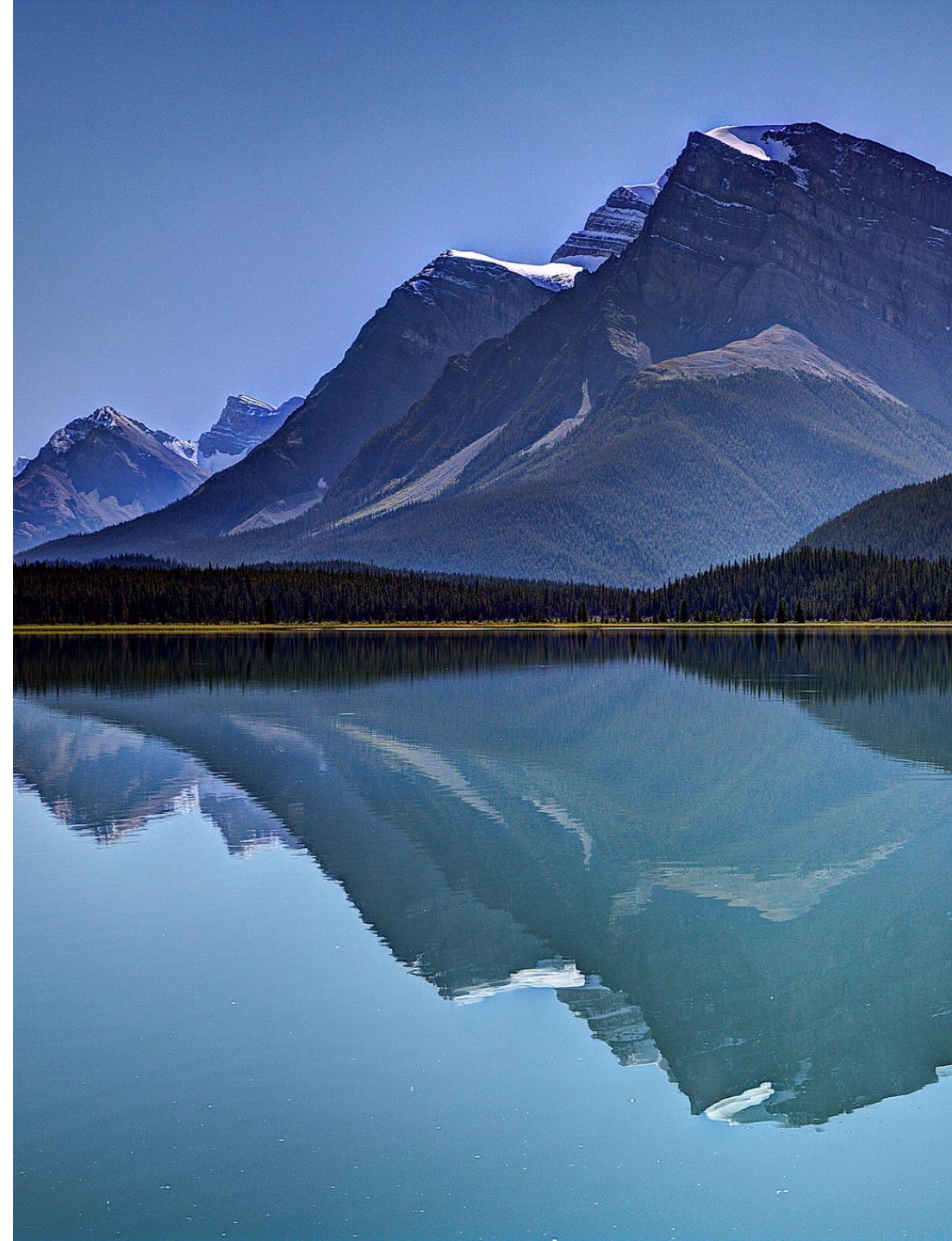




RackBlock

The Uncomprising Returns Fund[®] (URF)

RackBlock Inc.



