



FAT ALPHA

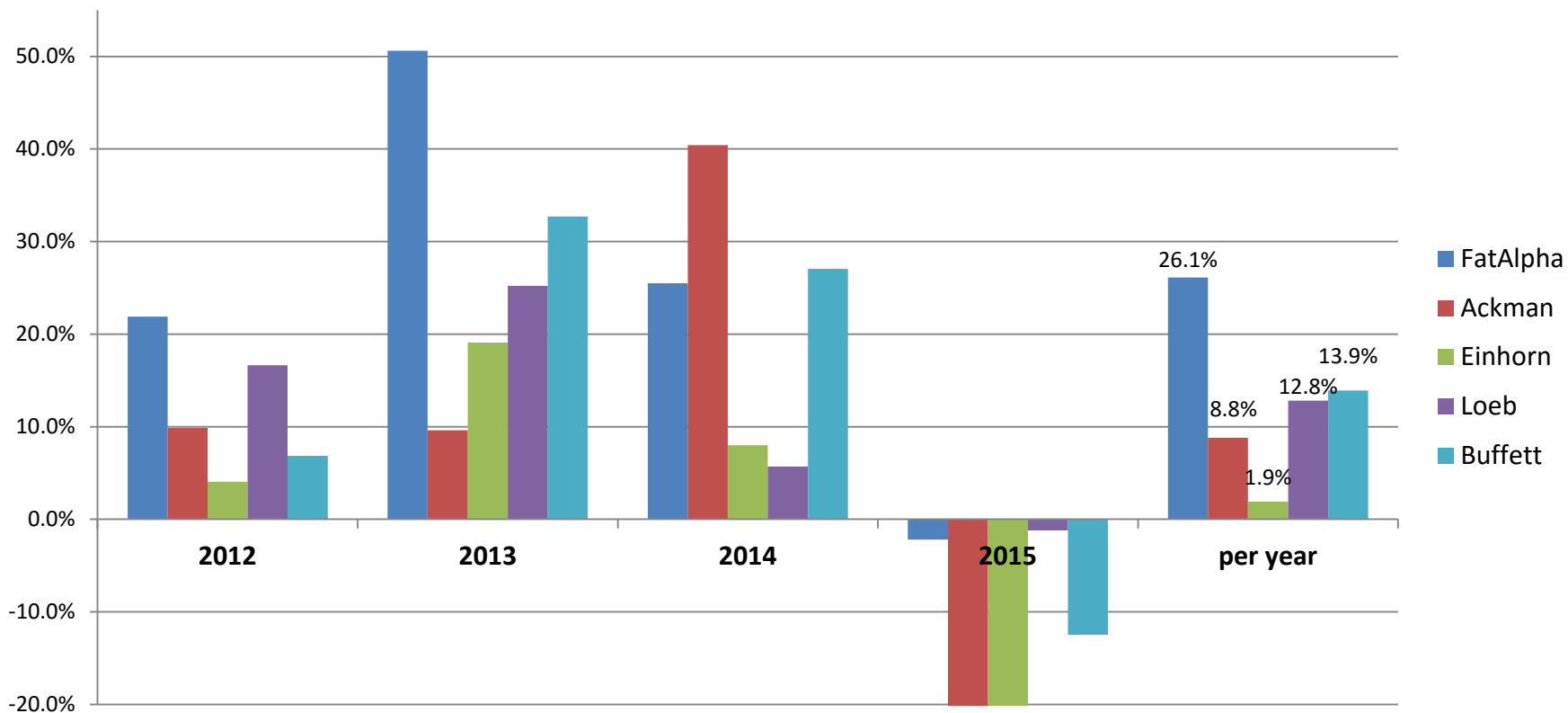
V A L U E I N V E S T I N G

Quantitative Methods + Qualitative Analysis = Superior Returns

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	
2015	Gross	-0.83%	5.49%	1.84%	-4.80%	3.11%	-3.24%	1.14%	-3.93%	-2.39%	6.34%	2.64%	-5.14%	-0.63%	
	Net	-0.91%	4.95%	1.58%	-4.88%	3.03%	-3.32%	1.06%	-4.01%	-2.47%	6.25%	2.55%	-5.22%	-2.20%	
	S&P 500 (incl div)	-2.51%	5.62%	-2.01%	1.35%	1.29%	-2.49%	2.64%	-6.13%	-3.01%	8.93%	0.39%	-2.31%	0.81%	
2014	Gross	-1.76%	7.64%	0.91%	5.08%	0.97%	0.83%	3.17%	3.67%	-2.39%	6.21%	1.78%	0.86%	29.95%	
	Net	-1.84%	6.98%	0.74%	4.50%	0.80%	0.67%	2.78%	3.23%	-2.47%	5.76%	1.53%	0.69%	25.51%	
	S&P 500 (incl div)	-3.09%	4.55%	0.39%	1.06%	2.32%	1.58%	-0.95%	3.95%	-1.84%	2.74%	2.75%	-0.80%	13.08%	
2013	Gross	6.45%	0.71%	5.35%	6.47%	4.19%	-0.73%	7.45%	-1.00%	2.78%	6.26%	5.50%	4.34%	59.01%	
	Net	5.72%	0.56%	4.74%	5.74%	3.69%	-0.82%	6.71%	-1.08%	2.53%	5.55%	4.87%	3.82%	50.61%	
	S&P 500 (incl div)	5.72%	1.28%	3.34%	2.29%	2.36%	-1.85%	5.60%	-3.00%	2.66%	5.05%	2.96%	2.04%	29.60%	
