

BLACKHEATH AI GLOBAL MACRO STRATEGY

November 2019

NET PERFORMANCE

Blackheath AI Global Macro Strategy Pro-forma, Composite Net Returns[†]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	-6.39%	2.60%	-3.35%	-1.63%	1.59%	12.11%	-1.20%	-1.17%	9.40%	-1.08%	2.48%		12.62%
2018	3.74%	-2.05%	7.20%	4.19%	6.13%	-3.65%	-0.89%	-2.73%	-2.99%	0.11%	-3.72%	-9.13%	-4.95%
2017											5.51%	-1.62%	3.80%

† Starting in July 2018, the track record shows the composite performance of the strategy, calculated using the Only Accounts Traded (OAT) method. From Nov 2017 to Jun 2018, (colored background), the performance shown is the proprietary, pro-forma net returns of the strategy, based on the actual trading results as observed in proprietary accounts traded under the strategy, assuming a fee structure of a 2% Management Fee and 20% Incentive Fee paid quarterly. In reality, these accounts could have different fee structure. Such a fee related assumption can lead to moderate leveraging in the account over certain time periods during the course of this track record. Also, please note that the proprietary account has favourably negotiated trading commissions. Additional details of this computation and calculation of the performance are available upon request.

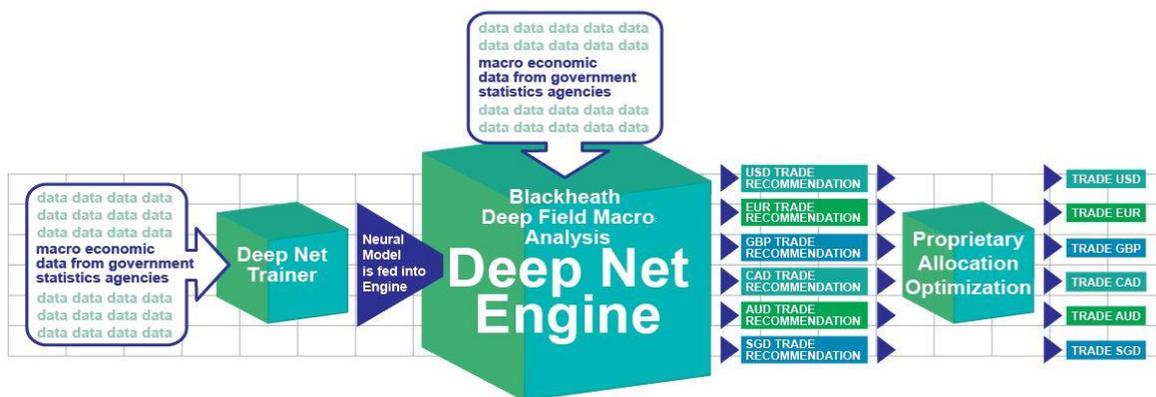
Net returns are calculated assuming a fee structure of a 2% Management Fee accrued monthly and a 20% Incentive Fee paid quarterly. Separately Managed Account performance can be higher or lower than the above reported performance of the program depending on several factors, such as commission and fee levels, investment amount, duration, the actual prices achieved, the portfolio composition and government taxes (if any). While the results here are based on pro-forma adjustments assuming the given fee structure, in reality, accounts may have a different fee structure, a different fee payment periodicity, different (higher or lower) commission levels and government taxes (if applicable) which may significantly distort the net performance observed in an actual account. Also, in reality, some managed accounts can be traded with a higher leverage and such leverage changes over time and this could result in significantly different performance in an actual account.

INVESTMENT PROCESS

Step 1: The Deep Net Trainer analyzes input and creates a Neural Model. (Data monitoring is ongoing and updates are sent to the Engine when data inputs show changes.)

Step 2: The Deep Net Engine collects and analyzes new data continuously, and creates trade recommendations for the chosen currencies.

Step 3: Trade recommendations are transformed into trading instructions that are sent directly to the trading platform and executed automatically.



STRATEGY OVERVIEW

The **Blackheath AI Global Macro Strategy** aims to earn abnormal returns in FX futures using machine learning to analyze macro-economic data. The strategy applies algorithms developed within the field of Machine Learning to filter through macro-economic data and develop an understanding of each global currency's fundamental macro-economic environment, bringing to reality actionable economic information that was previously unseen.

Portfolio Manager	Fangqi (Frankie) Liu
Minimum Investment	US \$ 200,000 (Managed Accounts)
Fees	2% Management, 20% Incentive
Strategy AUM	US \$1.3 million
Membership	National Futures Association
Notional Funding	Yes

PORTFOLIO MANAGER

Fanqi (Frankie) Liu, Portfolio Manager

In addition to his responsibility for the strategy, Frankie is the Head of Research at Blackheath. His responsibilities include developing proprietary trading software, building quantitative pricing models as well as conducting research in asset price dynamics.

Benjamin Chung, Strategy Consultant

Ben was an early champion of machine learning's potential for application to absolute return strategies. He created the world's first open-source Object-Oriented Deep Learning library (Java) and released it under the GPLv2 in 2007 and continued to work on its development through 2012. In 2013, Ben launched the Neptune AI FX Fund Ltd, a neural-network, fundamental strategy. This program forms the basis of the trading method Ben is employing in the Blackheath AI Global Macro Strategy.

Ben is a graduate of the University of Toronto in Computer Science.

CORPORATE OVERVIEW

Blackheath Fund Management Inc. is a Commodity Trading Advisor based in Toronto, Ontario, Canada.

Blackheath is registered with the Ontario Securities Commission in Canada. Blackheath is registered with the Commodity Futures Trade Commission and is a member of National Futures Association in the US. The firm has five employees dedicated to delivering high quality absolute return strategies through separately managed accounts.

COMMODITY TRADING INVOLVES SUBSTANTIAL RISK OF LOSS. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

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