Prosperously navigating unexpected events with great skill and agility
AGENDA

Who We Are
Investment Methodology
Performance by sectors
Risk Management
Current Opportunity and Investment pipeline
Performance
Summary
WHO WE ARE

PORTFOLIO MANAGEMENT EXPERIENCE

• Portfolio Manager with 30 years of portfolio management experience across various asset classes at asset management companies (LGT, TAL, CIBC Asset Management), and a pension (British Petroleum)

• Exceptional research team with a wide breadth of knowledge in research, finance, and engineering

• Intense due diligence process for our stock selection process

• Unique risk management overlay to minimize drawdowns and volatility

TECHNOLOGY EXPERTISE

• Unique insight from entrepreneurs leading international tech development based on needs creation

• Advisory Committee of tech leaders who determine the global adoption and success of new technologies

• Representation in all BSD-invested tech sectors and sub-sectors, for unrivalled expertise
INVESTMENT METHODOLOGY

IDEATION
- BSD Investment Advisory Committee: seek out global growth themes and trends to overweight and underweight various subsectors
- Experienced investment team sourcing trade ideas and discussing vital macro economical forces in play
- Draw on sector experiences from members of the committee and discuss emerging technology from the private and public space
- Deep dive into industry verticals to identify beneficiaries in other primary, secondary, and tertiary markets

SECTOR ASSESSMENT
- Life Cycle: Sectors in introduction and growth stages with high Total Addressable Market (TAM)
- Competition: High barrier of entry with differentiated products and services within the sector

COMPANY ANALYSIS
- Business Model: Public companies with high recurring revenue, easily able to leverage network effects, strong negotiating power with suppliers and customers, and strong corporate governance
- Size: Target small (500M+) to large cap public companies with established track record of executing the business.
- Growth: Public companies with high and/or consistent revenue growth
- Valuation: Determine if opportunities exist based on our fair value expectation of stocks versus current stock prices

PORTFOLIO CONSTRUCTION
- Weightings: Determine % of portfolio allocated to holdings based on risk-reward expectations
- Diversification: Well-diversified across 35 to 40 holdings to maximize risk-adjusted returns
- Hedging: Utilize derivatives and fixed income products to minimize drawdowns and generate alpha

PUBLIC COMPANIES
TOP 10 STRATEGIC TECH TRENDS FOR 2018-2020
IPhone 8 Ecosystem

- **Assembly**
- **GPU** (Graphics Processing Unit)
- **CPU (Central Processing Unit)**
- **Baseband Processor (Cellular modem)**
- **Radio frequency (RF)**
- **Display**
- **Power management**
- **Wireless charging**
- **Flash Memory**
- **Power Delivery**
- **MEMS and other sensors**
- **3D V-NAND**
- **Samsung**
AUTOMATED DRIVING ECOSYSTEM

SAE automated driving levels

Statistics and Forecasts

End Users

Hardware

Applications
INVESTMENT METHODOLOGY

IDEATION EXAMPLES

DIGITAL TWINS ECOSYSTEM

Hardware
- Sensing & Power
- Processing

Software
- Data management
- CAD - Computer-Aided Design

End users
 BSD seeks out high potential technology sectors with promising unit sales projections and revenue projections and minimizes exposure to low potential sectors.

As of April 30, 2018

PORTFOLIO BY MARKET CAP

- Under $5B: 4.5%
- $5B to $10B: 4.5%
- Over $10B: 91.0%

PORTFOLIO BY TECH SUBSECTOR

- Application Software: 28.2%
- Internet Software: 16.2%
- Consumer Services: 14.1%
- Semiconductors: 11.2%
- Fintech: 9.6%
- Cash: 6.3%
- Communication Equipment: 4.3%
- Technology Real Estate: 3.6%
- Internet Gaming: 3.3%
- Automation: 2.0%
- Industrial: 1.2%

BSD is well-diversified across 10 technology subsectors across 30 to 35 holdings with minimal correlation.
HEDGING STRATEGY
The goal of the hedging strategy is threefold:
1. Minimize the portfolio’s drawdown
2. Lessen the portfolio’s volatility
3. Generate alpha

HEDGING TACTICAL PROCESS
There are 3 tactical steps in the execution of the hedging process:
1. The neutral market position is set at 20% of the stock portfolio, ex-cash
2. The hedging position will deviate from the neutral market position to underweight or overweight, based on macro fundamental, technical, and capital flow factors
3. The combination of various futures instruments (for example, S&P 500 futures, Nasdaq 100 futures, and Russell 2000 futures) is determined by a proprietary hedging model

HEDGING P&L IMPACT
The hedging strategy is an “insurance” policy in anticipation of an adverse market event
The hedging tactical process limits drawdowns, and potentially generates alpha
CASE STUDY: 2014 EBOLA OUTBREAK

Sept 22, 2014 - PLoS Outbreaks reports that the Ebola epidemic in West Africa is growing exponentially with cases reaching 6,800 by the end of September.

