

# Meltemi Total Return Investment Portfolio

## MTRIP<sup>©</sup>

## Background and description

Stretching back a few decades, major equity markets such as the US and Europe have enjoyed about a 3.5% premium over their risk-free interest rates. Active asset allocation and security selection may generate higher returns. A portfolio simply growing at only 7% per annum will double in value over ten years.

MTRIP is an individually managed discretionary investment portfolio. The portfolio strategy is to make long-only investments in global equities, bonds, and precious metals. Occasionally, to hedge or to enhance investment returns it may sell 'covered call options' and 'put options'.

## Investment objectives

Aims to generate superior returns — typically 3%-5% before investment management fees, above the one-year deposit rate of the reference currency of the portfolio over a business cycle, with less volatility than global equities.

However, there may be extended periods of negative or lower than deposit-rate investment performance. Occasionally the portfolio may even experience a partial loss of the capital and an investor may not get back all of the capital invested.

## Structure

The Investment Manager for the MTRIP is Meltemi Investment Management Limited ('Meltemi'), a UK registered company, authorised and regulated by the Financial Conduct Authority (FCA) in the United Kingdom. The principals of the firm have a successfully managed funds for wealthy individual clients over decades.

We facilitate our clients in opening their accounts at some of the premier international banks; Bank Julius Baer & Co. Ltd and VP Bank (Schweiz) AG, Zurich. The bank will then act as a custodian for the client's assets. The client will also grant power over this account (discretionary portfolio management) to Meltemi to execute the MTRIP investment strategy, as described below.

The custodian bank will maintain all primary records of investments and will provide trade confirmations, valuations and any other information about the portfolio directly to the client with a copy to Meltemi for it to be able to manage the portfolio. Meltemi will send a quarterly portfolio review to its clients.

## Investment profiles

The horizon years

1 or less	2	3	4	5
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Risk

Low	Moderate	Balanced	Higher risk	High risk
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Investment objectives

Capital preservation	Income	Growth/Income	Growth	Aggressive growth
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## **1. Asset allocation**

We regularly follow macroeconomic fundamentals and market dynamics of more than 30 countries, sometimes with the help of external economic advice.

This helps us determine a framework against which we constantly monitor and readjust country and asset allocation between cash, bonds, equities, currencies, and any hedging.

## **2. Equities – maximum up to 75%**

- Identify 'growth' companies or companies benefitting from the business cycle and which fit the in-house 'buying growth cheaply' philosophy.
- Select equities-based country and sector ETFs benefitting from cyclical and structural economic growth.
- Allocate a small portion of the portfolio to contrarian situations whereby a company, a sector or a country has gone through some turmoil but is showing signs of recovery.
- A maximum of 5% of the portfolio could be invested in a single equity and a maximum of 20% in a single ETF at the time of purchase.

## **3. Bonds**

- Invest part of the portfolio in liquid government and corporate bonds issued in major currencies with five years or less remaining life. Select liquid ETFs of such bonds managed by reputable service providers. Such ETFs, however, may contain bonds with more than five years remaining life.
- A maximum of 10% of the portfolio could be invested in a single bond, unless the issuer is a G7 Government when the limit of investment may exceed 10%, and up to 20% in a single ETF.
- Exposure to below investment grade or non-rated bonds and related ETFs will be limited to a maximum of 40% of the portfolio value.

## **4. Hedging**

Depending on our economic and market views we may partly or fully hedge the non-reference currency exposure of equities and bonds by selling forward FX contracts of the relevant currency by buying 'inverse' ETFs or any other appropriate financial instrument ('the hedge'). The hedge may not exactly match the characteristics of the investment being hedged.

## **5. Options**

We may sell 'covered call options' on equities and earn a premium to enhance the returns on the portfolio. We may also sell 'put options' and earn a premium to enhance the returns or to buy equities at a cheaper level. The total exercisable amount of 'sold' put options will not exceed 100% of the portfolio value. Also, the market value of all outstanding short put options will not exceed 10% of the portfolio value. All options will be 'exchange traded' options. All options will be 'exchange traded' options.

