Fidelity Capital Management

August 2021 Investment Letter

July 30 2021

Sparrowhawk Fund (EUR)	**+12,44%**
Royal Albatross Portfolio (USD)	**+11,89%**
Kingfisher Portfolio (USD)	**+13,78%**

DJ Industrial Index	+14,15%
S/P 500 Index	+17,02%
MSCI World Index	+14,10%
Berkshire Hathaway	+20,44%
Gold	-4,45%
EUR/USD	-2,80%
Oil WTI	+52,90%

16.63%

In 1980, 40 years ago, the investment manager launched the FCM Opportunity Fund (Sparrowhawk Fund as of 2009).

The value of the Fund has grown from $900.000 to $493 million at a rate of 16,63% annually.

QE cannot be a permanent monetary policy.

Netflix goes into the Gaming Industry.

Stocks had their worst day in months on Monday, as the latest Covid-19 concerns hit a wall of existing investor angst about inflation, the Federal Reserve's next move, and an earnings season with a high bar to meet. As for Covid, after a springtime reprieve from the pandemic in the U.S., cases are rising again and grim data points from around the world are shaking investors' faith in a global recovery.

Over the weekend, news of positive tests of Olympic athletes, who have now gathered in Tokyo for the games set to begin there at the end of the week, raised concerns about the advisability of the entire event.

Meanwhile, new cases of the virus are up 34% globally over the past two weeks, according to the New York Times. In the U.S., the number of new daily cases remains low, relative to other points in the pandemic, but is up 140% over the past two weeks.

Fears over the Delta variant of Covid-1 were the trigger for Monday's selloff, but they were also a chance for markets to blow off some steam after a long rally without a correction. The declines could open up buying opportunities for investors willing to fade those concerns and scoop up some suddenly discounted names.

Another surge of Covid-19 infections raises the specter of a fresh wave of lockdowns and restrictions that would hamper the economic recovery under way. And with inflation pressures firmly in place and commodity prices on the rise as supply chains struggle to keep up with demand, an ugly word comes to mind: stagflation, or surging inflation despite sluggish economic growth.

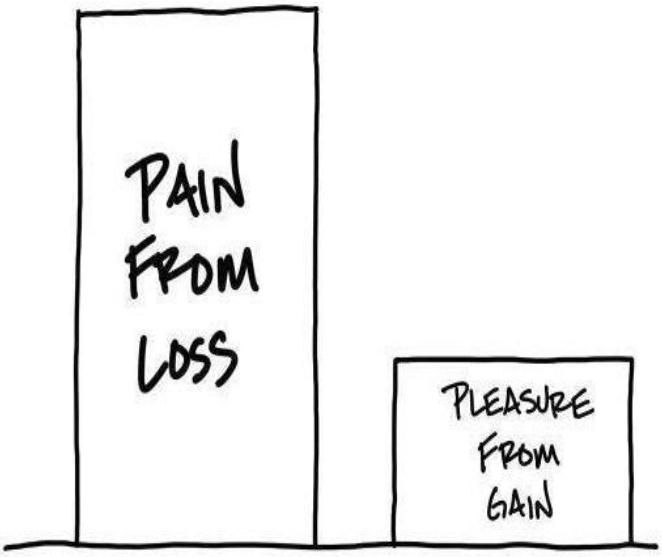
Governments around the world have been keeping their currency printing presses running 24 hours a day, 7 days a week. Last year, the US Federal Reserve printed an unprecedented amount of dollars, roughly 1/5th of all US dollars ever printed. On a daily basis, the Bureau of Engraving and Printing produces over $500 million over 38 million notes. There are countries that have taken the printing of fiat currency too far. Zimbabwe is but one example of runaway inflation. They have a 100 trillion bill. Yes, a 100 trillion bill. Do you want to be a trillionaire? Simply buy one on eBay for $8.99,

The ability of countries to simply print money should inherently be inflationary. A few weeks ago, the Biden administration announced an infrastructure bill, called the American Jobs Plan, with a $2 trillion spending target. In March of 2021, US government passed a $1.9 trillion stimulus package. This followed a December of 2020 stimulus package of $900 billion, as well as a CARES Act in March 2020 bill of $2.2 trillion. We are not making a statement about the merits of any of these packages and stimulus programs. We simply are trying to point out the massive amount of money that is getting printed and fears of rising inflation are not entirely unwarranted.

