



WARREN SAFER-EQUITY FUND

Warren Safer-Equity Fund

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# WARREN SAFER-EQUITY FUND

## WARREN SAFER-EQUITY FUND APPROACH

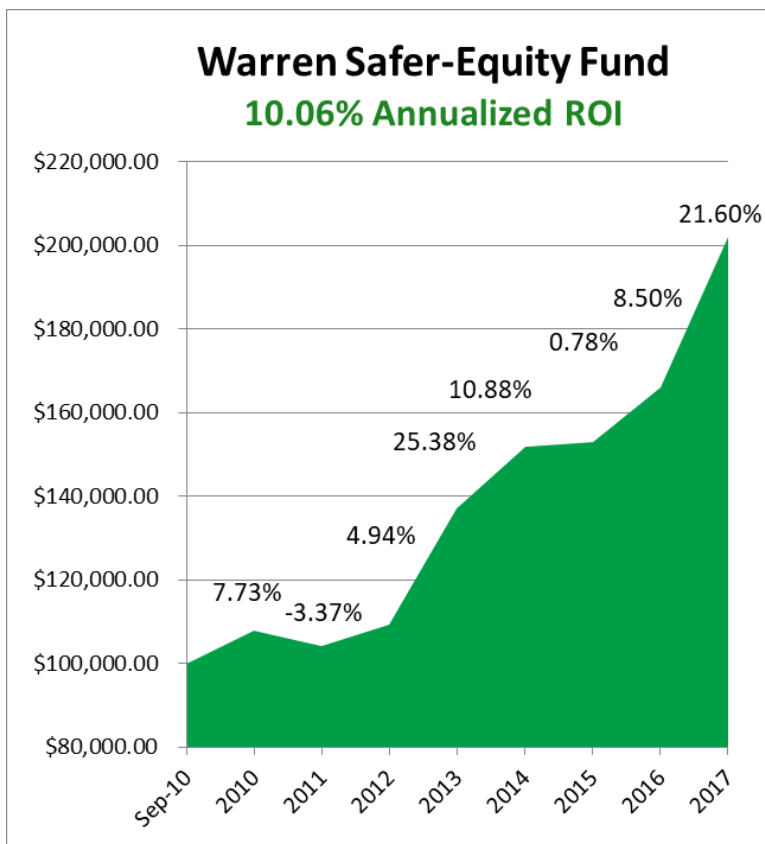
The key advantage to the Warren Safer-Equity Strategy is the unique volatility strategy employed. The fund utilizes the **Warren Macro VIX Indicator** to guide volatility decisions. Constant volatility protection is not necessary as opposed to typical ETF volatility strategies that employ short, mid-term or mixed futures holdings. The Warren Safer-Equity Fund utilizes options on VIX futures in an attempt to hedge away black swan or fat tail risk.

On the long side, the Warren Safer-Equity Strategy invests in companies that throw off large cash dividends compared to their peer group. Stock selection includes both fundamental bottoms-up analysis as well as technical analysis. The Warren Safer-Equity Fund avoids companies that may not have the financial strength to continue to pay significant dividends in the future. Stocks are selected from the global pool of possibilities and from many sectors of the economic landscape.



## PERFORMANCE THROUGH Q4 2017

# WARREN SAFER-EQUITY FUND



## Monthly Performance (inception-to-date)

### Warren Safer-Equity Fund

2012	2013	2014	2015	2016	2017	Annualized since inception
+4.93%	+25.4%	+10.88%	+0.78%	+8.50%	+21.60%	+10.06%

Percent % Return	2012	2013	2014	2015	2016	2017
<b>January</b>	+1.97	+6.32	-2.15	-2.31	-6.76	+2.11
<b>February</b>	+3.20	+1.59	+4.23	+5.05	-0.42	+3.75
<b>March</b>	+0.91	+4.03	-0.24	-0.67	+6.38	+0.48
<b>April</b>	-0.23	+1.47	-1.01	+0.13	0.13	+1.19
<b>May</b>	-5.12	+0.20	+2.00	+1.53	+1.76	+1.88
<b>June</b>	+3.92	-2.08	+2.74	-1.51	0.00	+0.27
<b>July</b>	+1.29	+4.21	-2.32	+1.74	+4.23	+1.76
<b>August</b>	-0.86	-3.46	+3.65	-4.94	-0.02	-0.10
<b>September</b>	+1.69	+3.50	-2.32	-3.20	+0.09	+2.34
<b>October</b>	-1.40	+3.10	+3.4	+7.40	-2.67	+2.38
<b>November</b>	-0.46	+2.32	+2.8	+0.45	+4.46	+2.88
<b>December</b>	+0.23	+2.01	-0.03	-2.24	+1.70	+0.85

