

April 30th, 2019

FX2

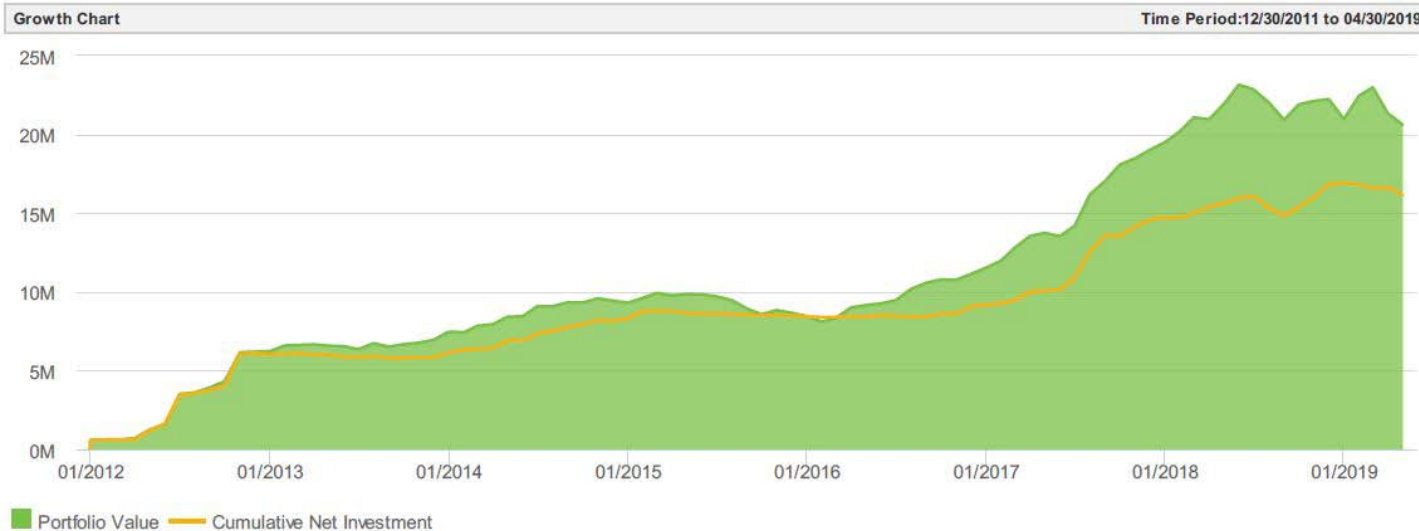
DURIG FIXED INCOME 2

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Want Higher Alpha? Find it in Durig's FX2 Bond Portfolio

Fixed Income 2 - Historical Performance

- ❖ Return Since Inception (*Annualized*) of **7.35%**
- ❖ Trailing 5 Yr of **4.90%**
- ❖ Trailing 3 Yr of **11.06%**
- ❖ Trailing 1 Yr of **-8.06%**
- ❖ Alpha of **10.34** (*vs. Benchmark**)
- ❖ Beta of **-0.86** (*vs. Benchmark**)
- ❖ Excess Return of **9.15%** (*vs. Benchmark**)
- ❖ YTD Return of **1.74%**



Outperformance of FX2 – Validated by Independent Third Parties

Morningstar (*High Yield Fixed Income*)

- ❖ Ranked 1st in Trailing 1 Year Return, Q1, Q2, Q3, 2018
- ❖ Ranked 1st in Trailing 3 Year Return, Q1, Q2, Q3, Q4, 2018
- ❖ Ranked 1st in Trailing 5 Year Return, Q1, Q2, Q3, Q4, 2018

Informa (*Short Term Fixed Income*)

- ❖ Ranked 1st in Trailing 1 Year Return, Q3, 2018
- ❖ Ranked 1st in Trailing 2 Year Return, Q3, Q4 2018
- ❖ Ranked 1st in Trailing 3 Year Return, Q3, Q4, 2018
- ❖ Ranked 1st in Trailing 5 Year Return, Q3, Q4, 2018
- ❖ Ranked 1st in Return Since Inception, Q3, Q4, 2018

The FX2 Strategy Has Outperformed in Rising Rate Environments

- ❖ Q4 2016, the US 10-Year Treasury Rate rises from a low of around 1.6% to a high of about 2.6%, an increase of roughly 62%, one of the largest percentage increases in interest rates in 50 years
- ❖ Morningstar ranked FX2 the #1 performer in its peer group during this historic period of rate hikes (*shaded portion of graph, "Q4 2016 Rate Spike"*)
- ❖ A portfolio of maturity certain assets is preferred by most in a rising rate environment, and short average maturities help to mitigate interest rate risk
- ❖ FX2 has found S&P 500 like performance in cumulative return since Q2 2016 when interest rates began to rise from their most recent lows



