



**Pearl Capital Advisors, LLC / Pearl Hedged VIX Program**

**Systematic / Relative Value / Indices**

**Investment Restrictions: 4.7 Exempt - QEPs Only**

**Performance Since October 2015**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015										0.53%	3.02%	0.68%
2016	-1.43%	3.28%	2.63%	1.46%	2.08%	-3.60%	0.57%	2.38%	2.54%	2.60%	0.04%	-3.71%
2017	4.32%	-3.25%	1.17%	0.39%	1.88%	-1.18%	-0.96%	7.81%	0.33%	0.40%	0.66%	-1.35%
2018	0.31%	19.09%	0.66%	0.19%	0.37%	0.88%	-0.81%	-3.17%	-1.76%	0.64%	-1.83%	1.00%
2019	-2.48%	-0.50%	-2.53%	-0.08%	-0.08%	0.50%	0.34%					

	2015	2016	2017	2018	2019 YTD
ROR	4.27%	8.85%	10.23%	14.85%	-4.80%
Max DD	0.00%	-3.71%	-3.25%	-6.78%	-5.59%

**The Notes Below Are An Integral Part of this Report | Track Record Compiled By: Michael Coglianese, CPA PC**

**Program Description:** The Pearl Capital Advisors, LLC ("Pearl") Hedged VIX Program (the "Program") was built by Pearl, an independent alternative investment arm of a California-based family office, to seek greater diversification and a unique source of alpha. The Program is a futures-based, non-directional, and systematic strategy which seeks to monetize the mispricing of risk between implied volatility and realized volatility. Due to behavioral biases, investors routinely purchase unneeded investment protection during "risk-on" environments and fail to purchase needed protection during "risk-off" periods. This mispricing of risk is observable, is both behavioral and structural in nature, and is persistent over time. Pearl structures trades which isolate both over/under mispricings and strip out market direction bias in the process. The result is a strategy which not only has the ability to provide solid returns in rising markets, but also has tail-risk-like properties to generate outsized returns during market turmoil. Therefore, the Program is designed to be "all-weather" and absolute return in nature. The Program boasts negative correlation to the S&P 500 and is also uncorrelated to CTAs, fixed income, and volatility strategies. The Program delivers true diversification and can benefit even the most diversified institutional portfolios. The Program is subject to a variety of risks, including but not limited to: investments may be speculative and subject to a high degree of risk; investments may be illiquid; an investor could lose all or a substantial amount of any investment in the Program.

**Investment Information**

Program Start Date	Oct-2015
Percent Discretionary	0%
Percent Systematic	100%
Minimum Investment	500,000
Management Fee	1.00%
Incentive Fee	25.00%
Margin	0-30%
Round Turns per Million	4,700
Currency	US Dollar
NFA No:	#0476831

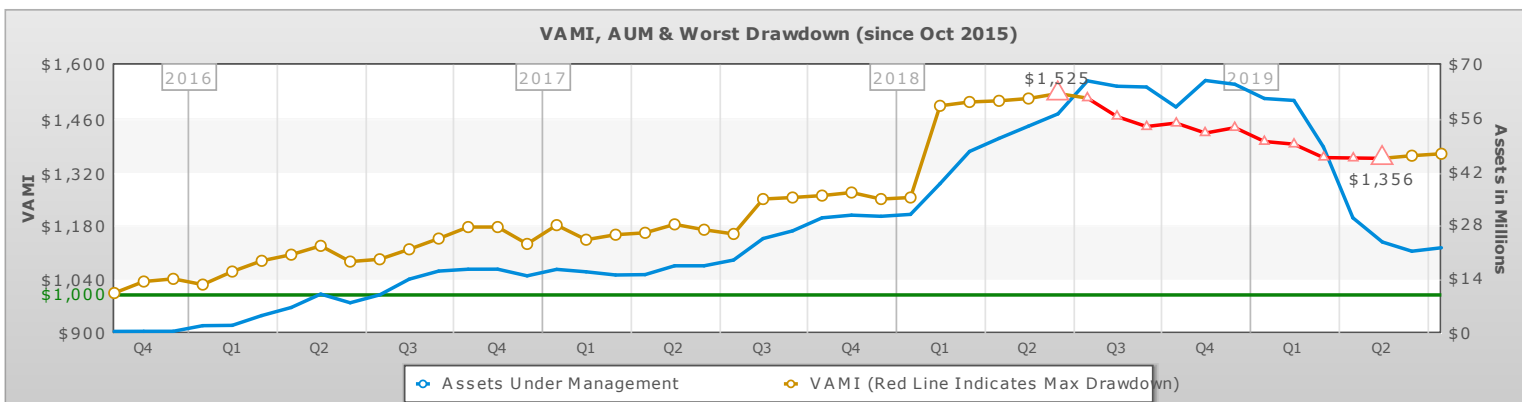
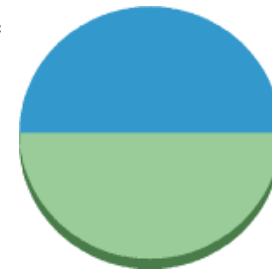
**Trading Strategy**

