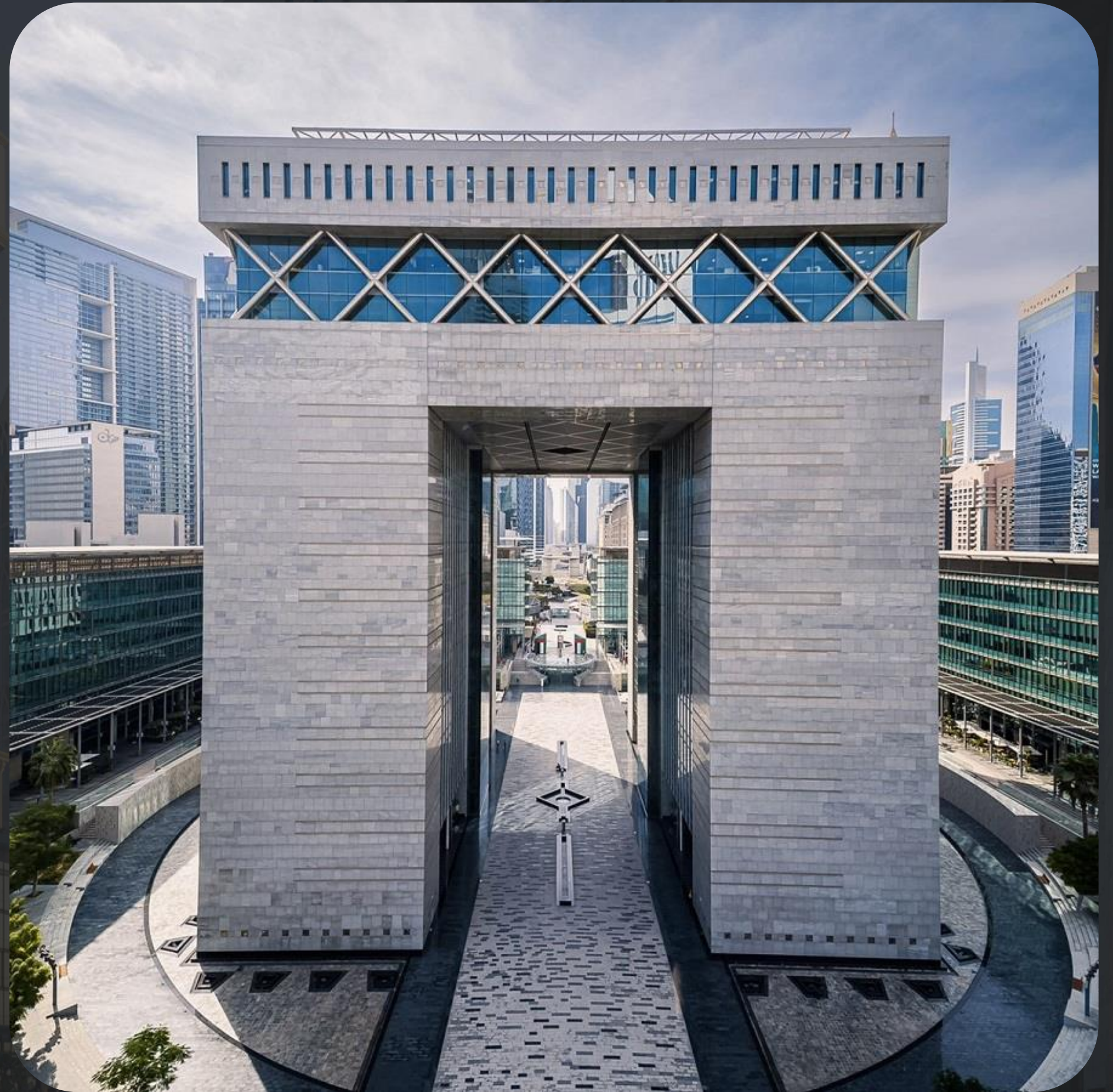




FIDÈLE CAPITAL LIMITED

The Regime Neutral Approach

Building Wealth That Transcends Generations





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(Regulated by the DFSA)