RackBlock Leadership



Nick Van de Belt, Chief Executive Officer



Julien Bieri, Chief Investment Officer



Aris Herzog-Petropakis, Chief Economist

**It's not about speed, it's
about knowledge.**

–Nick Van de Belt, CEO



Overview



The URF is a brand new, state-of-the-art mutual fund that is at the cutting edge of current macroeconomic and geopolitical trends.



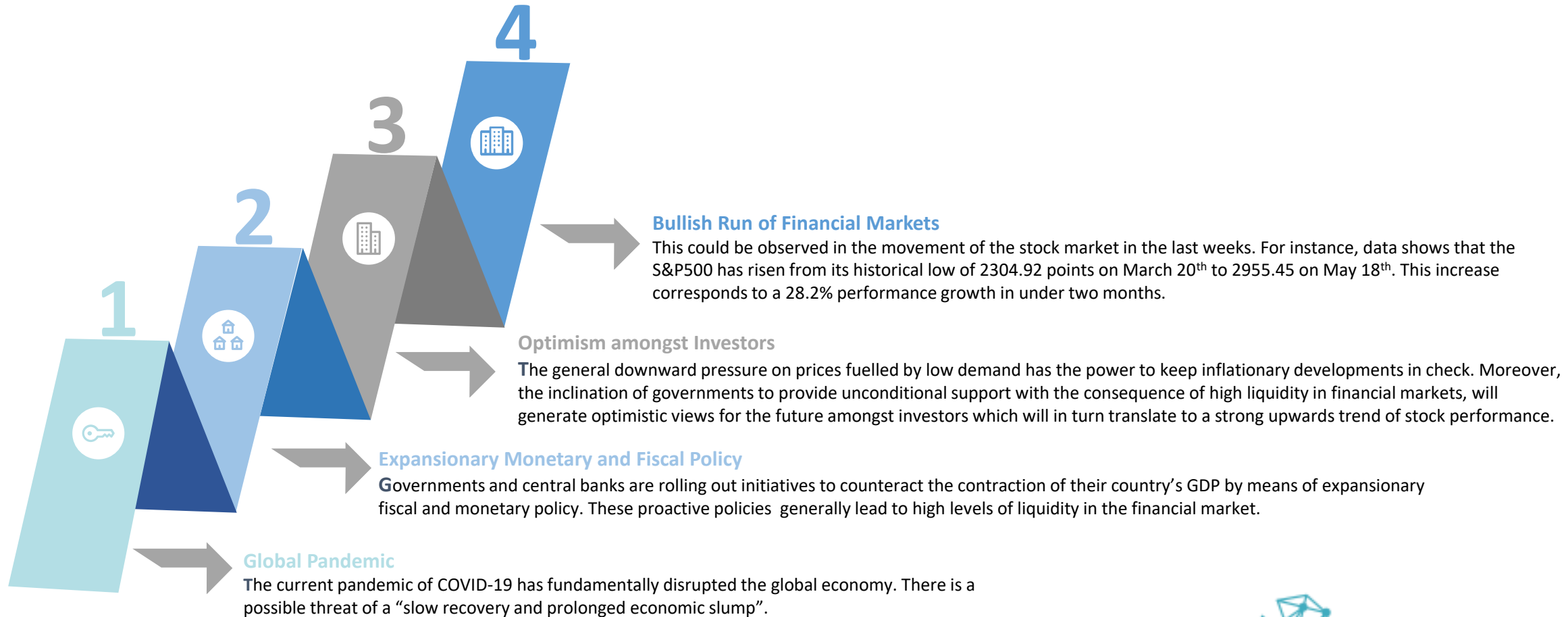
The URF is constructed with the sole purpose of maximizing investors' returns.



With its differentiated large-cap growth strategy, the URF remasters a notoriously successful concept to fit present needs.

	Value	Core	Growth
Large			
Mid			
Small			

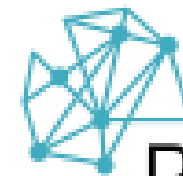
Investment Approach



Fund Objective

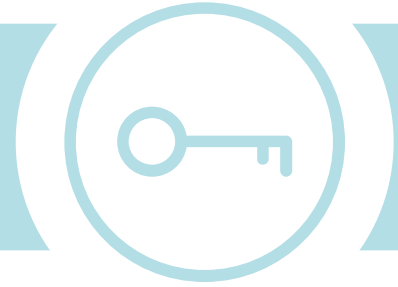


RackBlock created the Uncompromising Returns Fund® in order to maximize investors' profits from the current macroeconomic trend. By providing a rock-solid basis of large-cap stocks together with a differentiated position in high-potential sectors, the Uncompromising Returns Fund® aims to outperform its benchmark of the S&P500 index.