At the peak of the drawdown, BSD exhibited less drawdown than the Nasdaq/Russell benchmark as well as the S&P 500 Index.

Once the Ebola fear subsided and the market has returned to its pre-Ebola levels, BSD outperformed the Nasdaq/Russell benchmark as well as the S&P 500 Index.

Our prudent risk management system allows us to navigate market corrections and black swan events with lower drawdowns and higher returns.
RISK MANAGEMENT

CASE STUDY: AUGUST-SEPTEMBER 2015 CORRECTION

BSD scales back our hedging positions accordingly as various market signals indicated probable upside to our portfolio, conversely, when we see certain signs of market deterioration, we increase our hedging positions.

As market conditions deteriorate, our hedging positions reduce our total portfolio drawdown, allowing us to outperform our benchmark.

Our dynamic hedging strategy allows us to position our portfolio to minimize losses during market downturns and maximize upside potential in recoveries.
CASE STUDY: AUGUST 2015 AND JANUARY 2016 CORRECTIONS

August 2015 correction

January 2016 correction

RISK MANAGEMENT
CASE STUDY: FEBRUARY-MARCH 2018 CORRECTION

Our prudent risk management system allows us to navigate market corrections and black swan events with lower drawdowns and higher returns.

Once the fear subsided and the market has returned to its pre-correction levels, BSD outperformed the Nasdaq/Russell benchmark as well as the S&P 500 Index.

At the peak of the drawdown, BSD exhibited less drawdown than the Nasdaq/Russell benchmark as well as the S&P 500 Index.
CURRENT OPPORTUNITIES AND INVESTMENT PIPELINE

• **DIGITALIZATION & ELECTRIFICATION**
  
The automotive revenue pool will grow and diversify with new services potentially becoming a ~USD 1.5 trillion market in 2030

• **5G DEPLOYMENT**
  
The 5G market will grow to $1.23 trillion by 2026, according to a new report by Ericsson announced at the Mobile World Congress

• **DIGITAL TWINS**
  
The digital twin market is expected to grow at a CAGR of 37.87%, to reach USD 15.66 Billion by 2023

• **AUTOMATION & ROBOTIZATION**
  
After growing at a compound rate of 17 per cent a year, the robot market will be worth $135bn by 2019, according to IDC

• **OLED – Organic Light Emitting Diode**
  
The OLED market is expected to be valued at USD 48.81 Billion by 2023, growing at a CAGR of 15.2% between 2017 and 2023

• **GAMING**
  
Gaming market to grow at a CAGR of +6.2% toward 2020 to reach $128.5 billion

• **HYPERCONVERGED INFRASTRUCTURE**
  
The hyper-converged infrastructure market is expected to reach USD 12.6 billion by 2022, at a CAGR of 43.59% between 2016 and 2022
CURRENT OPPORTUNITIES AND INVESTMENT PIPLINE

DIGITALIZATION & ELECTRIFICATION

- Entire industries are changing with and through digitalization, while car drivers are demanding even more from their vehicles. In addition to vehicle dynamics and consumption, the perceived intelligence, comfort, and convenience of the car also play a significant role.
- We are convinced that electromobility in its many different forms will be an essential component of future mobility.
- The automotive revenue pool will grow and diversify with new services potentially becoming a ~USD 1.5 trillion market in 2030.
CURRENT OPPORTUNITIES AND INVESTMENT PIPLINE

5G

- 5G networks are the next generation of mobile internet connectivity, offering faster speeds and more reliable connections on smartphones and other devices than ever before.
- The 5G market will grow to $1.23 trillion by 2026, according to a new report by Ericsson announced at the Mobile World Congress.
- Verizon CEO: 5G is a lot closer than people think.
CURRENT OPPORTUNITIES AND INVESTMENT PIPLINE

DIGITAL TWINS

- A digital twin is a virtual representation of a physical object or system across its lifecycle, using real-time data to enable understanding, learning and reasoning.
- Digital twins integrate artificial intelligence, machine learning and software analytics with data to create living digital simulation models that update and change as their physical counterparts change.
- The digital twin market is expected to grow at a CAGR of 37.87%, to reach USD 15.66 Billion by 2023.
The term robotic automation or robotization refer to the automation of industrial and business processes using robots, of various guises.

