

Haven

Team Member:

Manager Director: Chi Chang (Albert) 2024/06

Senior Economist: Yun-Tzu Huang (Vanessa) 2024/06

Portfolio Manager: Tzu-Han Hsu (Emily) 2024/06

Portfolio Manager: Min-Hsuan Huang (Vanessa) 2024/06

Date of Submission: April 7th, 2022



Team Introduction



Albert Chang – Managing Director
Relationship Management
Portfolio Construction



Yun Tzu Huang (Vanessa) – Senior Economist
Alternatives Investment
Macro Analysis



Min Hsuan Huang (Vanessa) – Portfolio Manager
Asset and Fund Selection
Fixed Income Investment



Emily Hsu – Portfolio Manager
Fixed Income Investment
Macro Analysis

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About Us

An asset management firm that provides clients with favorable opportunities and cares about social responsibilities.

Purpose and Value

We provide a broad range of financial services across investment and portfolio management, securities, investment banking, debt resolution services for more than 20 years.



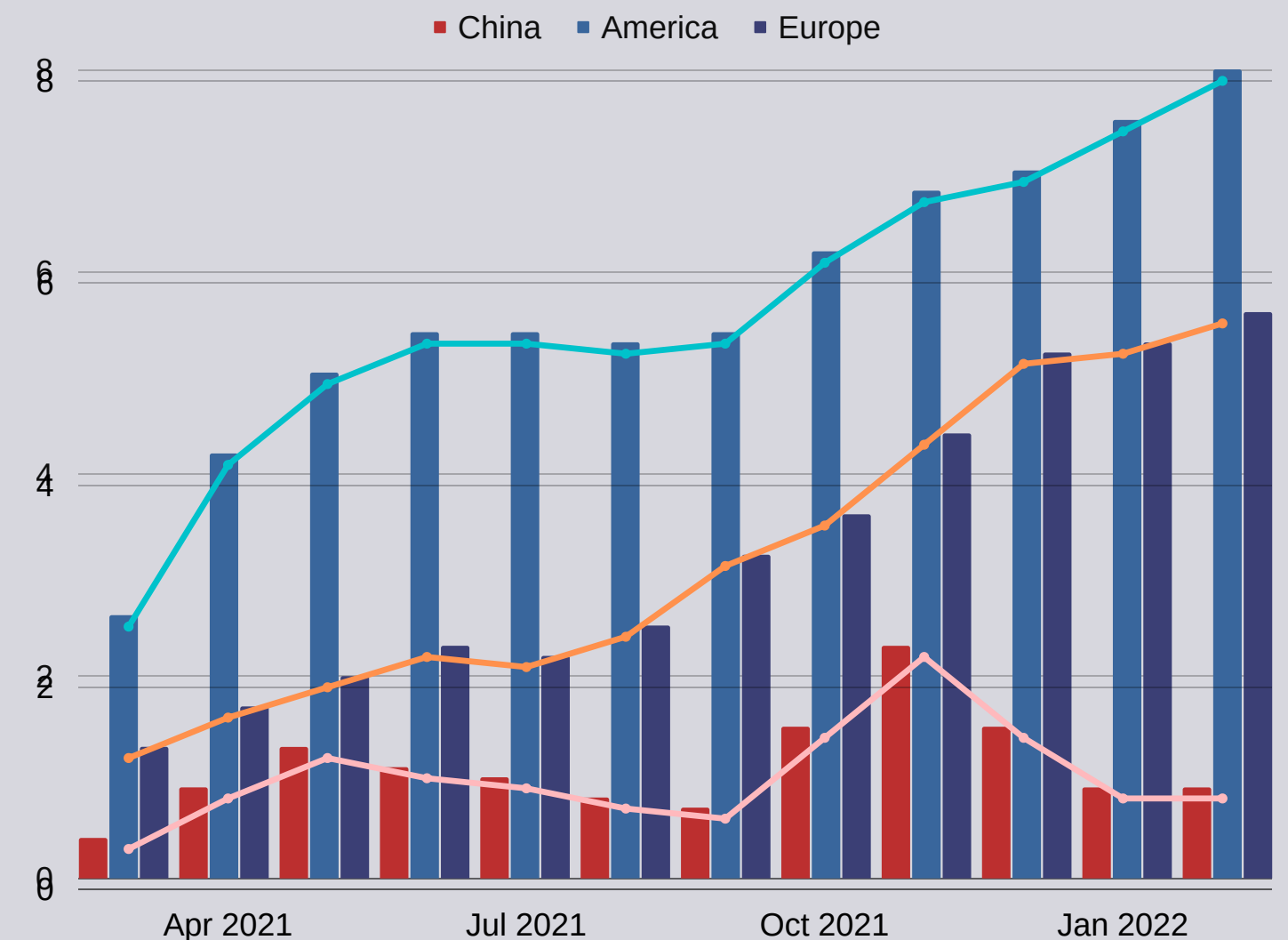
2021 Recap

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- Supply chain disruptions
- Inflation and fiscal policies

2022 Forecast

- Increase in interest rate
- Inflation
- Recovery from the pandemic
- Geopolitical risk



Satisfy customers needs

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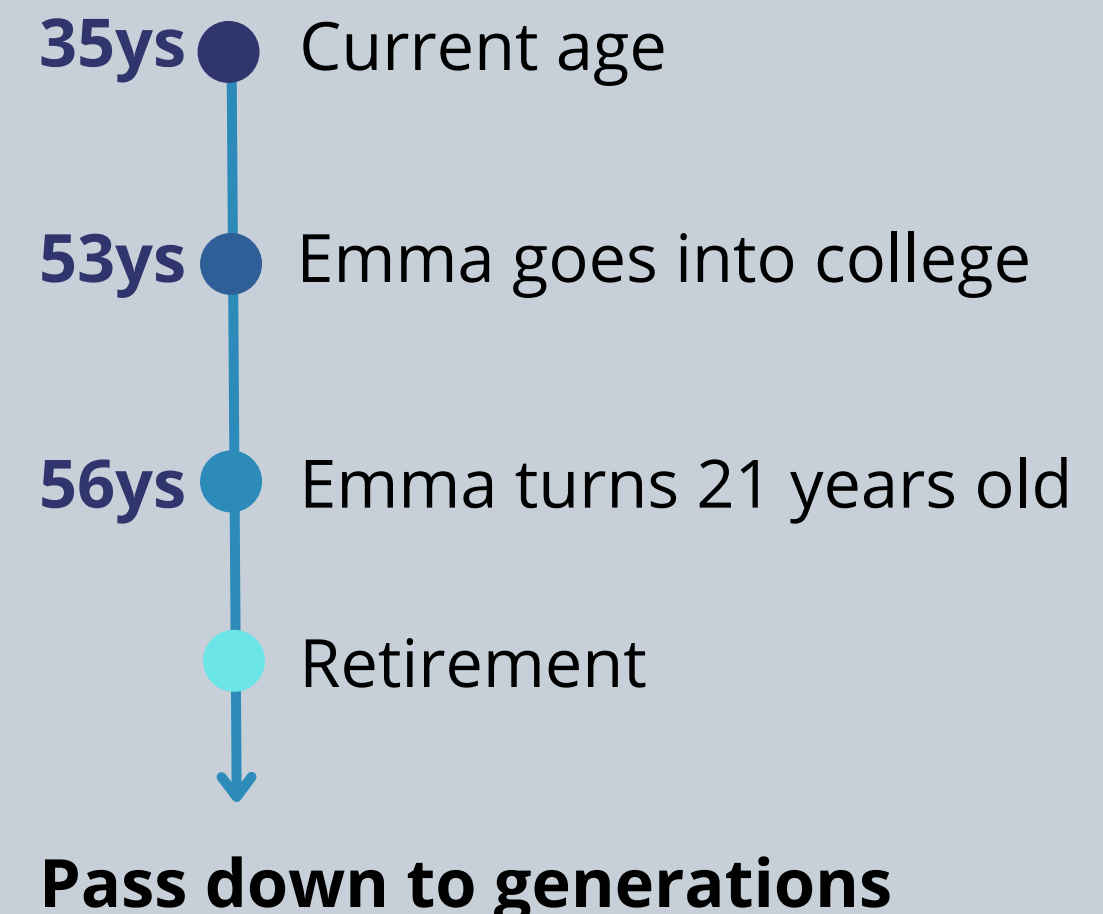
Information about Charlotte



- 35 years old, with a husband, Edmund (37 years old, musician), and a newborn daughter, Emma.
- Still retain a 20% stake in the fintech company and continue to serve as the CEO.
- Possessing a portfolio that consists of a large amount of highly fluctuated speculative technology stocks worth US\$25 million.
- Concerning the generation of sufficient yield to meet her lifestyle needs under the low return on fixed income.
- Risk Tolerance: risk taker

Requirements	Amount (USD)/year
Annual cash distribution — living expenses	1.5M
Support young musicians	200k
Education before university	23k
University	140k
Emma's 21 years old lump sum	20M
Retirement	2.5M