We continuously state that we are not short-term traders, but we prefer to consider ourselves long-term investors. Also, we define success not as an absolute performance return goal, but rather as “*generating excellent long-term returns and limiting a material loss of capital.”*

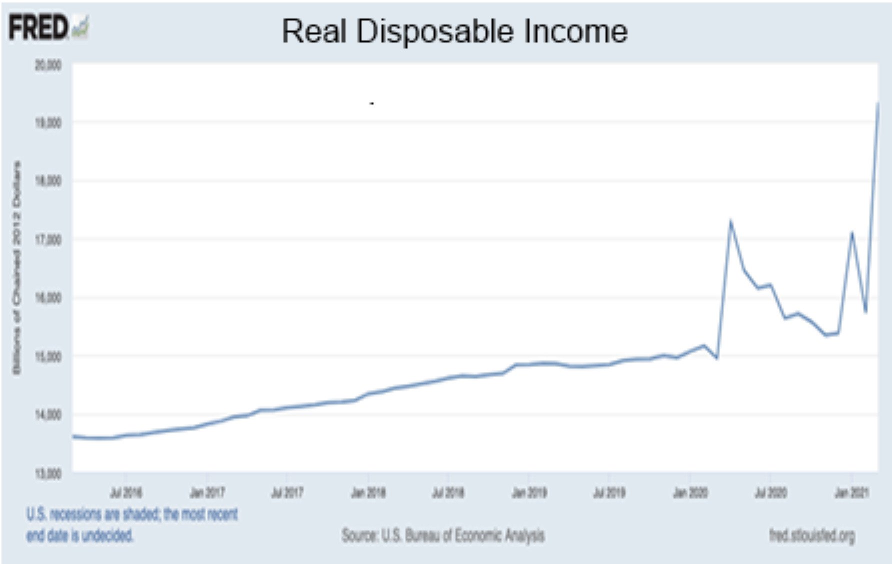
Our goal is to produce and generate solid returns, but we also believe successful investing involves limiting one’s downside.

One of the positive byproducts of our investment style and philosophy, is that we tend to outperform (on an absolute and relative basis) when the overall market declines. Evidence of this can be seen by looking at our downside capture or our performance in the 4th quarter of 2018 or 1st quarter of 2020. If one suffers a painful and sizeable market decline, it can be an insurmountable hole to escape from. For example, if an investor loses (10%), he/she needs a +11.1% for 1.11 years to breakeven. Losing (20%) requires a +25% return for 2.34 years to get “back to flat”. This is why we like to stress the downside protection our portfolios provide.



The US is a service and consumption-based economy. It is estimated that consumption makes up roughly two-thirds (over 68%) of the entire economy, a percentage that has consistently moved higher since the mid-1960s. The US is the largest and most diverse economy in the world, so it makes sense that the US consumer is the biggest contributor to growth and one of the most important factors in this global economy.

The chart shows, the percentage of real (adjusted for inflation) disposable personal income Americans have at their disposable is at an all-time high. The consumers, armed with plenty of savings, are poised to spend.



IHS economists are forecasting real or inflation-adjusted GDP for 2021 to equal +6.7% (4^{th} quarter, year-over-year). The Treasury market appears to be pricing in roughly +6.0% GDP growth this year and the Fed is forecasting an even rosier +6.5%. In 2022, the Fed is currently expecting GDP to be a strong 3.3% with unemployment falling to its pre-pandemic low of 3.5%. A labor market returning to full employment by mid-to-late 2022 would be ideal. As we emerge from this pandemic, we will not be surprised to see GDP forecasts approach 7% to 8%, with the 1^{st} half of 2021 approaching double-digits. The US consumer is in a very strong financial position, just as the economy is set to reopen.

According to the Federal Reserve Bank of New York, consumers on average only spent about a 1/3rd of their stimulus checks, with many households either saving their money, paying down debt, or both.

At the end of last quarter, Moody's Analytics estimates that global households have $5.4 trillion in pandemic-related savings. US households currently have a 35% allocation towards equities, but cash balances, despite record low yields, remain quite high. Goldman Sachs predicts there is $200 billion of money market assets that could flow into equities in 2021. In

March of 2021, US mutual funds and ETFs experienced $98 billion of inflows, the most in a single month ever (according to data provider Refintiv Lipper).

There is a 100% probability that Fed Funds stays at 0% to 0.25% at their next meeting on July 28th, 2021. If one goes out to the end of this year to December of 2021, the expectation remains that interest rates will remain unchanged.

Investors might worry about higher interest rates, but bear markets typically start after the last Fed increase, not the first one. Overall, we anticipate that interest rates should stay fairly low for the next one to two years, which should support a healthy equity market.

Before interest rates rise, we would expect the Fed to begin to gradual lower their debt purchase. Every month, the Fed is buying $80 billion of Treasuries and $40 billion of mortgage-backed securities. In the midst of an economic crisis, those purchases helped stabilize the markets. During a strong recovery, it might make sense to gently take the Fed's "foot off the QE accelerator." We worry that purchasing debt for longer than necessary might create excess imbalances.

The Big Picture

It basically boils down to inflation, recession, disinflation or stagflation, and whatever the outcome, it's going to affect the markets in a big way.

These pressures have been building since last year and they're now all coming together.

As a result, the debate is on...
which one will it be? And interestingly, each side has valid points to back them up. So what's the deal?

The bottom line is that the economy has been rebounding strongly following the scary drop over a year ago when covid first came on the scene, along with all of its repercussions. This caused the world economies to shut down, lockdown and essentially grind to a halt.

But the governments stepped up to the plate, creating an over-abundance of money to help boost their economies.