Manufacturing is undergoing its greatest transformation since the Industrial Revolution. A wave of intelligent technologies is shaping a more connected, flexible and efficient factory floor—and redefining the ecosystem of equipment providers in the process.

After growing at a compound rate of 17 per cent a year, the robot market will be worth $135bn by 2019, according to IDC.
CURRENT OPPORTUNITIES AND INVESTMENT PIPELINE

OLED – Organic Light Emitting Diode

- Organic light emitting diodes don’t need a backlight, so can be manufactured into thinner, more flexible displays than LCDs.
- The demand from foldable devices, as well as the demand from Apple and Samsung for the displays on their next generation phones, will make OLED one of the fastest growing markets in the global tech hardware sector.
- The OLED market is expected to be valued at USD 48.81 Billion by 2023, growing at a CAGR of 15.2% between 2017 and 2023.
CURRENT OPPORTUNITIES AND INVESTMENT PIPLINE

GAMING

- Modern personal computers owe many advancements and innovations to the game industry: sound cards, graphics cards and 3D graphic accelerators, faster CPUs, and dedicated co-processors like PhysX are a few of the more notable improvements.
- As of 2017, games industry generated $108.4bn in revenues worldwide, and were the third-largest segment in the U.S. entertainment market, behind broadcast and cable TV.
- Gaming market to grow at a CAGR of +6.2% toward 2020 to reach $128.5 billion
Hyperconverged infrastructure streamlines the deployment, management and scaling of datacenter resources by combining x86-based server and storage resources with intelligent software in a turnkey software-defined solution.

All key data center functions run as software on the hypervisor in a tightly integrated software layer – delivering services that were previously provided via hardware through software.

The hyper-converged infrastructure market is expected to reach USD 12.6 billion by 2022, at a CAGR of 43.59% between 2016 and 2022.
PERFORMANCE

GLOBAL TECH FUND MONTHLY PERFORMANCE SINCE INCEPTION

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>YTD</th>
<th>Benchmark YTD</th>
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<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.32%</td>
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<td>2.82%</td>
<td>4.55%</td>
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<tr>
<td>2014</td>
<td>-2.08%</td>
<td>3.63%</td>
<td>-2.07%</td>
<td>-4.39%</td>
<td>2.38%</td>
<td>2.80%</td>
<td>2.21%</td>
<td>3.53%</td>
<td>-1.64%</td>
<td>4.95%</td>
<td>2.89%</td>
<td>-1.51%</td>
<td><strong>10.69%</strong></td>
<td>8.40%</td>
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<tr>
<td>2015</td>
<td>0.53%</td>
<td>5.39%</td>
<td>-0.16%</td>
<td>2.98%</td>
<td>0.90%</td>
<td>-0.91%</td>
<td>0.43%</td>
<td>-6.67%</td>
<td>-1.48%</td>
<td>9.68%</td>
<td>0.63%</td>
<td>-0.76%</td>
<td><strong>10.16%</strong></td>
<td>-0.10%</td>
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<tr>
<td>2016</td>
<td>-7.41%</td>
<td>-2.78%</td>
<td>5.31%</td>
<td>-0.02%</td>
<td>2.33%</td>
<td>-0.29%</td>
<td>3.66%</td>
<td>0.65%</td>
<td>1.63%</td>
<td>0.38%</td>
<td>-3.75%</td>
<td>-0.71%</td>
<td><strong>-1.63%</strong></td>
<td>13.95%</td>
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<tr>
<td>2017</td>
<td>4.97%</td>
<td>2.14%</td>
<td>2.99%</td>
<td>2.08%</td>
<td>3.85%</td>
<td>-2.55%</td>
<td>2.68%</td>
<td>2.12%</td>
<td>0.51%</td>
<td>3.41%</td>
<td>0.11%</td>
<td>-0.20%</td>
<td><strong>24.49%</strong></td>
<td>20.55%</td>
</tr>
<tr>
<td>2018</td>
<td>2.89%</td>
<td>0.63%</td>
<td>-0.62%</td>
<td>-1.57%</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>1.28%</td>
</tr>
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</table>