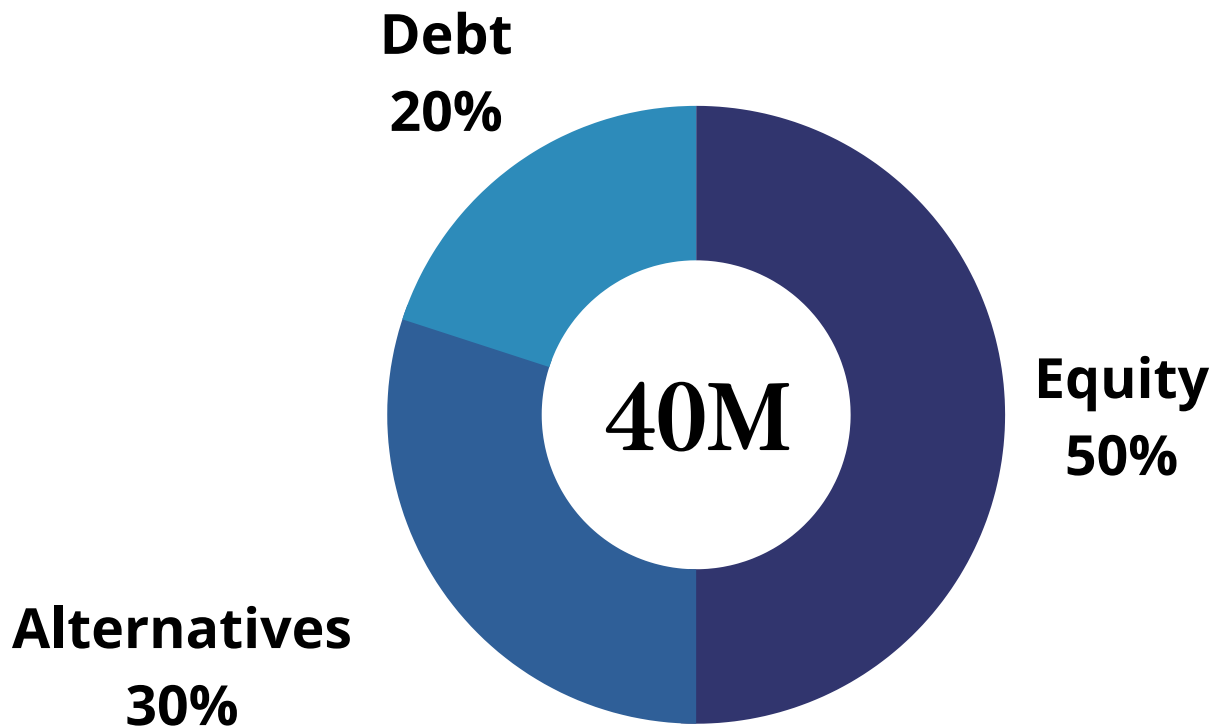
Expected Time Horizon



Portfolio Overview

(2022-2027)

Allocation

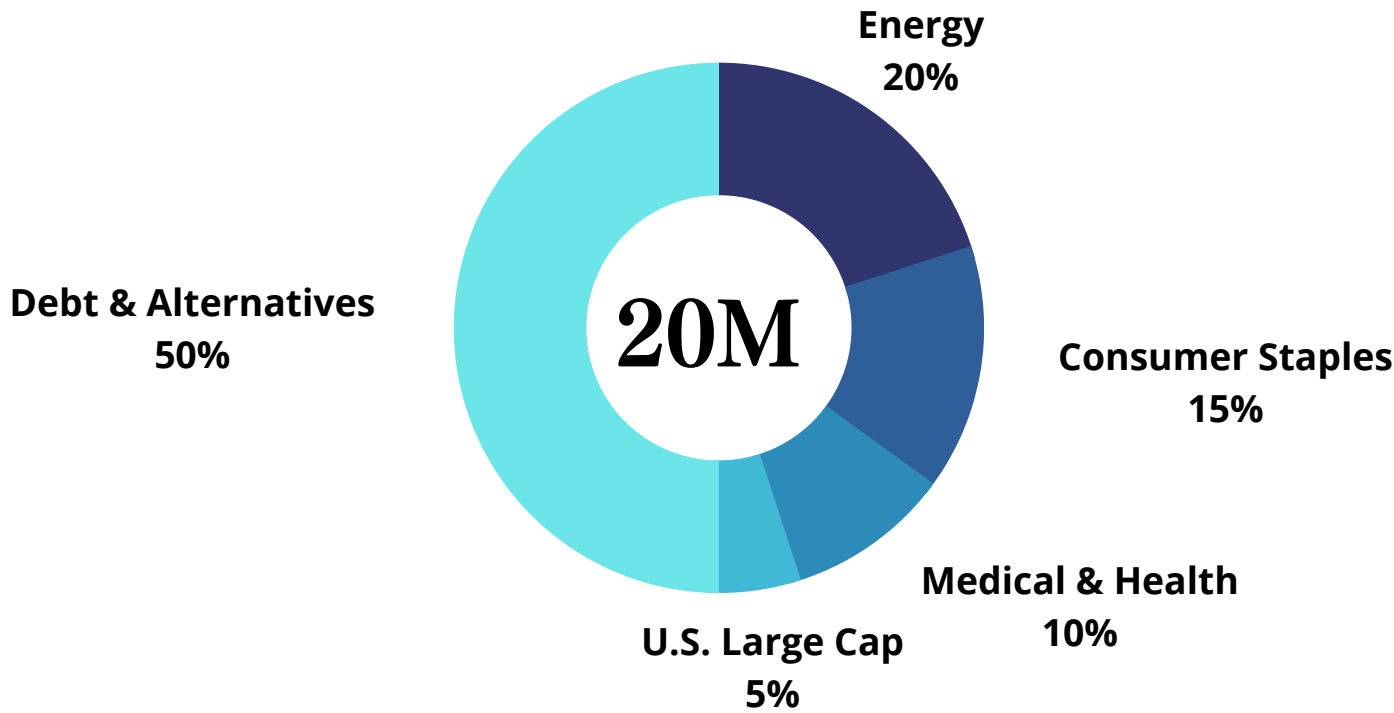


Total Fixed Cash Flow: 1.6M

Asset Class	Detail	Percentage	Annualized Return(E)	Annualized Volatility
Equity	Energy	20%	12.4%	16.68%
Equity	Consumer Staples	15%	9.8%	14.6%
Equity	Medical & Health	10%	11.4%	15.06%
Equity	U.S. Large Cap	5%	4.6%	12.16%
Fixed Income	U.S. High Yields Corporate Bonds	10%	7.4%	5.75%
Fixed Income	Short Term Investment Grade Corporate Bond	8%	4.6%	1.99%
Fixed Income	TIPS	2%	2.51%	4.28%
Alternative	Direct Lending	12%	12%	20.88%
Alternative	REITs	10.5%	18.85%	8%
Alternative	Hedge Fund	6%	9%	3%
Alternative	PE Fund	1.5%	3%	7.7%
Total		100%	10.48%	12.1%

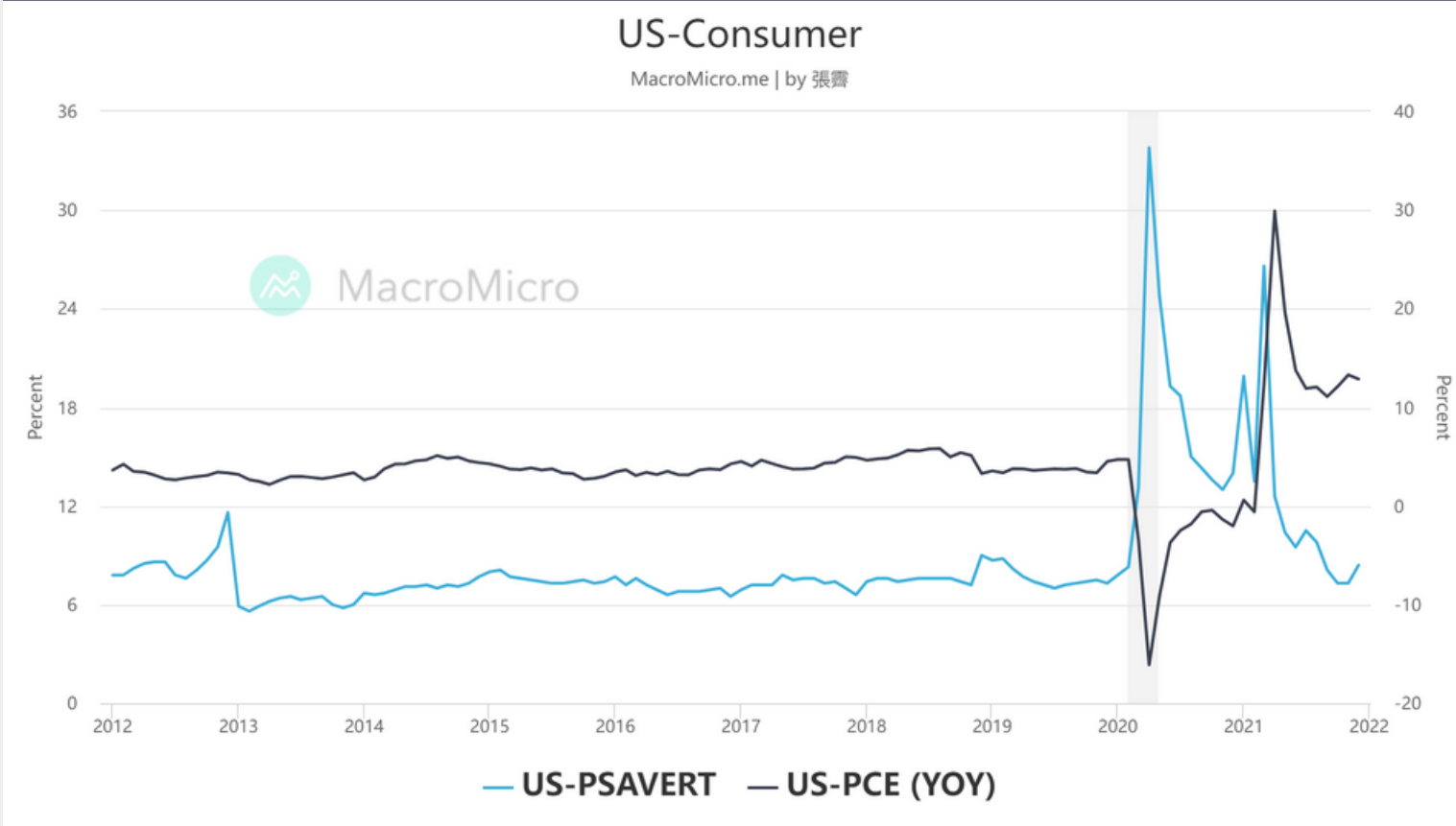
Equity (50%)