Investment performance*** % — January 2016 to December 2024	2023	2024	CAGR*	Sharpe Ratio**
USD MTRIP	6.88	9.27	4.35	0.1
USD One-year deposit rate	5.04	4.73	3.58	

\* Compound annual growth rate  
 \*\* Volatility risk adjusted returns  
 \*\*\* Performance is shown net of all fees and expenses

### Important information

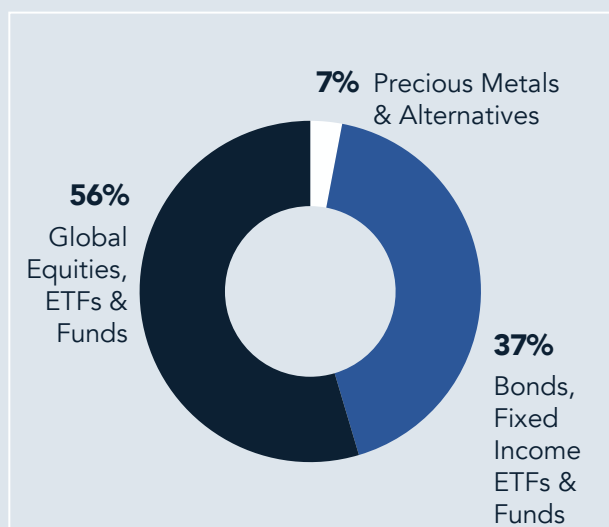
Past performance is not a guide to future results, real results may vary. The value of investments and the income from them can go down as well up. The portfolio may hold investments that are not guaranteed or insured by anyone and are subject to investment risk. An investor may not get back the full amount originally invested.

Exchange rate changes may cause the value of an overseas investment to rise or fall against the reference currency.

Investors should be aware that investment in derivatives, for example forward foreign exchange contracts and options involve an above average degree of risk due to the geared nature of these instruments.

### Top 10 investments — % of the portfolio

USD Janus Henderson Balanced USD Fund	7.96
USD Nedgroup Balanced Fund	7.59
USD Fidelity Blue Chip Growth ETF	6.14
USD Deutsche 6.720 18-JAN-2029 '28	6.41
USD Algebris Financial Credit Fund	5.52
USD UBS 4.253 23-March-2028	4.59
USD Marriott 5.550 15-OCT-2028 '28	3.57
USD Algebris Financial Equity Fund	3.17
USD iShares MSCI Quality ETF	3.04
USD iShares S&P 500 Growth ETF	3.01