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Introducing the **Four Quadrant Model**



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- Our belief rests firmly on the notion that any period of economic history can be defined by four main market regimes.
- Typically the duration & underlying characteristics of these regimes vary drastically from one cycle to the next making it a formidable challenge to identify the current regime in real time, or ideally, during the transition phase.
- Whilst the duration and characteristics may vary from cycle to cycle, empirical evidence highlights that the return profiles of individual asset classes and investment strategies through each regime typically remains consistent.
- To successfully navigate the markets: Investors need to be equally allocated across investment strategies that thrive in one of the four market regimes.



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Harry Browne & the Permanent Portfolio

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- The 'Four Quadrant Model' isn't new academia and was originally formulated in the 1970s by a little known finance analyst at the time, named Harry Browne. The concept has grown significantly over time and been used as a backbone to some of the largest hedge funds in the world.
- Harry's Browne's market regime diversified investment allocation was as follows:
 - 25% to Gold for Inflation.
 - 25% to Long Duration Treasuries for Deflation.
 - 25% to Equities for Growth.
 - 25% to Cash for Declines.
- His allocation has stood the test of time. An Investor taking the approach between 1971 to 2022 would have achieved:

Annualised Return:	7.40%
Annualised Volatility:	7.05%
Max Drawdown:	16.80%

It's an Ever-Changing Financial Landscape



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- Whilst Harry Browne's approach has stood the test of time, the financial world has come a long way since the 1970s and will continue to innovate into the future.
- Our Regime Neutral approach firmly believes in Harry Browne's initial work and sets out to modernise it further. In doing so, we seek to enhance the return profile providing market beating total returns, lower volatility and lower drawdowns.

