Diversified Algorithmic Fixed Income Alternatives Family™

(“DAFI™”)

Investment Process and Methodology

As of December 2, 2021

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The Diversified Algorithmic Fixed Income Alternatives™ ("DAFI™") methodology is a rules-based strategy comprised of a diversified portfolio of index components that when mixed have the potential to more accurately measure/reflect the net effects to the global economic environment than measuring a specific asset class alone.

DAFI™ has the potential to perform like the Bloomberg US Aggregate Bond Index but without the credit risk associated with investment-grade bonds in the US

- James Philip Coppola III

Money Management Philosophy

- Institutional-grade internal and external **Risk Management**
- **Institutional Scalability** across the portfolio of products
- **Trend-Following**
- **Rules-based Portfolio Rebalancing**
- **Tactical Allocation** in performance-based Hedge Funds and Separately Managed Accounts (SMA)

Simple Daily Rebalancing

Portfolio Allocation and Daily Rebalancing based on volatility cap SOP of the Global Bank

Each day, based on a proprietary volatility cap methodology applied by the Global Bank under their Standard Operating Procedures (SOP), are rebalanced to the targeted component exposure.

The methodology's execution procedure may vary materially over time. Investing in alternative investments and derivatives carries substantial risk. Investors could lose their entire investment. Past performance is not a guarantee of future performance. This informational brochure is not an offer to buy or sell securities. Offer of securities by Prospectus only. Please read all Offering Materials carefully before investing. Strategies may have track records in other vehicles implementing those strategies at Baron Point, or otherwise.

The launch date of DAFI™ was April 26, 2021[1]

The date when the values of the methodology are first considered live (the "Launch Date"), which is the date upon which:

- No further changes to the methodology are permitted except as authorized by the Investment Committee;
- Daily values of the methodology are known to have been released to the public and/or distributed internally, for example via websites, data feeds, fact sheets, or presentations;
- The DAFI™ strategy has been licensed since December 2021 and is implanted at Global banks for exposure to the strategy; and
- All changes made to the methodology after the Launch Date are noted in this research.

[1] Please read full disclaimer on Page 24 of this research report, prior to investing.

Methodology Descritpion

The methodology is entirely rules-based and was designed to measure/reflect the global economic environment. The methodology combines several rules-based trend following systems applied to commodity and index futures together with “long” exposure to several asset classes (each a “Component”), which themselves measure/reflect certain objective market characteristics of a diverse group of historically non-correlated traditional and non-traditional asset classes.

These Components, in combination, provide secular long exposure to US Treasury, Stock, and Gold positions, and long or flat Oil with cyclical commodity long/short components (including energy, grains, precious metals, livestock, industrial metals and softs), and currencies that hedge and produce stable return enhancement. In combining these components at the exposure levels noted in this research piece, we have attempted to create an objective systematic absolute return macro system that more accurately reflects the tendency of developed economies to expand than any other current benchmark can currently potentially capture.

“Commodities will remain an essential component of the economy. Investors should note that there is no transition pathway to a climate-neutral world that does not involve commodities.”

- Mercer, 2020

Approach to Sustainability

At Baron Point, we are committed to **doing less harm to our communities and planet**. In alignment with our commitment, the commodity and index futures held in the Fund are *not* tied to any specific source or production company and create **zero environmental impact**.

Key sustainability considerations related to index and commodity futures that we consider paramount:

A well functioning global futures market is critical to the development of the global debt and capital markets, that are **important in a green transition**.

- Index and commodity futures markets are **essential to the world for managing risk, improving transparency**, and **providing liquidity**. This aligns with many sustainability principles, particularly the often underemphasized societal and governance considerations.

- Index and commodity futures markets offer exposure to commodities with **zero environmental impact**
    - As opposed to an equity or bond investment, with futures contracts there is ***no*** resulting increase or decrease in production.
    - Index and commodity futures ***do not*** create or consume the underlying commodity.

- Index and commodity futures markets offer superior risk management and diversification benefits, particularly with respect to **inflation and deflation protection**.

