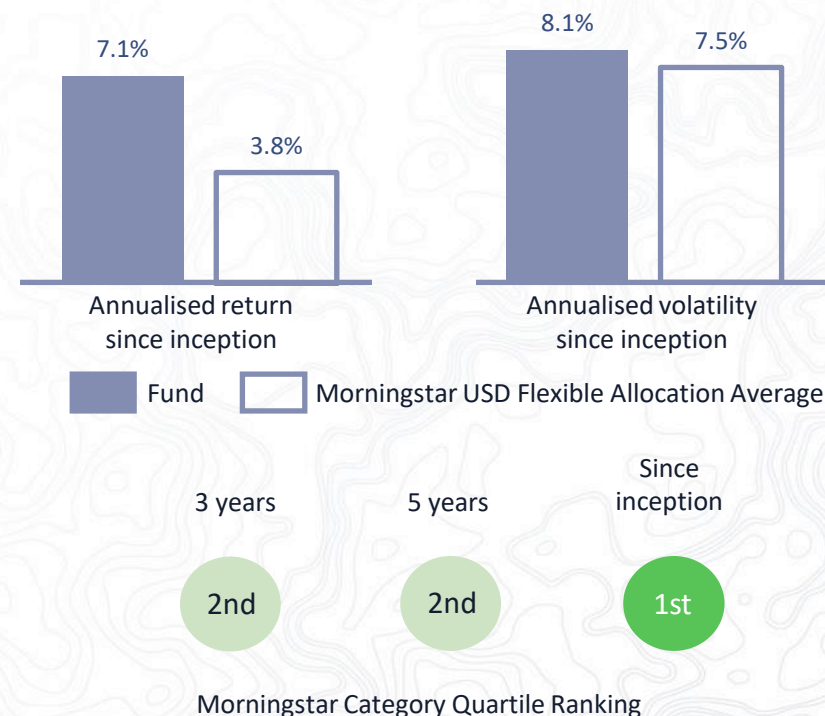
Past performance is not a guide to future performance. The value of your investment can fall as well as rise and you may not get back the original amount you invested.

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Track Record

More than three decades of outperformance in multi-asset investing: John Ricciardi's long-term track record prior to Kestrel/Merian

Cursitor Fund (1986-1996)
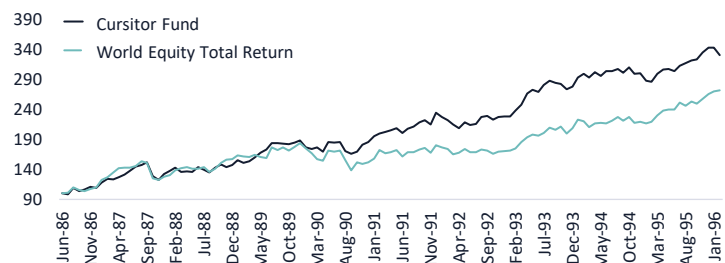
+59%
Cumulative performance

Source:
Cursitor / Alliance & Bloomberg

Alliance Capital Global Allocation (1998-2002)
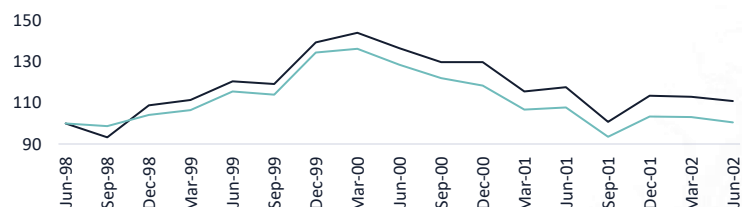
+10%
Cumulative performance

Source:
Alliance Bernstein & Watson Wyatt

Iveagh Wealth (2006-2010)
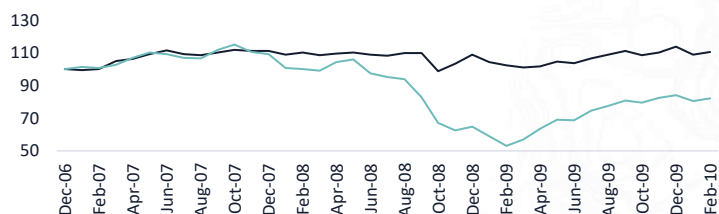
+28%
Cumulative performance

Source:
Iveagh Limited & Bloomberg

Past performance is not a guide to future performance. The value of investments can go down as well as up and is not guaranteed.

Sources: Bloomberg, Deuterium. The track records on this slide were achieved using prior versions of the modelling and allocation strategies used by the Fund.