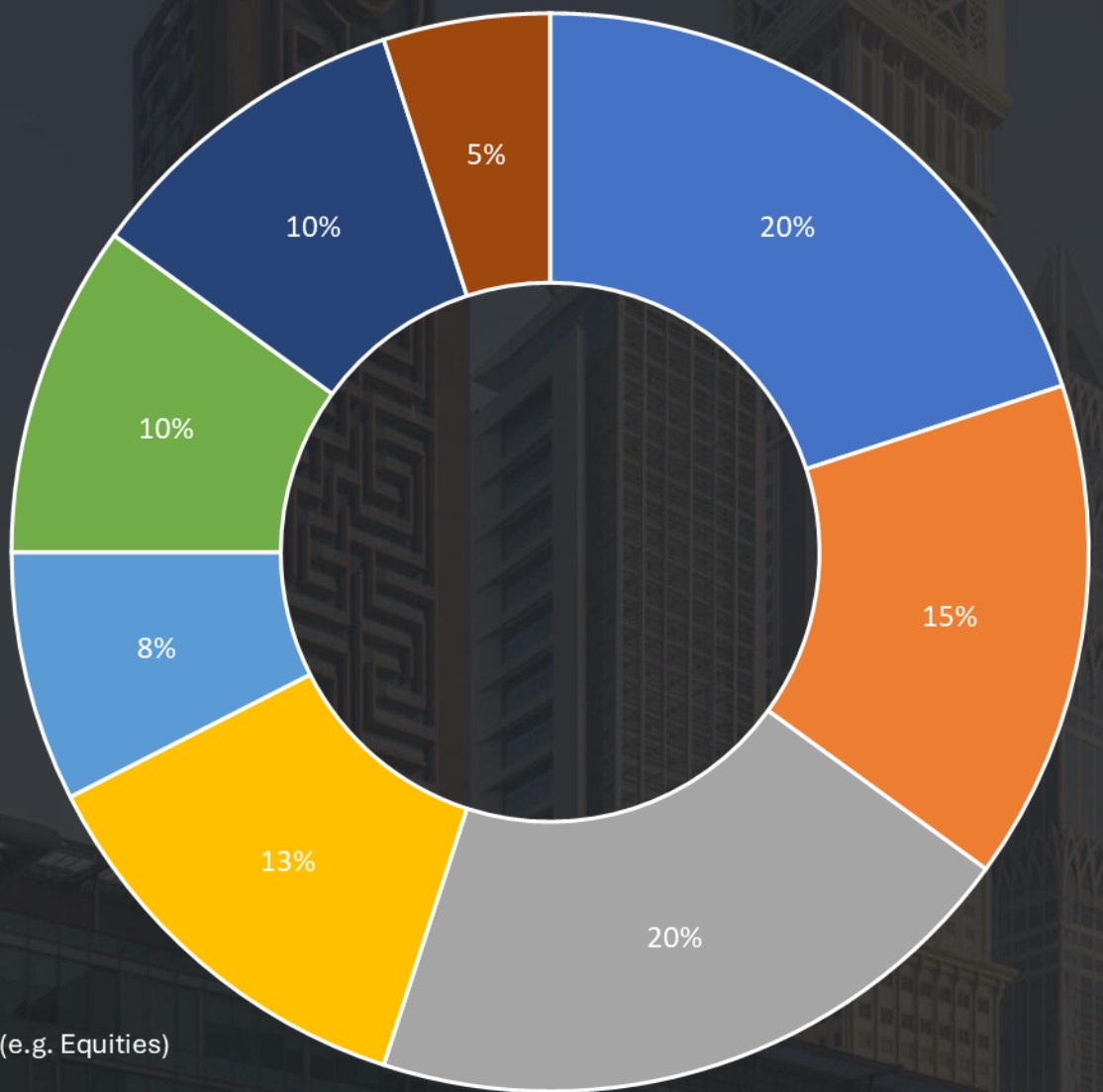




Introducing Fidele Capital's Regime Neutral Approach

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- Secular Growth Strategies (e.g. Equities)
- Interest Rate Linked Strategies (e.g. Fixed Income)
- Trend Strategies (e.g. CTA Trend Exposure)
- Fiat Alternative Asset Strategies (e.g. Precious Metals)
- Commodities (ex-PM) Strategies (e.g. Oil, Grains..)
- Defined Return Strategies (E.g. Guaranteed Equity Income)
- Cash or Cash Equivalent Strategies (E.g. Overnight Bank Rates)
- Volatility (Tail Risk) Strategies (E.g. Portfolio Insurance)

- The Regime Neutral approach divides its allocation into 8 Investment Strategy Baskets that are designed and optimised to deliver specific investment profiles in particular market regimes.
- Each strategy basket is then optimally weighted to deliver an investment approach that is equally weighted across the four market regimes providing a smooth return profile.
- The Regime Neutral allocation has been optimised to improve Total Returns, Risk Adjusted Returns & Downside Deviation.
- An Investor taking the Fidele Regime Neutral approach between 1971 to 2022 would have seen:

Annualised Return:	9.40%	(8.95%)
Annualised Volatility:	6.53%	(14.88%)
Max Drawdown:	15.02%	(54.03%)
(100 % Global Equities)		

Market Regime Diversification



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- Market Regime Diversification moves the investment focus from constant prediction/market timing to a focus on maximising long term investment profile performance.
- The Regime Neutral approach plays simultaneous offence & defence across the market cycle.





Performance Comparisons

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Return Statistics

Return Metric	The Regime Neutral Approach	Global Equities	Global Bonds
Total Return	11,431%	8.80%	2,16%
Annualised Return	9.40%	8.95%	4.41%
Up Months %	68.30%	61.99%	59.61%
Max Consecutive Gain	49.23%	60.77%	17.49%
Max Monthly Gain	8.05%	14.58%	6.21%
Best Calender Year (1)	30.25% (1979)	41.89% (1986)	
Best Calender Year (2)	23.01% (1985)	40.56% (1985)	