2012	Gross							2.89%	9.12%	3.03%	0.66%	5.58%	1.79%	25.14%	
	Net							2.52%	8.13%	2.65%	0.52%	4.95%	1.53%	21.88%	
	S&P 500 (incl div)							2.37%	2.51%	1.99%	-1.36%	0.57%	0.18%	5.60%	
Since Inception		Gross: 157%					Net: 125%					S&P 500: 60%			

S&P DOWN MONTHS		
Month	Mo 1/10%	S&P 500
Oct-12	0.52%	-1.36%
Jun-13	-0.82%	-1.85%
Aug-13	-1.08%	-3.00%
Jan-14	-1.84%	-3.09%
Jul-14	2.78%	-0.95%
Sep-14	-2.47%	-1.84%
Dec-14	0.69%	-0.80%
Jan-15	-0.91%	-2.51%
Mar-15	1.58%	-2.01%
Jun-15	-3.32%	-2.49%
Aug-15	-4.01%	-6.13%
Sep-15	-2.47%	-3.01%
Dec-15	-5.22%	-2.31%
Average	-1.28%	-2.41%
Beat 10 / 13 times		

- Portfolio Beta: 0.91
- **Sharpe Ratio: 2.26** (vs 1.34 for S&P 500)
- Benchmark used is the SPDR S&P 500 ETF (SPY) with dividends after tax (15%) reinvested.
- Monthly performance is shown above. Row labeled “Gross” displays performance including broker fees only, while the row labelled “Net” displays performance including broker fees, and monthly management and performance fees of 1+10%.
- Table on left shows the months the S&P 500 fell and the corresponding performance of FatAlpha after fees.