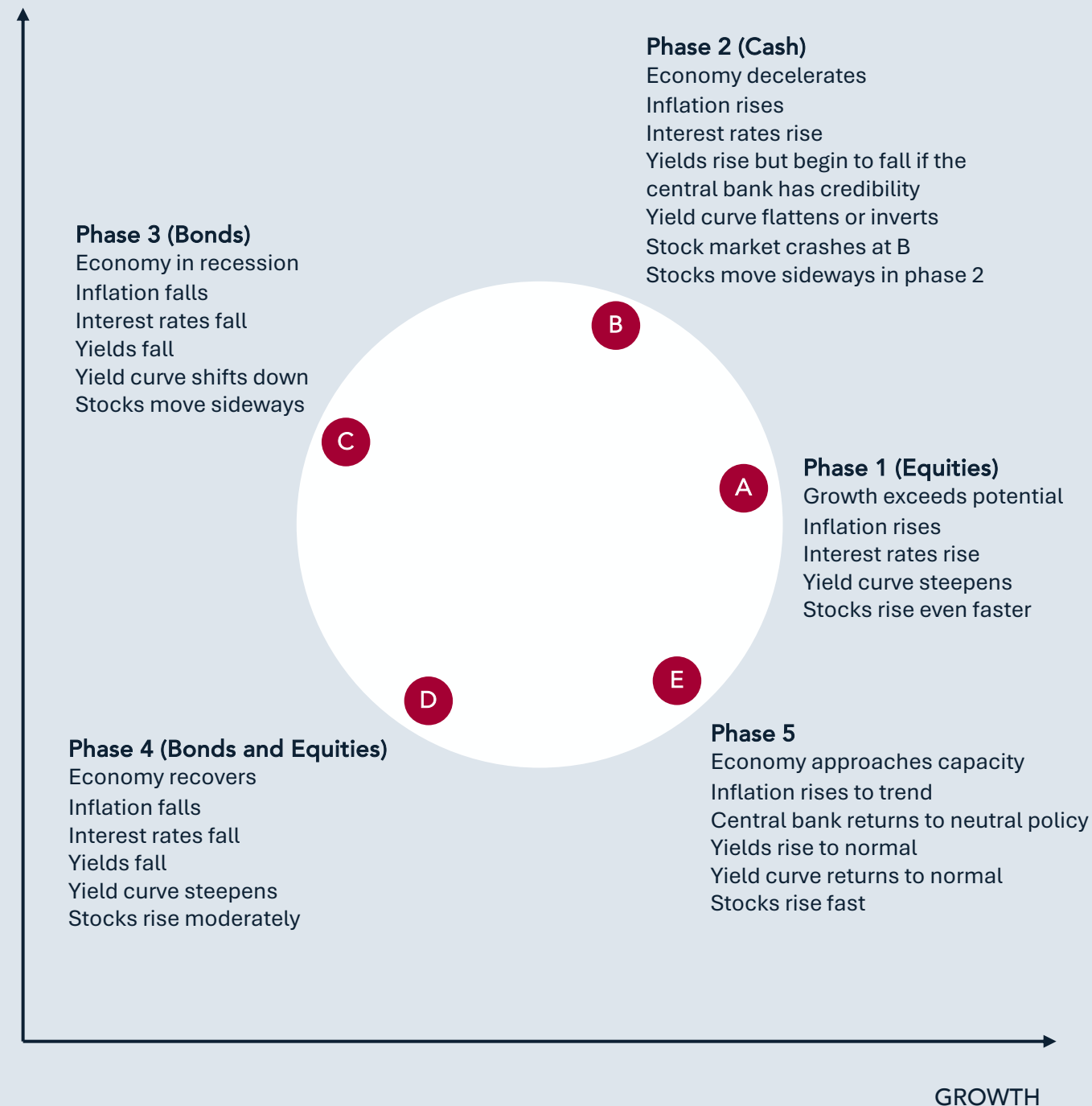


### Notes

The portfolio composition in December 2024 is representative and not a recommendation. It reflects our current preferred sectors and countries and will change over time as economic cycles and structural changes progress and is subject to change without prior notice.

Income and dividends from ETFs and shares listed in the US are subject to 30% withholding tax by the United States government for non-US residents.

INFLAMATION



Investment manager	Meltemi Investment Management Limited, a company registered in the United Kingdom, authorised and regulated by the FCA.
Minimum investment	USD 3,000,000.
Reference currency	USD or EUR.
Custodian	Bank Julius Baer & Co. Ltd and VP Bank (Schweiz) AG, Zurich
Documentation	Meltemi requires a Discretionary Investment Management Agreement, Client Profile, Investment Objectives and Risk Profile, and any other regulatory documentation required by law. The custodian bank will also require their account opening documentation including a Power of Attorney for Meltemi to manage the client's portfolio.
Distribution Restrictions	Available to retail and professional clients as defined by the Financial Conduct Authority. This investment management service is not available in countries where it would be prohibited for distribution by their law. A prospective client should make independent enquiries as to whether the MTRIP would be available for distribution in their country.
Liquidity	The portfolio can be liquidated at any time by giving instructions to the custodian bank or Meltemi.
<b>Fees</b> Investment Management	1.50% p.a. charged quarterly in arrears on the portfolio value at the end of each quarter to be paid by the custodian bank upon receiving an invoice from Meltemi.
Custody, administration and brokerage	Charged directly by the custodian bank according to their fee schedule. (Meltemi may be able to negotiate favourable terms for its clients.)

