



Precious Metals High Yield Bull Fund

Investment Thesis

- ❖ To offer a high-yield strategy by benefiting from the sale of PM ETF and PM equity index option time premiums; implied volatility is set to grow from levels that are low today on an intermediate term basis, thereby providing expanding yields resulting from a PM uptrend and the receipts of ongoing option sales.
- ❖ *While the market is searching for yield as inflation accelerates, the Strategy is expected to provide yields that are increasing due to the growth in underwritten time premiums that, in a PM bull market, rally along with their underlying securities.*
- ❖ **Assuming an inflation rate of 4.99% and long term yields of 1.37%, the negative 3.62% return is poor competition for PMs, while the Strategy also aims to provide a high yielding product; investors are seeking yield, while the Strategy also provides exposure to gains that would result from a PM bull market.**
- ❖ The Manager believes that a secular bull market in the PMs began in 2001-2002, while still being in their nescient stages today.
- ❖ The manipulation of global asset prices via currency printing and interest rate suppression has created unsustainable, artificially inflated equity valuations that are expected to cause much higher PM prices, all while investors seek value, diversification, and protection in a-worsening inflationary environment.

Fundamental, Technical and Quantitative dissertations supporting Investment Thesis

- **Authorities treat QE and stimulus as win-win, since U.S. is largest gold owner in the world, while lower USD favors trade balances.**
- Miners enjoy profitable margins at today’s rates; much higher PM prices could suggest windfall gains. Market manipulation (i.e. suppressed, inflated).
- PMs are favored for diversification and portfolio volatility reduction within uptrend for inflation, alongside common stock PE devaluations to reflect slower growth.
- Multi-decade and intermediate term charts show dramatic divergences between PM equities and broad indices; latter pose “unusual” risk, while PMs may have only provided a minor glimpse of their potential.

Strategy Overview

- ❖ *Strategy’s active management is based on GAI’s proprietary formula, which includes the quantitative analysis-based selection of option sales for premium generation, within the context of the technical analyses of the precious metal (PM) ETF’s and their equity indices.*
- ❖ Against long PM ETFs and PM equity index cash positions, generate income by selling options with expiry durations of 1 to 3 months, in any of the PMs or PM equity indices.
- ❖ By exploiting the high yield sales of options of 1 - 3 months in duration, the Fund seeks to provide ongoing income and insurance against a potential bear market in the broad equity indices by taking advantage of the historically asymmetric performance of the PMs versus common stocks.
- ❖ Option prices and implied volatility should advance geometrically to mirror the PM’s own anticipated acceleration higher, thereby causing **higher fund yields**; when common stocks rise, yields **decline** unless dividends increase; **this represents a distinct advantage for the Fund.**

TERMS & FEES

Management Fee:	1.85%
Performance Fee:	20%
	w/ High Water Mark
Hurdle:	15%
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.