

Investment Manager: Overlay Capital LLC  
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### Trading Program Investment Objective

The objective of the 300% Program is to seek absolute capital appreciation in the long run by investing principally in the actively traded G10 currencies using a maximum 3 times leverage. The program runs systematically, and is designed to take advantage of a low drawdown/ low leverage style as a low correlation portfolio of currency pairs that employs 'Triangulation'. We define triangulation in FX terms, not as a trigonometric operation. The model manages all pairs independent of each other, at times it will call for same currency to have long and short positions in different pairs.

### Fund Information

Fund Domicile	USA
Investment Manager	Overlay Capital LLC
Launch Date	Jan 3, 2017
Dealing Frequency	Daily
Base Currency	USD
NAV per share (Class A)	USD 103.31
Use of Leverage	Yes - Maximum 3 times
Average leverage used	Less than 1.5 times
Management Fee	0%
Incentive Fee	30%

### Monthly Performance Hypothetical Data Jan 2012 through Dec 2016\* - Live Jan 2017 through Mar 31 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	**StDev	***Sharpe Ratio
2012*	0.08%	1.86%	1.16%	0.59%	-1.49%	3.26%	-1.69%	2.04%	-1.30%	2.25%	-0.33%	2.78%	9.20%	6.72%	1.2
2013*	3.54%	1.53%	-1.20%	1.55%	0.53%	4.07%	2.44%	1.58%	-1.28%	1.79%	-0.98%	1.24%	14.81%	5.73%	2.4
2014*	-0.33%	0.53%	2.16%	-0.84%	1.17%	0.92%	0.23%	-0.51%	3.80%	1.77%	3.27%	2.01%	14.18%	4.18%	3.2
2015*	9.30%	0.21%	0.67%	1.17%	3.18%	0.50%	2.69%	6.80%	-0.15%	0.67%	1.48%	4.99%	31.51%	6.75%	4.5
2016*	0.87%	1.99%	-0.41%	2.30%	2.43%	5.79%	1.12%	1.57%	0.24%	0.46%	1.09%	0.02%	17.46%	3.66%	4.5
2017	1.21%	1.71%	0.40%										3.31%		

2017 Live Trading Performance (net of 30% incentive fee)

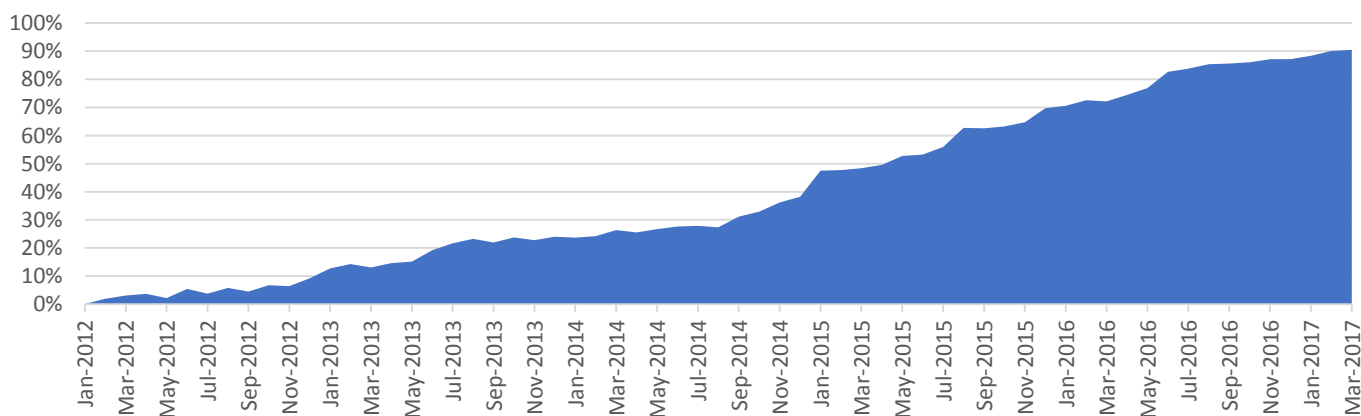
\*Hypothetical Returns.

