

Low Transactions Investment Portfolio — LTRIP[©]

Issued by Meltemi Investment Management Limited ('Meltemi')

Investment objectives

To generate superior absolute returns — typically 3% — 5% above the one-year deposit rate of the reference currency of the portfolio over a business cycle, with less volatility than global equities.

However, there may be extended periods of negative or lower than deposit-rate investment performance. Occasionally the portfolio may even experience a partial loss of the capital and an investor may not get back all of the capital invested.

Stretching back a few decades, major equity markets such as the US and Europe have enjoyed about a 3.5% premium over their risk-free interest rates. Active asset and country allocations may generate higher returns. A portfolio simply growing at only 7% per annum will double in value over ten years.

Description

LTRIP is an individually managed discretionary investment portfolio. It makes long-only investments through Exchange Traded Funds (ETFs) based on global equities, bonds and other asset classes. The investment strategy reflects Meltemi’s fundamental and technical views of business cycles and medium-term market rhythms. It is expected to have a low transactions volume typically below fifty trades a year.

To enhance investment returns it may sell ‘covered call options’ and ‘put options’ on equities and bonds indices or their ETFs, and also buy/sell up to three months forward foreign exchange contracts of freely tradable currencies, mainly the currencies of OECD countries.

Structure

The Investment Manager for the LTRIP is Meltemi Investment Management Limited (‘Meltemi’), registered with the Financial Conduct Authority (FCA) in the United Kingdom. The principals of the firm have a successful track record spanning over decades of managing funds for wealthy private clients.

We facilitate our clients in opening their accounts at some of the premier international banks, for example Bank Julius Baer and Citibank. The bank will act as custodian for the client’s assets. The client will grant power over this account to Meltemi to buy and sell ETFs, foreign exchange, options and any other financial instruments agreed with the client.

The custodian bank will maintain all primary records of investments and will provide trade confirmations, valuations and any other information about the portfolio directly to the client with a copy to Meltemi for portfolio management purposes. Meltemi will also send a quarterly portfolio review to its clients.

Time horizon - Years

1 or less	2	3	4	5
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Risk

Low	Moderate	Balanced	Higher Risk	High Risk
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Investment Objectives

Capital Preservation	Income	Growth/Income	Growth	Aggressive Growth
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Investment strategy, portfolio construction and risk management

1. Asset allocation

We regularly follow macroeconomic fundamentals and market dynamics of more than 30 countries to determine a framework against which we constantly monitor and adjust country and asset allocation. To enhance our own fundamental and technical analysis we also incorporate data and opinions from external sources.

2. Investment guidelines

- > Invest in ETFs of major asset classes; equities up to a maximum of 75%; commodities and precious metals up to a maximum of 25%; and the balance in cash and ETFs based on bonds and short-term interest bearing instruments.
- > A maximum of 20% of the portfolio in any single ETF.
- > Exposure to below investment grade or non-rated bonds based ETFs to a maximum of 40% of the portfolio value.
- > Currencies - Buy/sell up to three months forward foreign exchange contracts of freely tradable currency pairs with the aim of generating capital gains or to enhance the return of the portfolio by going 'long' in a higher-yielding currency and going 'short' in a lower-yielding currency. An example would be the MXN-EUR, an interest rate difference in excess of 8.50%.
 - >The net open nominal value of such contracts may be up to twice the value of the portfolio.
 - >All such contracts are liquidated before their maturity.
 - >Net non-USD forward foreign exchange (FX) exposure will be up to a maximum of 50% of the portfolio value.
 - >All forward FX positions are monitored against a 5% stop-loss.

3. Hedging

Depending on our economic and market views we may partly or fully hedge the non-reference currency exposure of equities and bonds by selling forward FX contracts of the relevant currency by buying 'inverse' ETFs or any other appropriate financial instrument ('the hedge'). The hedge may not exactly match the characteristics of the investment being hedged.

