PORTFOLIO FACT SHEET / MARCH 2019

Kai Enhanced Sector Portfolio – Health Care (Weekly Balance)

PHILOSOPHY

Smart Dynamic Concentration for Higher Returns

The Kai Enhanced Sector portfolio (Kai-ESP) gives full sector exposure and concentrates on the stocks with the highest potential for growth. Kavout balances the risk and reward of the portfolio by researching and applying multiple asset allocation strategies, ultimately choosing the most effective method. Our artificial intelligence engine dynamically rebalances and optimizes holdings to seek maximum risk-adjusted returns.

Advanced Quantamental Approach

Kavout applies K Scores - stocks ratings based on quantamental analytics and machine learning models to select an enhanced portfolio of stocks that best captures the growth cycle of a sector. Stocks ratings are regularly updated to generate new predictive analytics.

PORTFOLIO FEATURES

Initial Capital	$1 Million
Portfolio Inception	Oct 2013
Sector Concentration	Healthcare
Benchmark ETF	XLV
Rebalance Frequency	Weekly
Avg No. of Holdings	19

METHODOLOGY

For the Kai-ESP, stocks with K scores between 7 to 9 in the healthcare sector were chosen. Equal weights were applied to the strategy. After testing several different rebalancing frequency, we arrived at a weekly rotation cadence which produced the optimal output.

As illustrated on the next page, the Kai-ESP has generated a cumulative return of 152.11%, while the return of the XLV over the same time period is 94.82%. The average Annual Return of the Kai-ESP is 18.45%, which beats the XLV average Annual Return of 12.99%.

Adjusted for volatility, the Kai-ESP also has a higher Sharpe ratio of 1.20 than the benchmark's 0.89.

TOP HOLDINGS (%)

Baxter International Inc.	3.86	**Agilent Technologies, Inc.**	2.77
AmerisourceBergen Corporation	3.52	**PerkinElmer, Inc.**	2.73
Becton, Dickinson and Company	2.98	**Amgen Inc.**	2.91

ANNUALIZED RETURN (%)

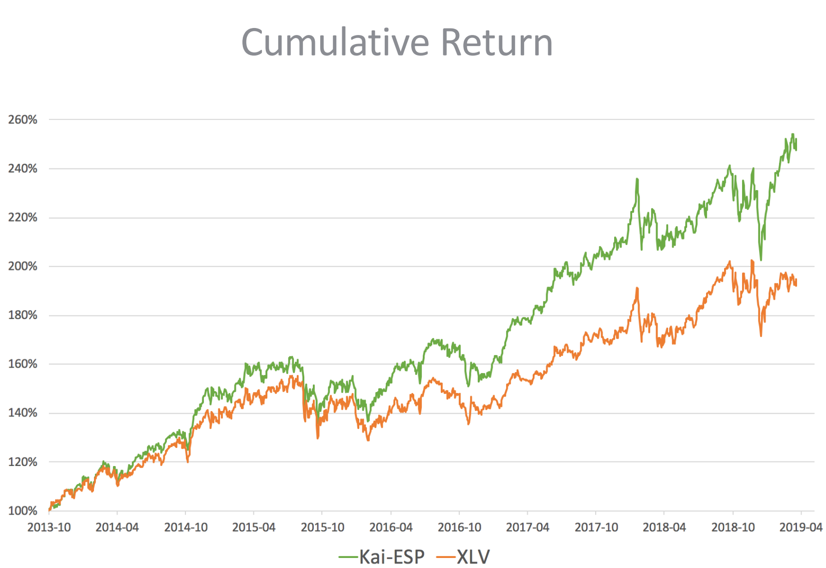
up to 2019/03/29	YTD	1year	2years	3years	4years	5years
Kai-ESP	85.95	20.79	18.78	19.11	12.64	17.16
XLV	27.50	14.96	12.47	12.53	7.42	11.31

PERFORMANCE

Start Date	End Date	No of months
2013-10-10	2019-03-29	65

	Kai-ESP	XLV
Average Annual Return	18.45 %	12.99 %
Cumulative Returns	152.11 %	94.82 %
Annual Volatility	15.12%	15.05 %
Sharpe Ratio	1.20	0.89
Calmar Ratio	1.11	0.76
Max Drawdown	-16.69%	-17.08%
Omega Ratio	1.23	1.16
Sortino Ratio	1.71	1.26
Skew	-0.28	-0.28
Kurtosis	1.92	2.11
Tail Ratio	0.89	0.96
Daily Value at Risk	-1.83%	-1.84%
Alpha[1]	0.06	0.00
Beta[1]	0.98	1.00

EQUITY CURVE



COMPANY OVERVIEW

Kavout specializes in the application of machine learning technologies in the investment industry. Our mission is to empower institutions and investors with augmented intelligence to generate alpha, manage wealth and do more with less.

The company's services include developing investment factors, signals, and portfolios for alpha generation and actionable insights. Available thru subscription services and software-as-a-service delivery.

Kavout brings together a worldclass team of researchers, finance experts, and AI and machine learning engineers to develop investment services of the next generation. Our services are utilized by investment firms worldwide servicing millions of investors.

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LEGAL DISCLAIMER

Returns represent past performance and do not guarantee future results. Investment returns and share prices will fluctuate with market conditions, and investors may have a gain or loss when shares are sold.

[1] The Alpha and Beta values are calculated with respect to the SPDR S&P 500 ETF.