Equity Allocation



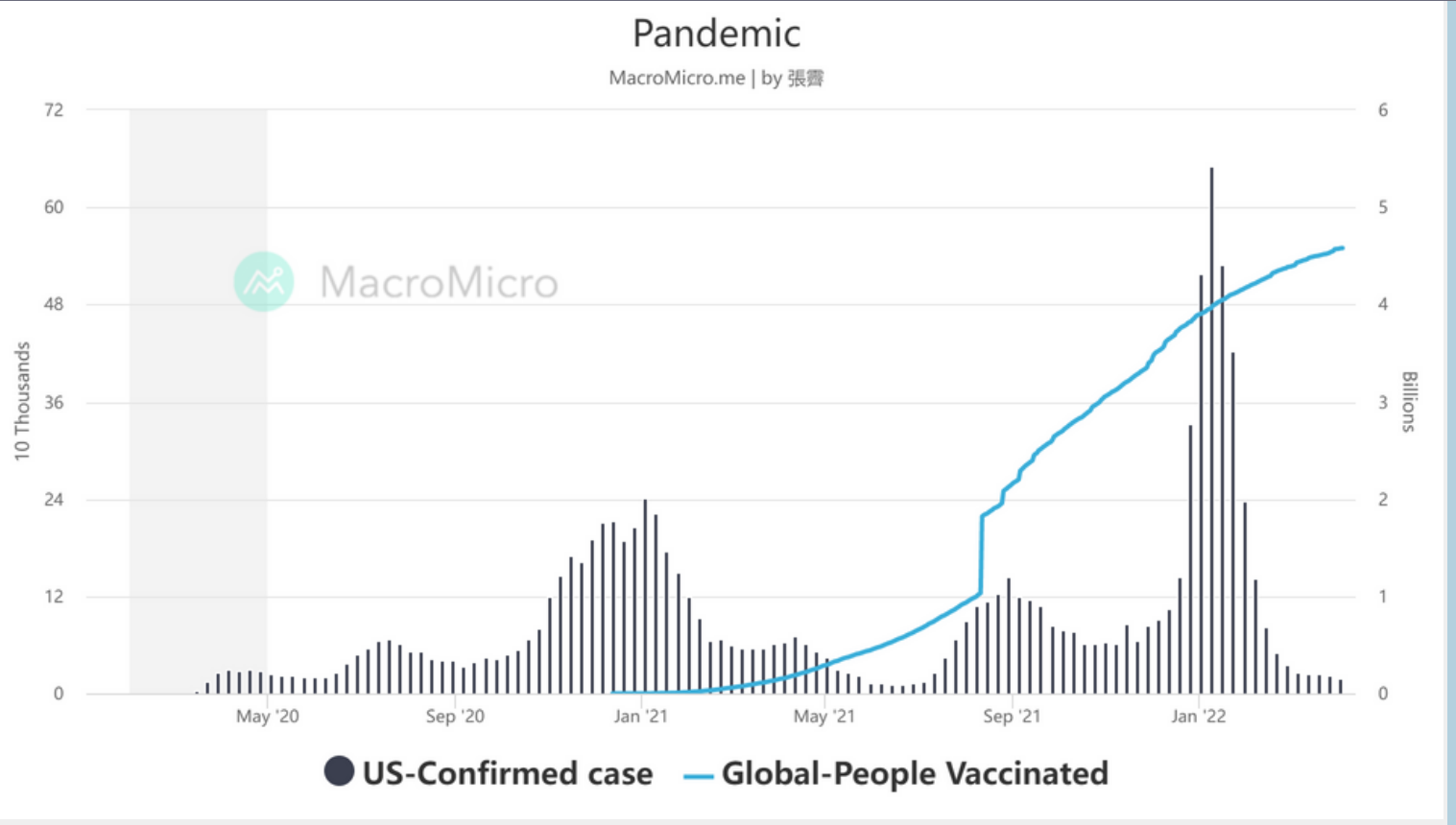
Total Fixed Cash Flow: 642,000

Consumer



- PCE Still in high level
- FED may start QE tapering earlier than expectation
- PSAVERT is approaching to annual average

Pandemic



- Pandemic is slowing down
- Number of people vaccinated in 2 doses is much higher
- Supply chain is in recovery

Equity (50%)

Portfolio	%	Dividends Yields	Volatility	Annual Cash Inflow
Energy	20%	4.1%	16.68%	328,000
Consumer Staples	15%	3.6%	14.6%	216,000
Medical & Health	10%	2.1%	15.06%	84,000
U.S. Large Cap	5%	0.7%	12.16%	14,000
Total	50%	3.21%	15.28%	642,000

Energy

Historical Return: 9.77%

Expected Return: 12.4%

Due to the sanctions on Russia and growing demand in energy, we expect this sector will perform well in nearly 3 years

Consumer Staples

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Historical Return: 7.22%

Expected Return: 9.8%

As the inflation rate still in rather high level, consumer staples can still provide guaranteed returns

Medical & Health

Historical Return: 4.2%

Expected Return: 11.4%

Medical & Health is a defensive sector that provides a staple returns in a high inflation period

