

OVERVIEW

The Patton Absolute Return Strategy (“ARS”) seeks to achieve positive returns in all market environments through active trading in U.S. stocks, fixed income securities, and related derivatives. The strategy combines income streams from traditional asset classes with a heavy emphasis on market neutral options trading. Arbitrage profits are generated from the volatility risk premium; a market inefficiency where option prices are systematically overpriced relative to realized volatility. The strategy does best when option prices are high and asset prices have no strong trend in either direction.

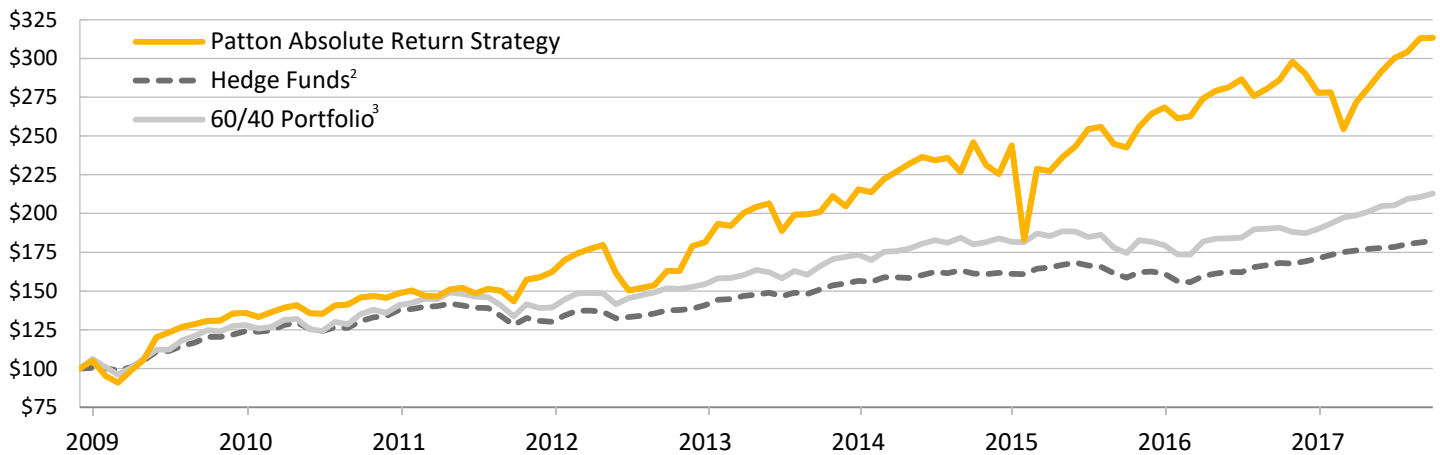
KEY RESULTS

- 8+** Straight Years of Profits
- 13.8%** Annualized Growth Rate
- 2.6x** Total Return of Hedge Funds
- 2.0x** Total Return of 60/40 Portfolio

MONTHLY RETURNS % (Net of Fees)¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2008	–	–	–	–	–	–	–	–	–	–	–	5.2	5.2
2009	(9.4)	(4.7)	8.5	7.0	13.9	2.5	3.0	1.4	1.6	0.1	3.6	0.3	29.2
2010	(2.0)	2.2	2.1	1.3	(3.6)	(0.3)	4.0	0.4	3.2	0.7	(0.8)	2.0	9.3
2011	1.2	(2.1)	(0.5)	3.2	0.7	(2.4)	1.9	(0.7)	(4.6)	9.8	0.8	2.3	9.3
2012	4.6	2.6	1.7	1.3	(10.0)	(6.9)	1.0	1.1	6.2	0.0	9.8	1.4	11.8
2013	6.5	(0.6)	4.3	1.9	1.2	(8.6)	5.6	0.1	0.7	5.2	(3.1)	5.3	18.8
2014	(0.9)	3.9	2.3	2.2	1.9	(0.9)	0.7	(3.9)	8.4	(5.9)	(2.6)	8.2	13.1
2015	(25.0)	25.1	(0.6)	4.0	2.9	4.6	0.5	(4.2)	(0.9)	5.4	3.3	1.5	10.0
2016	(2.6)	0.5	4.4	1.8	0.8	1.8	(3.7)	1.7	2.1	4.1	(2.6)	(4.3)	3.6
2017	0.1	(8.5)	6.9	3.5	3.7	2.9	1.3	2.9	0.1	–	–	–	12.7

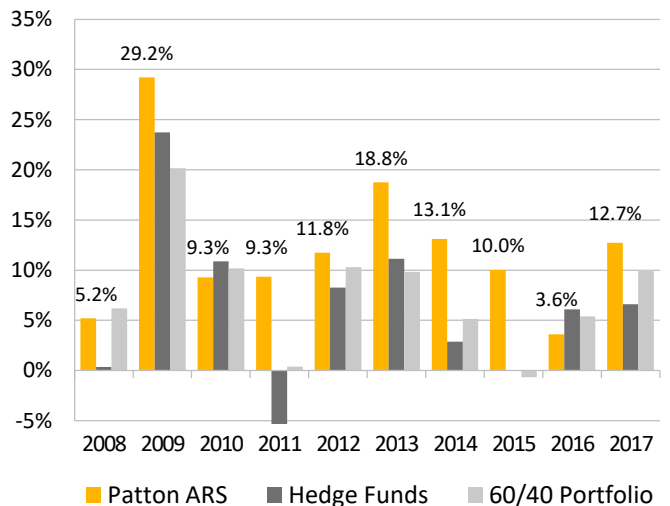
PERFORMANCE: Growth of a \$100 Investment¹



RETURN STATISTICS

	Patton ARS	Hedge Funds	60/40 Portfolio
Average Monthly Return	1.22%	0.58%	0.71%
Cumulative Return	213.3%	82.3%	107.1%
1 Year	9.5%	8.4%	9.0%
3 Year CAGR	8.4%	4.2%	5.2%
5 Year CAGR	14.0%	5.8%	6.2%
Since Inception CAGR	13.8%	7.0%	8.6%
Monthly Standard Deviation	5.3%	1.6%	2.2%
Annualized Standard Deviation	18.2%	5.5%	7.8%
Sharpe Ratio (0%)	0.76	1.28	1.11
Correlation	1.00	0.44	0.45
Winning Months	71.7%	67.0%	67.0%
Longest Winning Streak	10 Months	12 Months	10 Months
Longest Losing Streak	2 Months	5 Months	5 Months

ANNUAL RETURNS



¹ Inception date 12/03/2008 through 9/31/2017.