In the U.S. alone, for example, the debt soared, and it's grown 32 times more than in 2008, during the great financial crisis. And most of that increase has happened since last year.

The same thing happened in other countries and all of this resulted in good economic growth, but it also fueled the inflation we've seen this year.

Prices have been rising across the board. And John Williams at shadowstats.com, who calculates inflation the way it used to be calculated before all of the adjustments were implemented, says inflation is currently running at 13%.

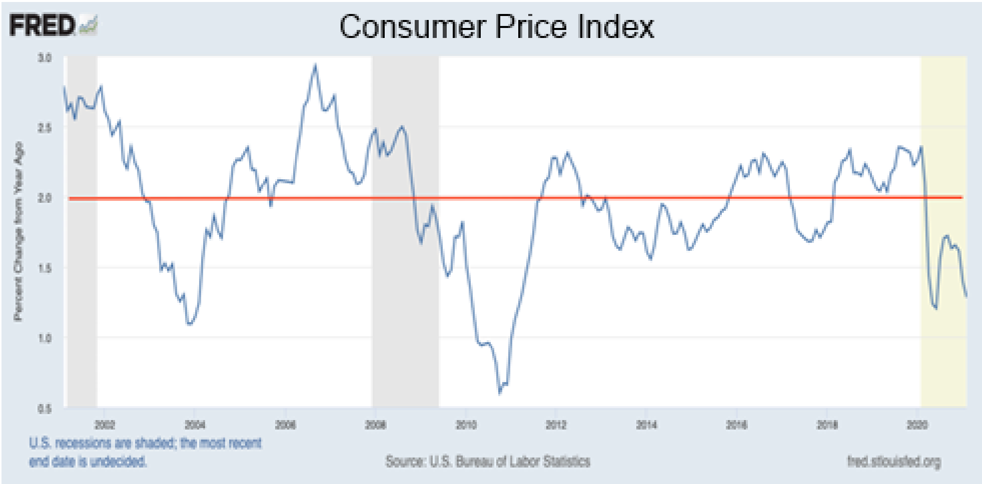
Even the Fed acknowledged a faster rising inflation than originally projected and it could stay higher for longer than they anticipated.

But then, in a new twist, the economy started showing signs of slowing. In large part, this has been due to the resurgence in covid cases worldwide, which is raising concerns about the outlook for the global economy.

And as covid cases intensify, the world watches and worries.

Japan, for instance, has extended its state of emergency. Indonesia, Malaysia, Thailand and Russia are all grappling with record high cases. The situation in Europe is worsening and cases are again surging in parts of the U.S.

US stocks have been volatile lately. For the 12-months ending May 2021, the annual US inflation rate was +5.0%. While this is unusually high, we believe it is temporarily elevated. For all of 2020, annual inflation was 1.2% and it was only 1.8% in 2019. A key question facing investors, and policymakers too, is how persistent and elevated inflation will be. While there will be pockets of higher prices across certain asset classes, we expect inflation to remain modest.



It seems like the headlines about inflation are painting it as an inevitable killer of our economic growth and this new bull market. The issue over the last 20+ years in the US has been not enough inflation and we think the media attention might be a little bit overdone. The Fed has repeated its support of the economic recovery and stated that it will be “some time” before the US economy is “healed enough” for removing its support.

Fed officials have stated that they are not yet discussing raising interest rates, but will wait until the economy returns to “full employment”. With the recent June jobs report adding 850,000 new payrolls and taking the unemployment rate to down to 5.9%, it looks like this will be a slow and steady process.

Increasingly, however, it’s becoming more obvious that interest rates are again headed lower and they’ll likely stay low for a long time. There are several reasons for this and following are the most important...

First, the Fed said so. They said they will not raise short- term interest rates until 2023 and they will not raise rates on inflation fears alone, and we believe them.

As we’ve often noted, government debt keeps skyrocketing and so does the Fed’s fiscal stimulus. This has included not only low interest rates, but also the purchase of government bonds and mortgage backed securities to the tune of $120 billion per month.

This has helped boost the economy, which grew at an impressive annual rate of 6.4% in the first quarter. This has also caused the Fed’s balance sheet to soar. And it has fueled inflation, but the velocity of money is still falling.

Nevertheless, if we use the “official” inflation rate, which is at a 13 year high near 11% annualized, the end result is a very negative real interest rate. So how does this benefit the government? Tom Dyson explained it best....

“A negative 3% real interest rate reduces the real value of government debt by 46% over 20 years. At negative 5%, the real value of government debt gets reduced by 64% over 20 years. This means the government is sneakily stealing from bond investors, on an inflation adjusted basis, about 3% to 5% a year.

The government has $28.5 trillion in debt and plans to keep spending money it doesn’t have to the tune of more than a trillion per year.

That’s why it must soft-default through inflation. That means it will pay down it’s debt... but with massively watered-down dollars. It’s the only way the government can default on its debt without admitting it’s defaulting. We call this a synchronized global currency devaluation.