DAFI™ Components

DAFI™ Components	Approximate Exposure Level (%)
SECULAR LONG ASSET CLASS TARGETS	
US Treasury Note Futures (5-yr. or 2-yr.)	40%
US Treasury Bond Futures (30-yr.)	8%
S&P 500 / Nasdaq 100 Index Futures	12%
Gold Futures	8%
Long Asset Classes Total	**68-74%**
Cyclical Long/Short Rules-based Index Targets	
ALT™ (Formerly DTI®)	20%
CTI®	6%
Crude Oil FI Index™	0 - 6%
Rules-based Indexes Total	**26 - 32%**
DAFI™ Components Total	**94 - 100%**

DAFI™ will typically have a gross notional exposure of 100% of capital. Proprietary rules-based indices will typically have a 26 - 32% allocation, with the approximate balance, 68%, being allocated to "all long" exposure to several traditional asset classes. This combination provides exposure to US index futures, as well as commodity — sectors include energy, grains, precious metals, livestock, industrial metals and softs — currency, and interest-rate futures. The allocation of market exposure to each component is based on principles of diversification with the objective of measuring/reflecting the global economic environment. Allocations to each component are fixed, although certain rules-based components themselves are designed to vary their individual exposure levels to a certain degree when rebalanced monthly.

Neither the DAFI™ nor any of its components utilize any discretion or active asset management. DAFI™ is designed solely to measure/reflect changes in the global economic environment, not to profit from them. One of the risks associated with DAFI™ is the complexity of the different factors which contribute to its performance results. There is no necessary correlation or non-correlation between DAFI™'s components. "Exposure Level %" refers to the gross notional exposure as a percentage of capital. DAFI™ will typically have a gross notional exposure of 100% of capital, regardless of whether held "long" or "short" at each periodic monthly rebalancing. However, as the Crude Oil LF Index™ is designed to vary exposure levels as summarized — the "normal" exposure range for Crude Oil LF Index™ is "0-6%," which means that the Crude Oil LF Index™ typically has a 6% allocation within the DAFI™™'s overall 100% exposure level, but its actual exposure at each rebalancing may vary within a range of 0% and 6% since the Crude Oil LF Index™ itself is designed to vary exposure levels. DAFI™'s actual exposure at each rebalancing may vary within a range of 94% and 100%. In addition, due to appreciation or depreciation in certain components between each periodic rebalancing, at any given time the DAFI™™'s exposure levels may be higher or lower than this range.

DAFI™ Components (Continued)

LONG ASSET CLASS TARGETS	
US Treasury Note Futures (5-year or 2-year)	"US Treasury Note Futures" long position in 5- or 2-year US Treasury note futures (Symbol: FV or TU). Data source CRB or Bloomberg. Data is calculated using the same roll schedule as that used by this Index component in the DTI®. See DTI White Paper PDF, January 2007.
US Treasury Bond Futures (30-year)	"US Treasury Bond Futures" long position in 30-year US Treasury note futures (Symbol: US). Data source CRB or Bloomberg. Data is calculated using the same roll schedule as that used by this Index component in the DTI®. See S&P DTI White Paper PDF, January 2007.
S&P 500 / Nasdaq 100 Index Futures	"S&P 500 Index Futures" long position in S&P 500 Index E-Mini futures (Symbol: ES). "NDX Index Futures" long positions in Nasdaq 100 Index futures (Symbol: NQ) using the front month futures contract. Data source Bloomberg Data is calculated using the front month futures contract.
Gold Futures	"Gold Futures" long position in Gold futures (Symbol: GC). Data source CRB Data is calculated using the same roll schedule as that used by this Index component in the CTI®. See S&P DTI White Paper PDF, July 2007.

DAFI™ Components (Continued)

