



# US Equity Index Income & Protection Fund

## Investment Thesis

The Fund seeks to opportunistically benefit from favorable pricing in the equity index options market. Specifically, by exploiting the relationship between shorter-dated and longer-dated contracts, the Fund aims to provide ongoing income via a reverse diagonal put spread, as well as leveraged insurance against sharp market declines and a potential equity bear market.

The strategy's backtests (hypothetical portfolios) were designed to be profitable over any reasonable period of time. The aim to both provide income, as well as enjoy leveraged profits through a bearish phase, is to be achieved via a formula that is actively managed as a rules-based strategy. To illustrate, the select market periods were back-tested so that, when taken together, they would reflect anticipated results in all types of market cycles over any sufficiently long period of time.

Given the Strategy's rules-based program and the fund's capital deployment protocols, the demonstrated results reflect a limited number of, as well as muted drawdowns.

The Manager believes that global equities are again at major highs, viewing 2000 as having marked the summit of equities' "real" inflation-adjusted peaks, in financial and economic terms. Consistent with peaking equity markets, volatility premiums were at historic lows at the beginning of 2018.

The manipulation of global asset markets via currency printing and interest rate suppression has created untenable, artificially inflated equity valuations.

### Fundamental treatise supporting Investment Thesis includes

- Artificial and untenable currency printing
- Artificial and untenable interest rates
- Market manipulation (i.e. suppressed, inflated)
- Valuation
  - o Historically unfavorable price to book value
  - o Unfavorable price earnings ratio versus historical data and/or growth projections
  - o Historically unfavorable price to cash flow

### Technical treatise supporting Investment Thesis

- Secular trend reversal, moving averages, wave theory, and volumes confirming quantitative conclusions
- Relative performance to international markets or sectors
- Resistance levels as relates to discounted fundamentals

## Strategy Overview

**The Strategy is comprised of three legs:** A reverse diagonal put spread is used to generate premium income on a short-term basis, in order to fund intermediate-term insurance to hedge against sharp market declines and a secular bear market.

### TERMS & FEES

Management Fee:	1.85%
Performance Fee:	20%
w/ High Water Mark	
Expenses capped:	0.45%
Minimum Investment:	\$100,000
Lock-up Period:	None
*(Fee assessed on 12 months)	
Redemptions:	Monthly
w/7days notice	

**ABOUT GAI:** The firm is a boutique specialty investment advisory firm whose founder and CIO is *Sidney Klein*. Sid became known as a frequent guest on CNBC and other such televised programs, as well as interviewee in Barron's and diverse members of the print media, where he is an internationally acclaimed global market prognosticator and recognized expert with regards to broader investment trends.