FORTUNA INVESTORS

A Bear Model that Doesn't Bleed

Investment Objective

This passive hedge portfolio blends managed futures, anti-beta equities, gold, and selective options strategy ETFs to seek positive returns in bear markets while minimizing the long-term "bleed" often associated with investments that go up when stocks go down. With a -0.48 correlation to the S&P 500 and a 4.36% annualized return since 2017, it aims to reduce drawdowns and enhance risk-adjusted returns when paired with equity and other risk holdings.

Investment Methodology

The model invests in an ensemble of traditional and novel hedges, which together offer a high likelihood of appreciation during equity bear markets. We use ETFs to access managed futures, gold, options strategies, and an equity long-short portfolio.

Performance Statistics

Strategy Name	Year to Date	1yr Return	3yr Return	5yr Return	10yr Return	Since 2018
Fortuna Bear Model	-0.24%	5.58%	5.81%	5.41%		4.26%
70% S&P 500 / 30% Bear Model	7.02%	15.29%	15.24%	11.02%		11.75%
70/30 Benchmark	6.67%	14.10%	14.49%	8.63%		10.68%

Strategy	Standard Deviation	Sortino Ratio	Maximum Drawdown	Worst Year	CAGR / Max Drawdown	Correlation to S&P 500
Fortuna Bear Model	7.15%	0.41	-8.53%	-2.19%	0.50	-0.45
70% S&P 500 / 30% Bear Model	10.52%	1.39	-13.65%	-9.53%	0.86	0.97
70/30 Benchmark	12.63%	1.01	-22.28%	-17.68%	0.48	0.98

Disclaimer: Bear Model return streams prior to October 2024 are based on modeled results and no actual client or account received these returns. All Fortuna performance numbers are inclusive of Fortuna's 1% asset management fee and estimated or actual commissions, trade slippage, underlying fund fees. Benchmark data does not include management fees. 70/30 Benchmark is 70% S&P 500, 30% Aggregate Bond Index. Data courtesy of Norgate Data & Global Financial Data.

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