Rules-based Index Targets	
ALT™ (Formerly DTI®)	ALT™ is formally called the Standard & Poor's DTI ("DTI®"). It is a rules-based index that is designed to reflect whether US economy is expanding or contracting by measuring the extent and duration of price trends on markets impacting the US economy. The more trends continue, in aggregate, up or down and the greater the slope of the trends, the more likely it is that the US economy is expanding or contacting, respectively. The ALT™ seeks to provide diversified indexation to the following components using a proprietary methodology long positions in US Treasury bond futures, US Treasury note futures, S&P 500 index futures and NDX index futures in combination with exposure to the DTI®. The DTI® is a rules-based index that is designed to reflect, but not predict, both rising and falling price trends in 24 global commodity and financial futures based upon weighted moving averages. Although all of the components of the ALT™ are live since 2004, the ALT™ itself is not live it has not to date been implemented or published as a financial index. There are important differences in the construction of the ALT™ and the design models used to calculate the Simulated Statistical Index Information. . Prior to 2004, exposure to the following cash indices was used as a proxy for S&P 500 index futures, NDX index futures, US Treasury Bond futures and US Treasury note futures: S&P 500 index (data source Bloomberg ticker), NDX index (data source Bloomberg ticker NDX), Ibbotson Long Term Government Bond Index (designed to measure the performance of US long term Treasury Bonds Data source Ibbotson Associates), and Ibbotson Intermediate Government Bond Index (designed to measure the performance of US intermediate term Treasury notes Data source Ibbotson Associates). DTI® versions are based on futures prices, not cash market prices, and these prices may differ materially.
	The "Live" tack-record of the DTI® is from January 1, 2004 – Present. The official record of the DTI® is calculated using a random computer selection of any one of five business days after the end of each month as the monthly futures contract date (the "Random Roll Date"), with positions being determined the trading day before the last trading day of the month, based in each case on the daily settlement prices of the respective futures contracts represented in the methodology. From November 15, 2009, forward, the official record of the DTI® is calculated with the monthly roll date being the last trading day of the month (the "End of Month Roll Date") and the positions being determined the prior trading day, based in each case on the daily settlement prices of the respective futures contracts represented in the methodology. In addition, a slightly different contract schedule for Copper and Gold is used in the DTI® from November 15, 2009, forward than that used previously. Further, from May 1, 2012, forward, the Natural Gas component of the DTI® is no longer part of the Energy sector, which may be positioned "long" or "flat"; instead, the official record of the DTI® is calculated with the Natural Gas component as a separate sector which may be positioned "long" or "short" with such positioning determined independently from the Energy sector. Accordingly, the DTI® may be positioned "short" in the Natural Gas Sector when an unexpected natural, sociopolitical or other event occurs that causes rapid increases in Natural Gas prices. The DTI® launched on January 1, 2004. Accordingly, the DTI® is "simulated" prior to 2004 and is "live" from January 1, 2004, forward.

DAFI™ Components (Continued)

Rules-based Index Targets (Continued)	
CTI®	CTI® is formally called the Standard & Poor's CTI, or "CTI®". It is a rules-based index that is designed to reflect, but not predict, both rising and falling price trends in 16 global commodity futures based upon weighted moving averages. The CTI® launched on January 1, 2004. Accordingly, the CTI® is "simulated" prior to 2004 and is "live" from January 1, 2004, forward Live CTI® January 1, 2004, Forward). From January 1, 2004, to November 14, 2009, the official record of the CTI® is calculated using a random computer selection of any one of five business days after the end of each month as the monthly futures contract " date (the "Random Roll Date"), with positions being determined the trading day before the last trading day of the month, based in each case on the daily settlement prices of the respective futures contracts represented in the methodology. From November 15, 2009, forward, the official record of the CTI® is calculated with the monthly roll date being the last trading day of the month (the "End of Month Roll Date") and the positions being determined the prior trading day, based in each case on the daily settlement prices of the respective futures contracts represented in the methodology. In addition, a slightly different contract schedule for Copper and Gold is used in the CTI® from November 15, 2009, forward than that used previously. Further, from May 1, 2012, forward, the Natural Gas component of the CTI® is no longer part of the Energy sector, which may be positioned "long" or "short" instead, the official record of the CTI® is calculated with the Natural Gas component as a separate sector which may be positioned "long" or "flat"; instead, the official record of the CTI® is calculated with the Natural Gas component as a separate sector which may be positioned "long" or "short" with such positioning determined independently from the Energy sector Accordingly, the CTI® may be positioned "short" in the Natural Gas Sector when an unexpected natural, sociopolitical or other event occurs that causes rapid increases in Natural Gas prices.

DAFI™ Components (Continued)

Rules-based Index Targets (Continued)	
Crude Oil LF Index™	The Crude Oil LF Index™ is a rules-based index that attempts to reflect, but not predict, the approximate extent of trends in a crude oil futures contract (symbol CL data source CRB) by positioning such index component long or flat (neutral) at each month end based upon a 7-month weighted moving average. Due to the significant level of continuous consumption, limited reserves, and oil cartel controls, crude oil is subject to rapid price increases in the event of perceived or actual shortages. Therefore, if the trend following methodology calls for a short position in crude oil, the index maintains a neutral or "flat" holding. This is a forward-looking rule to prevent the risk of ruin. The index maintains the same long/flat (neutral) direction during the month so the movement of the index can follow larger trends in the crude oil market there are no intra month position adjustments. The index is rebalanced monthly, and the current holding of the index is based on the same roll schedule used for crude oil in the CTI®. The index will roll out of contracts prior to maturing according to this fixed roll schedule. Although the components of the Crude Oil LF Index™ are live the Crude Oil LF Index™ itself is not live it has not to date been implemented or published as a financial index.

Notable Amendments Made to the DAFI™ Investment Process & Methodology Overview Since the Launch Date

- No changes have been made to DAFI™ since the Launch Date of April 26, 2021.

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