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Current View: Macro Factors

Summary for December 2021: Our models and research indicate

Equities.

Bonds

US Dollar

Raw materials

| bearish | 🐻 | negative | - | neutral | | positive | + | bullish | 🐂 |

Equity country scores have been improving

■ Orange cells indicate positive score ■ Green cells indicate negative score

Mar 2021

Mar 2022

All Country Scores

Source: Deuterium as of 31 December 2021
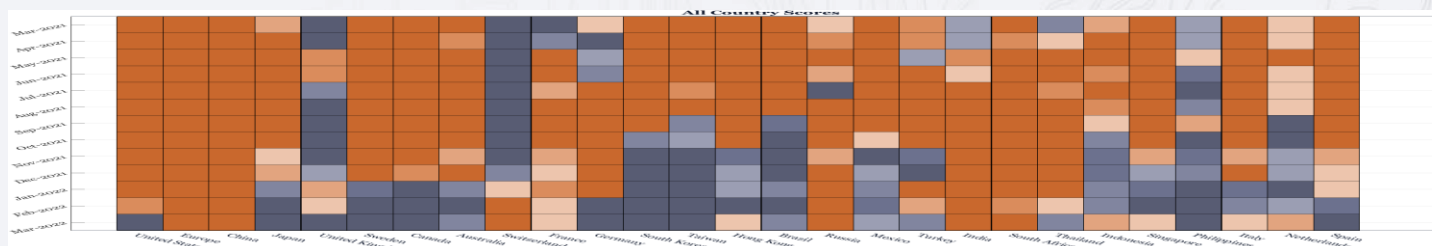
DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Current View: Fund Positioning

The portfolio reflects that we anticipate equities will strongly out-perform bonds. We are overweight in pro-cyclical sectors such as industrials, financials, and real estate and underweight counter-cycle sectors such as utilities, telecommunications, consumer staples, and healthcare. Our bonds are short duration US Treasuries and our currency positions are unhedged.

Regional equity tilts

US sectoral tilts

1.7%

20.7%

77.5%

- Equities
- Bonds
- Cash
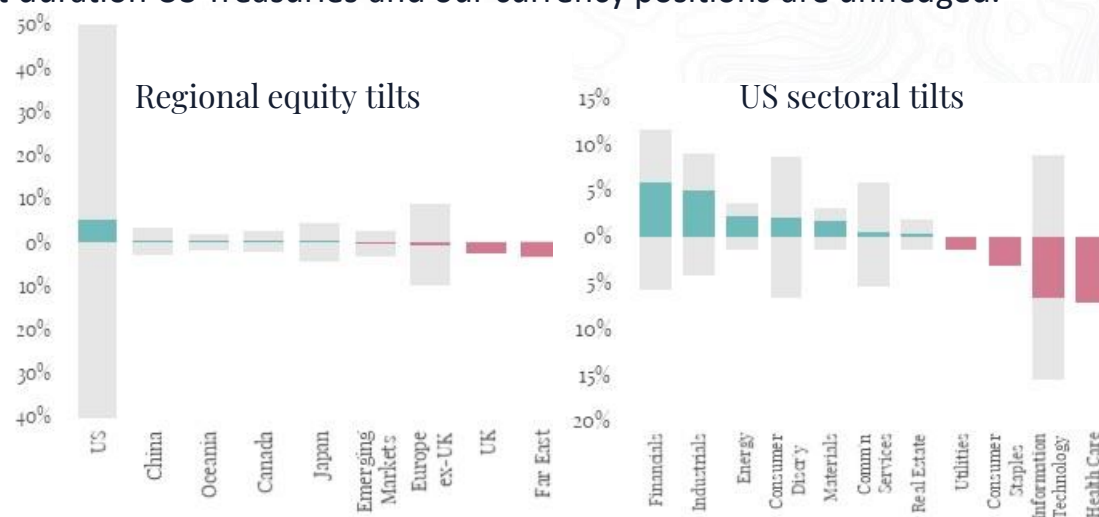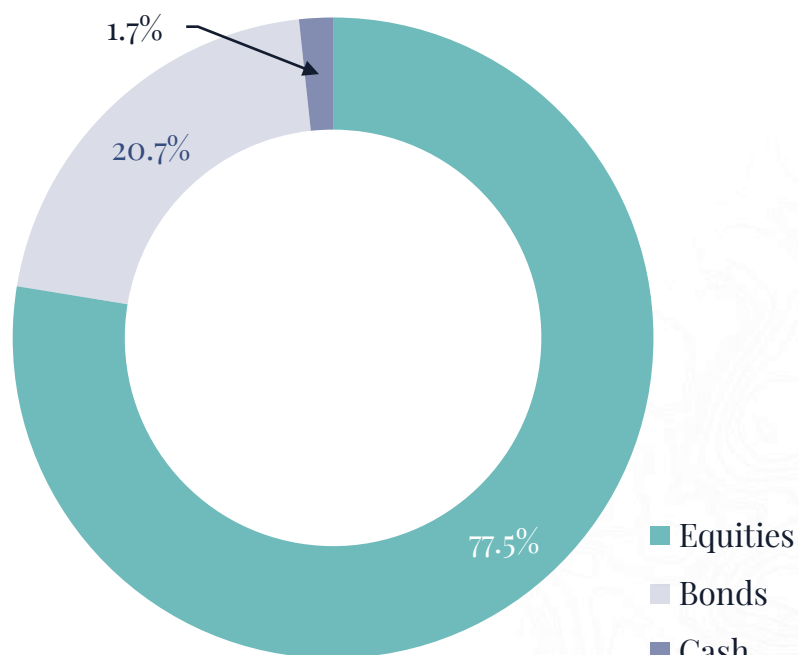
Above weightings show Fund (upper) vs FTSE World Local (lower) with under/overweight in red/blue