RackBlock

Investment Strategy



01

The Uncompromising Returns Fund® contains securities listed in US stock markets only.

02

The Uncompromising Returns Fund® contains securities of organization with a market capitalization of more than USD 10 billion (i.e. large-cap stocks) only.

03

The Uncompromising Returns Fund® represents the golden middle between value and growth stocks.

04

The Uncompromising Returns Fund® is invested at the cutting edge of macroeconomic and geopolitical trends.

05

The Uncompromising Returns Fund® aims to eliminate risk arising subjective bias or personal preferences by randomizing investment base.

Portfolios



MVO Portfolio

The mean variance optimization (MVO) approach to construct a portfolio has the goal of maximizing the Sharpe ratio. Since the Sharpe ratio represents the risk-adjusted returns of an investment, an MVO portfolio optimizes both risk and return. With RackBlock's classic investment philosophy, we refrain from any short-selling in the MVO portfolio.

Equal-Weight Portfolio

In the equal-weight portfolio all stocks are given exactly the same proportion. In the case of the URF's 48 positions, the weight of each security thus corresponds to 2.083%.

Market-Cap Portfolio

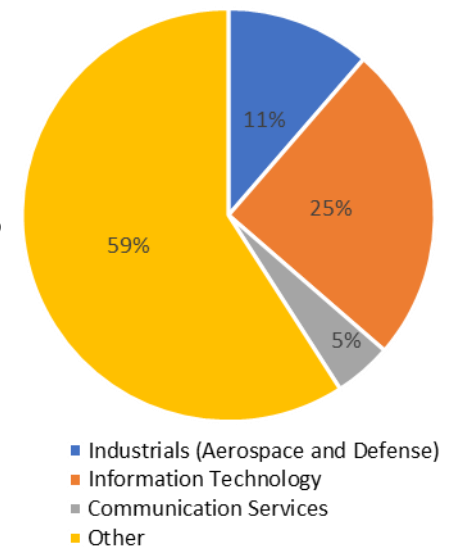
In a market-cap portfolio the weights of the different positions are determined according to the market capitalization of each company. More specifically, each stock has the percentage weight of the proportion of the issuer company's market capitalization compared to the total market capitalization of the portfolio.

