



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	-0.84%	1.54%	-0.68%	5.41%	1.79%	2.40%	1.44%	0.61%	-0.08%	-1.95%			9.86%
2019	1.11%	0.41%	-0.01%	0.24%	1.69%	1.23%	1.03%	2.16%	0.08%	1.47%	-0.52%	4.64%	14.28%
2018	-2.07%	-2.03%	-2.35%	0.53%	4.47%	-0.06%	3.27%	0.76%	3.51%	1.12%	2.73%	1.06%	11.17%
2017	-0.80%	-1.42%	2.20%	2.33%	6.26%	4.00%	-0.52%	-1.30%	0.83%	-0.67%	1.15%	-1.20%	11.07%

30/10/2020. Gross return in USD. Results: (1) Method SICAV Attractive Global Opportunities (audited - ISIN LP68409641) from 17/01/17 to 18/07/19. (2) IBKR Separately Managed Account from 01/08/19 to 11/06/2020 (IBKR screenshot). (3) SICAV PHARUS from 12/06/20 onwards (audited - ISIN LU2040055670).

Gross Return vs. Benchmark



Risk-Return | Sharpe Ratio (LTD)

Sharpe Ratio	2.34
HFRX	0.47
HFRI	0.45
S&P 500	0.69

Best Daily Return	3.53%
Best Month	6.26%
Worst Daily Return	-2.22%
Worst Month	-2.35%

Avg. Annualized Volatility	5.18%
Avg. 3 Worst Drawdowns	-5.33%
Portfolio Turnover	106
Correlation (vs. S&P 500)	0.20

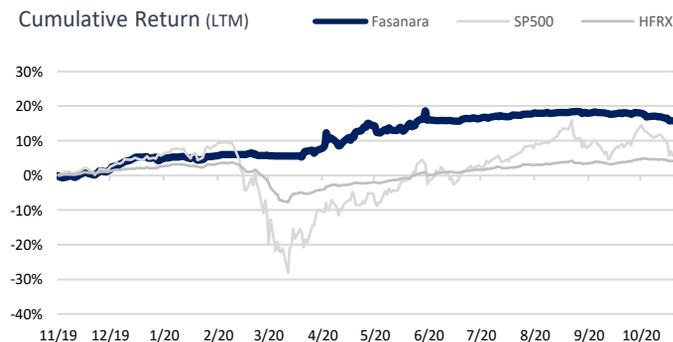
Return – Last 12m	15.70%
Return - Annualized	12.11%
Return – LTD	55.02%
Sortino Ratio	4.46

Risk Allocation - % AUM (YTD)

	Avg	%Long	%Short
Smart Beta	28%	57%	43%
Hedging	22%	36%	64%
Bonds	50%		

Net Exposure		28%		173%
Gross Exposure	Avg.	92%	Max	334%
Margin		8%		17%

Cumulative Return (LTM)



Perf. Attribution

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Smart Beta	-0.9%	1.3%	-2.8%	5.0%	0.3%	2.1%	1.6%	0.6%	1.1%	-1.4%			7.3%
<i>long</i>	-0.8%	1.5%	-4.2%	9.0%	1.4%	0.5%	1.0%	1.3%	0.5%	-2.1%			7.7%
<i>short</i>	0.0%	-0.1%	1.5%	-4.0%	-1.0%	1.6%	0.5%	-0.7%	0.7%	0.8%			-0.5%
Hedging	0.0%	0.2%	2.0%	0.4%	1.5%	0.3%	-0.2%	-0.3%	-1.1%	-0.3%			2.4%
Bonds	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.2%	-0.1%	-0.2%			0.2%
Total	-0.8%	1.5%	-0.7%	5.4%	1.8%	2.4%	1.4%	0.6%	-0.1%	-1.9%			9.9%

Monthly Commentary

Fasanara Quant finished October with a gross return in USD of -1.95% and a cumulative return of 9.9% for the year. Since its inception, the annualized return (IRR) of Fasanara Quant is 12.1%, with an annualized volatility of 5.2% and a Sharpe Ratio of 2.3. Performance attribution:

- In October, the fund recorded a negative performance on its Smart Beta Algorithms (-1.4% contribution) which apply a dynamic intraday allocation on equity and index futures, long (-2.1% contribution) and short (+0.8% contribution).
- The Market-Neural Hedging Algorithms, that uses Weekly Options and Vix futures to minimize the risk of the portfolio (and seek market neutrality through dynamic delta hedging), had a negative contribution of -0.3% to the monthly performance of the fund. The fixed income position (Bonds) had a negative contribution of -0.2%.
- Fasanara's Complexity-Based Risk-Off Signals System continues to function as a pro-active risk management tool, indicating the optimum market conditions to increase or reduce the positions on the liquid instruments we trade. Based on these model outputs, in October, we kept a limited intraday risk exposure of the portfolio of 28% net and 83% gross on average.