Actual data based on NAV calculated by administrator and audited by Eisner Amper



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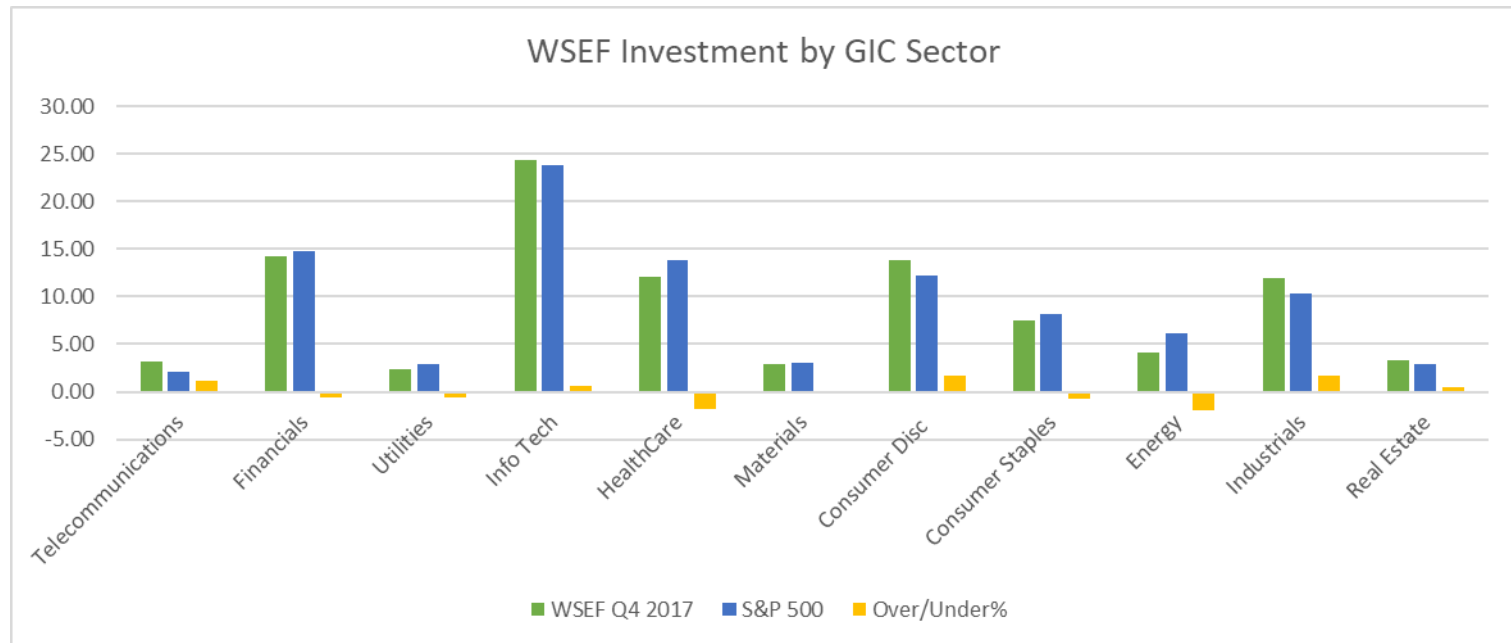
### TOP 10 STOCK HOLDINGS (excluding ETFs)

Security	Ticker	Industry	Holdings
Lockheed Martin	LMT	Industrials	1.48%
Home Depot	HD	Consumer Discretionary	1.34%
Global Payments	GPN	Information Technology	0.89%
Amazon	AMZN	Consumer Discretionary	0.83%
ULTA Salons	ULTA	Consumer Discretionary	0.79%
NVIDIA Corp.	NVDA	Information Technology	0.75%
Apple Inc.	AAPL	Information Technology	0.66%
Facebook Inc.	FB	Information Technology	0.56%
Concho Resources	CXO	Energy	0.53%
JP Morgan Chase	JPM	Financials	0.53%



