

### Investment Objective and Strategy

Our fund strives to unlock value for investors through complex long and short strategies on various high value investment opportunities. Our investment team consists of highly experienced individuals with a long-term track record of surpassing public market benchmarks such as the S&P500. A portfolio of specially selected stocks coupled with our team's careful analysis of market trends make us well-positioned in capitalizing any investment opportunities that occur in the market.

### Performance Analysis

<b>Annualized Daily Returns</b>	1.47%	<p>Considering significant company-specific events such as the 3<sup>rd</sup> Quarter earnings season, the markets experienced significant volatility caused by headline and event risk throughout our investment horizon. Despite this, our fund made it through with a minimal decline in fund performance with an overall return of <b>-0.25%</b> over the past two months. Our fund over this period has a beta to the market of <b>0.58</b> which displays the use of proprietary investment research to engage in active portfolio management which reduces market risk with the use of shorting and defensive stocks as hedging instruments which is superior to high-beta hedge funds that delivers investors short-lived gains only when the market is bullish.</p>
<b>Annualized Daily Standard Deviation</b>	11.75%	
<b>Sharpe Ratio</b>	-0.0068	
<b>Treynor</b>	-0.00001	
<b>Jensen's alpha</b>	-0.0007	
<b>Portfolio Beta</b>	0.58	



### Our Holdings

#### Amazon.com Inc. (AMZN)

Healthy performance in Amazon Web Services (AWS) and the implementation of One-Day Promise made the company an attractive investment at the start of our investment horizon. We initiated a long position of Amazon's stock and pulled out at our target price of USD1750, resulting in **0.731%** returns.

We resumed our long position over expectations of a good earnings report but that did not turn out to be the case due to an increase in shipping costs caused by efforts to maintain shorter delivery times for free. Amazon's share price dipped as a result of its fall in earnings but has climbed back up since. Our holding of the stock has since resulted in returns of **-1.071%**. Overall, losses from holding the stock across the two time periods are at **-0.337%**.

#### Apple Inc. (AAPL)

The launch of the updated Apple TV and the iPhone 11 was met with great success and this resulted in expectations that Apple was likely to surpass earnings estimates. As such, we initiated a long position

on Apple with an anticipated appreciation in its stock price. The stock price increased steadily after we entered the first long position and we subsequently entered two more long positions on Apple. This resulted in overall return of **10.13%** over the time period.

### Beyond Meat Inc. (BYND)

Beyond Meat was one of our main holdings throughout this period. With the company being in a highly overvalued price of US\$160 at the beginning of our investment horizon, our main strategy involved shorting the company's equity. Short positions were made at the beginning of our investment horizon, earnings season and the end of the lockdown period for management. Shorting at lighter quantities at the beginning and larger quantities in the later stages resulted in returns of **0.607%** throughout the entire investment horizon.

### McDonald's Corporation (MCD)

McDonald's was one of our portfolio companies with the purpose of being a defensive position. A stable appreciation of the stock's value and the companies foray into technology to enhance business were key justifications for our long position.

Unfortunately, a lower than expected earnings reported on 21<sup>st</sup> October caused a sharp decline in McDonald's share price. Expectations for recovery of the share price were dissolved when there was a further decline and losses were cut towards the end of the investment horizon, resulting in returns of **-9.859%**.

Despite being used as a hedge for previous recessions, our fund has considered market-timing to be a factor for not reaping its absolute rewards. In August, the stock was up more than 25% year-to-date. MCD had outperformed the market by a few points. However, upon the beginning of our trading period on 14 September, the market had appeared to have reached its bottom with the US-China trade tensions deescalating over the interim few weeks. The other most pertinent reason for MCD's poor overall returns in our portfolio would be its non-systematic risk- its internal leadership turmoil which could not be diversified away. The sacking of MCD's ex-CEO Steve Easterbrook over a relationship with another employee derailed stock prices. MCD's reliability as a defensive stock has been overshadowed by recent unpredictable events which has forced our funds to sell half our holdings in MCD.

Going forward, it is up to MCD's new CEO Kempczinski to lead the company's groups of franchisees in their latest remodeling program which could cost up to \$750,000 per location. Due to the short time horizon of our fund, until these pieces fall into place almost immediately, our fund will stick to its current holdings of MCD in our portfolio or rebalance it downwards if further negative news are heard.

Equity Sector Breakdown	% of total net assets
<b>Technology</b>	87.77%
<b>Communication</b>	8.02%
<b>Internet Services</b>	-18.65%
<b>Consumer Staples</b>	-41.18%

Top 5 Holdings	% of portfolio
<b>AMZN</b>	42.56%
<b>CRM</b>	39.76%
<b>AAPL</b>	20.27%
<b>MCD</b>	20.12%
<b>HPQ</b>	10.79%

#### Disclaimer:

You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus and, if available, the summary prospectus containing this and other information about the fund that are available, along with the information on other Pure Alpha funds, from your financial professional. The prospectus should be read carefully before investing. Investing risks including possible loss of principal.