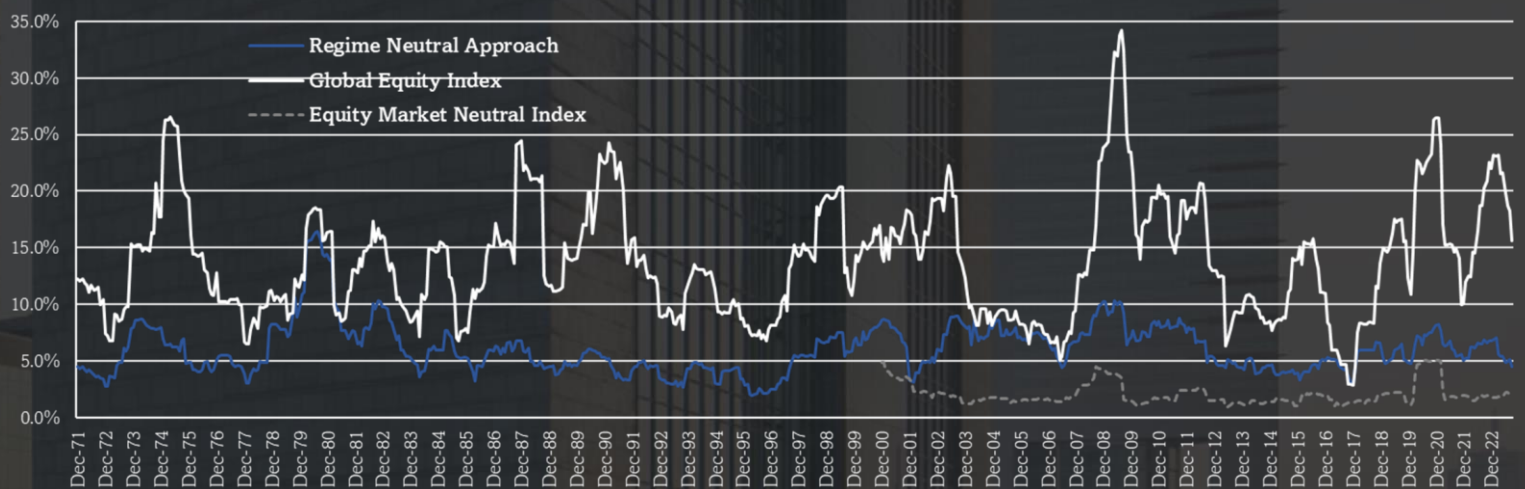
Risk Adjusted Performance

Drawdown Metric	The Regime Neutral Approach	Global Equities	Global Bonds
Ann. Volatility	6.53%	14.88%	5.66%
Annual Sharpe Ratio (Rf: 0.25%)	1.40	0.58	0.73
Sortino Ratio (Rf: 0.25%)	2.73	0.88	1.20

Drawdown Statistics

Drawdown Metric	The Regime Neutral Approach	Global Equities	Global Bonds
Max Drawdown	-15.02%	-54.03%	-24.19%
Max Time-Under Water	21 Months	69 Months	36 Months
Down Months %	31.70%	38.01%	40.39%
Max Consecutive Loss	-15.02%	-40.89%	-13.82%
Max Monthly Loss	-8.17%	-18.96%	-5.48%
Worst Calender Year (1)	-6.28%	-40.71%	-16.25%
Worst Calender Year (2)	-5.59%	-25.47%	-5.17%