\*\*StDev measures volatility using daily returns for the year

\*\*\*Sharpe Ratio uses 1% for risk free rate

	1-Month	2-Months	3-Months	6-Months	1-Year	Annualized Return
Performance (net of 30% fee)	0.40%	2.21%	3.42%			13.25%

Overlay Capital 300% Program Cumulative Performance



### Statistics for 300% Program (through March 31 2017)

Rolling 12 month return	18.33%	Annualized Standard Deviation	6.83%
Best Monthly Return	9.30%	Maximum Drawdown (monthly data)	2.82%
Worst Monthly Return	-1.69%	MAR Ratio	6.12
Average Monthly Return	1.42%	Calmar Ratio	19.02
Percentage of Months with Gain	80.95%	*Correlation with DXY	-0.56%
Average Monthly Gain	1.94%	*Correlation with SPY	-1.30%
Average Monthly Loss	-0.88%	*Correlation with MSCI World Index	-1.70%

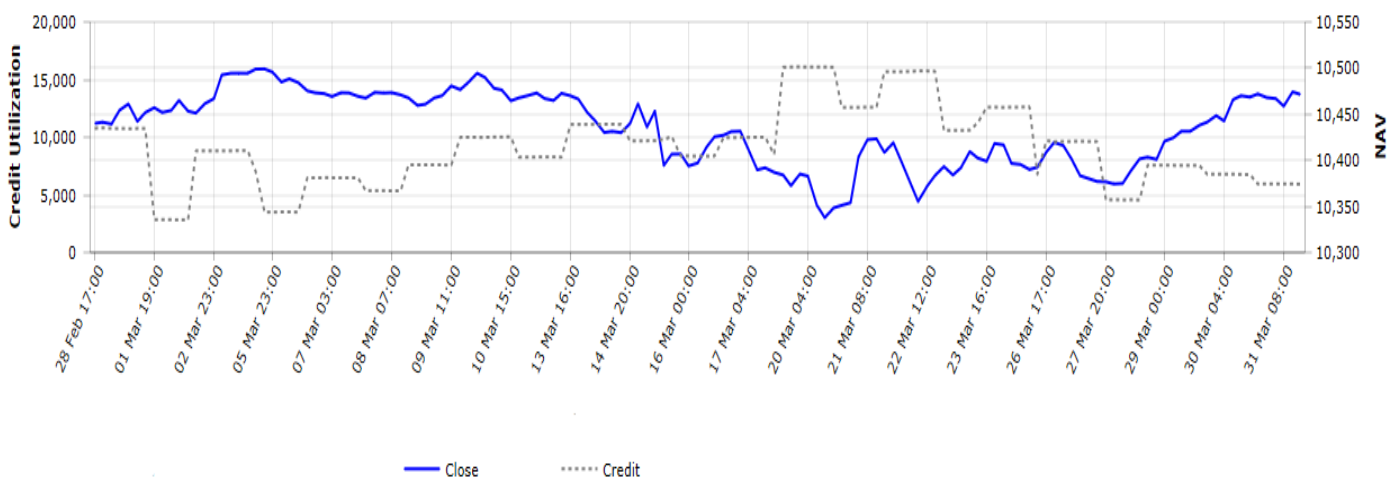
\*Correlation calculations through Mar 31 2017

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### Monthly Trading Program Review

The DB Volatility index dropped 13% on the month, and this low volatility was reflected in the Program's small positive return of 40 bps, after incentive fees. FX was in line with limited moves in equities and bond markets, even with global political headlines on the front page daily, and the FOMC rate hike. The nature of the models positioning is to look for patterns emerging from the daily price movement, and predict movement both as a breakout, along with mean reversion opportunities. The chart below displays our internal tracker, and gives a clear read on the daily P&L and credit usage. The 300% Model, has the capacity to use 3 times leverage. From the chart, you can see the program uses on average, less than 1.5 times, which again is in line with backtest research we have done. We anticipate continued swings in the marketplace, and believe our end of day models give a broad view of activity and is positioned to react with a more measured approach.



### Strategy Highlights from Hypothetical Research

- The cumulative return for the 5 year period was 124.51%. The annualized return was 17.56% with an annualized volatility of 6.33%, giving the program a 2.77 Sharpe Ratio.
- The largest drawdown on a monthly basis was -1.57% in July 2012. Drawdown using daily data was -2.82%.
- Longest days from that drawdown back to peak was 32 days. (Jul-Aug 2012)
- The average leverage in the 300% (3x) program is less than 1.5 times.
- Best month 8.60%/worse month -1.57%. Average daily P&L is 6.3 bps.
- The currencies in the 300% Program are the most liquid giving the program the ability to scale.
- Low/and negative correlations with other assets classes, including during stressful market conditions.

### Strategy Highlights from Live Trading

- Live trading began in January 2017.
- January 2017 (live trading) we saw a daily drawdown of 1.92% and the recovery to peak was 12 days. (Jan - Feb 2017). Worst daily loss was -1.15% (intraday low -1.47%)
- The average leverage in the 300% (3x) program is less than 1.5 times.
- Average daily P&L was 3.2 bps for March, with the year to date at 5 bps.
- Profitable days for March was 56.5% with year to date at 57.6%.

**Risk Warning** - This document was prepared and issued by Overlay Capital LLC.

Investment involves risks. The Monthly Trading Review is an expression of our opinion. Opinions expressed in this letter are intended solely as a general market commentary and do not constitute investment advice or a guarantee of returns. All expressions of opinion are subject to change without notice.

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