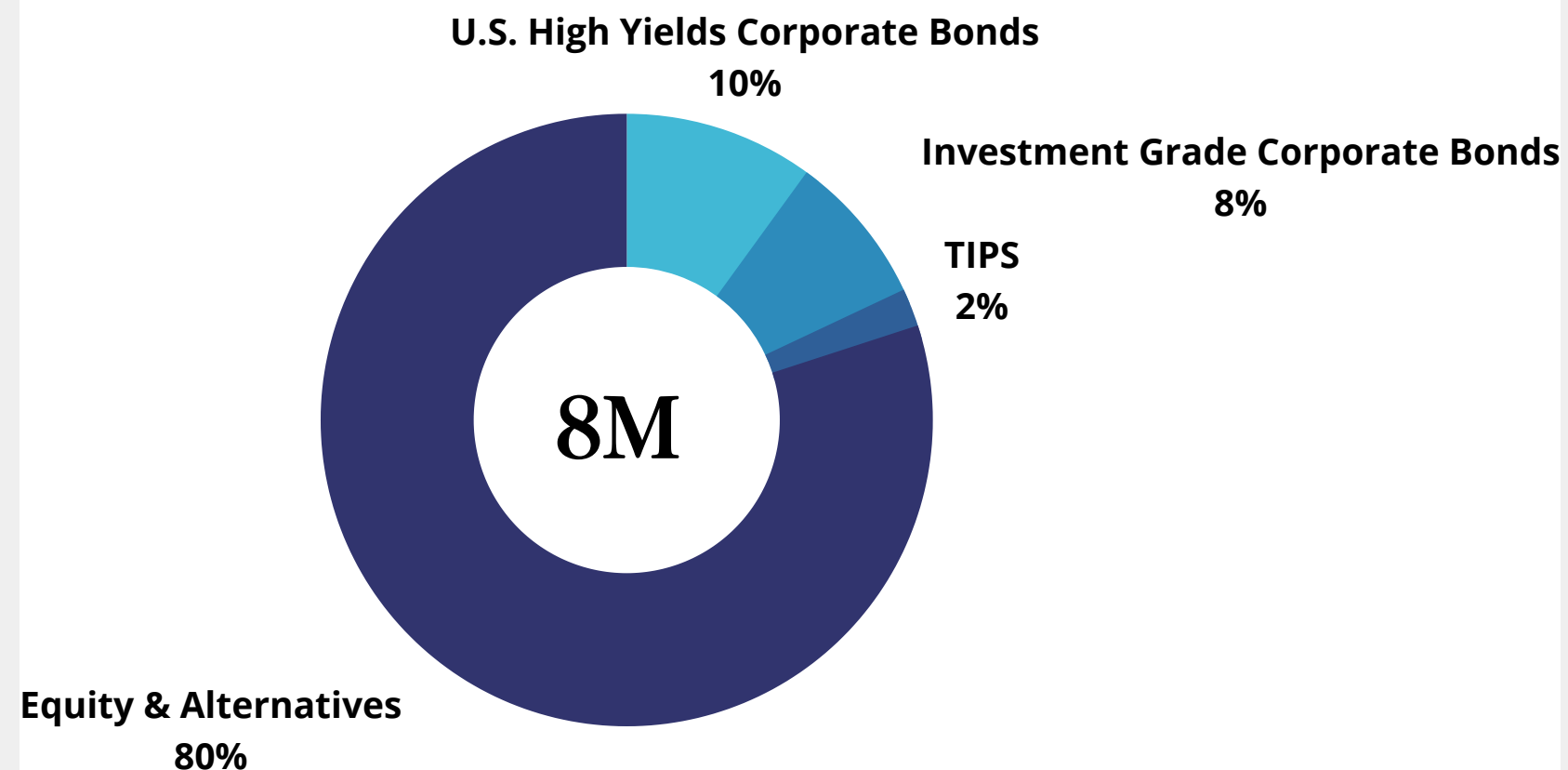
U.S. Large Cap

Historical Return: 4.2%

Expected Return: 4.6%

Even though under the tight monetary policy and high inflation, this sector can still have stable performance

Bonds Allocation



Total Fixed Cash Flow: 464,080

Summary

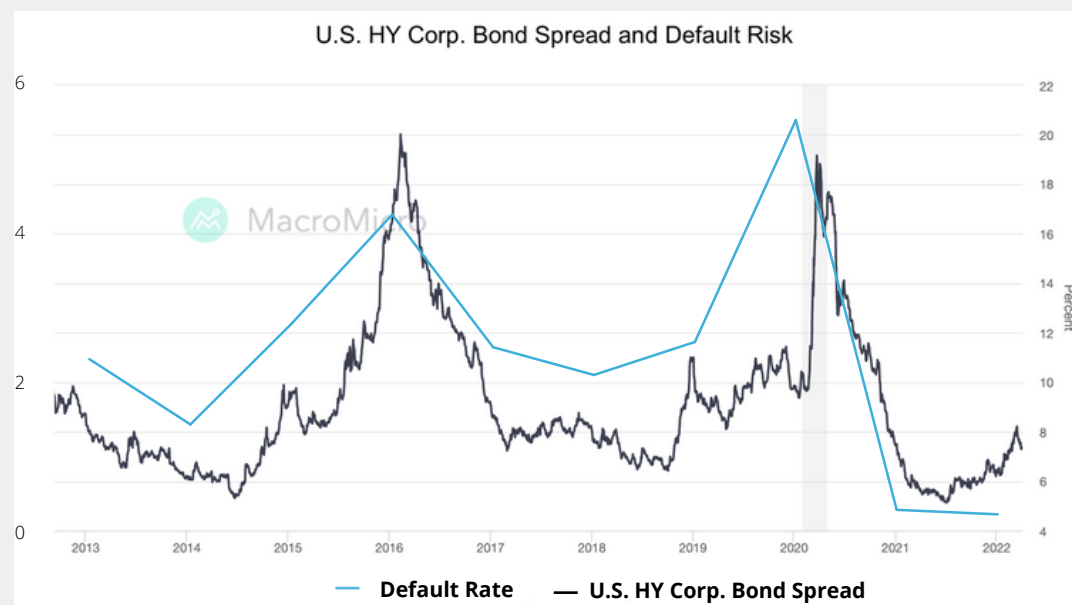
Since the high uncertainty in 1H 2022, we decide to set our objective in fixed income to diversification while generating a steady stream of income and yield. In addition, since the long-term prospect is relatively susceptible to interest rate volatility, we choose to invest in short-term bonds in our portfolio. With a relatively low default rate along with the widening of spread, we expect US High Yield Corporate Bond and Investment-grade Corporation Bond to give a decent return within an acceptable risk level.

Moreover, the allocation in TIPS will enable our client to accommodate the surging inflation rate and CPI environment, making the exposure to the risk of uncertain economic situation lower.

Portfolio	%	Money Invested	Estimated Yields	Annual Cash Inflow
TIPS	2%	0.8M	2.61%	20,880
Investment-Grade Corporate Bond	8%	3.2M	4.6%	147,200
U.S. High Yields Corporate Bonds	10%	4M	7.4%	296,000
Total	20%	8M	5.8%	464,080

U.S. High Yield Corporate Bond

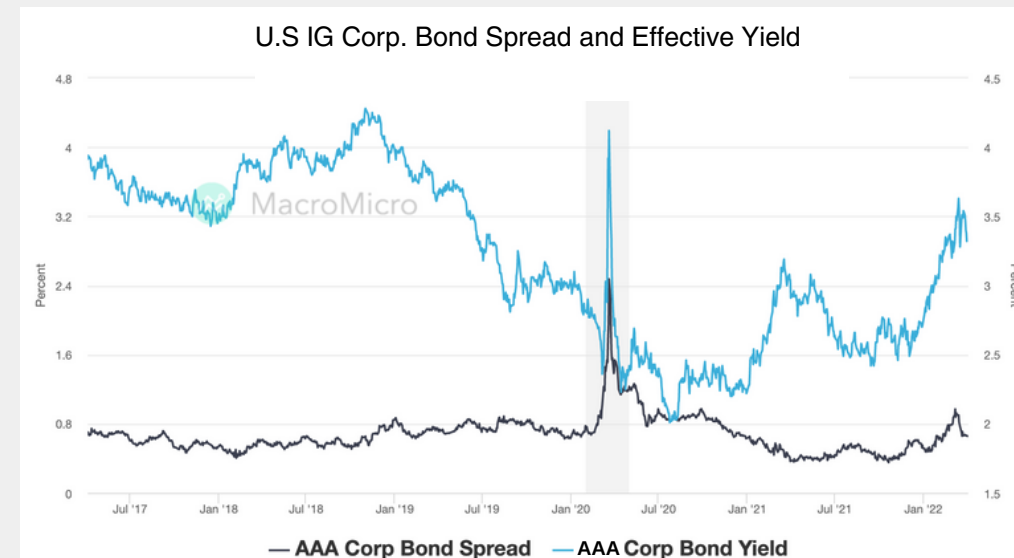
Historical return(10yr):5.15% Historical volatility(10yr):5.75%
Estimated return:7.4%



- Low default rate(0.24%)
- Spread widen
- Prefer shorter duration segments

U.S. Investment-Grade Corporate Bond

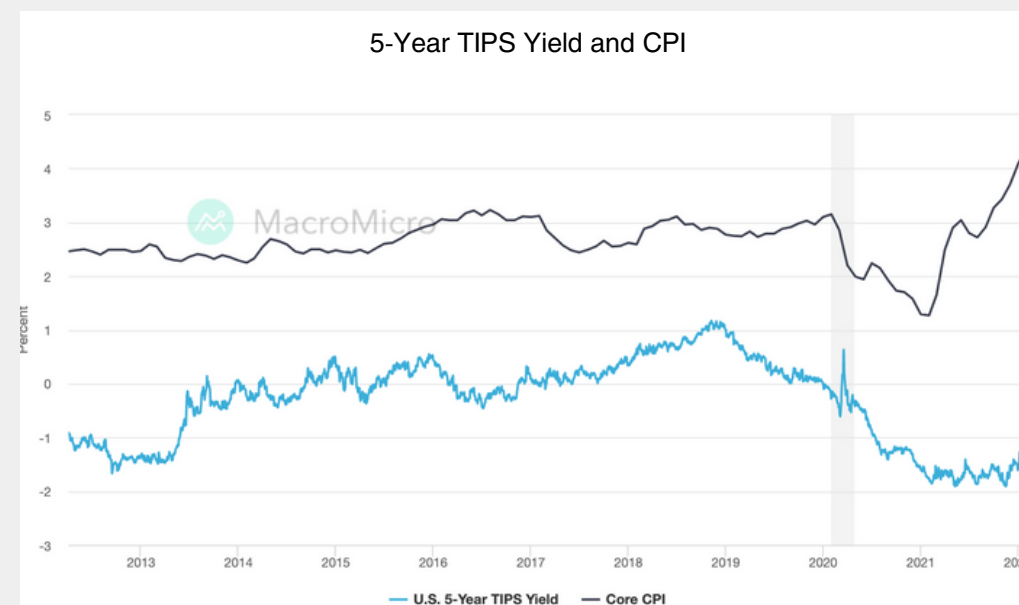
Historical return(10yr):2.8% Historical volatility(10yr):1.99%
Estimated return: 4.6%



