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二刀流

Ni-to-ryu

Investments in US stocks
using the Long/Short approach

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Ni-to-ryu



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**Ni-to-ryu ('two sword school')
is the Japanese martial art**

reflects the concept of the Long/Short
strategy approach

Portfolio manager's expertise

high-growth US stock selection

Current market opportunities

the early 2000s scenario might play
out again

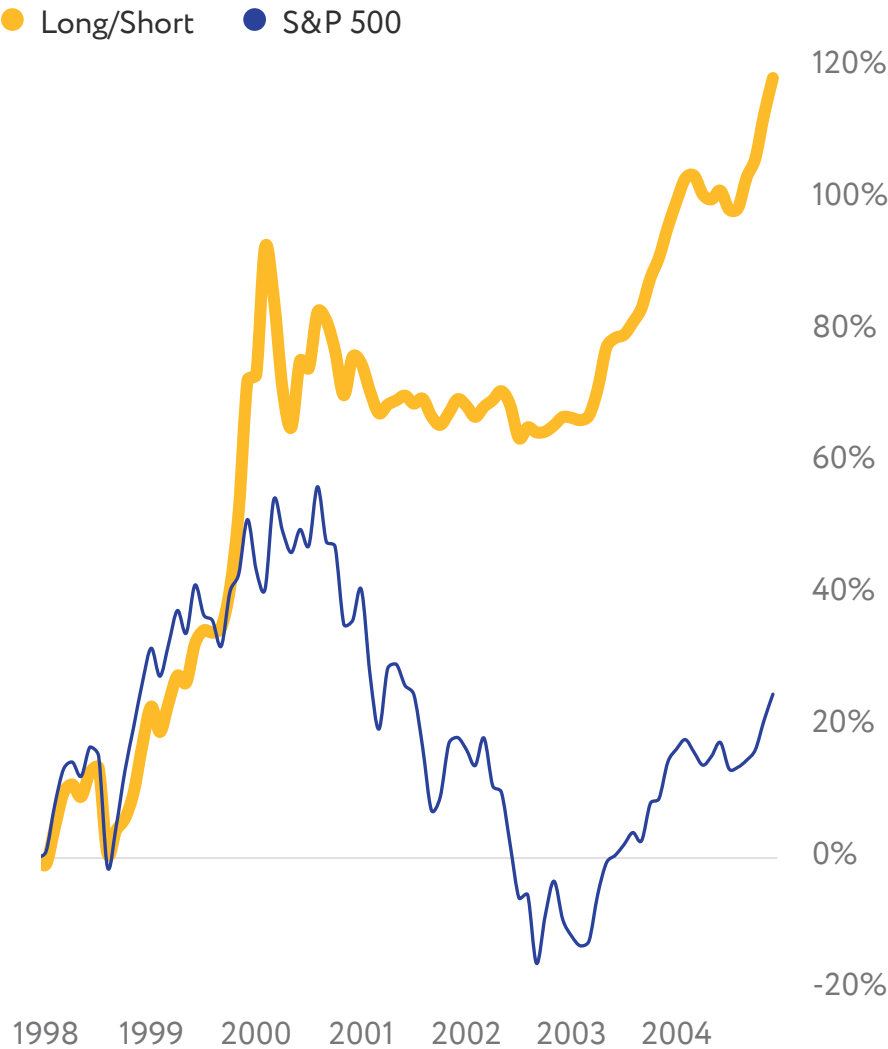
Infrastructure

allows execution of Long/Short
strategies

Investments in US stocks
using the Long/Short approach

The strategy designed
to profit from both rising
and falling US stock prices

Return of Long/Short hedge funds vs US equities



Source: Bloomberg

Portfolio Manager



**Nikita
Emelyanov**

Successfully managed portfolios of US and Chinese equities for 14 years, with assets up to \$100 million

The result was the creation of this Long/Short strategy, going long on mid-cap stocks and shorting the broad market