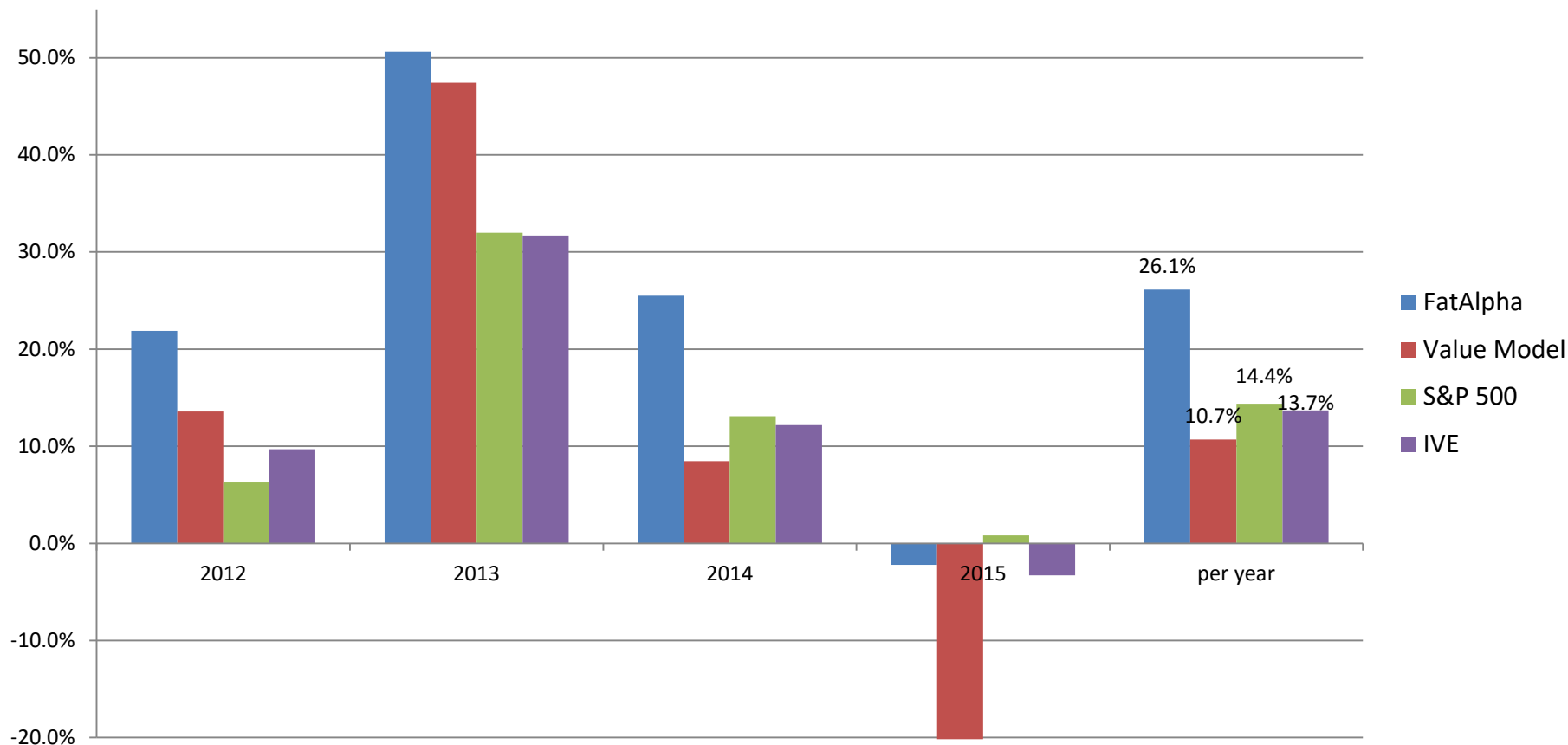


Investment Gurus:

Bill Ackman, Pershing Square
 David Einhorn, Greenlight Capital
 Dan Loeb, Third Point
 Warren Buffett, Berkshire Hathaway

Footnotes:

- Performance is after fees.
- 2012 includes 3Q & 4Q only.



Benchmarks:

Value Model is the backtested proprietary screen used to find the majority of investments. Performance of the top decile is shown here. **The results here prove that the qualitative analysis overlay adds value to the process.**

S&P 500 is the SPY with dividends after tax re-invested.

IVE is the iShares S&P 500 Value ETF. Total return is shown.

Size	2015				2014				2013				2012			
	Large	Mid	Small	Micro	Large	Mid	Small	Micro	Large	Mid	Small	Micro	Large	Mid	Small	Micro
January	45%	27%	20%	0%	39%	18%	10%	0%	31%	27%	31%	12%				
February	62%	18%	14%	0%	66%	18%	7%	2%	35%	36%	21%	8%				
March	46%	37%	12%	0%	53%	29%	14%	0%	42%	28%	30%	0%				
April	34%	43%	16%	0%	48%	30%	15%	0%	54%	17%	29%	0%				
May	38%	36%	21%	0%	38%	38%	20%	0%	68%	0%	32%	0%				
June	40%	30%	27%	0%	44%	35%	17%	0%	54%	0%	46%	0%				
July	40%	28%	25%	0%	67%	14%	14%	0%	58%	17%	24%	0%	16%	43%	0%	41%
August	34%	38%	26%	0%	58%	25%	12%	0%	64%	17%	18%	0%	18%	24%	38%	17%
September	27%	40%	30%	0%	49%	33%	17%	0%	53%	27%	20%	0%	11%	33%	37%	19%
October	32%	39%	26%	0%	48%	37%	14%	0%	57%	29%	14%	0%	22%	30%	38%	10%
November	51%	24%	21%	2%	51%	28%	11%	0%	75%	18%	7%	0%	21%	33%	32%	13%
December	42%	28%	22%	3%	55%	18%	18%	0%	79%	16%	5%	0%	25%	36%	30%	9%