Bonds

Currency: 100% USD Dollar
Assets: 100% Government Bonds
Average Quality: AAA
Modified Duration: 0.48 years

Other

Cash: 1.7% USD
Commodities: None
Portfolio Hedging: None

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

About the Fund

Structure

- Umbrella: Deuterium UCITS ICAV

- Domicile: Ireland

- Regulatory Status: UCITS V

- Management Company: KBA Consulting Management Limited

- Investment Manager and Distributor: Deuterium Capital Management, LLC

- Investment Adviser and Sub-Distributor: Deuterium Investment Advisors Limited

- Administrator and Transfer Agent: RBC Investor Services Ireland Limited

- Depository: RBC Investor Services Bank S.A. Dublin Branch

Key Facts

- Launched: 26 January 2021

- AuM: $64.5m

- # Holdings: 382

- Base Currency: US Dollar

- Sector: Morningstar USD Flexible Allocation

- Dealing: Daily

- Priced: Single Swing

- Share Class Currencies: USD, EUR, GBP

- ESG Status: Article 8 Compliant*

* We are currently working with external legal counsel to implement prospectus updates and an ESG framework for the firm in order to formalise the fund's Article 8 accreditation.

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

About the Team

John Ricciardi

Lead Fund Manager and Head of Global Asset Allocation

Before joining Deuterium, John was the Head of Global Asset Allocation at Merian Global Investors. John cofounded Kestrel Investment Partners LLP in 2011, whose global asset allocation business was acquired by Merian in 2019. Prior to Kestrel, John's notable appointments were as Iveagh's Head of Asset Allocation between 2006 and 2011, where he launched the Iveagh Wealth Fund, and as Head of Global Asset Allocation for AllianceBernstein between 1996 and 2003.

John has also cofounded and built two successful asset allocation solutions businesses: Cursitor Management which was sold to Alliance Capital in 1996 and Bullrun Financial which was sold to Quantal International Inc. in 2010.

Osman Ozsan

Fund Manager Chief Investment Officer

In 2018, Osman founded Deuterium Capital Management, the investment manager of the Deuterium Global Dynamic Allocation Fund. In addition to his role on the GDA team, Osman also manages a private investment portfolio and a private equity pool for clients of the firm.

Osman has led an extensive international career in investment banking working at Barclays and UBS, trading interest rate and currency derivates, as well as debt instruments. Osman studied law at the University of Bristol before moving to graduate study in Finance at the Stern School of Business in New York.

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

About the Team

Ravi Kishore Booka

Head Quant Analyst

Ravi is the Head Quant Analyst within the GDA team, a position he has held since Jan 2021 having joined Kestrel in September 2011 as the Chief Technology Officer. Ravi is responsible for the team's technology strategy and he plays a key role in developing systems to power both the investment process and the research effort. Ravi previously worked with John at Iveagh as technology consultant and was instrumental in developing the innovative tools that drove its investment process.

Ravi began his career as a software engineer with Intoto Software Ltd in India. Ravi has a BSc in Mathematics and Computer Science and an MSc in Electronics from Andhra University, India.

Pramila Prasingu

Data Analyst

Pramila is a Data Analyst within the GDA team, a position she has held since November 2020 having joined Kestrel in August 2011 as a developer. Pramila is responsible for web administration and the data analysis that underlies the team's investment modelling capabilities. Pramila previously worked with John at Iveagh as intern and was instrumental in data processing.