The new strategy enables earning in both rising and falling markets

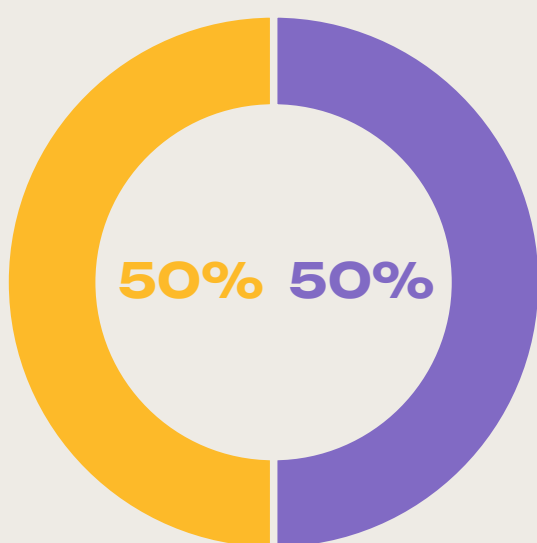
Long/Short Approach



Long enables to profit from the increase of mid-cap growth companies

Short serves as protection and a way to profit from a potential decline in the US market

The combination of approaches enables to profit from current trends while hedging risks



- **Long**
Buying equities
- **Short**
Selling US equity indices

Model Portfolio



Number of tickers Share of assets Expected market premium¹

Long

Mid-caps Block, DraftKings	15-20	40%	15%⁺
Blue-chips Microsoft, NVIDIA	5	35%	10%⁺

Short

Triple short of the broad market	5	25%	
Inverse ETFs NASDAQ-100, S&P 500			

Ideas

Equities with the potential for index inclusion	2-3	10-20%	15%⁺
Uber, Dell			

10%⁺
total

¹ Additional return exceeding the performance of the US market, according to estimations of the strategy's portfolio manager