- Spread has widened
- Decent yield
- Prefer shorter duration segments

Treasury Inflation-Protected Securities

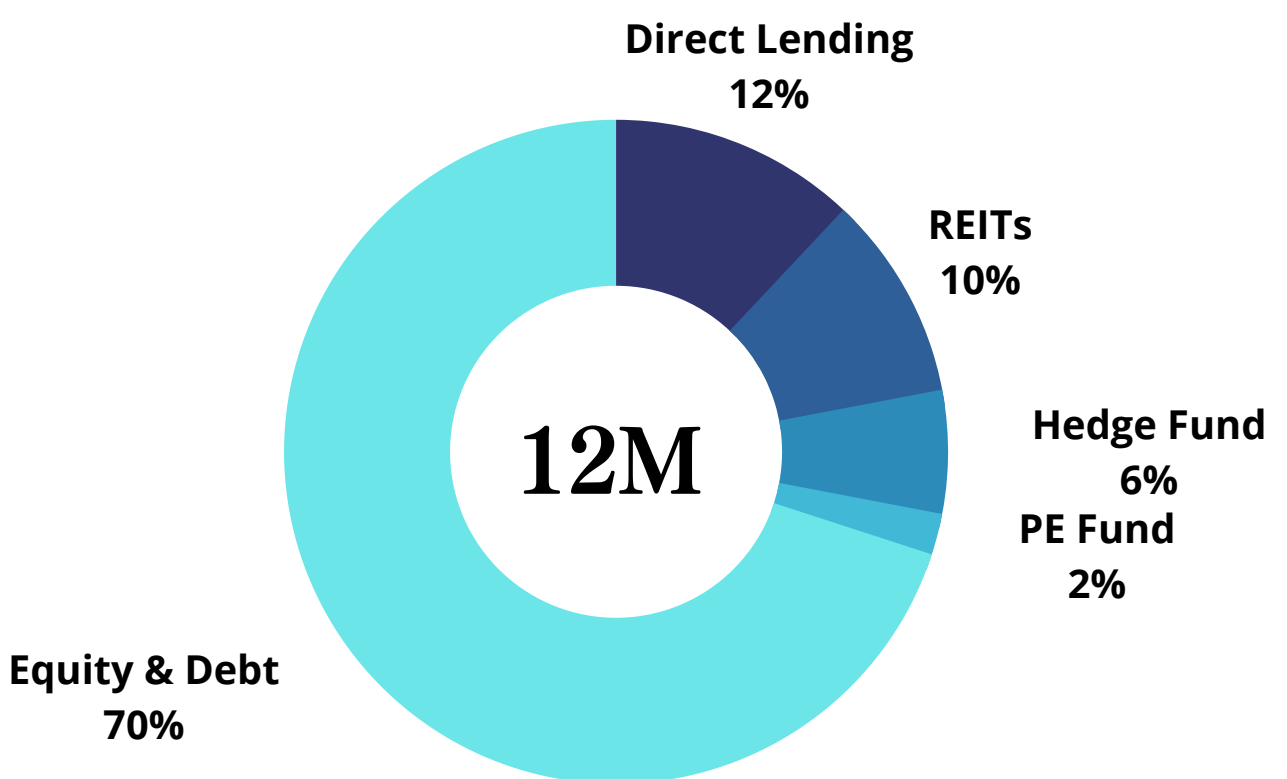
Historical returns (10yr): 2.51% Historical volatility (10yr): 4.28%
Estimated return: 2.61%



- Protect portfolio from the inflation
- Rising CPI and Inflation
- Prefer shorter duration segments

Alternatives (30%)

- Long-term growth potential
- Diversication
- creating more cash flow

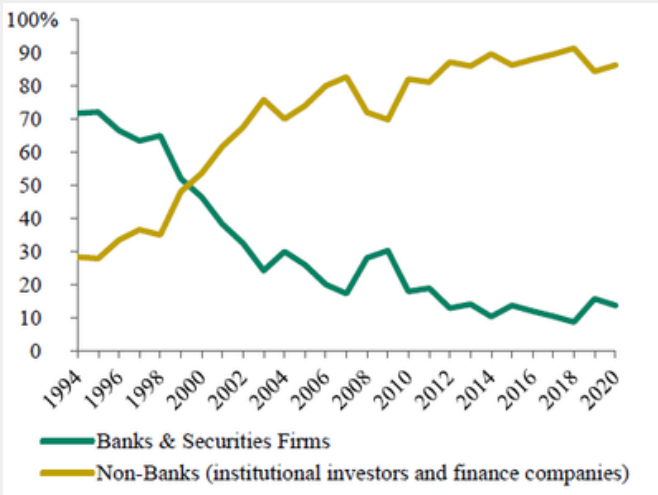


Portfolio	%	Historical Return	Volatility	Annual Cash Inflow
Direct Lending	12%	10%	20.88%	504,000
PE Fund	1.5%	4.2%	7.7%	18,000
Hedge Fund	6%	9.4%	3%	120,000
REITs	10.5%	14.3%	8%	Performance in the first 5 years 504,000
Performance after 5 years	30%	8.17%	13.43%	1,146,000

Direct Lending

Historical Return:
10%

**Expected Return:
12%**



PE Fund

Historical Return:
4.2%

**Expected Return:
3%**

Higher interest rate may decreased public's appetite for IPOs, and asset valuations drop.

Hedge Fund

Historical Return:
9.4%

**Expected Return:
9%**

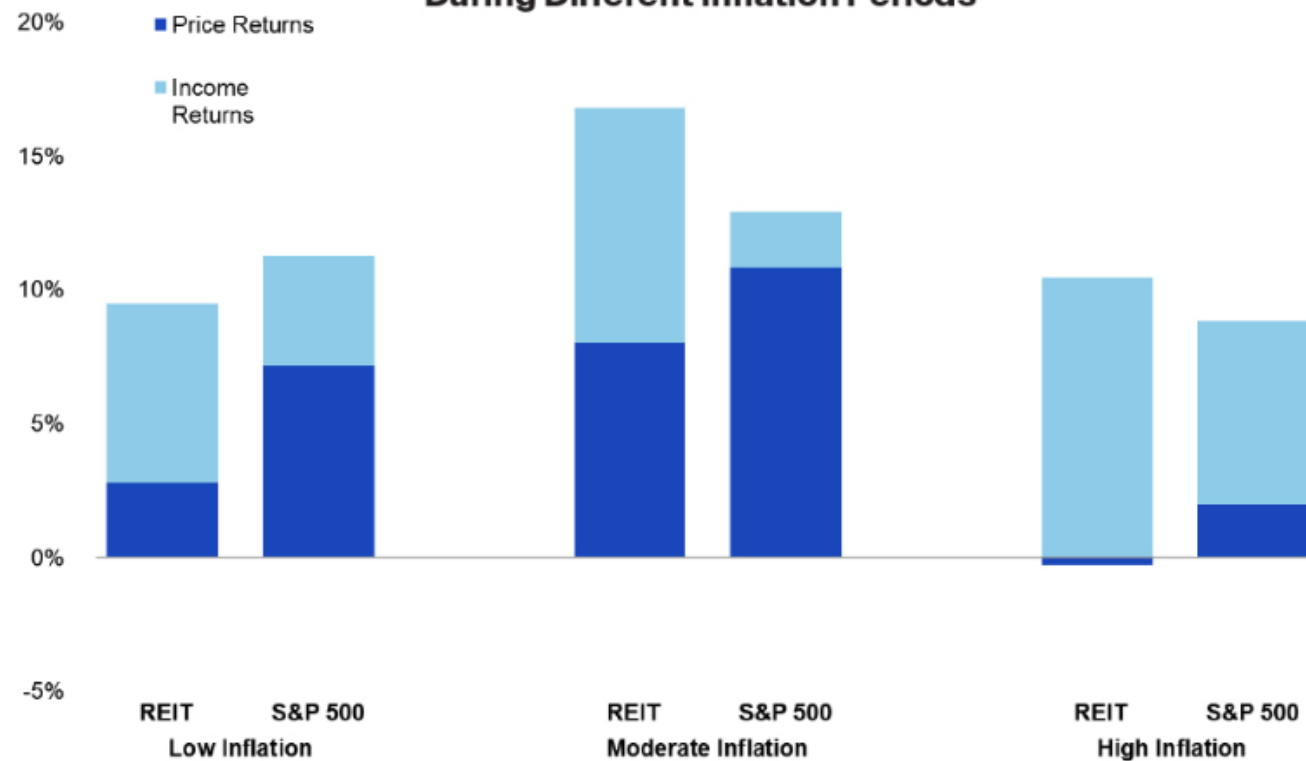
10-year Treasury yield		
Portfolio	0%-3%	3%-7%
S&P500 return	16%	5.2%
Index return	7.8%	12.2