Contact

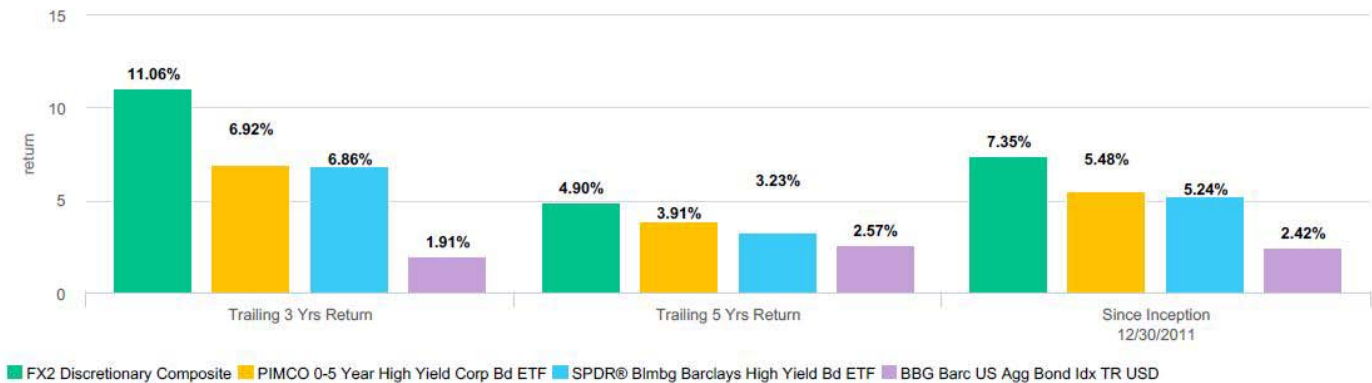
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*Disclaimer: Past performance is no indication of future success. * BBG Barclay US Agg Bond Idx TR is the primary benchmark used.*

FX2 Has Repeatedly Outperformed the Historical Returns of its Peers in High Yield Fixed Income

Time Weighted Return Comparison



Top Holdings

Top 5 Holdings

Security Name/Description	Symbol
GRAN COLOMBIA GOLD CORP 1:15 R/S 4...	TPRFF
INTELSAT BERMUDA LTD SENIOR NO TE ...	458204AP9
GRAN COLOMBIA GOLD CORP NOTE C A...	38501DAL9
99 CENTS ONLY STORES SENIOR NO TE ...	65440KAB2
ALLIANCE ONE INTERNATIONAL SEN IOR...	018772AS2

- ❖ The majority of our FX2 accounts are overweight in domestic corporate bond issues that have met our stringent investment criteria
- ❖ We try to maintain average bond maturities in most portfolios at 2-3 years to minimize interest rate volatility and benefit from laddered maturities

Benefits

- ❖ Historically, FX2 has offered investors an outstanding Alpha (active return) of 10.34 (vs. *Benchmark**)
- ❖ A Negative Beta of - 0.86 (vs. *Benchmark**) means FX2 has very minimal correlation to debt markets, while when benchmarked to the S&P 500, FX2 has a low beta of 0.48, meaning it has less volatility than the overall stock market
- ❖ Historically, FX2 has provided an excess return of 9.15% (vs. *Benchmark**)
- ❖ Historically, FX2 has provided Superior Income & Outstanding Performance in Fixed Income
- ❖ Low Annual Management Cost of 0.50% allows for higher net returns to the investor
- ❖ Historically, FX2 has offered exposure to a wide diversity of issuers and industries
- ❖ Low average maturities help to mitigate interest rate risk and keep investments liquid

Bond Portfolio Structure

- ❖ Low average cost + Higher Returns = Higher Net Returns to Clients
- ❖ Discretion allows for active management of investments and enables proactive management
- ❖ Segregated accounts; no pooled funding, so tax implications of the account match that of the investor
- ❖ Investors may access their account online, allowing for 3rd party validation (*TD Ameritrade offers comprehensive, 24/7 account access online to their custodial clients*)
- ❖ We leverage over 50 years of professional investment experience with an emphasis on personalized service
- ❖ Short maturities allow us to keep investments liquid & help to minimize the effects of interest rate volatility

Getting Started with FX2

- ❖ Minimum Investment of 125k
- ❖ Discretionary Management only
- ❖ Low Annual fee of 0.50%
- ❖ No minimum investment period
- ❖ Custodied at TD Ameritrade Institutional
- ❖ Begin with an Introductory Conversation
- ❖ Review/return a signed Discretionary Management Agreement
- ❖ We send you the appropriate forms with clear instructions for completion, send the forms back to us and relax, we will take care of the rest of the set-up
- ❖ We are just a call or email away should you need any assistance

About John "Randy" Durig – Principal, Portfolio Manager, Founder, Durig Capital, Inc.

John "Randy" Durig has over 30 years of professional investment experience, having achieved senior vice president of a firm now called RBC Dain Rauscher Corp. Mr. Durig's portfolios have achieved extremely high levels of performance.

Mr. Durig now manages his own firm, and has assembled a talented team of professionals that work tirelessly to provide you with premier Fixed Income services.