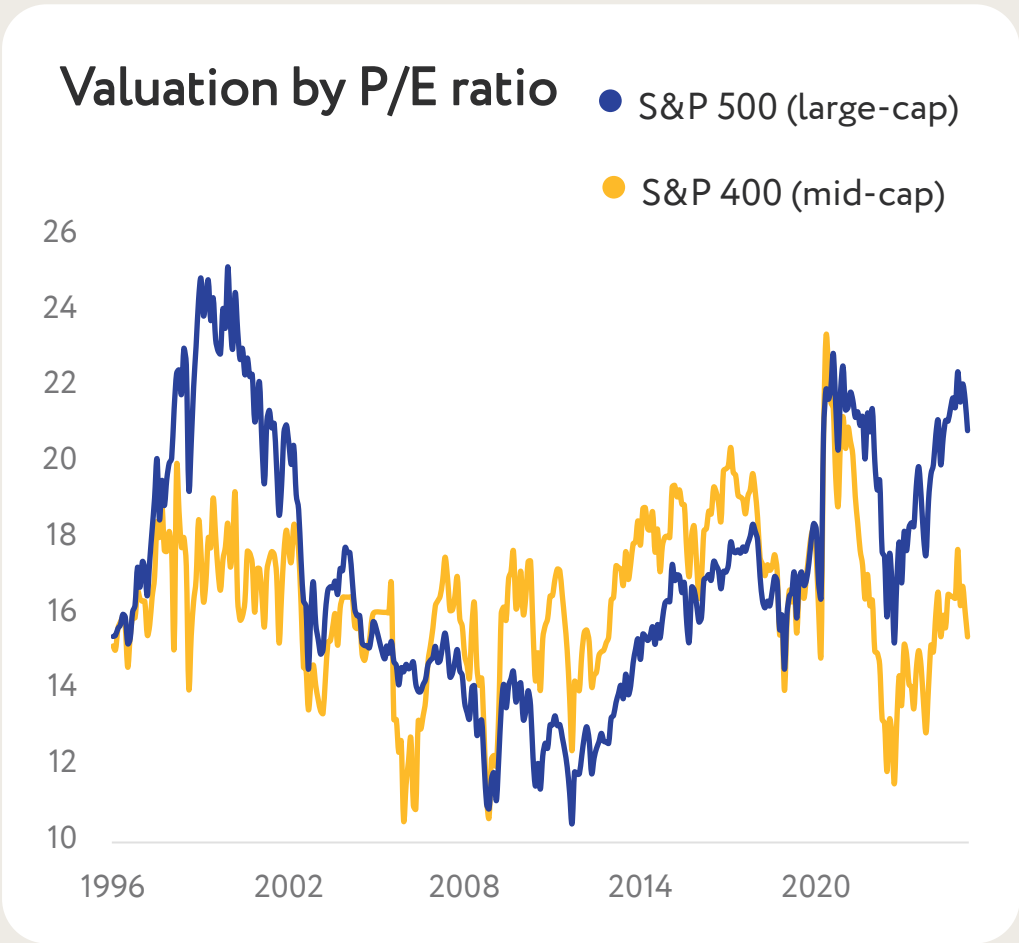
US Equity



High valuation of US blue-chip stocks exceeded a P/E ratio of 20

Significant valuation gap between blue-chip and mid-cap stocks

History may mirror the early 2000s



Current opportunities



The lack of growth in the S&P 500 index in the early 2000s

However, other opportunities emerged such as long positions in mid-cap stocks and short positions in the broad US market

During this period, this Long/Short approach yielded an annual outperformance of the S&P 500 by 7.5%

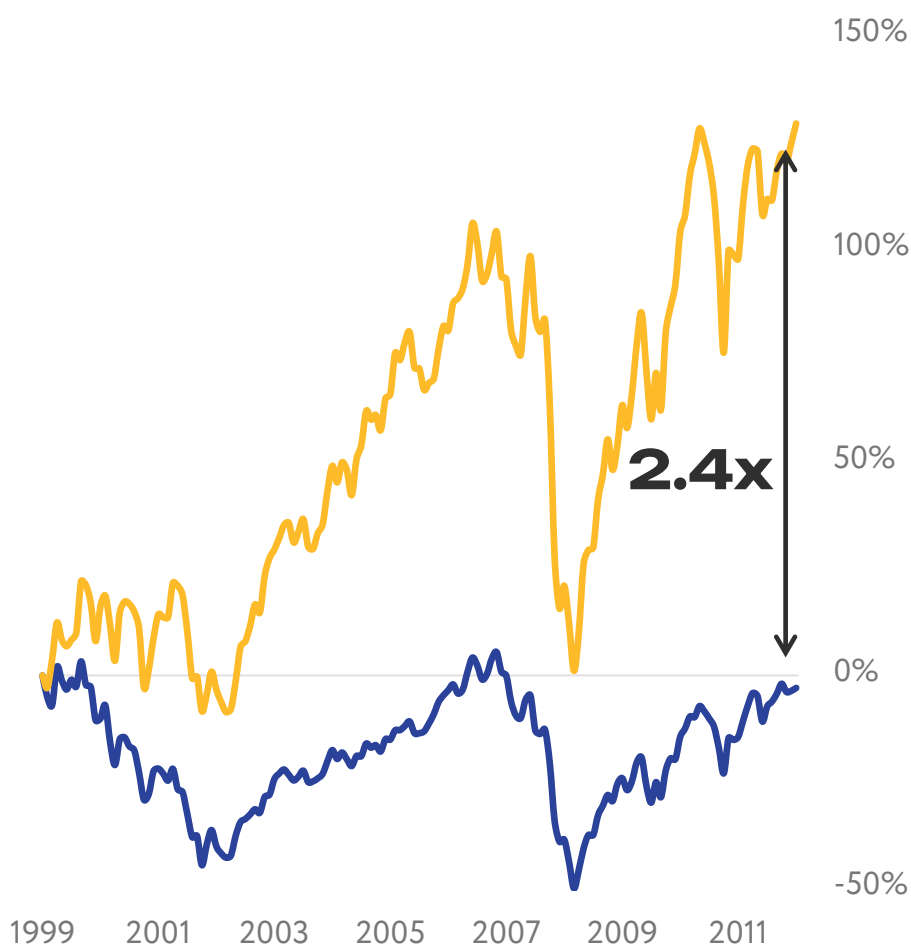
Current opportunities



Performance of US equities in the early 2000s

● S&P 500 (large-cap)

