

## Low Transactions Investment Portfolio — LTRIP<sup>©</sup>

Issued by Meltemi Investment Management Limited ('Meltemi')

## Investment objectives

Aims to generate superior returns — typically 3%-5% before investment management fees, above the one-year deposit rate of the reference currency of the portfolio over a business cycle, with less volatility than global equities.

However, there may be extended periods of negative or lower than deposit-rate investment performance. Occasionally the portfolio may even experience a partial loss of the capital and an investor may not get back all of the capital invested.

Stretching back a few decades, major equity markets such as the US and Europe have enjoyed about a 3.5% premium over their risk-free interest rates. Active asset and country allocations may generate higher returns. A portfolio simply growing at only 7% per annum will double in value over ten years.

Time horizon - Years

1 or less	2	3	4	5
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Risk

Low	Moderate	Balanced	Higher Risk	High Risk
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Investment Objectives

Capital Preservation	Income	Income/Growth	Growth	Aggressive Growth
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## Description

LTRIP is an individually managed discretionary investment portfolio. It makes mainly long-only investments through Exchange Traded Funds (ETFs) based on global equities, bonds and precious metals. The investment strategy reflects Meltemi's fundamental and technical views of business cycles and medium-term market rhythms. It is expected to have a low transactions volume typically below fifty trades a year.

To enhance investment returns it may sell 'covered call options' and 'put options' on equities and bonds indices or their ETFs.

## Structure

The Investment Manager for the LTRIP is Meltemi Investment Management Limited ('Meltemi'), registered with the Financial Conduct Authority (FCA) in the United Kingdom. The principals of the firm have a successful track record spanning over decades of managing funds for wealthy private clients.

We facilitate our clients in opening their accounts at some of the premier international banks, for example Bank Julius Baer & Co. Ltd and VP Bank (Schweiz) AG, Zurich . The bank will act as custodian for the client's assets. The client will grant a power of attorney over this account to Meltemi to buy and sell ETFs, foreign exchange, options and any other financial instruments agreed with the client.

The custodian bank will maintain all primary records of investments and will provide trade confirmations, valuations and any other information about the portfolio directly to the client with a copy to Meltemi for portfolio management purposes. Meltemi will also send a quarterly portfolio review to its clients.

## Investment strategy, portfolio construction and risk management

### 1. Asset allocation

We regularly follow macroeconomic fundamentals and market dynamics of more than 30 countries to determine a framework against which we constantly monitor and adjust country and asset allocation. To enhance our own fundamental and technical analysis we also incorporate data and opinions from external sources.

### 2. Investment guidelines

- > Invest in ETFs of major asset classes; equities up to a maximum of 75%; commodities and precious metals up to a maximum of 25%; and the balance in cash and ETFs based on bonds and short-term interest bearing instruments.
- > A maximum of 20% of the portfolio in any single ETF.
- > Exposure to below investment grade or non-rated bonds based ETFs to a maximum of 40% of the portfolio value.

### 3. Hedging

Depending on our economic and market views we may partly or fully hedge the non-reference currency exposure of equities and bonds by selling forward FX contracts of the relevant currency by buying 'inverse' ETFs or any other appropriate financial instrument ('the hedge'). The hedge may not exactly match the characteristics of the investment being hedged.

### 4. Options

We may sell 'covered call options' on ETFs and earn a premium to enhance the returns on the portfolio. We may also sell 'put options' and earn a premium to enhance the returns or to buy ETFs at a cheaper level. The total exercisable amount of 'sold' put options will not exceed 100% of the portfolio value. Also the market value of all outstanding short put options will not exceed 10% of the portfolio value. All options will be 'exchange traded' options.

### 5. Individually tailored portfolios

We will be happy to tailor a portfolio according to the needs or preferences of a client. For example they may require higher income, higher allocation to equities, commodities related themes or to high-tech. Our small size and 'boutique' nature is an advantage when managing individually tailored portfolios.