Fasanara Capital

Fasanara is an independent, owner-managed alternative asset management company authorized and regulated by the FCA. Co-founded by CEO Francesco Filia in 2011, Fasanara is based in London with alliance offices in Milan.

Investment Expertise

The Investment team's expertise spans across a wide array of asset classes. Fasanara's unique and sophisticated investment approach allows for greater independence and flexibility, promptly responding to opportunities as they arise.

Credibility | Media Presence

Since its inception in 2011, Fasanara has been constantly featured in the financial press. Its CEO, Francesco Filia, is a contributor to CNBC, Bloomberg, the WSJ, amongst other financial media outlets.

Systematic Investing, Machine Learning

Through the use of the latest advances in machine learning, and by operating with large datasets, we are constantly refining and enhancing the predictive power of our investment strategies. Guided by a scientific approach, we devise strategies that take inspiration from economic hypotheses and behavioural finance.

Track Record

Fasanara has a proven track record, constantly achieving clients' goals through its separately managed accounts and funds. Fasanara has won several awards, including the Hedge Funds Review's Best Multi-strategy Emerging Manager Award.

The Quant Conference

Fully dedicated team to the machine learning process. Open ecosystem of traders, programmers and researchers, contributing to its pool of resources, via the organisation of Fasanara Quant Conferences in both London and New York.

Open Quant EcoSystem

Fasanara is a firm believer in open ecosystems and collaborative organizations, where we link together the leading academic institutions and research groups to broaden our boundaries and establish superior understanding, better data and processing power.

Data-driven Research

Our research demonstrates that the combination of dynamic allocation and hedging, applied through a systematic data-driven approach, can lead to a consistent risk-adjusted return. Fasanara’s investment model combines numerous algorithms, divided into three main asset classes:

Index Futures

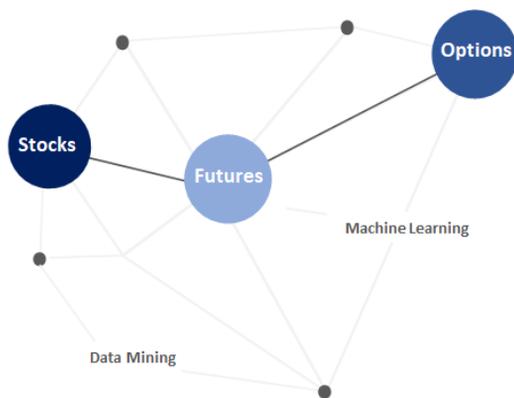
These strategies aim to profit from investors’ behavioural biases. We apply an intraday dynamic allocation (long, short or neutral) on global index futures, increasing or reducing the net exposure according to market conditions.

Weekly Options

These strategies are built to trade SP500 weekly option gamma in conditions where sudden sell-offs occur. It’s a proprietary rule based algorithm that creates optionality and convexity without burn premium ex-ante.

US Stocks

We developed a set of statistical strategies across US large-cap stocks. The strategy takes advantage of these statistical concepts using several trading techniques to identify intraday and short-term patterns.

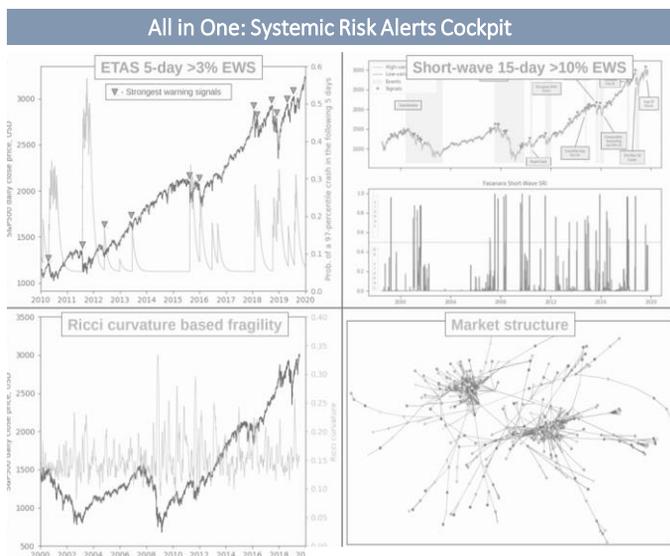


Risk Management

Fasanara’s complexity-based systemic risk alert is equipped with both long-term large-scale fragility detectors and short-term small-scale warning signals.