Rolling Volatility



Strategy Implementation



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Strategy Basket Name	Description	Predominant Exposure	RN Weighting	Benchmark	Benchmark Ann. Return Target
Secular Growth Strategies	Globally focussed equity momentum strategy investing in 50 - 100 direct equities systematically. Allocation is rebalanced monthly based on the latest screened universe. (Proprietary Strategy)	Direct Equities	20%	MSCI World Momentum Index	11.31%
Interest Rate Linked Strategies	A combination of exposure to long duration government bonds and enhanced yield reverse convertibles (RCs) on long duration government bonds. Exposure between bonds & RCs fluctuates based on interest-rate outlook looking to maximise total return between ongoing yield & capital appreciation. (Proprietary Strategy).	Direct Bonds & Enhanced Yield Reverse Convertibles	15%	Bloomberg Global Aggregate Bond Index	4.51%
Trend Strategies	Exposure to leading third party CTA Trend strategies covering multi-asset universes. Fidele's fund selection criteria favours systematic, algorithmic long/short exposure covering our full asset universe with consistent outperformance of the SG Trend Index (Industry Benchmark).	Third Party CTA Strategies (Mutual Funds/Hedge Funds)	20%	SG Trend Index	5.93%
Fiat Alternative Asset Strategies	A combination of exposure to passive Gold & Silver ETCs, Precious Metal miners & active third-party strategies. The basket can incorporate exposure to Cryptocurrency (determined by client).	Precious Metals	12.5%	Spot Gold Index	7.66%
Commodities (ex-PM) Strategies	A combination of exposure to passive Commodity ETCs, Explorers & Producers & Third Party Strategies (e.g. Trade Finance, Commodity Carry).	Commodities (Oil, Grains etc..)	7.5%	Bloomberg Commodity (ex PM) Index	3.47%
Defined Return Strategies	A systematic investment strategy investing in single high quality stock underlying's, 60% European barrier, autocallable reverse convertibles that pay a guaranteed quarterly coupon. 20+ products, with maturities diversified between 1-5 years. (Proprietary Strategy).	Equity Income (Structured Products)	10%	Atlantic House Defined Return Fund	6.36%
Cash or Cash Equivalent Strategies	A combination of exposure to Central Bank overnight rates & Government issued short duration securities obtained through exposure to ETFs & Direct Investments. Cash is used to dollar cost average during stress periods as well as provide short term liquidity to investors.	Cash Equivalents	10%	Bloomberg Fed Funds Total Return Index	1.14%
Volatility (Tail Risk) Strategies	Exposure to strategies and investments that profit from sharp declines in asset prices (rising volatility environments). Acts as portfolio insurance from unexpected events. Spikes in returns are used to dollar cost average in more traditional assets.	Derivatives	5%	RBC Composite Tail Risk Index	6.96%

- Each Investment Strategy is designed to outperform its independent strategy benchmark.
- We combine: In-house investment strategies (Proprietary Strategy Implementation) with out-sourcing to specific industry specialists (Fund Manager Selection) & Passive Opportunities (Benchmark Driven Investing) to enhance our performance against the regime neutral benchmark profile.



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Consistency in Approach = Consistency in Returns

The Regime Neutral approach is born out of proven academia and has been empirically verified. Our decisions made in the short & medium term are always in-keeping with our long term targeted profile.

The approach continually monitors performance at individual strategy basket level relative to their benchmarks. Through continuous assessment and optimisation, we enhance our expected return profile.

We are consistently searching for and reviewing new strategies, asset classes and investment techniques to enhance our performance metrics keeping the approach at the forefront of financial innovation.

The Regime Neutral approach offers Investors an innovative investment portfolio that looks to stay at the forefront of modern day investments whilst never losing sight of our long term objective & investment profile.

Through our Regime Neutral Approach: We Build Wealth that Transcends Generations.

Make your Portfolio **Regime Neutral Today**



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Option 1

Transaction by Transaction Advisory

We onboard Private Clients, Family Offices & Institutions within the DIFC under our Category 4 License.

We provide our approach on a transaction by transaction basis through our private banking network. Each decision within your portfolio is advised upon given the client full insight into the management and thinking behind our Regime Neutral approach. Our client retains full transaction approval rights and can liaise with our in-house investment and relationship management specialists daily.

Option 2

Single ISIN Actively Managed Certificates

We onboard Private Clients, Family Offices & Institutions within the DIFC under our Category 4 License.

Fidele has partnered up with a Swiss Investment Manager to create The Regime Neutral AMC. This allows investors to gain access to the full approach within a single transaction. Fidele Capital act as investment advisers to the Investment Manager of the Certificate advising them in their everyday implementation of the approach. Investors simply sit back and reap the returns.

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The Data within this document is sourced from Bloomberg & Alternative Soft. The Backtested data is between January 1971 – September 2023. A copy of the full backtested data output is available on request. Past performance of any kind, actual or simulated, is not a guide to future performance.

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