With more debt coming, the long-term trend of higher inflation, lower real interest rates, and much higher gold prices is assured.”

We couldn't agree more. Low real rates are very bullish for gold because it erodes the competition. And as we've seen, interest rates are poised to head lower and that'll make the real rate even a steeper minus percentage.

Interestingly, Treasury Secretary Janet Yellen recently urged Congress to raise the debt ceiling to avoid an August default. Failing to do so she said would have catastrophic consequences and it would be utterly unprecedented.
That's true but inflation provides a way to get around this, hopefully without anyone noticing what's really going on. And it's been going on for years.

What are the Markets telling us

We constantly are asked, "Are we in a bubble?" or "What do we think about valuations?" Yes, many stock market indices are up, with the S&P 500, Nasdaq, the Dow and Russell 2000 at all-time highs. In fact, the 1st half of 2021 saw the overall market make all-time highs on over 25 different days. The current S&P 500 P/E valuation is 23x and 20x based upon next year's estimate of 11% growth. There absolutely are areas of the market that are overpriced. Certain segments are pricey and well above their historical averages. However, one must analyze each investment separately and on its own merits. To simply state that the stock market is pricey, fails to capture the individual valuations of individual companies.

There is a lot of excitement about the economy, as the distribution of COVID-19 vaccines has successfully been rolled-out. Also, a loosening of restrictions across the country allows more and more people to go about their lives, like they did before the global pandemic. While recent data show how strong demand is right now, there remains an abundance of unusual crosscurrents and statistics making it incredibly hard for professional economists and analysts to predict the future.

In terms of our forward outlook, we liked some recent comments from Jeremy Grantham, co-founder, and Chief Investment Strategist of Grantham, Mayo & Otterloo. He said, *"all of the previous bubbles occurred when economic conditions looked nearly perfect. This has been quite different because the market started its incredible surge in a rather wounded economy."*

The Fed has backstopped our economy and interest rates are remarkably low. With improving corporate earnings, we believe the backdrop is quite positive. There will be fits-and-starts and this re-opening will not be without its hiccups. The rush of demand for goods and services has led to supply chain bottlenecks and labor shortages. Following a year-long global pandemic, stop-and-start lockdowns and $5 trillion of governmental stimulus, the economy is poised to march higher.

The prospect of a fully reopened economy, coupled with the past year of strong stock market returns, has pushed growth expectations considerably higher. Many investors wonder if everything has moved “too far, too fast.” This is certainly a valid concern, but we also believe it is important to understand and appreciate the fundamental backdrop, with a focus on the emerging US consumer. The US consumer is ready to re-engage fully in our economy and they are also in a good financial position to do so.

Stock Market

Through the first 6 months of 2021, the stock markets have been solidly positive. For the 1st half of the year, the S&P 500 was +14.4%, the Dow was +12.7%, the Nasdaq markets were up +12.5% and the Russell 2000 (small cap) was up +17.0%. This was the second-best start to a year since 1998. After a sluggish start in January (down 1%), the S&P 500 has increased for the last 5 consecutive months. Across the board, the markets have been on a tear. Overall, the 2nd quarter was strong for US equities and the S&P 500 reached a new all-time high in late June and early July.

Almost all sectors made gains last quarter, with the three best performing sectors being Technology up +13%, Real Estate up +13% and Communication Services up +11%. It is hard to identify the worst performing sectors, as they were up too, but Utilities was only up +0.2% and Consumer Staples was only up +3%.

Investors have been pouring into stocks at record rates and they now have the most money in the stock market ever. In fact, more than 10 million new brokerage accounts have been opened so far this year.

These investors are optimistic, and they’ve also been buying a lot of risky stocks and borrowing record amounts of money to do so. Again, these are important signs of a top.

So if you’re still in stocks, our best advice is to be cautious and be quick to lighten up on stocks at the first signs of trouble.

What is driving this stock market to record highs? Well, the market is always looking forward and it is expecting a much better economic outlook than a year ago. Some optimists have dubbed our economy the second coming of “the Roaring 20’s”.

Consumer confidence just registered its highest reading since before the pandemic. The US economy is expected to grow at the fastest pace in decades, as there is significant pent-up demand. We are very optimistic about the economy, the capital markets and the outlook for the US consumer. We've quickly gone from an economy on an unprecedented lockdown, triggered by a pandemic, to one that is rapidly re-opening.

History has proven that stocks are the best long-term investment option, generating an average of 10% to 11% over the last century and roughly 8% over the last 60 years.

Sparrowhawk Fund have generated 16,6% over the last 41 years.

Do you really want to invest in fixed income, with the US 10-year Treasury less than 1.4%? If inflation runs at 2% or higher, these debt investors will incur double-digit annual losses. Investors looking to build wealth should find stocks an attractive option. While some may look to do a short-term trade to get ahead of higher taxes, we believe market timing is a fool's game.