## Performance and composition

### Investment performance - % October 2019 start to December 2023

	2022	2023 YTD	CAGR*	Sharpe Ratio**
USD LTRIP	-14.47	6.92	4.74	0.27
USD One-year deposit rate	0.43	4.40	1.79	

### Relevant Hedge Fund Indices

Global Hedge Funds Index	-4.41	3.10	2.67	0.18
Market Direction Hedge Funds Index****	-14.30	7.51	3.69	0.21

\* Compound annual growth rate

\*\* Volatility risk adjusted returns

\*\*\* Investment performance after all estimated fees and expenses.

\*\*\*\* Most common theme of hedge funds included in this index is to take long and short positions in different stocks simultaneously. Though this approach limits the overall systematic stock market exposure, some exposure typically remains. These funds generally exhibit higher volatilities and higher correlations to standard directional benchmarks of equity, bond market and hedge fund industry. (Source: HFRX)

### Important information

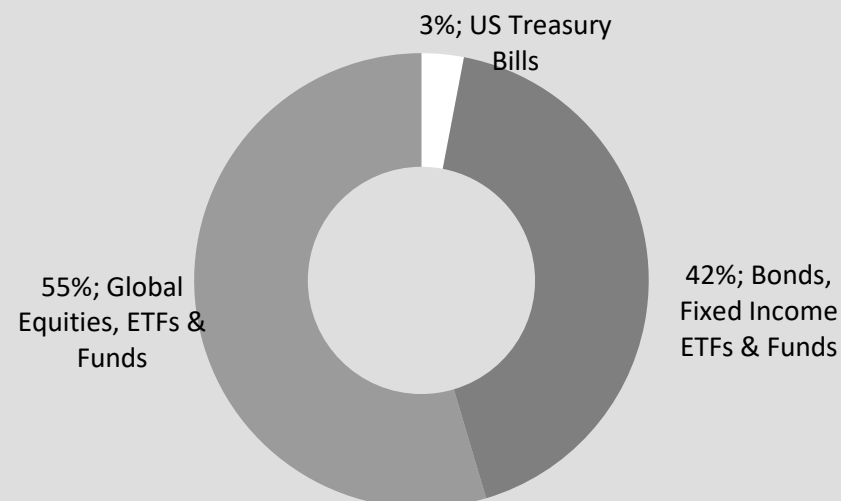
Past performance is not a guide to future results, real results may vary. The value of investments and the income from them can go down as well up. The portfolio may hold investments that are not guaranteed or insured by anyone and are subject to investment risk. An investor may not get back the full amount originally invested.

Exchange rate changes may cause the value of an overseas investment to rise or fall against the reference currency.

Investors should be aware that investment in derivatives, for example, options involves an above average degree of risk due to the geared nature of these instruments.

### Top 10 investments — % of the portfolio

USD	Janus Henderson Balanced USD Fund	15.2	USD	MARRIOTT INT 5.550 15-OCT-2028 '28	3.97
USD	Fidelity Blue Chip Growth ETF	6.38	USD	iShares Russel 1000 Growth ETF	3.05
USD	UBS GROUP 4.253 23-MAR-2028'27	4.95	USD	HOG 6.500 10-MAR-2028 '28 MTN	2.99
USD	JPMorgan International Research Enhanced Equity ETF	4.93	USD	Schwab Fundamental U.S Small Company Index ETF	2.98
USD	iShares MSCI USA Quality Factor ETF	4.23	USD	GM 6.000 09-JAN-2028 '27	2.70