Part of our modelling framework is based on the Epidemic-Type Aftershock Sequence model (ETAS). The methodology presented is a novel approach to market crash warning systems that proves to be effective.

When used in conjunction with the existing Ricci Curvature-based indicators in Fasanara’s toolkit it provides a powerful tool to alert us of forthcoming turbulent markets.



Investment Strategy Core Components

We are strong believers in a quantitative approach. Our investment model is based on rigorous mathematical techniques which seek to identify statistically significant and persistent patterns in the of data. Fasanara’s innovative investment model combines three core elements:

Smart Beta Algos	Market-Neutral Hedging Algos	Complexity-Based Risk-Off Signals
We use machine learning to identify patterns and apply a dynamic allocation on equity index futures and stocks, mostly intraday, with limited risk exposure.	We seek market-neutrality by using the Vix and weekly options, to reduce the risk of the portfolio (hedging), and also to generate alpha in moments of high volatility.	We utilize the complexity-based systemic risk approach, to create risk-off indicators that calculate the probability of a imminent market collapse.

Fasanara’s proprietary algorithms invest on large-cap stocks, volatility, options and global equity indices, with a holding period of 1-5 days, allowing us to offer daily liquidity via our UCITS fund.

UCITS (daily liquidity)

ISIN	LU204005241
Min investment	EUR 100,000
Fees	Mgt: 0.75% Perf.: 10%
ISIN	LU2040055670
Min investment	USD 100,000
Fees	Mgt: 0.75% Perf. 10%
ISIN	LU2040055324
Min investment	EUR 50,000
Fees	Mgt: 1.25% Perf. 15%
ISIN	LU2040055167
Min investment	EUR 1,000
Fees	Mgt: 1.75% Perf. 20%

More on fasanara.com/quant

 22 Oct 2019 How To Navigate The Cliff Edge In Markets	 29 Apr 2019 Cascade Effects In Modern Undiversified Passive Markets	 26 Aug 2018 Financial Complexity & Nonlinear Dynamics
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 Francesco Filla	 Matteo Amaretti	 Francesco Vaccari	 Vinicius Guterres Karam
 Sayu Sinha	 Greta Renton	 Mirco Lamperti	+35 people on Fasanara’s team

 SOCIETE GENERALE Execution	 Goldman Sachs	 EDMOND DE ROTHSCHILD Adm. Custodian	 EY Auditor	 allfunds Distribution
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The returns (gross of management and performance fees) presented in this factsheet are a combination of the performance of the Method Investments SICAV Attractive Global Opportunities Plus Fund (audited - ISIN LP68409641) from January 17th 2017 to July 18th 2019; the performance of the separately managed accounts from August 1st 2019 to June 11th 2020 (IBKR screenshot); and from June 12th 2020 onwards the new SICAV PHARUS: ISIN LU2040055670 audited, UCITS FUND.

INVESTMENTS IN FUNDS INVOLVE RISKS INCLUDING POSSIBLE LOSS OF PRINCIPAL

An absolute return strategy, which includes hedging of the portfolio, may result in performance that deviates from overall market returns to a greater degree than other funds. Hedging may also result in returns that are lower than expected and lower than if the portfolio had not been hedged. It is not possible to hedge fully or perfectly against any risk.

Fixed income securities may be subject to interest rate and credit/default risk. Interest rate risk involves the risk that prices of securities will rise and fall in response to interest rate changes. Credit/default risk involves the risk that the credit rating of a security may be lowered or the possibility that the issuer of the security will not be able to make principal and interest payments when due.

Investments in derivatives including forward currency exchange contracts, swaps and futures, may be leveraged and could result in losses that exceed the amounts invested. Investing in international markets involves certain risks and increased volatility not associated with investing solely in the core countries. These risks include currency fluctuations, economic or financial instability, and lack of timely or reliable financial information or unfavourable political or legal developments.

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