We continue to expect equity allocations to rise, most likely at the expense of surprisingly high cash balances. The US should enjoy a quicker, consumer-led recovery as vaccination goals are reached. Which asset class provides investors with the most attractive risk-adjusted returns? For us, it is equities, with a focus on the emerging and high growth companies.

Index	2021 Peak	YTD
CAC 40	20.08%	18.50%
S&P 500	17.74%	17.74%
DAXK	12.54%	11.23%
BSE SENSEX	11.32%	10.68%
FTSE 100	11.21%	8.74%
Nikkei 225	11.02%	1.42%
Shanghai	6.42%	-0.16%
Hang Seng	14.15%	-3.81%
As of Jul 26, 2021		

The Sparrowhawk Fund is at 12,83%.

Portfolio News:

NETFLIX

- One of the big stories in the world of video games is the planned entrance of Netflix into the market within the next year at no extra costs to its subscribers.

- We are curious to understand whether Netflix intends to develop games in-house, or to work with a third-party game developer. If the former, the streaming company may face an uphill battle as other tech giants, with the exception of Microsoft, have spectacularly failed with their video game offerings to date (i.e., Google Stadia, Amazon Luna, Apple Arcade, Crucible). If working with a third-party, one needs to consider the possibility of an acquisition."

- Earlier this week, Citi called the threat of Netflix moving into video games an existential threat for large publishers like Electronic Arts, Take-Two Interactive, Activision Blizzard, Ubisoft Entertainment, Zynga and others. The future direction of Netflix in video games is also of huge interest to GameStop.

- It is clearly still early days and much of the detail remains to be clarified, but this feels like a significant event with broad ramifications across the video games landscape.

Payment Industry:

One of favorite aspects of the secularly growing digital payments industry is that it continues to steal sizeable market share from cash. Over 80% of global purchase transactions are still conducting with cash, but this is gradually declining. We envision that paper currency will always be an option in our lifetime, but its usage as a “medium of exchange” is steadily declining. In the US, 55% of transactions under $10 in size are still done through paper currency. As we have discussed several times, we believe these smaller-sized transactions are ideal to migrate from cash over to contactless card or mobile-based payments.

US Dollar

We previously mentioned that the Fed announced they will not raise interest rates until 2023. That’s two years from now. Still, this excited the currency markets and it drove the U.S. dollar up to higher levels.

The main reason was because this was viewed as a positive sign for the economy. In other words, the Fed feels the economy will be strong enough in 2023 to boost interest rates, signaling the covid economic effects will then be in the rear-view mirror.

But interest rates are currently going down and they’re likely headed lower. Normally, that would be a negative for the dollar.

So even though they would never say so publicly, the U.S. actually likes a weaker dollar. For one, it enables them to pay off their massive debt in cheaper dollars, and it gives the U.S. a trade advantage by making U.S. goods less expensive than the competition on the global stage.

But as we've mentioned many times, within the dollar's long-term decline, there are times when the dollar rises and sometimes those rises can last for a few years.

We don't think that's going to happen now, but anything is possible and we always have to be prepared, just in case.

Gold and Natural Resources

The market rise frenzy is not just with conventional markets, but commodities, foreign currencies, and digital currencies too. Commodities prices have been soaring, with the S&P GSCI moving materially higher. This has been led by strong growth in energy prices, fueled by optimism for a global economic recovery. Energy was the best performing component of this commodity index, with strong gains in crude oil and natural gas. Industrial metals like aluminum, lead and nickel also rallied. In addition, agricultural products like coffee, sugar, wheat, and corn were higher.

Building materials like lumber were initially up over +400%, but it have declined recently. With low interest rates, US residential home prices are at levels last seen in 2006. Demand for certain items have caused outsized price increases, like used cars, rental cards, chlorine, truck drivers and shipping containers.

Bitcoin and Ethereum started the year on a tear and reached levels where they had doubled year-to-date. The price of Bitcoin topped $60,000, but then dramatically declined. There were several issues that weighed on the digital currency. First, the US government was able to track and seize some Bitcoin, proving that it may not be untraceable and 100% anonymous. Then, Coinbase went public on April 14th and Elon Musk appeared on Saturday Night Live on May 8th. Both of these milestone events were not positive for many digital currency prices. Lastly, numerous countries have enacted rules to restrict the growth of digital currencies and mining. Although a (35%) to (40%) decline is sizeable, the price of Bitcoin is still above every other quarter end, except for 1q'21. Despite this price volatility, we expect trading volumes will be at or near record highs, when officially announced by Coinbase.

Gold, silver, gold shares, the resource sector and commodities continued their downward correction this past month. The precious metals are getting closer to their lows that could occur at any time.

We all know the relationship between gold and the U.S. dollar.. They tend to move in opposite directions and that's been the case ever since Nixon unleashed the dollar from the gold price almost 50 years ago. Gold then started trading in the free market.

Time will soon tell how the markets react to the unprecedented monetary stimulation we've seen over the past year, along with the ongoing building and infrastructure spending.