PERFORMANCE METRICS*

October 31, 2013 to April 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>FUND</th>
<th>BENCHMARK **</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return Since Inception</td>
<td>57.11%</td>
<td>63.89%</td>
</tr>
<tr>
<td>YTD Return</td>
<td>1.28%</td>
<td>1.41%</td>
</tr>
<tr>
<td>60 Day Return</td>
<td>-1.28%</td>
<td>-3.34%</td>
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<tr>
<td>20 Day Return</td>
<td>-0.23%</td>
<td>-3.09%</td>
</tr>
<tr>
<td>Daily Standard Dev.</td>
<td>0.72%</td>
<td>0.95%</td>
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<tr>
<td>Sharpe Ratio</td>
<td>0.87</td>
<td>0.74</td>
</tr>
<tr>
<td>Sortino Ratio</td>
<td>1.20</td>
<td>1.03</td>
</tr>
<tr>
<td>Correlation</td>
<td>—</td>
<td>0.96</td>
</tr>
</tbody>
</table>

FUND RETURNS

BSD has outperformed our portfolio benchmark with lower risks through active diversification across various subsectors

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*Management fees and expenses may be associated with investments. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated. The indicated rate of return is the historical compounded total return including changes in share value and reinvestment of all dividends.

** The benchmark is a blend of 50% Nasdaq Composite Index and 50% Russell 2000 Index. The blended index is chosen as the indices are generally followed as indicators of the performance of technology stocks and growth stocks, and our portfolio has approximately 50% of positions more correlated with the Nasdaq Composite Index, and 50% of positions more correlated with the Russell 2000 Index.
## PERFORMANCE

### HOW BSD COMPARES TO OTHER HEDGE FUNDS

<table>
<thead>
<tr>
<th>HEDGE FUND STRATEGIES*</th>
<th>2014 RETURN</th>
<th>2015 RETURN</th>
<th>2016 RETURN</th>
<th>2017 RETURN</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSD Global Technology Hedge Fund</td>
<td>10.69%</td>
<td>10.16%</td>
<td>-1.63%</td>
<td>24.99%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>0.67%</td>
<td>2.86%</td>
<td>0.31%</td>
<td>3.91%</td>
</tr>
<tr>
<td>Multi-Region</td>
<td>1.71%</td>
<td>-1.19%</td>
<td>1.95%</td>
<td>6.58%</td>
</tr>
<tr>
<td>Equal Weighted Strategies</td>
<td>-0.56%</td>
<td>-1.54%</td>
<td>3.78%</td>
<td>6.10%</td>
</tr>
<tr>
<td>Relative Value Arbitrage</td>
<td>-3.06%</td>
<td>-3.10%</td>
<td>1.03%</td>
<td>4.28%</td>
</tr>
<tr>
<td>Macro/CTA</td>
<td>5.09%</td>
<td>-1.96%</td>
<td>-2.93%</td>
<td>7.43%</td>
</tr>
<tr>
<td>Fixed Income - Credit</td>
<td>-1.86%</td>
<td>-4.38%</td>
<td>4.97%</td>
<td>4.55%</td>
</tr>
<tr>
<td>Global Hedge Fund</td>
<td>-0.60%</td>
<td>-3.64%</td>
<td>2.50%</td>
<td>8.04%</td>
</tr>
<tr>
<td>Equity Hedge</td>
<td>1.37%</td>
<td>-2.33%</td>
<td>5.49%</td>
<td>12.78%</td>
</tr>
<tr>
<td>North America</td>
<td>-4.13%</td>
<td>-9.35%</td>
<td>4.14%</td>
<td>6.25%</td>
</tr>
<tr>
<td>Emerging Markets Composite</td>
<td>-8.03%</td>
<td>-5.26%</td>
<td>6.77%</td>
<td>8.99%</td>
</tr>
<tr>
<td>Market Directional</td>
<td>5.13%</td>
<td>-8.58%</td>
<td>9.86%</td>
<td>4.68%</td>
</tr>
<tr>
<td>Event Driven</td>
<td>-4.06%</td>
<td>-6.94%</td>
<td>10.50%</td>
<td>7.22%</td>
</tr>
</tbody>
</table>

* Hedge fund index data is provided by Hedge Fund Research Index (HFRI) as of January 2018.

Our outperformance relative to other funds are indicative of our core competency in generating outsized returns and navigating a challenging market environment.
SUMMARY

• We bring unique, proven strengths
  • Principal with 30 years of portfolio management experience
  • Dynamic stock selection methodology
  • Disciplined risk management process

• Our expertise in technology is unparalleled
  • Team consisting of seasoned entrepreneurs that have co-founded billion dollar companies
  • Global networks of advisors and analysts examining tech vendors and tech end-users

• Significant out-performance in risk-adjusted returns
  • The BSD Global Tech Hedge Fund returned 57.41% since inception versus our benchmark** return of 65.50%
  • Exhibited ~73% of the benchmark volatility as of March 31, 2018
  • Hedging strategy acts as an “insurance policy” in anticipation of adverse market events, by limiting drawdowns and often generating alpha

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