We have a unique investment team and investment ethos. Three senior members of the investment team have known each other for over 25 years and have worked together in senior investment management positions in some of the top international financial institutions. They are highly respected in their individual areas of expertise: global asset allocation, currencies management, equities, bonds and options.

A small team enables us to react to changing markets quickly, meaningfully and efficiently, and also to construct tailor-made individual portfolios according to client needs.

### **Sikander Khan**

Sikander H. Khan has over 40 years of investment management experience. Prior to forming Meltemi he was the Chief Investment Officer of Standard Chartered Grindlays Private Bank, where he managed a team of investment professionals globally, providing discretionary and advisory investment expertise to the high-net worth clients of the Bank.

He joined Citibank in 1986 and by the end of 1998 he was the Senior Investment Manager and Head of Investments at Citibank Private Banking Group in London. Sikander was also the lead manager of the Luxembourg-registered CitiLandmark Managed Currency Fund. In 1997 and 1998 the Fund was awarded first place in the Standard & Poor's Micropal Offshore Territories Money Market International (Managed Currency) Sector.

Sikander is a Chartered Wealth Manager from the Chartered Institute for Securities and Investment (CISI) in the UK, is a Senior Chartered Accountant qualified with the Institute of Chartered Accountants in England and Wales, and a graduate with a Bachelor's degree in Economics and English Literature.

### **Cem Balcisoy**

Cem Balcisoy has over 20 years' experience of advising and dealing with ultra-high net worth individuals based in Europe and Turkey. After achieving an undergraduate degree in Electronic Engineering from Nottingham University in 2000, he started his finance career at American Express Bank in London as an account officer handling risk assessment of financial assets and then advising on investment products to meet customer needs and requirements.

In 2004 he was awarded an MBA in Finance from Nottingham Business School (part of Nottingham University). In 2006 he joined the National Bank of Dubai in London (now known as Emirates NBD) to establish a Turkey Marketing Desk mainly providing investment-related services to ultra-high net worth individuals. He then moved to the Barclays Bank in London in 2008 where he was part of the international private banking team mainly concentrating on Turkish clients for investment banking services, real estate consultancy and portfolio management.

Cem is a Chartered Wealth Manager from the Chartered Institute for Securities and Investment (CISI) in the UK. He joined Meltemi in 2011.

### **Fikret Önder**

Born in Turkey, Fikret Önder studied Economics at the University of Bonn (Germany), where he worked as an assistant professor for two years after his graduation. His finance career started at Merrill Lynch AG, Düsseldorf in 1981. He became Head of Institutional Equity Sales at Sal. Oppenheim Jr. & Cie, Cologne, where he worked from 1985 to 1992 before joining Citibank Private Bank, London as Lead Portfolio Manager for Global Equity portfolios. In 1995 he joined UBS Private Banking, London as a senior portfolio manager. In 1998 he moved to Julius Baer & Co., London where his responsibilities were extended to cover marketing activities as well as asset management.

In July 2000 he was appointed Executive Vice President and Head of Private Banking of Akbank in Istanbul, starting this business unit from scratch. By the time he left in July 2011, assets under management had reached USD 13.5 billion. Akbank Private Banking was awarded the 'Best Private Bank in Turkey' prize in four out of the six last years under his management by Euromoney magazine.

Fikret joined Meltemi in September 2011 as a principal and portfolio strategist.



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### Important information

MTRIP is available to retail and professional clients as defined by the Financial Conduct Authority. This product is not available in countries where it would be prohibited for distribution by their law. A prospective client should make independent enquiries as to whether the MTRIP would be available for distribution in their country.