The huge run-ups in natural materials were in part due to the weakening U.S. dollar, but wide-scale shortages and difficulty in transporting products have been glaring at all of us as the economies opened up, and it will continue to affect parts of the economy.

Crude oil continued to move up with an opening economy and more demand.

This 500% rise has elated oil producers but it has made it hard to come to production agreements.
Energy shares have not come close to the same rise.

But the oil rise is overdone, it's extremely overbought and a correction could start any time, especially now that the long dated yields are falling.

There are several companies we're watching, like Freeport McMoran (FCX), as well as Cleveland Cliffs (CLF) and Caterpillar (CAT). We've been watching these companies for years, and when the time is right, these should be in your portfolio. The idea is to be buying resource companies that will benefit from the infrastructure plan led by President Biden, not to mention the ongoing construction that's been underway. Higher prices don't seem to be bothering the building boom.

Summary

Within our Fund portfolio, we strive to keep the weights manageable. We are not making outsized bets on holdings and use a disciplined risk management system to keep the portfolio weights modest. The reality is that we never like to lose money and understand how hard it is to earn back that capital.

One of the key characteristics we are always looking for in a company is market share leadership. The holdings are market leaders, with enduring competitive advantages. Warren Buffett calls it "moat investing".

The Sparrowhawk Fund own a highly concentrated portfolio with companies that generate significant free cash-flow and that have sizable amounts of cash on their balance sheets. Also, many of the holdings dominate their industry and actually have businesses that benefit from this environment of uncertainty.

Growth is returning, and the forward-looking economic picture is encouraging. This should have investors excited about 2021 and beyond. The stock market is pricing in what the US economy will look like in 12 to 18 months, not yesterday or even today. From the manager 's perspective, they remain cautiously optimistic. They are staying patient and focused on the long-term.

The Portfolio is positioned for a return to "normal"; however the exact timing of that "normal" is uncertain. The managers are not market timers, but they are confident the economy is in a much better position than back in March of last year. As Warren Buffett once said, "In the business world, the rear-view mirror is always clearer than the windshield."

It is better to watch what politicians do, not necessarily what they say. When the political or social environment feels uncertain, the Fund maintain its discipline and focus on the 40-year investing strategy, process and philosophy. The manager makes their investment decisions based on the fundamentals. This steady, patient, long-term-oriented approach, often leads to success.

The Sparrowhawk Fund's major strategy is usually to be fully invested (today 10% cash) in a highly concentrated portfolio with long-term holdings of quality companies, with solid balance sheets that generally enables the company to go through any recession.

Since 1980 the fund manager has generated + 54.700%, compared to the S/P500 +3.080% or 16,63% annually vs 8,65% for the S/P 500.

The conviction of the managers to spend time in the market and catch the immense strength of the long-term compounded returns is much more important than trying to time the market, which the manager believe cannot be done successfully.

How can you catch returns such as 77.000% (Microsoft since 1980) if you decided to sell this great company. There are a number of these companies that should be held for many years.

The Sparrowhawk Fund, a Long Global Thematic Conviction Equity Fund that is actively managed based on views with a time horizon measured in years, not days or months, emphasizing fundamental, economical and geopolitical analysis and select those sectors that should benefit from these movements.

WILDLIFE CONSERVANCY

We have very positive news from Lewa Wildlife Conservancy, Kenya, announcing 15 new rhino calves born this year alone. A record number of rhino births at Lewa. The Lewa-Borana landscape has now 230 rhinos on 93,000 acres of land.

Last year, your support of *Lifeline for Lewa* enabled them to keep core community programmes running, ensuring health, education, and micro-enterprise programmes continued to serve communities amid heightened instability, while support for the security and anti-poaching teams ensured critically endangered species continued to be protected. Round-the-clock security never stopped.
Thanks to steadfast support, Kenya Wildlife Service can report zero poaching incidents in all Kenya for the first time in 20 years.

With tourism funds all but dried up, they are left with a major gap to fill. And again, they need your help to continue Lewa’s core security to protect the endangered wildlife in northern Kenya.

Despite the global condemnation of poaching and the resources that have been mobilised to safeguard endangered wildlife, well-funded and well-equipped poaching groups continue to pose a real threat to Africa’s wildlife. As long as the illegal demand for wildlife-related products exists, endangered species worldwide, even those under Lewa’s protection, will be under constant threat.
Lewa must continually adapt to the rapidly evolving threat of poaching in order to protect the wildlife under its care.

