

EVOLUTION MULTI-STRATEGY FUTURES PROGRAM

MANDATE HIGHLIGHTS

Program Access:

Available through Managed Account or the ReSolve Evolution Fund.

Program Objective:

To generate consistent capital appreciation by employing a diversified ensemble of systematic alpha strategies at a lever of risk similar to long-term global equities (~20% annualized volatility).

Investment Universe:

Primarily Futures Contracts

Style:

100% Systematic.

STRATEGY DOCUMENTS



[Performance Factsheet](#)



[2019 Review](#)

Strategy Description

Markets are marginally inefficient in many small ways that can be profitably hunted, validated, and exploited through novel quantitative methods. These inefficiencies primarily arise from investors expressing non-wealth maximizing investment preferences; regulatory constraints and frictions; agency effects; institutional rigidity; commercial hedging; and the inertia of traditional investment heuristics.

The Evolution Program takes the other side of these wealth compromising trades by deploying a diversified ensemble of long/short systematic strategies derived from advanced statistical methods and machine learning tools.

Monthly Performance Returns ¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	4.56%	-10.51%											-6.43%
2019	-0.75%	1.29%	7.81%	2.26%	-2.27%	6.80%	8.09%	6.67%	-1.04%	-3.65%	3.01%	-5.70%	23.53%
2018	8.71%	-13.33%	0.67%	1.24%	-5.39%	-0.43%	0.16%	5.54%	-1.69%	-12.30%	-2.58%	1.52%	-18.45%
2017										0.30%	3.14%	1.98%	5.49%

¹ The period highlighted in red is considered to be an incubation period for the program where strategies were rolled out one at a time. By December 1st, 2018 is the period where ReSolve had deployed enough Alpha Groups to consider the program fully deployed.

² Estimated Returns.

Time Period	Return
Incubation Period	October 19, 2017 – November 30, 2018
Robust Program Inception	December 01, 2018
Asset Under Program	\$92 M
Standard Deviation	18.90%

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Returns are calculated from the gross returns of the ReSolve Evolution Fund Cayman SPC net of 2% management fee and 20% incentive fee as well as all trading and administrative expenses assuming an investor began investing on October 19, 2017.

Timeline of Strategy Deployments

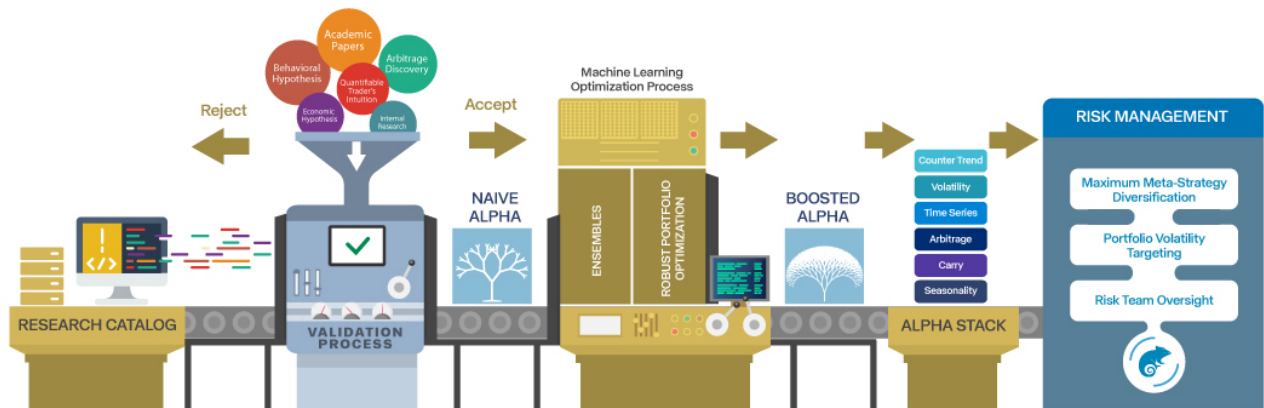


Source: ReSolve Asset Management. For illustrative purposes only

The Alpha Factory Process

Alpha is sourced from publications across a variety of unconventional disciplines; trader intuition; economic hypotheses; and data driven discovery. Prospective edges endure a rigorous validation gauntlet where only the most persistently robust models are included for further development. Alpha sources are subjected to a proprietary boosting process designed to stabilize and amplify their signal-to-noise ratio. The product is a meta-ensemble of boosted alpha sources that evolves over time as new edges are added and weaker edges are trimmed.

