



# Structured Product Strategy Fund



## Investment Thesis

The Fund's objectives are to exploit historically low premiums that do not reflect our expectations for future volatility (VIX + VXSLV/GVZ), precious metals, and global equities. Quantitatively, after identifying superior fundamental, valuation and technical factors, we invest in customized warrants referencing specific precious metals and equity indices. The potential for exponential returns stems from:

- Risk premiums IN GENERAL set record lows at the beginning of 2018
- Long-dated warrant premiums ON AN ABSOLUTE BASIS, which do not reflect historically asymmetric trends between precious metals and global equities
- Warrant time premiums ON A RELATIVE BASIS, i.e. longer-dated warrants that are undervalued relative to shorter-term option premiums

Fundamental dissertations supporting Investment Thesis

- Artificial and untenable currency printing
- Artificial and untenable interest rates
- Market manipulation (i.e. suppressed, inflated)
- Valuations:
  - Artificial and untenable currency printing
  - Artificial and untenable interest rates
  - Market manipulation (i.e. suppressed, inflated)

Technical dissertations supporting Investment Thesis

- Artificial and untenable currency printing
- Artificial and untenable interest rates
- Market manipulation (i.e. suppressed, inflated)

## Strategy Overview

The Fund aims to benefit from the precious metals' secular bull market which began in 2001, while seeking diversification and protection against today's extreme global stock market risks.

The Strategy seeks to generate alpha from price differentials in precious metals and equity markets through the application of thorough, integrated analysis.

The Strategy's efficiency stems from two aspects:

- Firstly, the synthetic product is inherently leveraged.
- Secondly, the underlying long/short security is an investment in the outperformance of precious metals versus global equities.

A long/short underlying tends to enjoy LOWER premium costs, as the investor benefits only from the outperformance of one security versus another. However, if it were known that the long and short sides would trend asymmetrically, the premium cost would be HIGHER.

Therefore, to one who believes that asymmetric performance will ensue, which would be consistent with the long-term history of precious metals and global equities, today's premium costs would be viewed as cheap.

TERMS & FEES	
Management Fee:	1.85%
Performance Fee:	20% w/ High Water Mark
Minimum Investment:	\$100,000
Lock-up Period:	6 Months *(Fee assessed on 12 months)
Redemptions:	Monthly w/7 days notice

**About GAI:** The firm is a boutique specialty investment advisory firm. The Firm's founder and managing member is *Sidney Klein*, frequent guest on CNBC and other such televised programs where he is an internationally acclaimed market's prognosticator and recognized expert with regards to broader investment trends. *Mark Marex* is formerly of Citibank where he served as product manager in Foreign Exchange Services for institutional investors after beginning with the bank as an analyst focused on statistical analysis and integration of Big Data techniques as applied to Client Strategy and Analytics. *Jake Rapaport* is a former financial analyst at Citibank and CFA charterholder.