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## SECTOR WEIGHTING





# WARREN SAFER-EQUITY FUND

## FUND RISK STATISTICS

	Warren Safer-Equity Fund
Average Annualized Return (since inception)	10.06%
Average Annualized Return (5 Years)	13.07%
Standard Deviation (annual)	9.13%
Beta (monthly since inception)	0.96
Sharpe Ratio (annual)	1.10
Sortino Ratio (2 yr monthly rolling)	1.25 (annual under 8% target)
Best / Worst Month (since inception)	+7.39% / -7.98%
R2 (monthly since inception)	86.15%



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## PORTFOLIO PROTECTION: VIX OPTIONS ON FUTURES

- Must be *effective* in times of great market stress
- Must minimize performance drag in an up market and create profits in a down market
- The smaller the % of portfolio capital required, the better
- A small volatility investment implies the need for large upside volatility potential
- Timing rules must be implemented





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## VIX OPTIONS, THE APPROPRIATE SAFER-EQUITY SOLUTION

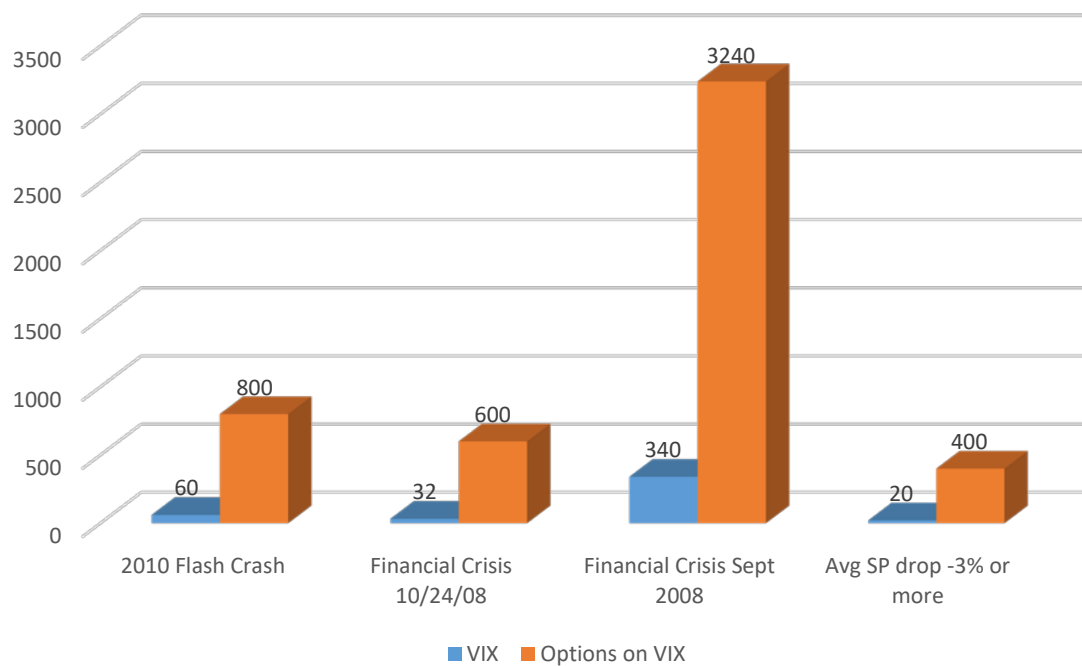
- Near 100% directional inverse correlation
- Large scale upside appreciation potential (a multiple of VIX % movement)
- Increased liquidity during a crisis
- Warren Macro VIX Indicator to steer volatility timing
- WFS Quant model for the right amount of Safer-Equity at the right time



