

# Deuterium Multi Asset Deuterium Global Dynamic Allocation Fund

$$\Phi_{0,0} = -\frac{1}{2} \left\{ \int_{r_0}^R \int_0^{2\pi} \frac{\partial}{\partial r} \left( \sigma_r h r \frac{\partial z}{\partial r} \right) z dr d\varphi + \int_{r_0}^R \int_0^{2\pi} \frac{\partial}{\partial \varphi} \left( \sigma_r h \frac{\partial z}{r \partial \varphi} \right) z dr d\varphi \right\} =$$

$$= -\frac{1}{2} \left\{ \int_0^{2\pi} \left[ \sigma_r h r \frac{\partial z}{\partial r} z \right]_{r_0}^R d\varphi - \int_{r_0}^R \int_0^{2\pi} \left( \sigma_r h r \frac{\partial z}{\partial r} \right) \frac{\partial z}{\partial r} dr d\varphi + \right.$$

$$\left. + \int_{r_0}^R \left[ \sigma_r h \frac{\partial z}{r \partial \varphi} z \right]_{\varphi_0}^{2\pi} dr - \int_{r_0}^R \int_0^{2\pi} \left( \sigma_r h \frac{\partial z}{r \partial \varphi} \right) \frac{\partial z}{\partial \varphi} dr d\varphi \right\}$$

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 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.

The fund was launched on 26<sup>th</sup> January 2021 and is managed by the same core team to the same investment objective, policy and process as the Merian Global Dynamic Allocation Fund from its inception on 4 April 2012 up to its closure on 16<sup>th</sup> January 2021. Since 2012, the fund strategy has returned 7.1% annualised performance net of fees against the Morningstar peer group average of 3.8%, with only marginally higher volatility.\*

## Why invest in the fund?

1. Simple approach with a deep focus: We do not seek to invest across too many classes, but we focus on those where there is a depth and history of reliable data to support our predictions.
2. Pragmatic emphasis on the near-term: With one eye on the long term, we focus on near-term (4-6 week) catalysts and trends that really drive asset prices, and where our models and data are most dependable.
3. Leadership in macro analysis: A long running, continually updated macro-analysis system combined with decades of macro-experience across several economic cycles.
4. Glass box rather than black box: Models and analysis are shared with clients through quarterly commentaries, with direct real-time access to our SmartMarkets quantitative research and analysis for significant supporters.
5. Macro-driven, liquid, ESG-compliant security selection: We are not individual stock pickers, but we select global large and mega cap securities in countries and sectors which are filtered for ESG to meet Article 8. \*\*
6. Team longevity and dynamics: The core team has worked together for many years and the move to Deuterium has enhanced the blend of dynamics, experience and insight.
7. Strong and consistent numbers: Excellent peer group performance:

## Peer group performance

3 years



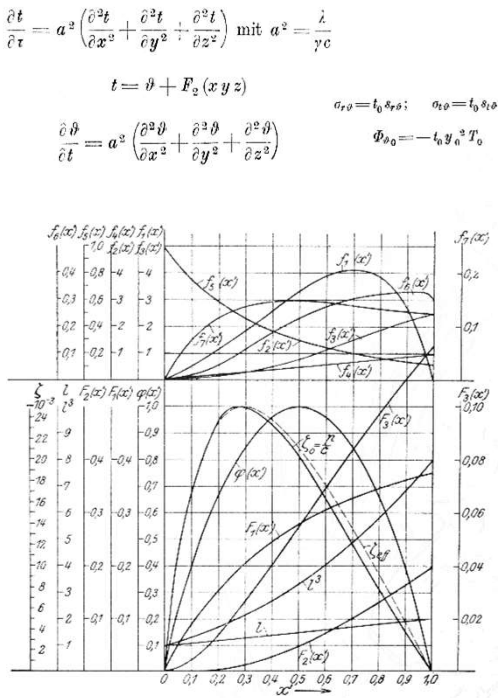
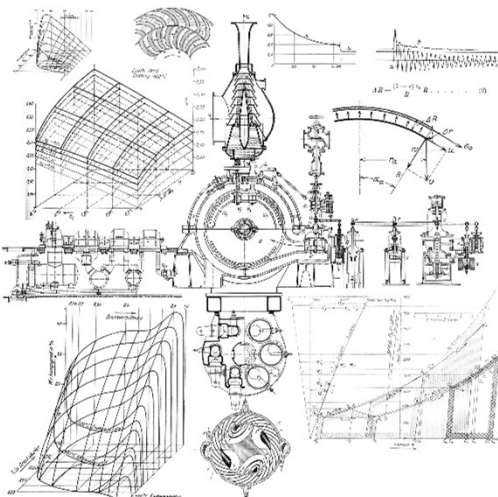
5 years