Pramila began her career with Andhra Bank in India as Helpdesk Executive. Pramila holds a Master's degree in Computer Networks from Middlesex University.

Sarath Kotamarthi

Quant Analyst

Sarath is a Quant Analyst within the GDA team, a position he has held since November 2020 having joined Kestrel in December 2012 as a consultant developer. Sarath is responsible for organising, analysing and reporting on non-macro-economic and financial market data in support of the team's investment modelling systems.

Sarath began his career with PC DOCTOR 24 in London. Sarath holds a BSc in Computer Science and a MSc in Computer Networking from London Metropolitan University.

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

About Deuterium

Since 2018 Deuterium Capital Management, LLC has served as a US Registered Investment Adviser *, managing the discretionary and private placement portfolios for select clients.

Deuterium was formed with the vision of filling the service gap in the investment market between mid- level and ultra high net worth investors. Through a team of highly skilled individuals partnered with top industry providers, Deuterium offers bespoke investment services often only available to top-tier investors.

- **Privately-owned**

- **Regulated by the SEC**

- **Deuterium Investment Advisors Limited: An Appointed Representative in the UK ***

- **Assets under management and advice ~$1 billion as of Q4 2021**

* Registration as an investment adviser with the SEC does not imply a certain level of skill or training of Deuterium, or its personnel.

**Deuterium Investment Advisors Limited (FRN - 804110) is an appointed representative of Kroll Securities Limited (FRN - 466588), which is authorised and regulated by the Financial Conduct Authority in the UK.

Our Clients

At Deuterium we take pride in the excellent standards we employ and the results we achieve for our investors. Taking care to understand an individual's personal and investment goals, our advisory service only engages investors we believe we can help.

Deuterium has focused on family offices and high net worth investors since our inception.

In 2021, Deuterium took the important step of launching its UCITS offering, as a means of extending its investment services to a broader base of international wholesale investors and institutions.

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Why Invest

1. **Simple approach with deep focus:** Unlike some of our peers, we do not seek to invest across too many asset classes and markets but focus on those where there is a depth and history of economic data, and where our modelling and predictive capabilities are strongest and so give us a genuine and repeatable edge.

2. **Pragmatic emphasis on the near-term:** We believe other managers make the mistake of basing their investment decisions on analysis that is too long-term and therefore less reliable. Whilst we keep an eye on the long-term, we recognise that our models are most effective in capturing near-term (4-6 week) catalysts and trends. Furthermore, it is these near-term factors that really drive asset prices.

3. **Leadership in macro analysis:** The team has developed and continually updated its macro analysis system over many years. There are no unusual data sets and no complex time series statistics; just pure financial economics combined with decades of macro experience across several global business cycles.

4. **Glass box rather than black box:** The team's custom-built systems and analytics are evidence-based with total transparency. The team shares details of its macro-economic data, models and analysis with clients through quarterly macro-economic commentaries. For significant supporters, we provide direct, real-time access to our SmartMarkets research, models and analytics on-line.

5. **Strong and consistent numbers:** Approaching a 10 year track record the fund strategy has delivered returns of 7.1% annualised against 3.8% from the peer group with only marginally higher volatility. The performance is 1st quartile since inception.

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Case Studies &
Models Demonstration

Case Study: Managing Through the Covid-19 Crisis

In Mar 2020 The Team Extended Bond Durations, Stayed Overweight Equities Anticipating The Rebound, and Concentrated Positions In Technology, Communications and Discretionary Sectors

Deaths • Sweden • All time

COVID-19 Crisis

To start 2020 the GDA models showed a strong upswing in the global cycles to come over the next quarters, leading the team to hold an overweight in equities. When the Covid-19 crisis was recognized as a pandemic in March, the team shifted US Treasury bond positions up to an equivalent of 100% 10 year Treasury duration. This underpinned portfolio performance during March in one of the most rapid and deep crashes in stock market history.

The team implemented proprietary short term liquidity and market monitors to assess the effects of central bank interventions and fiscal policy measures on global debt and consumption. This kept the portfolio overweight equities and concentrated positions in technology, communications and discretionary sectors.

The outcome

By Sep 2020 the fund had recovered to better its previous high in Feb 2020. This meant that the fund significantly outperformed the peer index with its Jan 2020 to Nov 2020 return of +6.4%. Adjusting the portfolio allocations for external shocks remains a core team competence.