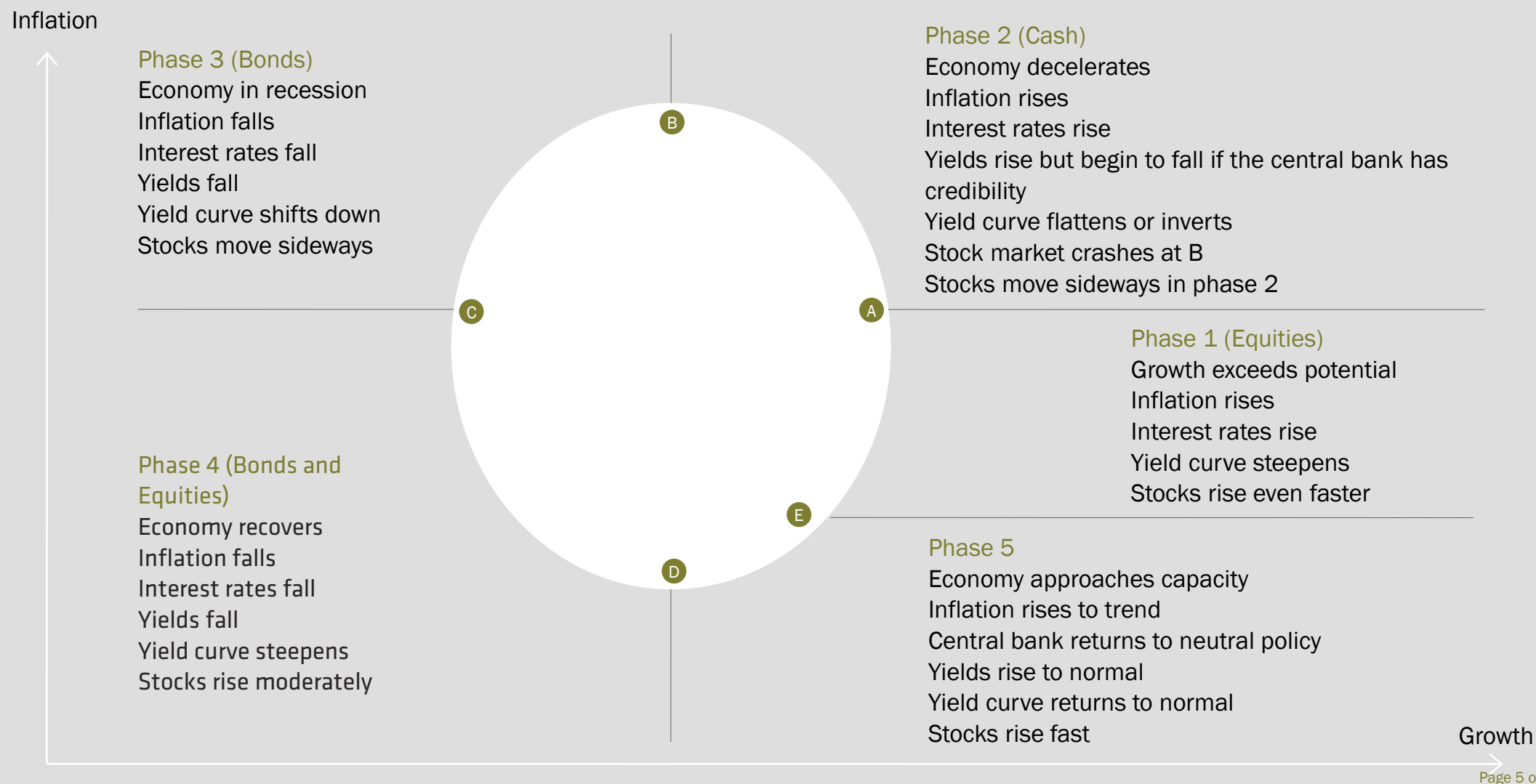


### Notes

The portfolio composition in December 2023 is representative and not a recommendation and is subject to change without prior notice.

Income and dividends from ETFs listed in the US are subject to 30% withholding tax by the United States government.

## Typical behaviour of asset prices in a business cycle



## Key portfolio details

Investment manager	Meltemi Investment Management Limited, a company registered in the United Kingdom, authorised and regulated by the Financial Conduct Authority (FCA).
Minimum investment	USD 3,000,000.
Reference currency	USD or Euro.
Custodian	Bank Julius Baer & Co. Ltd and VP Bank (Schweiz) AG, Zurich
Documentation	Meltemi requires a Discretionary Investment Management Agreement, Client Profile, Investment Objectives and Risk Profile, and any other regulatory documentation required by law. The custodian bank will also require their account opening documentation including a Power of Attorney for Meltemi to manage the client's portfolio.
Distribution restrictions	Available to retail and professional clients as defined by the Financial Conduct Authority. This investment management service is not available in countries where it would be prohibited for distribution by their law. A prospective client should make independent enquiries as to whether the LTRIP would be available for distribution in their country.
Liquidity	The portfolio can be liquidated at any time by giving instructions to the custodian bank or to Meltemi.
<b>Fees</b>	
Investment management fee	1.50% p.a. charged quarterly in arrears on the portfolio value at the end of each quarter to be paid by the custodian bank upon receiving an invoice from Meltemi.
Custody, administration and brokerage	Charged directly by the custodian bank according to their fee schedule. (Meltemi may be able to negotiate favourable terms for its clients.)