² Hedge Funds = Barclay Hedge Fund Index.

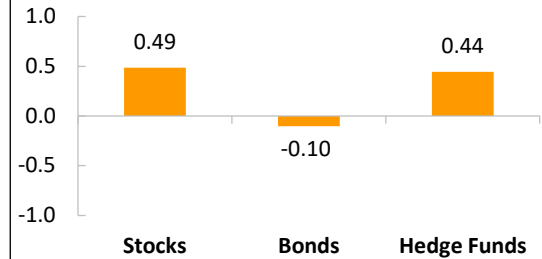
³ 60/40 Portfolio = 60% Stocks (MSCI ACWI) & 40% Bonds (Barclays Aggregate). Refer to disclosures on back page, Investment Management Agreement & form ADV.

INVESTMENT GOALS

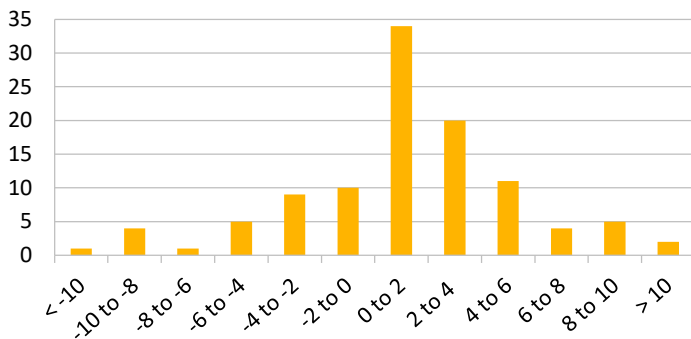
ABSOLUTE RETURN: An outright return achieved irrespective of overall market direction. Whereas traditional investment managers typically measure their success in terms of whether they track or outperform a key market benchmark or index (relative returns), Patton ARS is an alternative type of investment strategy that aims to achieve outright positive returns irrespective of whether asset prices or key market indices rise or fall (absolute returns).

RETURN TARGET: 12% to 18% per year before fees with moderate volatility.

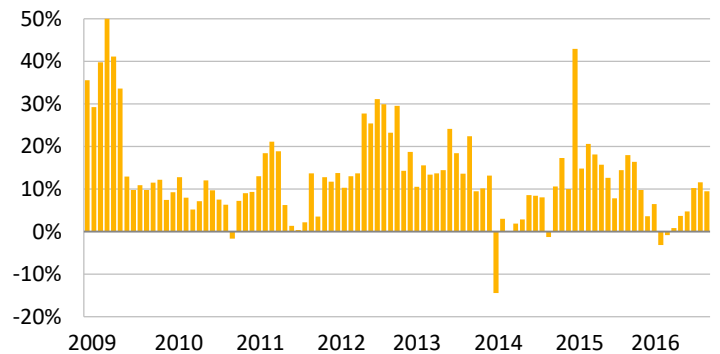
CORRELATION



DISTRIBUTION OF MONTHLY RETURNS % (Net)



12 MONTH ROLLING RETURNS % (Net)



TERMS

Fee	2% Management or 20% Incentive
High Watermark	Yes
Lockup Period	None
Subscriptions	Rolling
Withdrawals	Monthly with 30 Days Notice
Min. Investment (Individuals)	USD \$50,000
Min. Investment (Institutions)	USD \$250,000
Legal Structure	Separate Managed Accounts
Prime Broker / Execution	Interactive Brokers Group LLC
Auditor / Administrator	N/A for Managed Accounts

PORTFOLIO MANAGER

Contact

Name: Mr. Charles Patton Email: charles@pattonim.com
Phone: +1 646.335.6431

Experience

Morgan Stanley, Barclays Capital, Markit, Bridgewater Associates, Bank of America

Education

MS Investment Management - Cass Business School, London, UK
BS Management - Rensselaer, Troy, New York, USA

DISCLOSURES: The Patton Absolute Return Strategy composite performance reflects all fully discretionary, fee paying, margin eligible, accounts managed by the firm after its founding in April 2013. Results prior to April 2013 reflect the portfolio manager’s personal account before founding Patton Investment Management. The firm was later incorporated as “Patton Investment Management LLC” in February 2014. The Patton composite return is a time weighted, asset weighted, total return of composite portfolios; including accounts no longer with the firm. Excluding no-fee accounts and non-margin accounts has increased the reported return. The performance of individual client accounts can vary significantly from the performance of the composite. Composite returns are net-of-fees and include a model advisory fee of 2.00% of assets per year, assessed monthly, which was the highest fee charged to any client over the period reported. Actual investment advisory fees incurred by clients may vary, and are negotiable. Composite returns include the reinvestment of all income; and the deduction of all brokerage fees & expenses and foreign withholding taxes. The composite is not managed to any particular benchmark and is presented alongside the indices for comparative purposes only. Composite returns and volatility are likely to be different from the past and vary from any given index. The U.S. Dollar is the currency used to express performance.

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