data reference: JPM Guide To The Alternatives,Oaktree

Alternatives-REITs

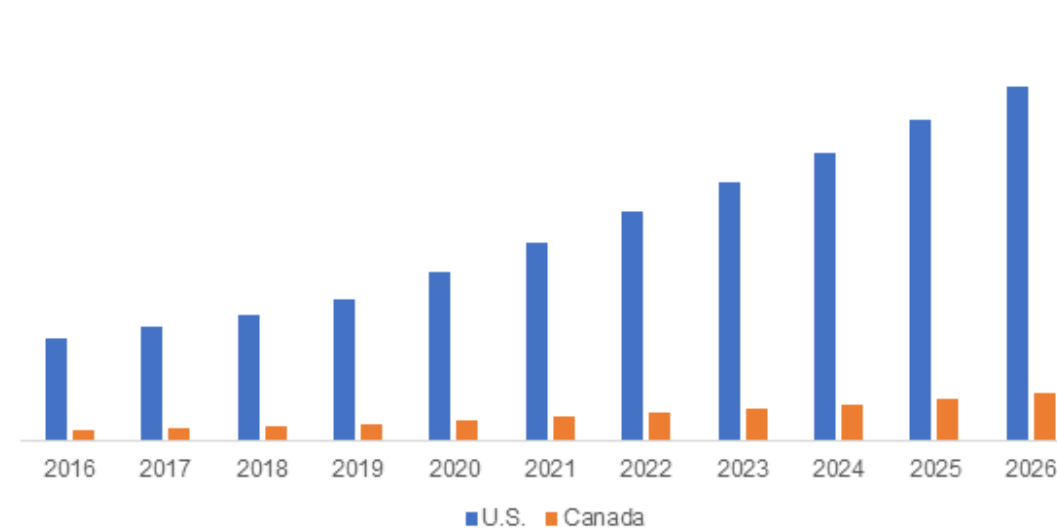
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REIT Returns Compared to S&P 500 Returns
During Different Inflation Periods



Data Center (25%)

US data center market size

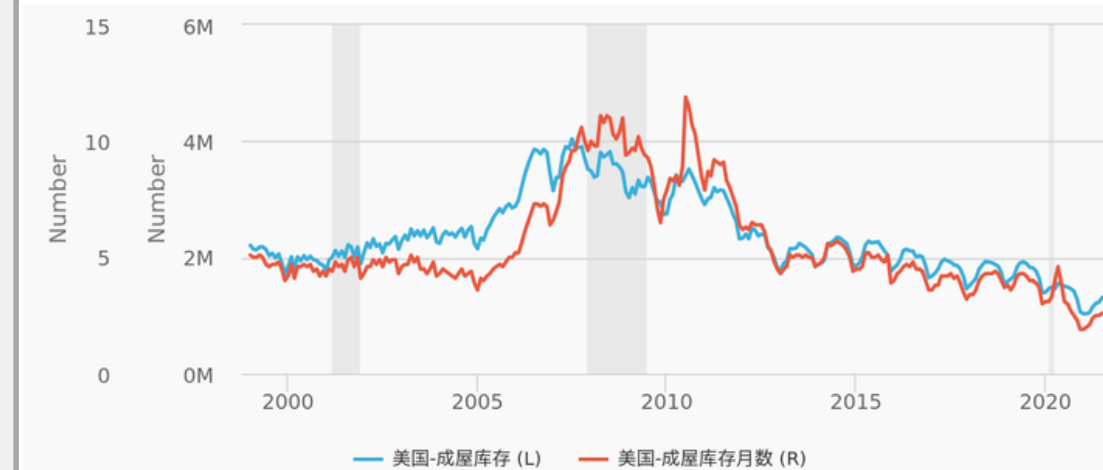


Historical Return:17%

Estimated Return:19%

Residential (15%)

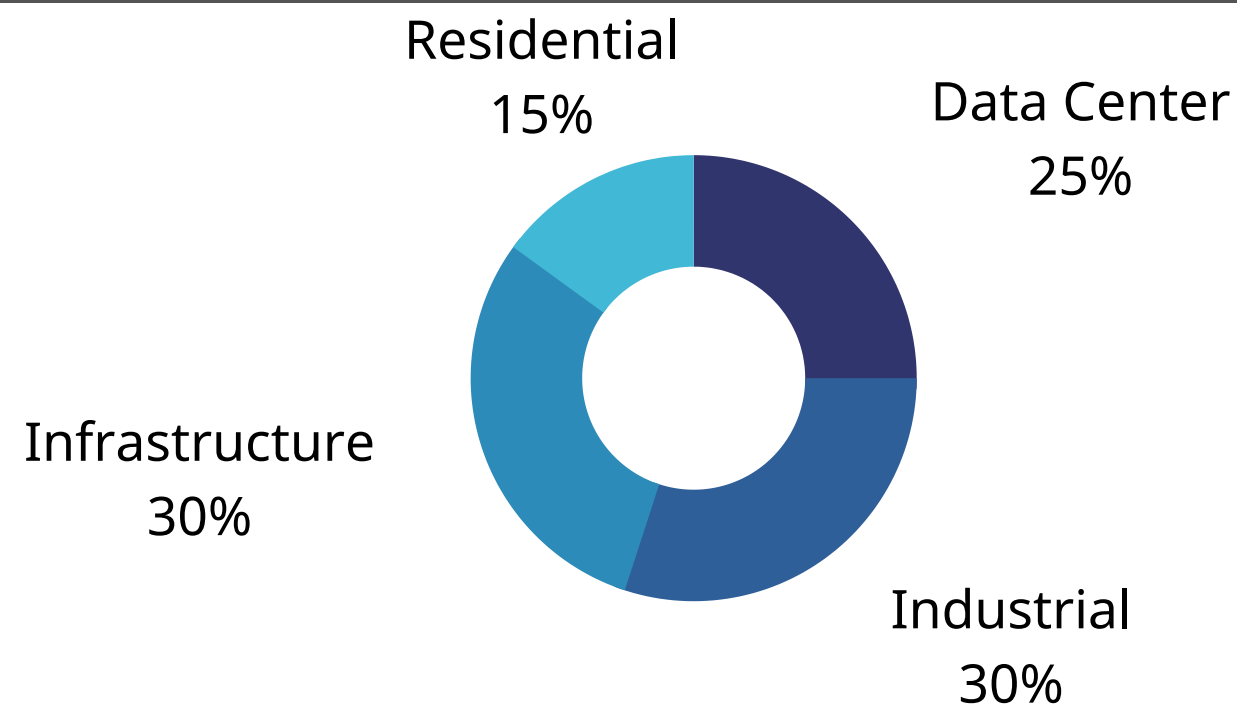
US Existing Home Inventory



Historical Return:12.2%

Estimated Return:12%

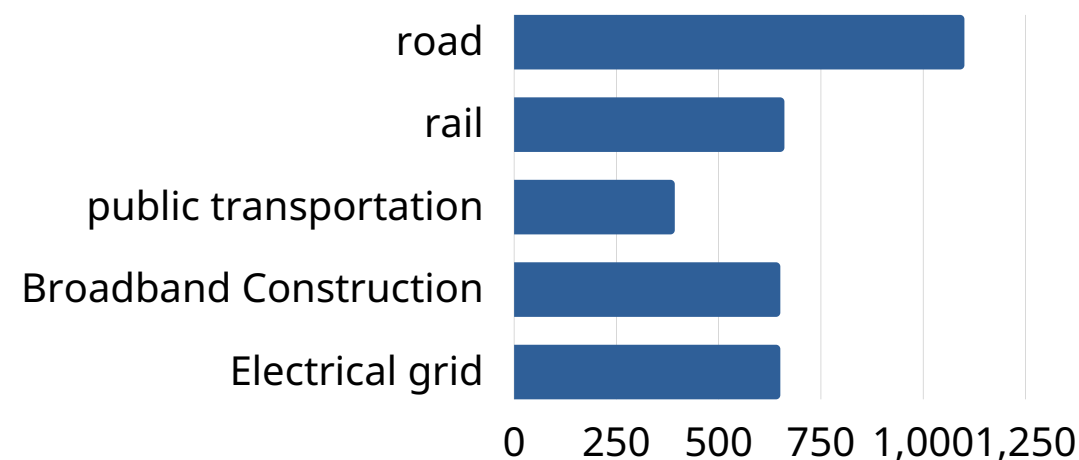
REITs Allocation



Total Estimated Return: 18.85%

Infrastructure (30%)

2021 Infra.Program of US

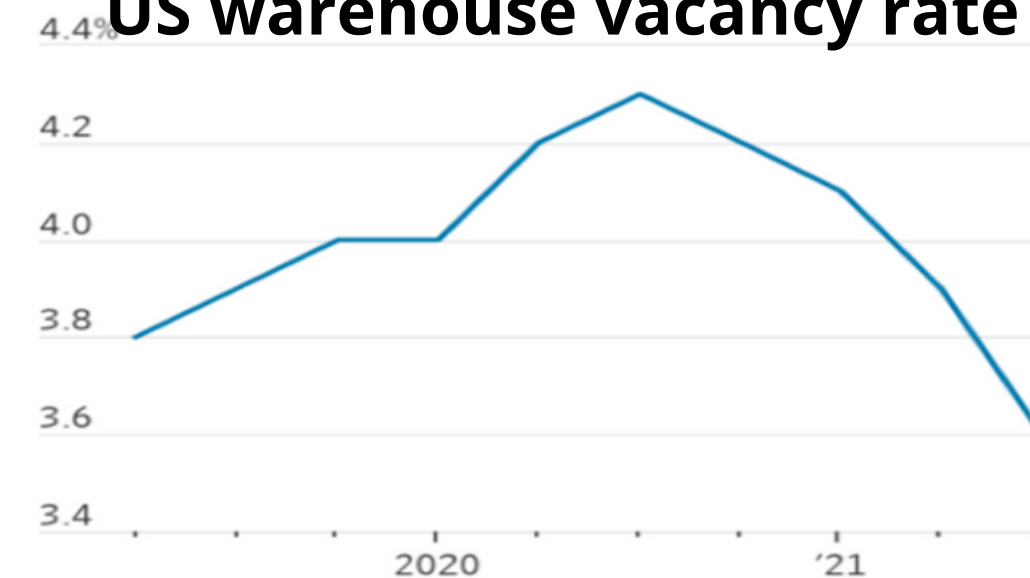


Historical Return: N/A

Estimated Return: 18%

Industrial (30%)