100% Systematic



**Market Segment**

50% Stock Indices  
50% Other



**Program Statistics**

Peak-to-Valley Drawdown (1) (Jun 2018 - May 2019)	-11.11%
Worst Monthly Return (Dec 2016)	-3.71%
Current Losing Streak	-10.36%

**Annualized Statistics**

Annualized Compounded ROR (2)	8.52%
Standard Deviation	12.16%
36 Month Calmar Ratio (3)	0.70

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. TRADING FUTURES AND OPTIONS INVOLVES SUBSTANTIAL RISK OF LOSS AND IS NOT SUITABLE FOR ALL INVESTORS. THERE ARE NO GUARANTEES OF PROFIT. PROSPECTIVE CLIENTS SHOULD NOT BASE**

THEIR DECISION ON INVESTING SOLELY ON THE PAST PERFORMANCE PRESENTED HEREIN.

---

**Foremost Capital** | 28 N. Bennett Street, Geneva, IL 60134  
888-818-0880 Email: [info@ForemostCM.com](mailto:info@ForemostCM.com) | Web Address: <http://www.ForemostCM.com>



**Time Window Analysis**

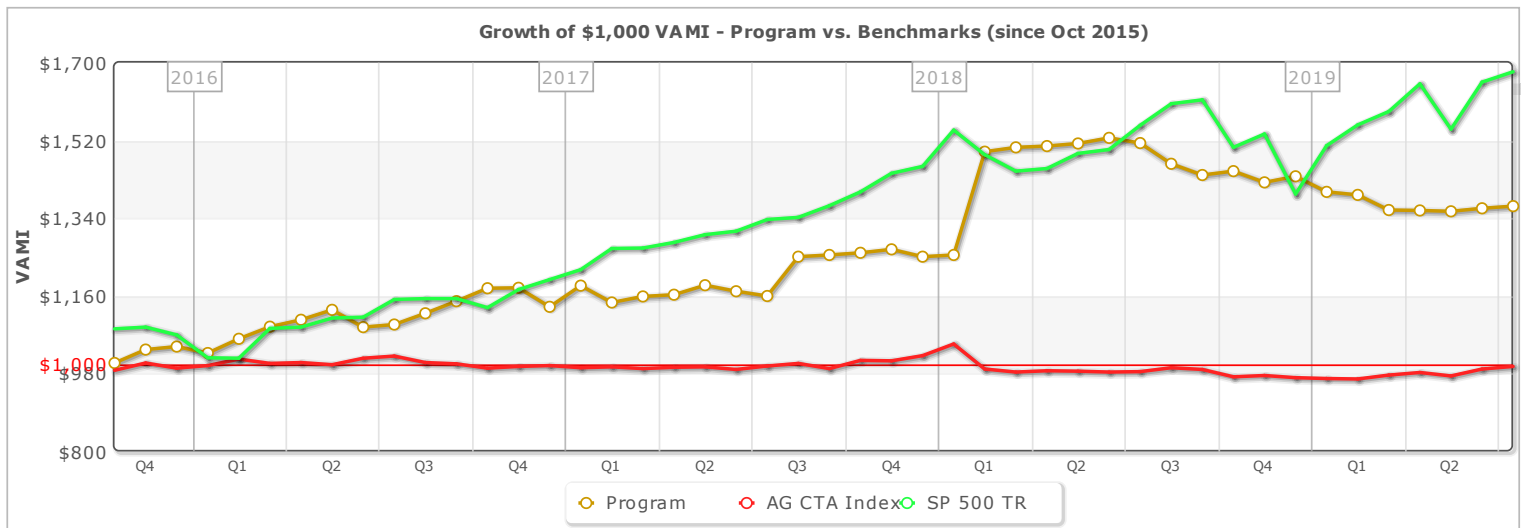
Length	Best	Average	Worst
1 mo	19.1%	0.7%	-3.7%
3 mo	20.2%	2.2%	-5.6%
6 mo	22%	4.6%	-7.4%
12 mo	30.5%	10.5%	-10.6%
18 mo	34.5%	18.5%	7%
24 mo	40.8%	25.8%	14.5%
36 mo	44.2%	31.8%	20.2%