Black-Litterman Portfolio

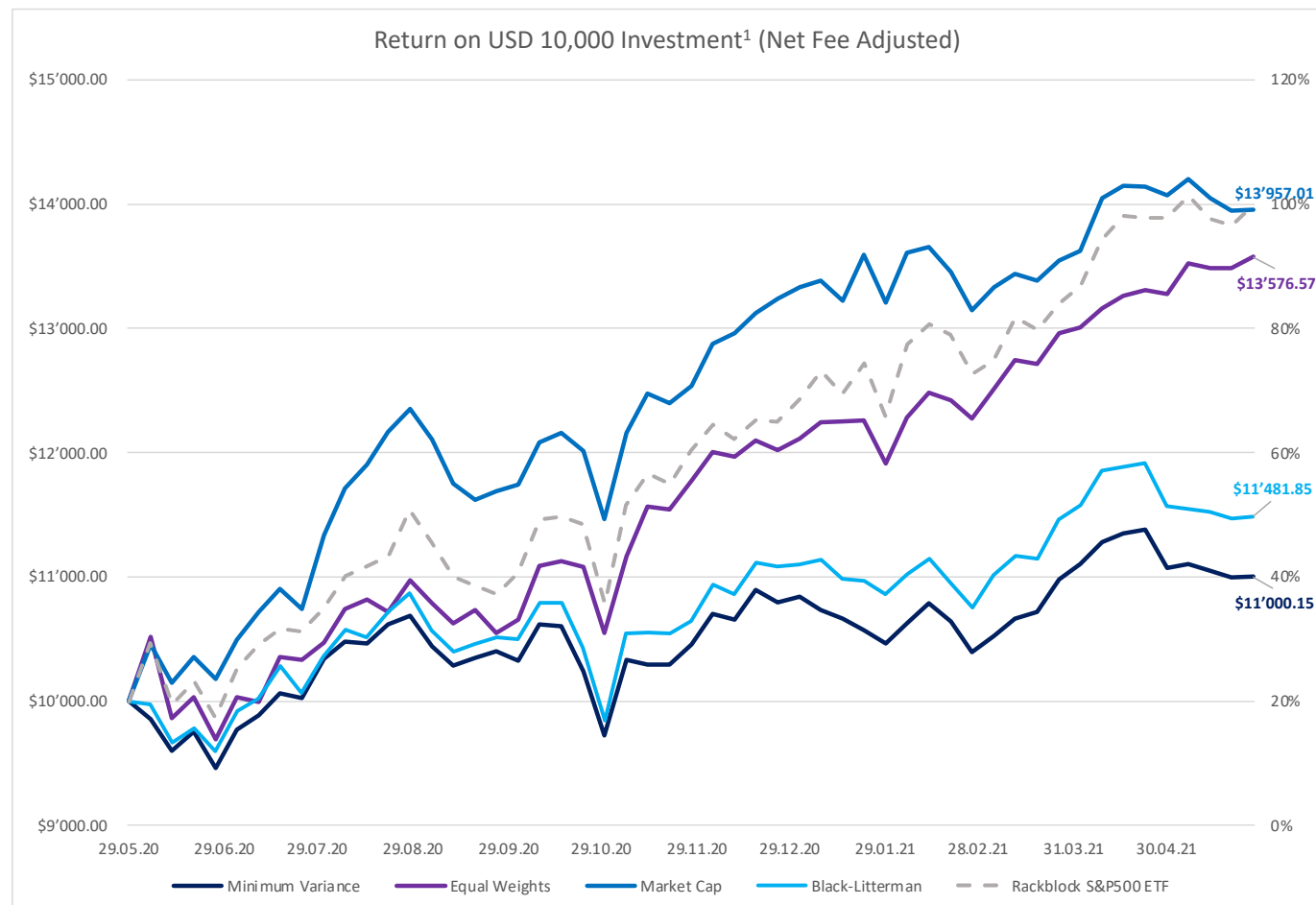
The Black-Litterman approach represents a formalized way to incorporate the investor's opinion into the construction of a portfolio. Hereby, the investor adjusts the returns of a benchmark market-cap portfolio according to his or her personal beliefs of how the particular stocks or industries are going to perform in the future. This can include both under- and outperformances.

48 STOCKS

Sector Breakdown



Performance Evaluation



	Minimum variance portfolio	Equal weighted portfolio	Market cap portfolio	Black-Litterman portfolio	Rackblock S&P500 ETF
Return on Investment (ROI) (excl. fees):	11.02%	37.03%	40.87%	15.88%	40.32%
Return on Investment (ROI) (incl. fees):	10.00%	35.77%	39.57%	14.82%	39.90%



The URF is subject to a certain amount of fees that generate a Total Expense Ratio (TER) of 0.92%. The largest component of the TER is a 0.8% management fee. The remainder of 0.12% represent the ensemble of transaction, brokerage and exchange fees. The table below gives an overview of how these fees influence the growth of an investment.

Conclusion



The four portfolios presented in this report show great similarities, especially when plotted against the Fama-French factors. This can be attributed to the build up of the URF that relied heavily on large-cap growth stocks.



The URF can be seen as a combined sector bet to a certain extent. Nonetheless, the URF remains a unique fund due to the large exposure in the *Aerospace and Defense* industry.



The investment theme was with a high probability the most decisive factor, as none of the portfolios managed to consistently outperform the defined benchmark. Nevertheless, all of the portfolios exhibit stable growth over the period.



The future outlook on the URF promises stability and further growth as the fund is closely tied to the general market. The unique sector exposure of the URF will most probably generate consistent returns for investors.