US warehouse vacancy rate

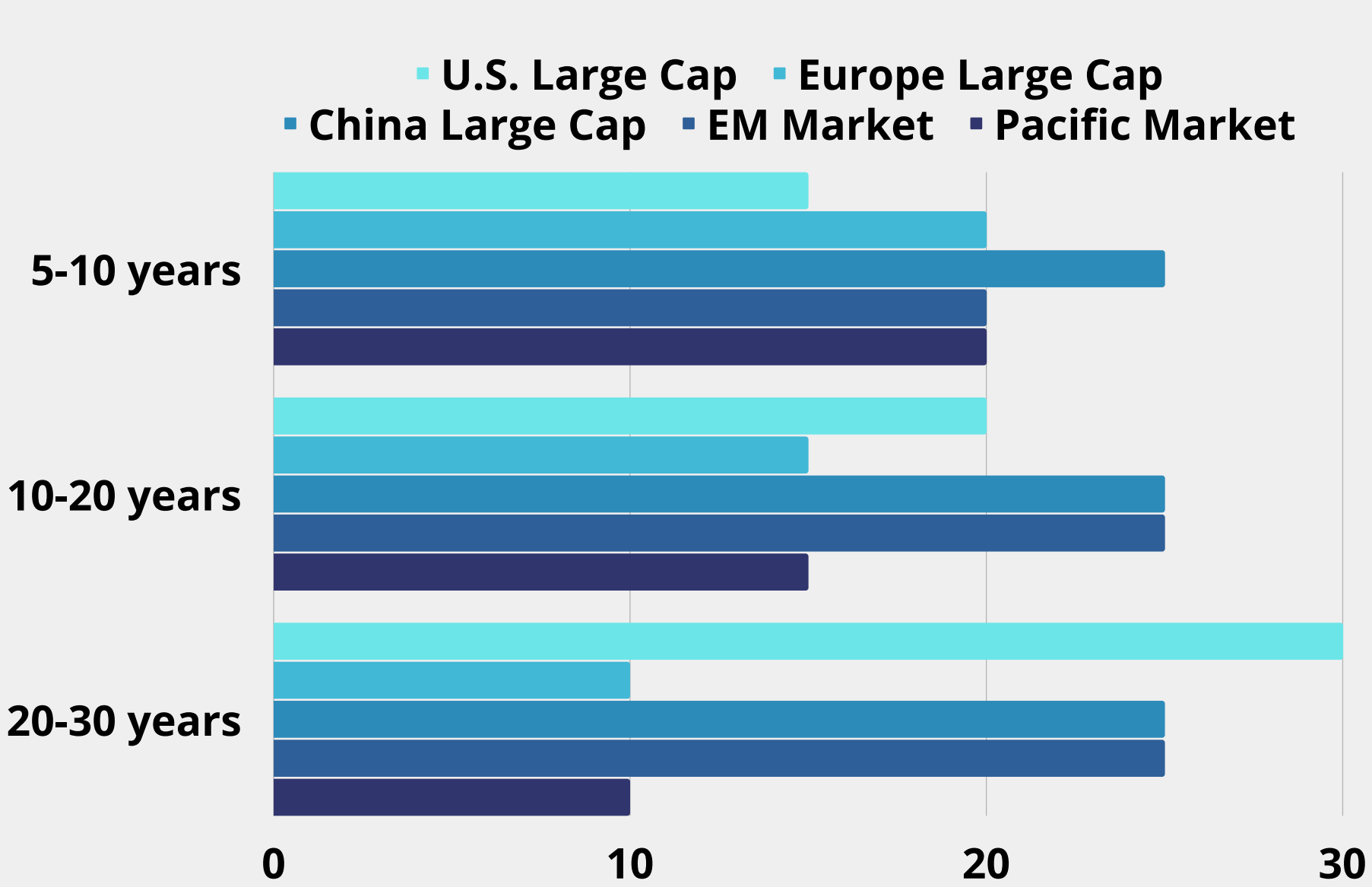


Historical Return:21.9%

Estimated Return:23%

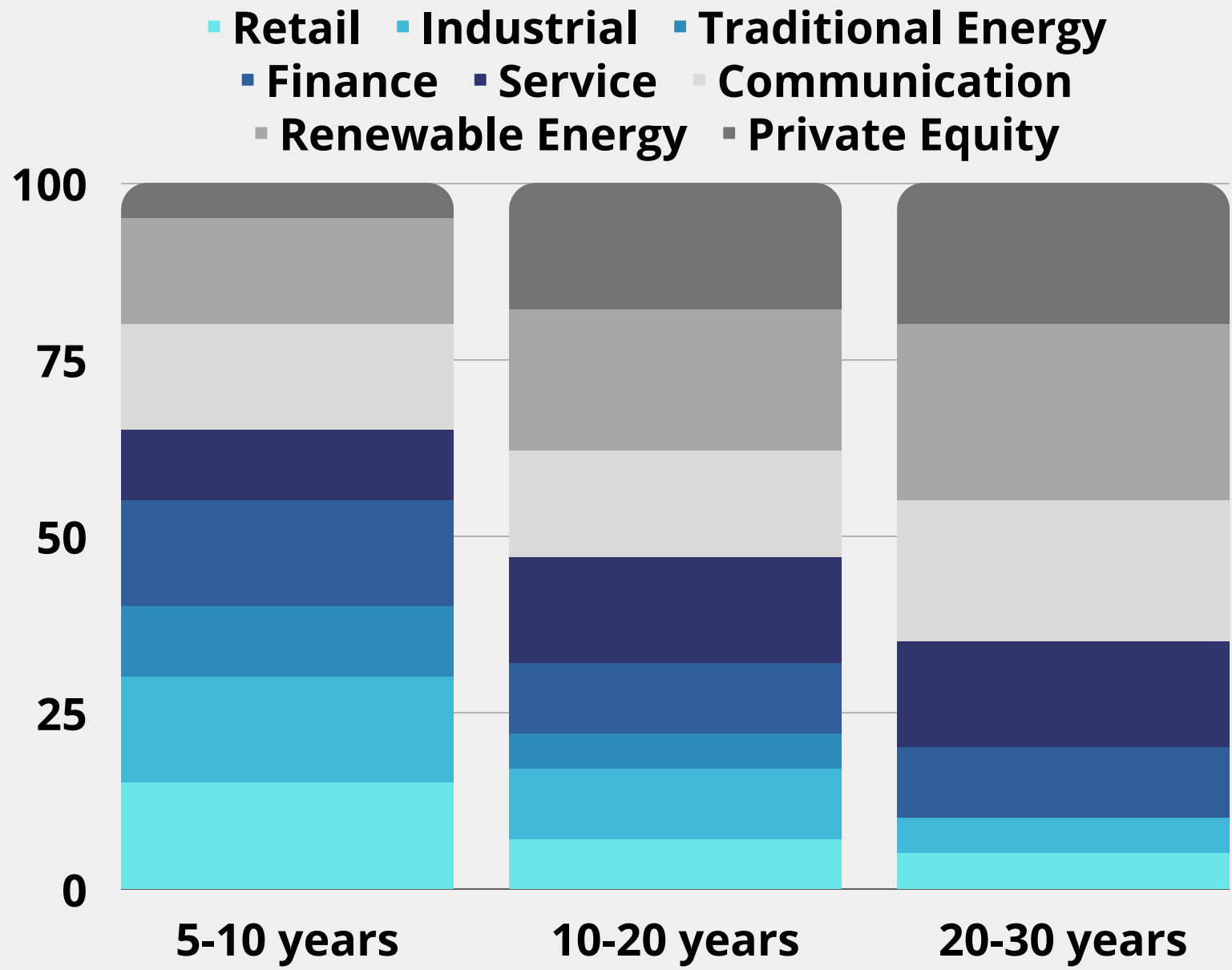


Portfolio in Time Period



pic: Portfolio of different markets

Increase: U.S. Large Cap and EM market
Remain: China market
Decrease: Europe and the Pacific



pic: Portfolio of different industries

Decrease: Retail, finance, traditional energy, and industry
Increase: Service, communication, and renewable energy