**Historical Drawdown and Recoveries\*\*\***

Start	Depth	Length	Recovery	End
Jul-18	-11.09%	11 mo	2 mo	n/a
Dec-16	-3.71%	1 mo	1 mo	Jan-17
Jun-16	-3.60%	1 mo	3 mo	Sep-16
Feb-17	-3.25%	1 mo	3 mo	May-17
Jun-17	-2.13%	2 mo	1 mo	Aug-17
Jan-16	-1.43%	1 mo	1 mo	Feb-16

**Comparisons**

	Program	AG CTA Index	SP 500 TR
Annualized Compound ROR	8.52%	-0.09%	14.47%
Cumulative Return	36.79%	-0.34%	67.88%
Cumulative VAMI (5)	1368	997	1679
Largest Monthly Gain	19.09%	2.61%	8.43%
Largest Monthly Loss	-3.71%	-5.53%	-9.03%
Correlation	—	-0.596	-0.250
Last 12 Months	-9.63%	1.18%	7.99%
Last 36 Months	25.06%	-2.38%	45.66%



**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. TRADING FUTURES AND OPTIONS INVOLVES SUBSTANTIAL RISK OF LOSS AND IS NOT SUITABLE FOR ALL INVESTORS. THERE ARE NO GUARANTEES OF PROFIT. PROSPECTIVE CLIENTS SHOULD NOT BASE THEIR DECISION ON INVESTING SOLELY ON THE PAST PERFORMANCE PRESENTED HEREIN.**



+ **NOTES:** The performance represent a composite of client accounts (OATs Methodology) and for which the Program has been executed without interference. The composite is created using actual trading results and are each shown net of all trade fees and net of a pro forma fee structure which includes 1% management fee and 25% performance fee. Live trading results are shown since October 2015.

Please note that in July 2016, \$5M in AUM was in transit from a Fund structure to an SMA structure. These assets were under Pearl management at that time but were not trading during this period.

A Qualified Eligible Person ('QEP') must meet the following two requirements: 1) the investor must first be an accredited investor. The most common ways for this are to either have a net worth of \$1,000,000 or more OR an annual income of \$200,000 or more for the last two years OR, combined with a spouse, \$300,000 per year for two years, 2) the investor must meet an additional portfolio requirement, which is having \$2,000,000 in securities holdings OR \$200,000 in margin on deposit with a Futures Commission Merchant OR a combination of the two (for example, \$1,000,000 in securities and \$100,000 in margin).

**PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS BROCHURE OR ACCOUNT DOCUMENT.**

\*\* The drawdown begins in the month listed as start. The length in months of the drawdown is listed under length. The recovery begins in the following month, and the length of the recovery period is listed under recovery. The date listed as end is the month that the program recovered from the drawdown.

Please note that the monthly performance numbers, ROR and Drawdowns are based on end of month values and are not reflective of intramonth volatility.

#### Statistical Notes

1. Peak to Valley Drawdown ("Maximum Drawdown") is the worst drawdown % loss over the period of 2015-10-31 to 2019-07-31
2. The Annualized Compounded ROR is the average return of an investment over a number of years. It smoothes out returns by assuming constant growth.
3. Calmar Ratio Uses last 36 months of Data

#### ROR = Rate of Return

**AG CTA Index:** The Autumn Gold CTA Index is a Non-Investable Index comprised of the client performance of all CTA programs included in the AG database and does not represent the complete universe of CTAs. CTA programs with proprietary performance are not included. Monthly numbers are updated until 45 days after the end of the month. Investors should note that it is not possible to invest in this index.

**SP 500 TR:** The S&P 500 indices are designed to reflect all sectors of the U.S. equity markets. The S&P 500 includes 500 blue chip, large cap stocks, which together represent about 75% of the total U.S. equities market. Companies eligible for addition to the S&P 500 have market capitalization of at least US\$3.5 billion. The TR Index accounts for the reinvestment of dividends.

This report has been prepared from information provided by the Trader and is believed to be reliable. This report should be read in conjunction with the Trader's Disclosure Document.

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. TRADING FUTURES AND OPTIONS INVOLVES SUBSTANTIAL RISK OF LOSS AND IS NOT SUITABLE FOR ALL INVESTORS. THERE ARE NO GUARANTEES OF PROFIT NO MATTER WHO IS MANAGING YOUR MONEY. THERE IS AN UNLIMITED RISK OF LOSS IN SELLING OPTIONS. YOU SHOULD CAREFULLY CONSIDER WHETHER COMMODITY FUTURES AND OPTIONS IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. AN INVESTOR MUST READ AND UNDERSTAND THE MANAGER'S CURRENT DISCLOSURE DOCUMENT BEFORE INVESTING.**