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## CRISIS STATISTICS

VIX Options vs. VIX Index





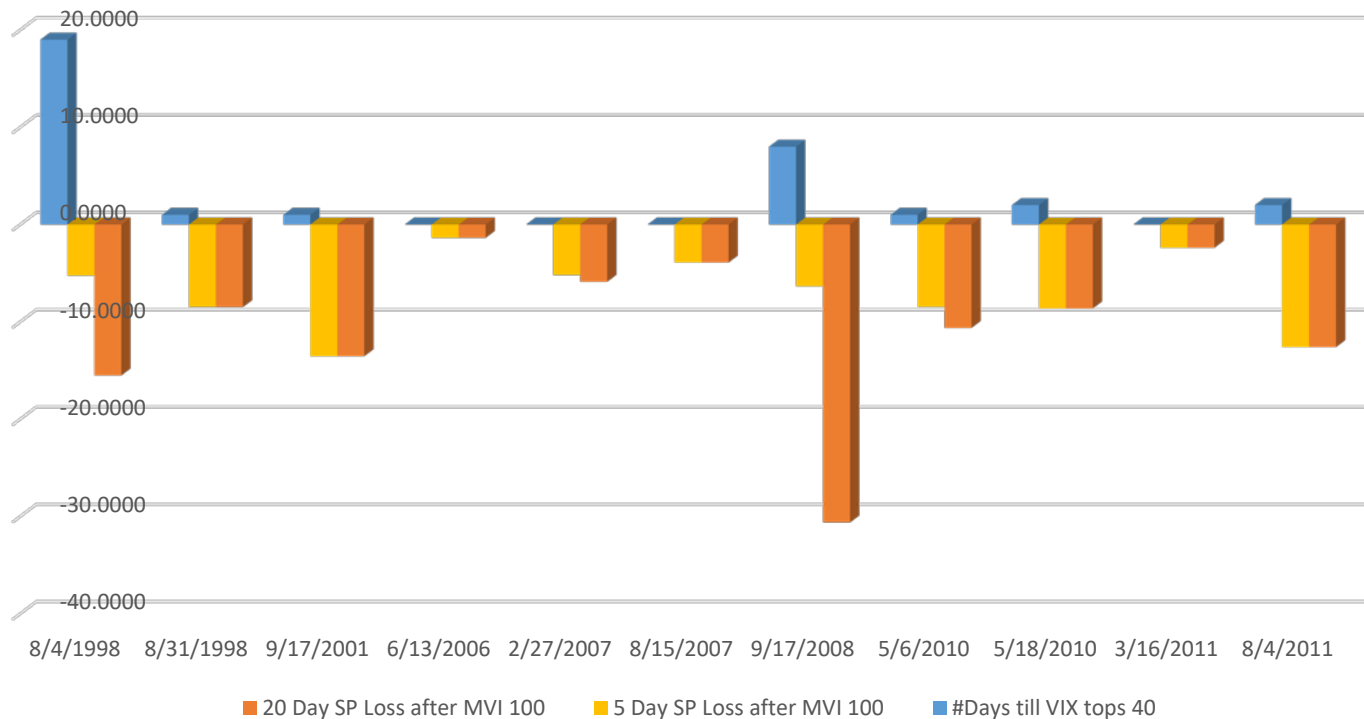
## MACRO-VIX INDICATOR

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**AFTER Warren MVI tops 100, Average 5 day SP loss = -6.92%**

**AFTER Warren MVI tops 100, Average 20 day SP loss = -10.31%**

SP History AFTER Warren MVI tops 100 "Black Flag"





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## VOLATILITY SELL RULES

- The SP500 experiences at least one -3% day every 4 months
- Our protection sell trigger is when the VIX tops 40.
- This has occurred in the following calendar years at least once: 2001, 2002, 2008, 2009, 2010, 2011, 2014, 2015
- Societe Generale VIX desk: “For true crash protection, there is not a better product to own than a low-delta VIX call option.”