* Net remaining balance is in cash

Large cap: great or equal to \$10 billion
 Mid caps: \$2 – \$10 billion
 Small cap: \$300 million - \$2 billion
 Micro cap: less than \$300 million

Size	2015				2014				2013				2012			
	>\$20m	\$10-20m	\$2.5-10m	\$2.5m>	>\$20m	\$10-20m	\$2.5-10m	\$2.5m>	>\$20m	\$10-20m	\$2.5-10m	\$2.5m>	>\$20m	\$10-20m	\$2.5-10m	\$2.5m>
January	77%	5%	10%	0%	58%	7%	2%	0%	58%	13%	25%	4%				
February	82%	5%	6%	0%	81%	8%	2%	2%	65%	14%	18%	3%				
March	82%	5%	6%	0%	80%	14%	2%	0%	69%	12%	19%	0%				
April	80%	7%	6%	0%	84%	7%	3%	0%	71%	14%	14%	0%				
May	78%	5%	11%	0%	80%	7%	3%	5%	84%	0%	16%	0%				
June	80%	5%	12%	0%	81%	8%	3%	5%	85%	0%	15%	0%				
July	78%	6%	9%	0%	83%	5%	2%	5%	92%	0%	8%	0%	59%	0%	41%	0%
August	84%	6%	8%	0%	83%	5%	2%	5%	83%	17%	0%	0%	49%	0%	48%	0%
September	80%	10%	7%	0%	82%	4%	7%	5%	81%	7%	12%	0%	44%	5%	47%	4%
October	83%	9%	5%	0%	80%	5%	8%	5%	89%	0%	11%	0%	52%	9%	26%	13%
November	88%	3%	6%	0%	74%	5%	6%	6%	96%	0%	4%	0%	54%	12%	25%	9%
December	85%	3%	7%	0%	73%	9%	3%	6%	95%	0%	5%	0%	61%	12%	21%	6%

* The net remaining balance is in cash

Used the three month average price and volume to calculate the liquidity of each stock. Four categories have been used: stocks which trade \$20 million and above per day, between \$10-20 million per day, between \$2.5-10 million per day and stocks with dollar volume below \$2.5 million per day.

Month End	2015				2014				2013				2012			
	Exposure				Exposure				Exposure				Exposure			
	Long	Short	Gross	Net	Long	Short	Gross	Net	Long	Short	Gross	Net	Long	Short	Gross	Net
January	97%	-5%	101%	92%	72%	-5%	78%	67%	100%	0%	100%	100%				
February	93%	0%	94%	93%	96%	-3%	98%	93%	100%	0%	100%	100%				
March	94%	0%	94%	94%	96%	-7%	103%	89%	100%	0%	100%	100%				
April	93%	0%	94%	93%	94%	-5%	100%	89%	100%	0%	100%	100%				
May	95%	0%	95%	94%	95%	-1%	95%	94%	100%	0%	100%	100%				
June	97%	0%	97%	97%	97%	-1%	97%	96%	100%	0%	100%	100%				
July	93%	0%	93%	93%	95%	-1%	95%	94%	100%	0%	100%	100%	100%	0%	100%	100%
August	98%	0%	98%	98%	95%	-1%	95%	94%	99%	-3%	102%	96%	97%	0%	97%	97%
September	98%	0%	98%	98%	99%	-1%	100%	99%	99%	-1%	101%	98%	100%	0%	100%	100%
October	96%	0%	96%	96%	99%	0%	99%	98%	96%	-6%	102%	91%	100%	0%	100%	100%
November	98%	0%	98%	98%	95%	-5%	100%	89%	96%	-10%	106%	85%	100%	0%	100%	100%
December	95%	0%	95%	95%	96%	-5%	101%	91%	100%	0%	100%	100%	100%	0%	100%	100%

Definitions:

Long Exposure = market value of longs* / market value of portfolio (NAV)

Short Exposure = market value of shorts* / market value of portfolio (NAV)

Gross Exposure = Long Exposure + Absolute value of Short Exposure

Net Exposure = Long Exposure + Short Exposure (as shorts are a negative %)

* Where options are present, the value used is the underlying exposure adjusted by delta (i.e. number of contracts * 100 * stock price * delta)

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