1. Anticipating global recovery in h1 2020
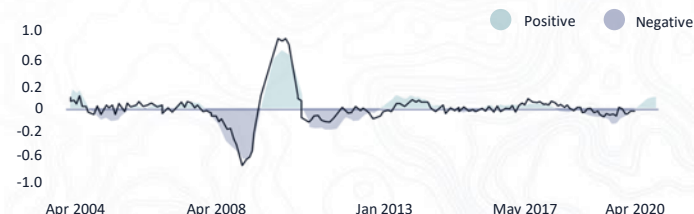
2. Proprietary monitors predict a rapid recovery

Global Short Term Production Monitors (+/-1)
Acceleration model signals for September 2020

Production Monitor	Production	Orders	Exports	Direction	Average
USA				+	0.43
Europe				+	0.40
Japan				+	0.53
UK				+	0.29

3. GDA fund recovers to a new high by Sep 2020

Merian Global Dynamic Allocation Fund – U1 USD

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Case Study: Discretionary Added Value 2018

In Late 2018 the Managers Decided to Increase Equity Exposure, Ahead of the Fed Flip Flopping on Interest Rates

Fed Flip Flops
The US Federal Reserve (Fed) flipped from raising interest rates until December 2018 to cutting them between August 2019 and October 2019.
The fund was able to benefit from this change in direction.

In the latter months of 2018, the team's models showed that worsening economic conditions would make it very difficult for the Fed to continue on its rate hiking path.

Manager Discretion
Was introduced because a judgment needed to be taken on human decision making within the Fed. Exposure to equities was increased.

The Outcome
The fund significantly outperformed peers during the twelve months to October 2019.

1. Models turned negative

Jan 2017

Dec 2018

2. Higher vol positions were increased

Fund allocation to hugher risk assets
FTSE World Local Index
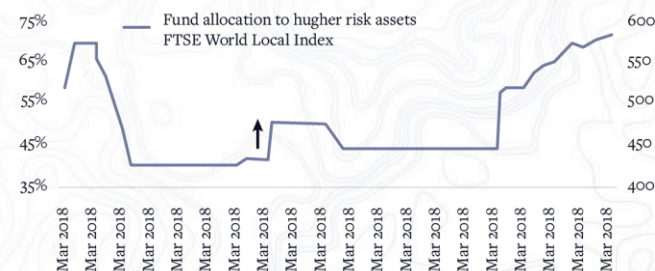
3. Fund (I USD) performance (%) 1 year to Oct 2019

Merian Global Dynamic Allocation Fund	11.7%
Morningstar USD Flexible Allocation, Open End Fund Funds, Europe Region TR	6.9%

Past performance is not a guide to future performance. The value of investments can go down as well as up and is not guaranteed. Source: Deuterium, Bloomberg, Morningstar. Merian U1 USD Acc (in USD) performance 1 year at October 2019. Performance is shown net of fees and expenses. Refer to important disclaimers at the end of this presentation.

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Case Study: Avoiding the Crash of 2008

In January 2008, The Lead Manager Reduced Equities Below 30%

Great Financial Crisis

When the great financial crisis hit in September 2008, the fund's lead manager was well prepared. He had only 27% allocated to equities. Consequently, the performance of the fund he was then managing held up well, while equity markets tumbled in one of the worst crashes in stock market history.

He was led to his cautious stance because his macro models had long been forecasting a global recession in 2008.

Manager Discretion

Was introduced because a judgment needed to be taken on human decision making within the Fed. Exposure to equities was increased.

The Outcome

The fund he was then managing significantly outperformed the market during the worst of the crisis, suffering a fall of only -1.0% during the period 1 September 2008 to 2 January 2009, compared to the -11.2% fall of the MSCI World Index (in GBP).

Protecting against downside risk remains a key part of his investment philosophy to this day.

1. Macro modelling

- Global economy indicator
- World GBP accelerations
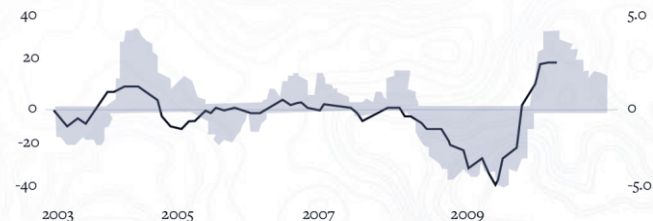
2. Asset allocation shifts

- Government Bonds & Cash
- Absolute Return
- Corporate Bonds
- Equity Markets
- Commodity Markets

3. Fund performance (%)

- MSCI World Net Total Return index in GBP
- Iveagh Track Record GBP

1.0%

-11.2%

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND

Disclaimer

DEUTERIUM
GLOBAL DYNAMIC ALLOCATION FUND