Technology Portfolio Advise

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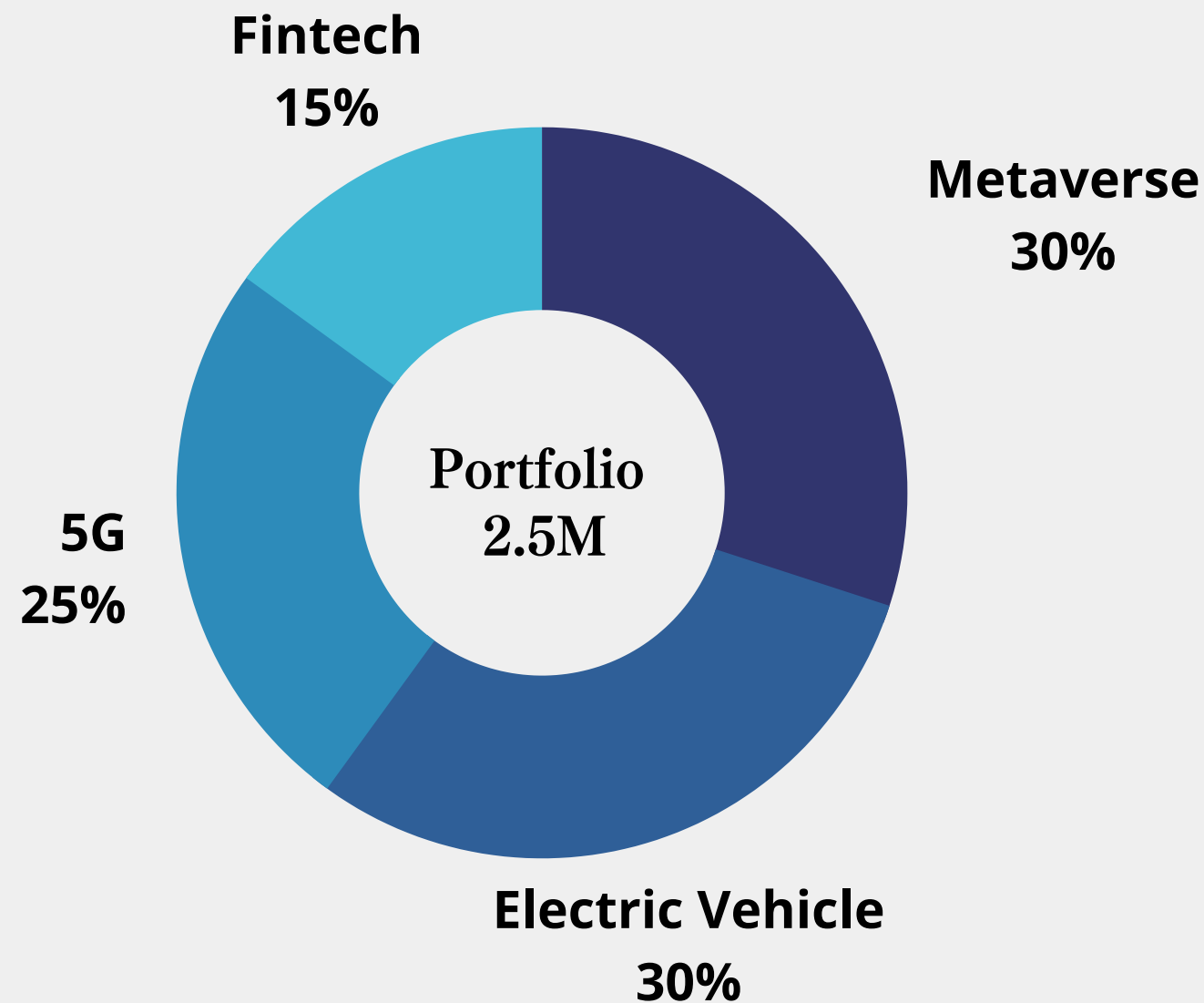
All the sectors we recommended are the trend in near 10 to 15 years. All of them have great potential and powerful momentum.

Fintech

- Industries stimulated
 - Big data analysis
 - Artificial intelligence
 - Biometrics
 - Mobile payment
- The CAGR growth(2020~2025)
 - Mobile payment > Cash and credit card
- Manufacturers' bargaining power improves
 - Technology stocks promising performance
 - Stable profitability

5G

- Potential output (15yr): \$USD 2.2T globally
- Stable growth in revenue and profits
 - 5G network, Open RAN/O-RAN, low orbit satellites, etc
 - Ease of supply shortage
- Satellite industry: 74% of the 2020 global aerospace industry output
 - Production output: \$USD 271B
 - 2030 estimated reach:\$USD 370.6B



Electric Vehicle

- Sales surpassed diesel vehicles (Europe, 2021)
- Better profit margins
 - Lower costs than fossil fuel
- Faster transition
 - New energy policy
 - Ease of supply chain problem

Metaverse

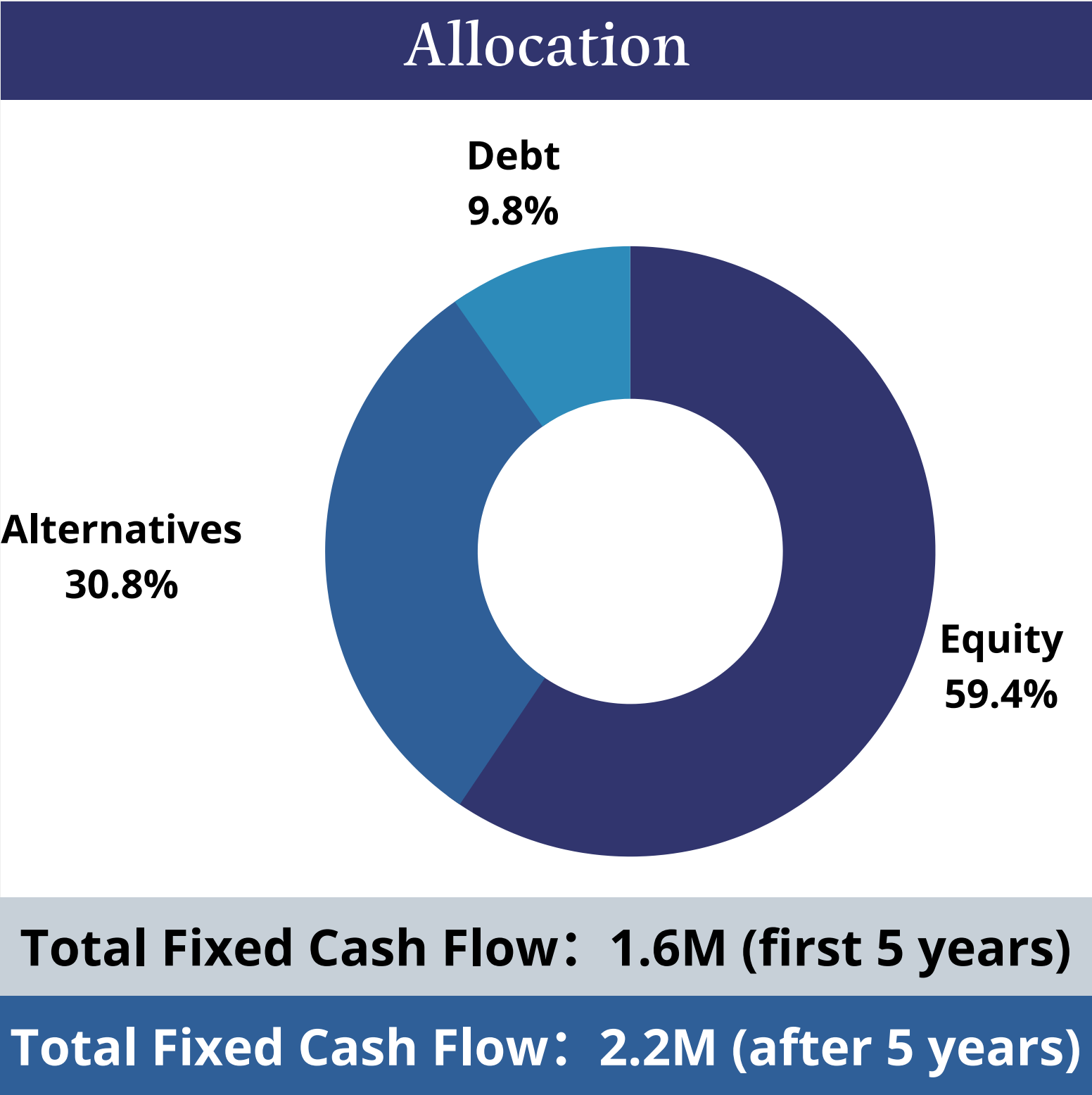
- Potential output: \$USD 2.5T
- Promising technology industry
- Manufacturers benefited
 - Nvidia
 - AMD
 - Qualcomm
 - TSMC
 - Other chips and servers manufacturers

Conclusion

Expected Return: 4.2% / 5.5% / 10.48%

Expected Volatility: 12.01

Total Return : 4.2M



Requirement
Liquidity for Living Expenses Philanthropy Family Fund
Portfolio Achievements
Megatrend Stable Cash Inflows Portfolio Diversification Growth Momentum Financial Goal

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