4. Options

We may sell 'covered call options' on ETFs and earn a premium to enhance the returns on the portfolio. We may also sell 'put options' and earn a premium to enhance the returns or to buy ETFs at a cheaper level. The total exercisable amount of 'sold' put options will not exceed 100% of the portfolio value. Also the market value of all outstanding short put options will not exceed 10% of the portfolio value. All options will be 'exchange traded' options.

5. Individually tailored portfolios

We will be happy to tailor a portfolio according to the needs or preferences of a client. For example they may require higher income, higher allocation to equities, commodities related themes or to high-tech. Our small size and 'boutique' nature is an advantage when managing individually tailored portfolios.

Performance and composition

Investment performance - % October 2019 to March 2021	2020	YTD 2021	CAGR*	Sharpe Ratio**
USD LTRIP	19.51	10.28	24.16	1.84
USD One-year deposit rate	1.88	0.08	1.73	
Relevant Hedge Fund Indices				
Global Hedge Funds Index	6.81	1.29	7.39	0.80
Market Direction Hedge Funds Index****	8.99	1.73	8.99	0.67

* Compound annual growth rate

** Volatility risk adjusted returns

*** Investment performance after all estimated fees and expenses.

**** Most common theme of hedge funds included in this index is to take long and short positions in different stocks simultaneously. Though this approach limits the overall systematic stock market exposure, some exposure typically remains. These funds generally exhibit higher volatilities and higher correlations to standard directional benchmarks of equity, bond market and hedge fund industry. (Source: HFRX)

Important information

Past performance is not a guide to future results, real results may vary. The value of investments and the income from them can go down as well up. The portfolio may hold investments that are not guaranteed or insured by anyone and are subject to investment risk. An investor may not get back the full amount originally invested.

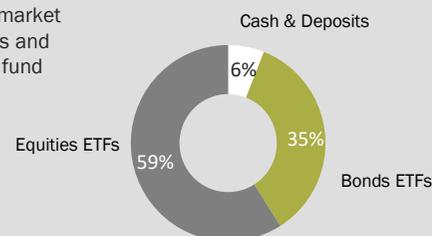
Exchange rate changes may cause the value of an overseas investment to rise or fall against the reference currency.

Investors should be aware that investment in derivatives e.g. forward foreign exchange contracts and options involves an above average degree of risk due to the geared nature of these instruments.

Top 10 investments — % of the portfolio

USD	iShares 0-5 Year HG	10.0	USD	Global X Infrastructure	4.6
USD	Global X Super Dividend	10.0	USD	PIMCO High Income	4.5
USD	iShares iBoxx IGCB	5.0	USD	iShares Financial Select	4.5
USD	iShares S&P Growth	5.0	USD	ARK Next Generation	4.3