Sparrowhawk Fund
Monthly Performance Figures

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD (USD)	YTD (EUR)	S/P 500
1980							7,04	3,45	3,77	5,46	16,3	0,54	**41,70%**	**57,35%**	18,83%
1981	-3,78	-2,08	1,23	-5,70	0,53	-2,60	-4,00	-5,64	-3,98	3,55	-2,1	0,15	**-22,23%**	**-6,54%**	-9,73%
1982	2,70	-5,83	-0,88	3,63	-0,42	3,93	2,92	9,78	8,83	12,96	9,02	9,05	**69,77%**	**92,22%**	14,76%
1983	3,26	4,96	5,07	9,53	5,68	7,51	0,05	-1,77	-0,45	-2,86	0,18	-1,28	**33,20%**	**57,97%**	17,26%
1984	-2,67	-2,98	-0,35	-1,91	-3,04	0,82	0,33	10,61	-3,33	4,6	-0,12	7,42	**8,63%**	**25,61%**	1,38%
1985	6,11	0,16	-1,19	-0,4	7,38	2,93	1,15	1,31	-1,95	4,42	5,04	3,57	**31,95%**	**5,45%**	26,36%
1986	1,71	4,30	1,59	-0,54	4,23	1,47	-2,39	1,65	-4,40	2,42	0,41	-1,53	**8,89%**	**-9,69%**	14,62%
1987	6,80	2,35	1,09	-3,85	-0,23	-2,31	7,59	-1,12	-2,11	-20,52	-4,48	5,03	**-14,00%**	**-29,60%**	2,03%
1988	4,17	2,54	1,08	2,65	-3,62	3,53	0,10	0,18	1,82	0,76	0,82	1,75	**16,71%**	**30,43%**	12,39%
1989	1,99	1,44	-0,09	1,46	2,05	0,99	3,99	0,67	-0,52	-0,71	1,69	-2,08	**11,29%**	**9,62%**	27,25%
1990	-2,2	1,23	3,18	0,09	6,79	3,21	2,10	-5,39	-6,21	0,58	3,24	2,44	**8,64%**	**-5,29%**	-6,56%
1991	5,73	6,16	3,8	0,45	-1,06	4,12	3,45	0,62	-0,32	0,67	-2,53	8,10	**32,69%**	**35,65%**	26,30%
1992	2,88	4,53	-3,22	-1,73	-0,33	-2,42	0,52	-0,33	2,50	3,85	8,52	-2,77	**11,93%**	**24,27%**	4,47%
1993	1,31	3,11	3,08	2,39	8,59	0,57	1,89	1,91	0,33	3,48	1,61	3,52	**36,93%**	**48,19%**	7,06%
1994	5,00	1,94	-0,14	2,36	2,4	0,07	5,65	5,25	1,25	-1,21	-6,24	-0,86	**15,91%**	**5,15%**	-1,55%
1995	3,43	3,26	5,03	-0,22	1,55	2,76	11,64	1,77	0,80	-0,73	7,45	-1,47	**40,58%**	**35,01%**	34,12%
1996	5,67	6,01	-5,00	5,88	-0,38	-3,34	-6,79	5,56	5,67	-0,34	8,17	-1,27	**20,07%**	**22,34%**	20,26%
1997	7,63	-0,27	-2,94	4,23	9,81	1,87	11,37	1,75	0,95	-2,25	3,28	1,17	**41,93%**	**61,92%**	31,01%
1998	-2,25	16,05	5,26	0,82	-4,70	6,31	-1,19	-12,08	0,00	11,64	10,66	14,16	**49,43%**	**43,31%**	26,67%
1999	6,37	-5,14	8,10	1,87	0,24	7,37	-3,04	2,64	-2,51	7,09	3,53	10,54	**42,20%**	**61,76%**	19,53%
2000	-1,56	5,36	9,32	-8,22	-5,69	5,95	-1,98	17,36	-8,48	-9,31	-12,12	1,49	**-11,46%**	**-5,37%**	-10,14%
2001	3,32	-14,68	-2,93	12,31	-11,19	-3,55	1,56	-1,09	-4,28	2,4	3,72	-1,88	**-17,52%**	**-12,72%**	-13,04%
2002	-0,64	-5,42	2,56	1,33	1,15	2,13	6,73	-0,78	2,8	0,33	-6,24	2,93	**6,34%**	**-9,79%**	-23,37%
2003	-0,18	-2,24	2,61	0,00	2,40	-4,62	0,88	4,33	-4,38	5,5	3,16	4,44	**11,85%**	**-6,72%**	26,38%
2004	2,01	3,32	1,12	-4,67	2,07	2,02	-1,67	-1,75	0,95	2,53	4,35	1,2	**11,71%**	**3,70%**	8,99%
2005	4,71	10,78	-2,84	-4,9	3,00	2,41	6,54	3,85	3,78	-4,17	6,2	3,87	**37,24%**	**57,15%**	3,00%
2006	21,12	-4,49	9,06	8,97	-5,29	-5,14	-4,86	2,62	-4,86	-0,47	5,10	-1,61	**18,09%**	**5,95%**	13,62%
2007	5,72	-3,93	3,2	7,28	6,50	2,25	-1,57	-2,05	15,1	9,58	-2,69	3,46	**49,90%**	**35,58%**	3,53%
2008	3,31	9,14	-6,09	8,25	0,62	6,98	-8,8	-8,56	-11,02	-4,71	0,81	4,39	**-8,92%**	**-4,93%**	-38,48%
2009	-0,08	2,82	1,29	7,80	7,74	9,18	-9,41	9,63	3,71	3,34	-0,08	2,98	**48,08%**	**44.51%**	23,45%
2010	-9,79	3,43	7,78	-5,85	-6,39	-4,61	9,02	3,11	8,70	3,77	1,11	9,89	**7,71%**	**15,27%**	12,78%
2011	3,02	0,40	-7,01	0,94	-2,98	-2,73	5,63	-8,41	4,32	-7,97	2,70	-3,27	**-17.60%**	**-15,46%**	0,00%
2012	4,49	0,03	-1,33	-1,03	-2,91	-1,10	3,18	0,53	0,73	-0,96	-2,14	-1,86	**-0,73%**	**-2,60%**	13,41%
2013	2,81	2,24	0,99	-3,69	-0,88	-5,21	-2,3	0,25	-1,70	1,55	1,45	-0,25	**-1,36%**	**-5,31%**	29,60%
2014	-0,02	2,94	2,75	-0,86	1,22	-0,49	-0,53	3,01	-0,51	-0,32	-0,01	-0,02	**-5,71%**	**7,16%**	11,39%
2015	1.59	3,94	1,79	-2,84	1,21	-1,90	0,55	-5,42	-2,47	6,06	2,15	-3,39	**-9,62%**	**0,64%**	-0,73%
2016	-2,71	1,16	-0,99	-0,04	1,17	-0,10	2,72	-1,08	0,37	1,84	1,78	2,48	**3,28%**	**6,69%**	9,54%
2017	2,17	4,16	0,39	0,47	-1,09	-1,46	0,49	-2,76	0,25	4,39	0,53	0,64	**23,52%**	**8,33%**	**19,42%**
2018	5,79	-1,20	-4,80	2,80	5,69	2,22	2,05	4,28	1,65%	-5,05	0,40	-8,49	**-1,99%**	**2,47%**	**-6,24%**
2019	5,82	3,32	5,22	6,33	-7,29	2,94	3,68	-0,80	0,86	0,74	3,63	1,19	**24,59%**	**27,03%**	**29,30%**
2020	4,08	-3,18	-8,70	+12,05	+2,40	+3,90	+1,58	+5,58	-1,60	-2,05	+5,33	+1,16	**27,66%**	**17,19%**	**16,26%**
2021	-0,19	+6,22	-1,39	+3,08	-1,59	+4,38	1,72%						**9,29%**	**12,44%**	**17,02%**