● S&P 400 (mid-cap)



High growth



We select US mid-cap companies exhibiting high growth rates

Large-cap can face slowing business growth and increased regulatory pressure

This may additionally drive mid-cap stock prices higher

Growth rate

↑ 18%

mid-cap companies of our portfolio

VS

↑ 13%

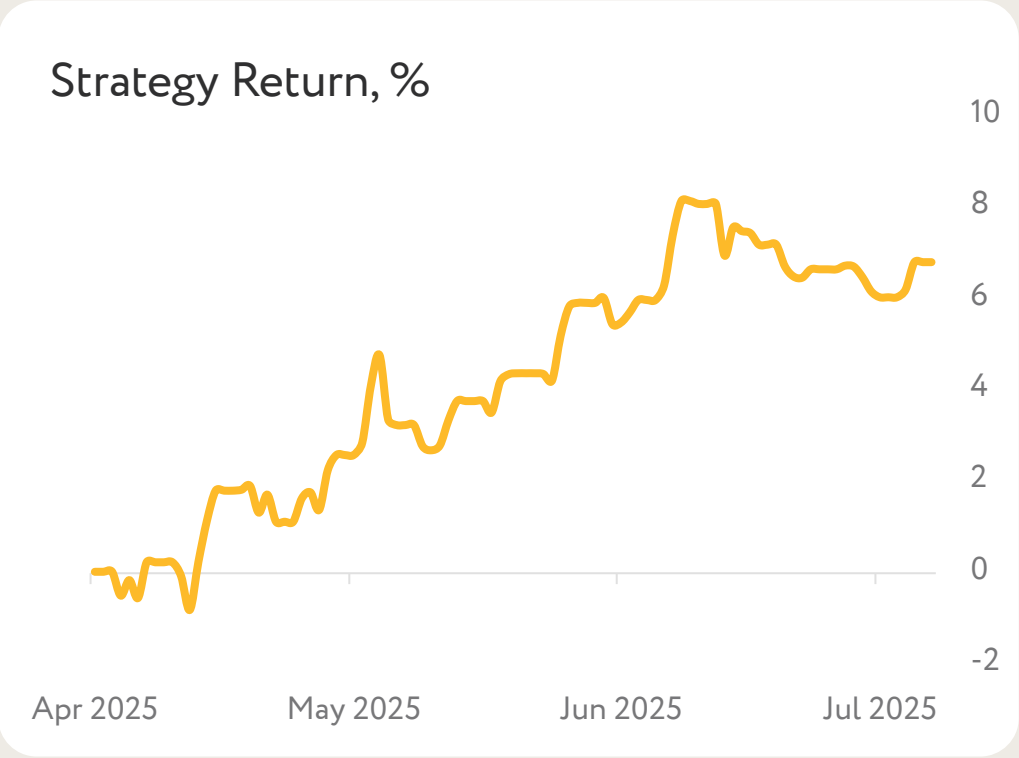
Nasdaq

↑ 6.8%

return since the strategy's inception

↑ 27.8%

annualized



Long/Short approach

10%⁺

net expected annual return¹

1⁺ years

recommended period

up to **10%**
possible drawdown²

USD	strategy currency
100 000	minimum amount
0.3%	management fee
10%	performance fee

¹ Assessment is performed by the portfolio manager based on analysis of the current market situation

² Risk assessment performed by portfolio manager based on historical volatility indicators

Long/Short approach



Active management

spotting relevant trends
and capitalizing on both market
upturns and downturns

Hedging risks

hedging as protection and a way
to profit from declining equity prices

Relevant investment ideas

capitalizing on opportunities arising
from increasing uncertainty in the
US economy



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