Since inception



Morningstar USD Flexible Allocation Category Quartile Ranking



\* Period from 4 April 2012 to 31 December 2021 for the U1 USD share class. Performance includes simulated data, notably fee-adjusted A share class performance, GBP Hedged share class performance and 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. Details can be viewed on the Fund factsheet at deuterium.us. Annualised performance volatility since inception 8.1% vs 7.5% for the Morningstar peer group (USD Flexible Allocation average). Past performance is not necessarily 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.

\*\* 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.

## Meet the team

John Ricciardi and the SmartMarkets team have collaborated on this investment strategy since April 2012 from Kestrel through Merian to Jupiter. In Q1 2021, the team joined Deuterium, forming the Deuterium Global Dynamic Allocation investment team in partnership with Deuterium’s Chief Investment Officer Osman Ozsan. The team continues to work to the same investment strategy and process as they have since the strategy’s inception in 2012.



**John Ricciardi**  
Head of Global Asset Allocation

John co-founded 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 Head of Global Asset Allocation for AllianceBernstein between 1996 and 2003.



**Osman Ozsan**  
Chief Investment Officer

Osman has led an extensive international career in investment banking working at Barclays and UBS, trading interest rate and currency derivatives, as well as debt instruments. In 2018, he founded Deuterium Capital Management,



**Ravi Kishore Booka**  
Head Quant Analyst

Ravi is the Head Quant Analyst within the team, a position he has held since Jan 2021 having joined Kestrel in September 2011 as the CTO. Ravi is responsible for the team’s technology strategy and developing systems. Ravi previously worked with John at Iveagh. Ravi began his career as a software engineer with Intoto Software Ltd in India.



**Pramila Prasingu**  
Data Analyst

Pramila is a Data Analyst within the 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 data analysis. Pramila previously worked with John at Iveagh. Pramila began her career with Andhra Bank in India as Helpdesk Executive.



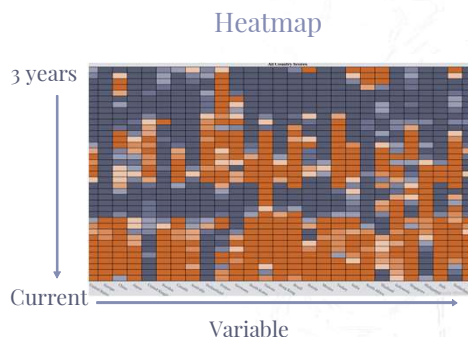
**Sarath Kotamarthi**  
Quant Analyst

Sarath is a Quant Analyst within the 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.

## SmartMarkets™

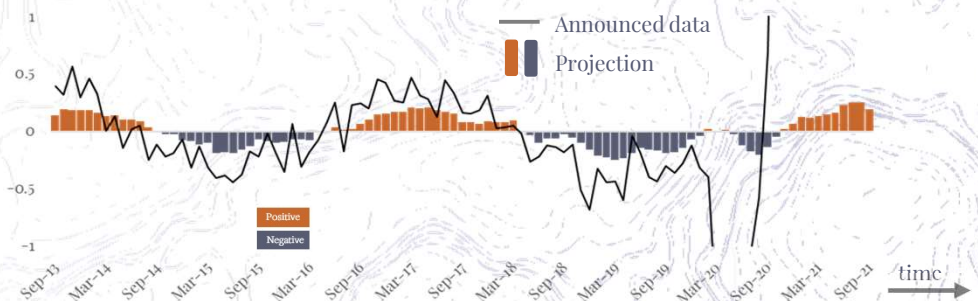
The investment technology behind the Deuterium Global Dynamic Allocation Fund, the Kestrel Global Portfolio and Merian Global Dynamic Allocation investment strategies, SmartMarkets is a proprietary analytics system developed and refined over more than two decades. SmartMarkets considers and filters millions of data series in order to model economic forecasts for 27 countries across 28 macro variables. SmartMarkets then combines these forecasts with separate models for central bank policy, market valuation, and price trends to predict directional outcomes for equities, bonds, currencies and commodities over a 4-6 week timeframe.

