

January 31st, 2020

FX2

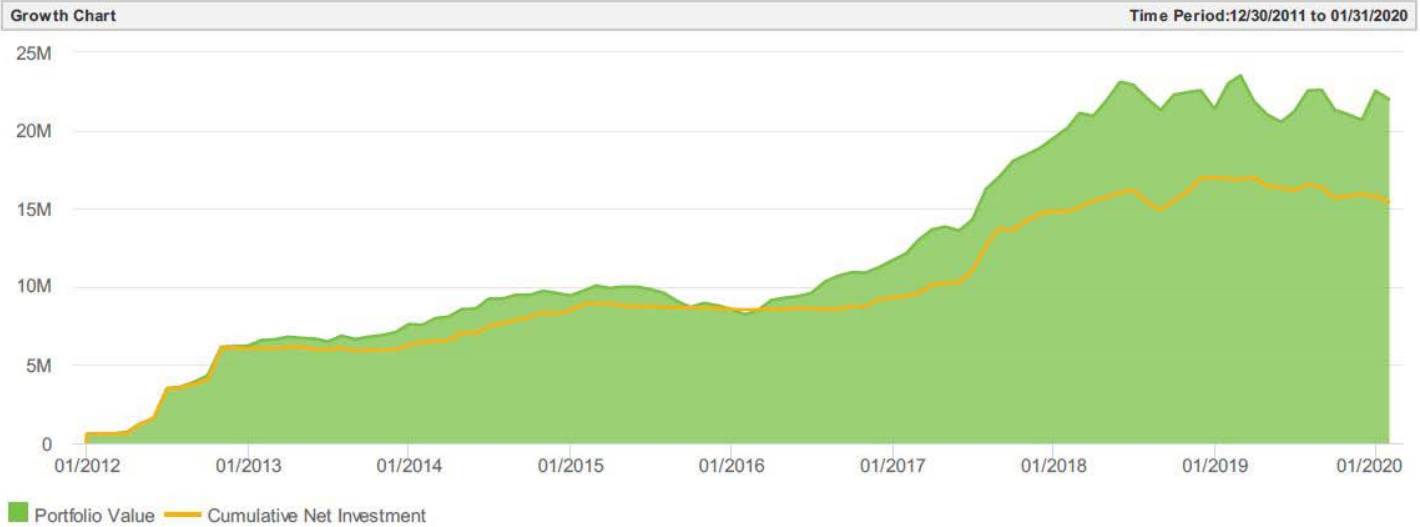
DURIG FIXED INCOME 2

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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 **7.88%**
- ❖ Trailing 3 Yr of **8.37%**
- ❖ Trailing 1 Yr of **7.61%**
- ❖ Alpha of **9.22** (vs. Benchmark*)
- ❖ Beta of **-1.14** (vs. Benchmark*)
- ❖ Excess Return of **2.98%** (vs. Benchmark*)



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

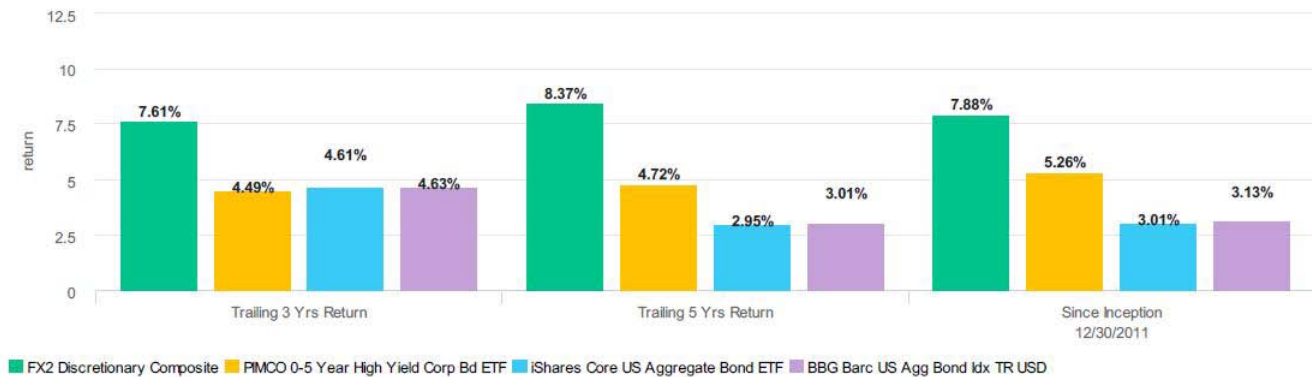
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Disclaimer: Past performance is no indication of future success. * BBG Barclay US Agg Bond Idx TR is the primary benchmark used.

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

GRAN COLOMBIA GOLD CORP 1:15 R /S 4/27/17 38501D808
GRAN COLOMBIA GOLD CORPORATION WARRANT
GRAN COLOMBIA GOLD CORP NOTE C ALLABLE M/W MTHLY
FDIC INSURED DEPOSIT ACCOUNT IDA12 NOT COVERED BY SIPC
CEC 8 02/15/22

- ❖ 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 3-4 years to minimize interest rate volatility and benefit from laddered maturities

Benefits

- ❖ Historically, FX2 has offered investors an outstanding Alpha (active return) of 9.22 (vs. Benchmark*)
- ❖ A Negative Beta of - 1.14 (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 0.44, meaning it has less volatility than the overall stock market
- ❖ Historically, FX2 has provided an excess return of 2.98 (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.