Composition



Forward foreign exchange

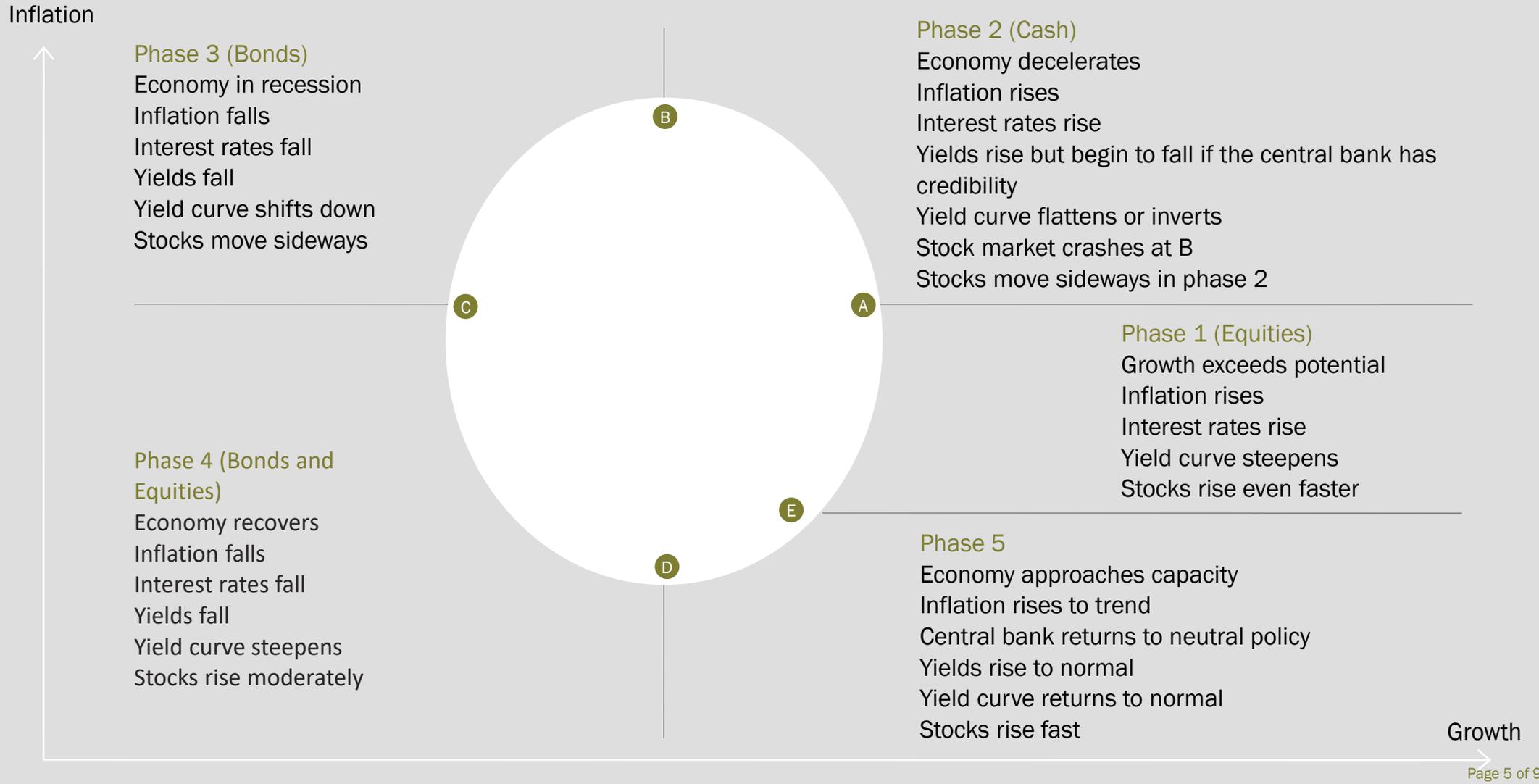


Notes

The portfolio composition in April 2021 is representative and not a recommendation and is subject to change without prior notice.

Income and dividends from ETFs listed in the US are subject to 30% withholding tax by the United States government.

Asset Prices in a Business Cycle



Key portfolio details

Investment manager	Meltemi Investment Management Limited, a company registered in the United Kingdom, authorised and regulated by the Financial Conduct Authority (FCA).
Minimum investment	USD 3,000,000.
Reference currency	USD or Euro.
Custodian	Bank Julius Baer, Zurich
Documentation	Meltemi requires a Discretionary Investment Management Agreement, Client Profile, Investment Objectives and Risk Profile, and any other regulatory documentation required by law. The custodian bank will also require their account opening documentation including a Power of Attorney for Meltemi to manage the client's portfolio.
Distribution restrictions	Available to retail and professional clients as defined by the Financial Conduct Authority. This investment management service is not available in countries where it would be prohibited for distribution by their law. A prospective client should make independent enquiries as to whether the LTRIP would be available for distribution in their country.
Liquidity	The portfolio can be liquidated at any time by giving instructions to the custodian bank or to Meltemi.
Foreign exchange line	The custodian bank will be asked to set up a foreign exchange trading line up to twice the value of the portfolio to trade spot and up to three months forward foreign exchange.
Fees	
Investment management fee	1.50% p.a. charged quarterly in arrears on the portfolio value at the end of each quarter to be paid by the custodian bank upon receiving an invoice from Meltemi.
Custody, administration and brokerage	Charged directly by the custodian bank according to their fee schedule. (Meltemi may be able to negotiate favourable terms for its clients.)