RESOLVE'S ALPHA FACTORY For Illustrative Purposes Only



THE EVOLUTION ALPHA STACK

Starting From First Principles

One of the foundational principles of academic finance is the concept that aggregating many lowly correlated sources of returns can lead to better investor outcomes. In other words, the more strategies one can identify that exhibit positive expected returns, and the lower the crosscorrelations amongst those strategies, the higher the expected portfolio return should be for the same level of risk.

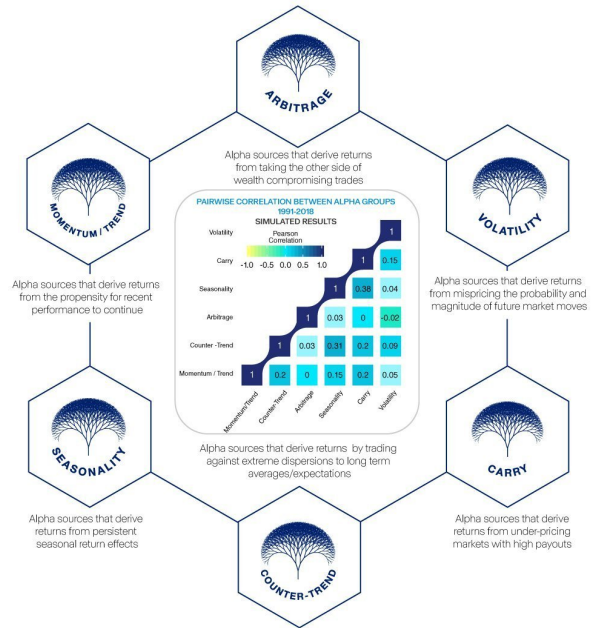
Building A Robust Alpha Group

The Evolution Program initiates the process described above first *within* each Alpha Group by identifying and implementing hundreds, if not thousands, of similarly themed strategy iterations that are not perfectly correlated with one another.

Building A Robust Alpha Stack

This concept is taken one degree higher at the Alpha Stack level by identifying and piecing together those Alpha Groups which exhibit near zero expected correlations to one another, as illustrated in the graphic to the right.

Our goal is to continue to push the boundaries of the risk/reward trade-off through the relentless application of the ReSolve Alpha Factory to find new Alpha Groups, strengthen existing ones and improve the outcomes for our investors.



Source: ReSolve Asset Management. Data from CSI data. Simulated Performance for illustrative purposes only not based on an actual portfolios that ReSolve manages. Past results are not indicative of future results. It is expected that the simulated performance will periodically change as a function of both refinements to our simulation methodology and the underlying market data. Please review the disclosures at the end for more information. The Pearson Correlation represents the relationship between two variables that are measured on the same interval or ratio scale. Numerically, the Pearson correlation coefficient is ranges from -1 to +1. A value of +1 is the result of a perfect positive relationship between two or more variables. Conversely, a value of -1 represents a perfect negative relationship. For diversification purposes, the lower the correlation the better.

Fund Facts

Jurisdiction	Canadian Offering Memorandum Fund
Expected Volatility	High
Expected Correlation to S&P/TSX 60	Very Low Long Term Correlation
Minimum Investment	\$1,000,000
Redemptions / Liquidity	Monthly
Subscriptions	Monthly
Portfolio Manager	Emerging Asset management Ltd.
Sub-Advisor	ReSolve Asset Management Inc.
Administrator	Apex Fund Services (Canada) Ltd.
Legal	Morgan, Lewis & Bockius LLP
Auditors	Offshore Feeder: Deloitte Cayman

Managed Account

Minimum Subscription		\$10,000,000		
Liquidity		Daily		
Open Classes and Fee Schedule				
Open Classes	Management Fee	Performance Fee	Hard Lockup	Early Redemption Charge
Class B	2%	20%	None	None
Class D	0%	30%	None	None

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