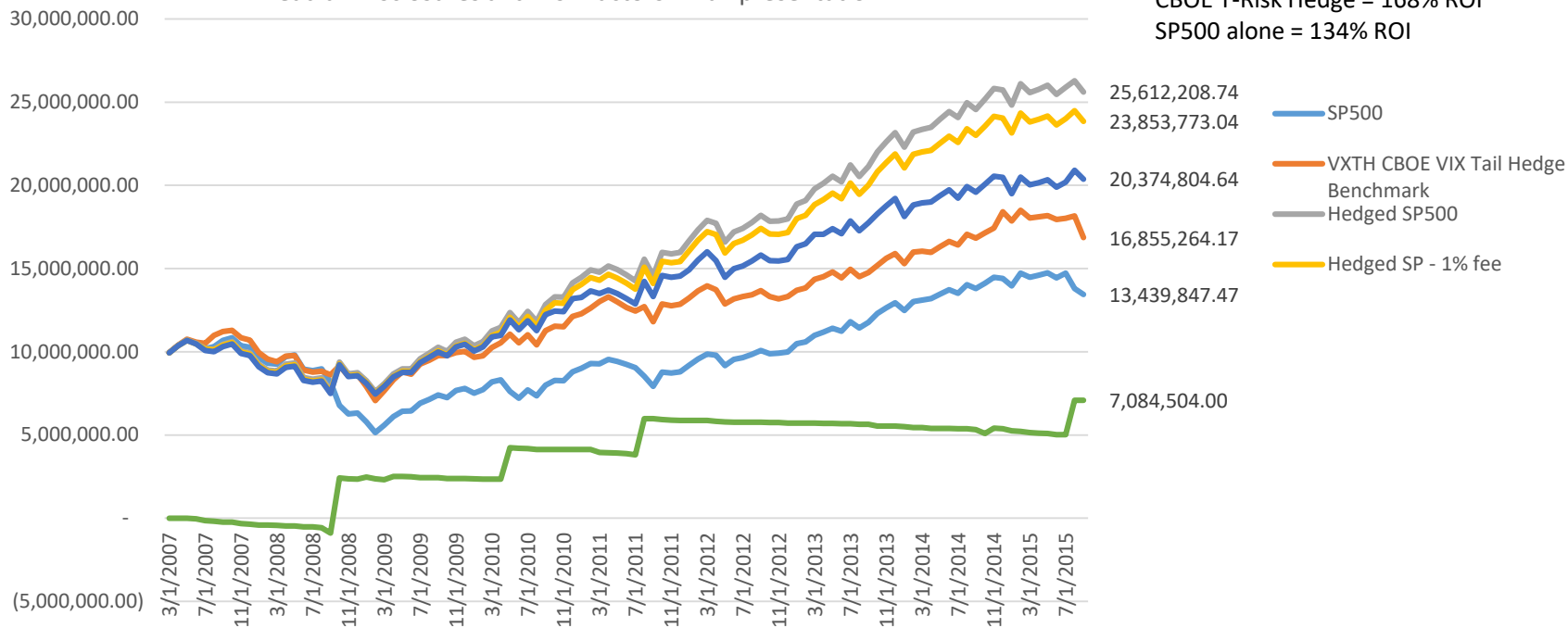


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## SP500 vs SP500 + Volatility

Read all Disclosures and Risk Factors in full presentation

Warren MVI+SP500 = 256% ROI  
 CBOE T-Risk Hedge = 168% ROI  
 SP500 alone = 134% ROI



MVI rules with options avoid VIX futures expensive roll costs.

Disclosures: back tested data. Using the latest current model and running the model backwards against the actual SP500, the actual VIX, and the actual VXTH. Option prices are generated using a Warren Financial calculation model that takes into account the vol of the futures, vol of the options, vol of the VIX, time to maturity, moneyness, etc.



# WARREN SAFER-EQUITY FUND

## PORTFOLIO MANAGEMENT



**RANDY WARREN**  
CHIEF INVESTMENT  
OFFICER

- 25 years of investment experience
- Member of the Warren Financial Executive and Operating Committee
- MBA from West Chester University
- BS from University of Delaware
- Certified Senior Advisor
- Editorial contributor on Forbes.com



**TROY LOGAN**  
CHIEF ECONOMIST

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**MIKE LITTLE**  
INSTITUTIONAL SALES

- 30 years of investment experience
- Member of the Warren Financial Executive and Operating Committee
- MBA from Columbia University
- BA from Syracuse University



**SCOTT SHELLHAMER**  
MANAGING DIRECTOR

- 25 years of investment experience
- Member of the Warren Financial Executive and Operating Committee
- BS from Pennsylvania State University
- Editorial contributor on Forbes.com



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**Thank You!**

*To request additional information, please contact Investor Relations  
at 610-363-2000 and ask for Karen Copeland*