We have a unique investment team and investment ethos. The senior members of the investment team have known each other for over 25 years and have worked together in senior investment management positions in some of the top international financial institutions. They are highly respected in their individual areas of expertise: global asset allocation, currencies management, equities, bonds and options.

A small team enables us to react to changing markets quickly, meaningfully and efficiently, and also to construct tailor-made individual portfolios according to client needs.

The principals of Meltemi invest a substantial part of their financial net worth according to the investment philosophy and strategy described in this document.

FIKRET ONDER

Born in Turkey, Fikret Onder studied Economics at the University of Bonn (Germany), where he worked as an assistant professor for two years after his graduation. His finance career started at Merrill Lynch AG, Düsseldorf in 1981. He became Head of Institutional Equity Sales at Sal. Oppenheim Jr. & Cie, Cologne where he worked from 1985 to 1992 before joining Citibank Private Bank, London as Lead Portfolio Manager for Global Equity portfolios. In 1995 he joined UBS Private Banking, London as a senior portfolio manager. In 1998 he moved to Julius Baer & Co., London where his responsibilities were extended to cover marketing activities as well as asset management.

In July 2000 he was appointed Executive Vice President and Head of Private Banking of AKBank in Istanbul, starting this business unit from scratch. By the time he left in July 2011, assets under management had reached USD 13.5 billion. AKBank Private Banking was awarded the 'Best Private Bank in Turkey' prize in four out of the last six years under his management by *Euromoney* magazine.

Fikret joined Meltemi in September 2011 as a principal and portfolio strategist.

CEM BALCISOY

Cem Balcisoy has over 15 years' experience of advising and dealing with ultra-high net worth individuals based in Europe and Turkey. After achieving an undergraduate degree in Electronic Engineering from Nottingham University in 2000, he started his finance career at American Express Bank in London as an account officer handling risk assessment of financial assets and then advising on investment products to meet customer needs and requirements.

In 2004 he was awarded an MBA in Finance from Nottingham Business School (part of Nottingham University). He joined National Bank of Dubai in London (now known as Emirates NBD) to help establish a Turkey Marketing Desk mainly to provide investment-related services to ultra-high net worth individuals. This was followed by move to Barclays Bank in London in 2008 where he was part of the international private banking team mainly concentrating on Turkish clients for investment banking services, real estate consultancy and portfolio management.

Cem joined Meltemi in September 2011 as a portfolio manager.

Adviser

SIKANDER H. KHAN

Sikander Khan has 40 years of investment management experience. Prior to forming Meltemi he was the Chief Investment Officer of Standard Chartered Grindlays Private Bank, where he managed a team of investment professionals globally, providing discretionary and advisory investment expertise to the high net worth clients of the Bank.

He joined Citibank in 1986 and by the end of 1998 he was Senior Investment Manager and Head of Investments at Citibank Private Banking Group in London. Sikander was also the lead manager of the Luxembourg-registered CitiLandmark Managed Currency Fund. In 1997 and 1998 the Fund was awarded first place in the Standard & Poor's Micropal Offshore Territories Money Market International (Managed Currency) Sector.

He is a qualified Wealth Manager in the UK, is a Senior Chartered Accountant qualified with the Institute of Chartered Accountants in England and Wales, and a graduate with a Bachelor's degree in Economics and English Literature.

Important information

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Important information

LTRIP is available to retail and professional clients as defined by the Financial Services Authority. This product is not available in countries where it would be prohibited for distribution by their law. A prospective client should make independent enquiries as to whether the LTRIP would be available for distribution in their country.