Example: World Production Macro Variable



$$\sigma_{r\phi} = t_0 \phi_{r\phi}; \quad \sigma_{t\phi} = t_0 \phi_{t\phi}$$

$$\Phi_{\phi_0} = -t_0 y_0^2 T_0$$



Source: Deuterium: Forecasts are not a reliable indicator of future performance

## Investment process

Built around SmartMarkets but with fund manager discretionary control, the team’s investment process analyses quantitatively generated macro scores to formulate risk-adjusted global asset allocations by blending the power of large-scale quantitative analytics with manager expertise. From models, to scores, to positions, and manager discretion, the four step investment process is designed to be evidence-driven, systematic, dispassionate, seamless and transparent.

### Models

The team builds predictive models

- Sophisticated macro-economic modelling.
- Analysis of 27 countries and 28 economic factors.
- 4-6 week forecasts updated daily with new data.

### 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.

### Positions

Scores translate into suggested positions

- Positions are formulated in deep liquid markets.
- Positions identified by reference to global market cap weightings.
- Baskets of cap-weighted ESG screened equities used.

### 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.

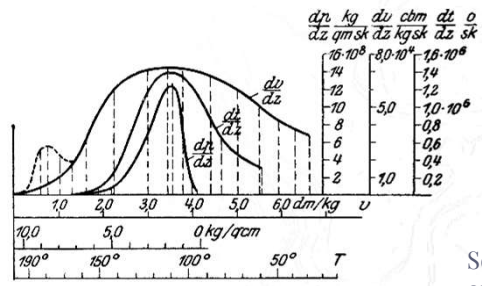
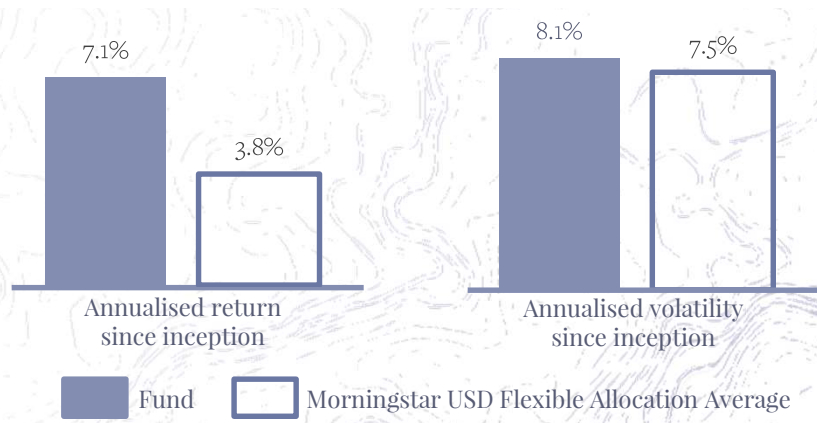
## Performance track record

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:

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

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.



$$\sigma_{r\phi} = t_0 \delta_{r\phi}; \quad \sigma_{t\phi} = t_0 \delta_{t\phi}$$

$$\Phi_{\phi_0} = -t_0 y_0^2 T_0$$

Source Deuterium December 2021. 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.

## About Deuterium

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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

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.

## Disclaimer

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There is no guarantee that any investment objective will be achieved. Past performance is not indicative of future results, which may vary. Actual results may differ materially from those expressed or implied. 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.

The Deuterium Global Dynamic Allocation Fund is an Undertakings for the Collective Investment in Transferable Securities ("UCITS") 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 Deuterium Global Dynamic Allocation 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 Deuterium Global Dynamic Allocation 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.

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.

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## Contact us

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Email us at [info@deuterium.us](mailto:info@deuterium.us) or view more information about the firm and read investment updates at [deuterium.us](https://deuterium.us)

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