Audited YTD performance.
1980-2008 in USD
2009-today in EUR

Performance prior to January 2009 is based on the FCM Opportunity Fund (USD) which has been managed by the Investment Manager since 1980 using the same investment strategy and approach as the Sparrowhawk Fund.
Past performance is not an indicator of future results.

DISCLAIMER: Firm: FCM SA is a registered investment adviser. In general: This disclaimer applies to this document and the verbal or written comments of any person representing it. The information presented is available for client or potential client use only. This summary, which has been furnished on a confidential basis to the recipient, does not constitute an offer of any securities or investment advisory services, which may be made only by means of a private placement memorandum or similar materials which contain a description of material terms and risks. This summary is intended exclusively for the use of the person it has been delivered to by FCM SA and it is not to be reproduced or redistributed to any other person without the prior consent.

Past Performance: Past performance generally is not, and should not be construed as, an indication of future results. The information provided should not be relied upon as the basis for making any investment decisions

Past portfolio characteristics are not necessarily indicative of future portfolio characteristics and can be changed. Past strategy allocations are not necessarily indicative of future allocations. Strategy allocations are based on the capital used for the strategy mentioned. This document may contain forward-looking statements and projections that are based on current beliefs and assumptions and on information currently available.

Risk of Loss: An investment involves a high degree of risk, including the possibility of a total loss thereof. Any investment or strategy is speculative in nature and there can be no assurance that the investment objective(s) will be achieved. Investors must be prepared to bear the risk of a total loss of their investment.

This presentation is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use is contrary to local law or regulation. Additional information: Prospective investors are urged to carefully read the applicable memorandums in its entirety.

All information is believed to be reasonable, but involve risks, uncertainties and assumptions and prospective investors may not put undue reliance on any of these statements. Any information may be changed or updated without notice to the recipient.

Tax, legal or accounting advice: This presentation is not intended to provide, and should not be relied upon for, accounting, legal or tax advice or investment recommendations. Any statements of the tax consequences contained in this presentation were not intended to be used and cannot be used to avoid penalties or to promote, market or recommend to another party any tax related matters addressed herein.

Robin Curry-Lindahl

LCL Asset Management AB
FCM S.A.
19, Avenue Emile De Mot
1000 Brussels, Belgium

Mob: +32 496 166368
Tel: +32 (0)2 641 1599
Email: rcl@fidelity-sa.be
www.fcm-sa.com

Disclaimer.:
Past performance is not a guide to future performance. The value of investments and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements.

This letter is not intended for the giving of investment advice to any single investor or group of investors and no investor should rely upon or make any investment decisions based solely upon its contents.