## Team biographies

We have a unique investment team and investment ethos. The senior members of the investment team have known each other for over 25 years and have worked together in senior investment management positions in some of the top international financial institutions. They are highly respected in their individual areas of expertise: global asset allocation, currencies management, equities, bonds and options.

A small team enables us to react to changing markets quickly, meaningfully and efficiently, and to construct tailor-made portfolios according to client needs.

### SIKANDER H. KHAN

Sikander Khan has 40 years of investment management experience. Prior to forming Meltemi he was the Chief Investment Officer of Standard Chartered Grindlays Private Bank, where he managed a team of investment professionals globally, providing discretionary and advisory investment expertise to the high net worth clients of the Bank.

He joined Citibank in 1986 and by the end of 1998 he was Senior Investment Manager and Head of Investments at Citibank Private Banking Group in London. Sikander was also the lead manager of the Luxembourg-registered CitiLandmark Managed Currency Fund. In 1997 and 1998 the Fund was awarded first place in the Standard & Poor's Micropal Offshore Territories Money Market International (Managed Currency) Sector.

He is a qualified Wealth Manager in the UK, is a Senior Chartered Accountant qualified with the Institute of Chartered Accountants in England and Wales, and a graduate with a Bachelor's degree in Economics and English Literature.

### FIKRET ONDER

Born in Turkey, Fikret Onder studied Economics at the University of Bonn (Germany), where he worked as an assistant professor for two years after his graduation. His finance career started at Merrill Lynch AG, Düsseldorf in 1981. He became Head of Institutional Equity Sales at Sal. Oppenheim Jr. & Cie, Cologne where he worked from 1985 to 1992 before joining Citibank Private Bank, London as Lead Portfolio Manager for Global Equity portfolios. In 1995 he joined UBS Private Banking, London as a senior portfolio manager. In 1998 he moved to Julius Baer & Co., London where his responsibilities were extended to cover marketing activities as well as asset management.

In July 2000 he was appointed Executive Vice President and Head of Private Banking of AKBank in Istanbul, starting this business unit from scratch. By the time he left in July 2011, assets under management had reached USD 13.5 billion. AKBank Private Banking was awarded the 'Best Private Bank in Turkey' prize in four out of the last six years under his management by *Euromoney* magazine.

Fikret joined Meltemi in September 2011 as a principal and portfolio strategist.

### **CEM BALCISOY**

Cem Balcisoy has over 22 years' experience of advising and dealing with ultra-high net worth individuals based in Europe and Turkey. After achieving an undergraduate degree in Electronic Engineering from Nottingham University in 2000, he started his finance career at American Express Bank in London as an account officer handling risk assessment of financial assets and then advising on investment products to meet customer needs and requirements.

In 2004 he was awarded an MBA in Finance from Nottingham Business School (part of Nottingham University). He joined National Bank of Dubai in London (now known as Emirates NBD) to help establish a Turkey Marketing Desk mainly to provide investment-related services to ultra-high net worth individuals. This was followed by move to Barclays Bank in London in 2008 where he was part of the international private banking team mainly concentrating on Turkish clients for investment banking services, real estate consultancy and portfolio management.

Cem joined Meltemi in September 2011 as a portfolio manager.



## Important information



### Meltemi Investment Management Limited

28 Ives Street  
London SW3 2ND

+44 (0)20 3795 8147

+44 (0)7970 237 695

[www.meltemi.biz](http://www.meltemi.biz)

[investments@meltemi.biz](mailto:investments@meltemi.biz)

### Important information

LTRIP is available to retail and professional clients as defined by the Financial Services Authority. This product is not available in countries where it would be prohibited for distribution by their law. A prospective client should make independent enquiries as to whether the LTRIP would be available for distribution in their country.