

**METOLIUS ENHANCED FUND (2.5x LEVERED)**

**DECEMBER 2020 UPDATE**

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2020	0.22%	2.68%	13.01%	-0.20%	0.76%	-2.00%	11.51%	4.87%	-8.00%	-3.80%	2.96%	9.49%	33.72%
2019	-5.43%	-2.81%	2.50%	-0.13%	0.78%	2.08%	-0.94%	8.13%	-10.23%	-1.96%	0.49%	4.88%	-3.84%
2018	8.96%	-9.31%	-1.39%	-2.68%	-3.68%	-4.13%	-3.61%	-3.13%	-1.34%	3.77%	0.17%	7.55%	-9.82%
2017	-3.52%	-3.45%	-2.18%	1.70%	1.48%	0.40%	3.79%	-1.77%	-0.68%	1.97%	0.63%	3.16%	1.24%
2016	6.75%	2.69%	-4.60%	-0.52%	-5.76%	5.68%	2.32%	-3.10%	-4.87%	-0.81%	1.39%	4.04%	2.25%
2015	19.84%	-4.42%	-1.23%	-6.99%	-5.23%*	-2.38%	0.63%	-1.02%	0.25%	-5.33%	7.74%	-2.32%	-2.89%
2014	-8.00%	2.81%	-2.93%	-4.32%	-1.33%	2.56%	1.44%	6.16%	14.17%	5.24%	8.16%	6.28%	32.23%
2013	7.00%	-2.20%	0.56%	2.11%	2.30%	-2.22%	-5.15%	-1.70%	-6.89%	-0.33%	4.69%	5.77%	3.01%
2012	-0.91%	2.63%	-3.23%	-6.78%	3.72%	-6.12%	5.29%	-2.00%	-0.26%	-5.14%	-1.42%	5.73%	-9.11%
2011	-4.53%	3.34%	0.67%	10.01%	-6.55%	-0.02%	3.11%	-0.18%	5.55%	-7.51%	-2.62%	2.70%	2.59%
2010						2.69%	1.08%	2.14%	9.36%	5.32%	-4.21%	9.08%	27.59%

Metolius Enhanced Fund L.P. (including a 0% management fee and 25% performance fee)


Important Note: 2015 YTD is actual return for June 2015-Dec 2015 performance

\*THE PERFORMANCE FROM JUNE 2010 THROUGH MAY 2015 CONSISTS OF PRO FORMA PAST PERFORMANCE OF THE METOLIUS ENHANCED FUND, L.P.

**METOLIUS UNLEVERED BENCHMARK STRATEGY \***

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
2020	0.09%	1.07%	5.21%	-0.08%	0.36%	-0.85%	5.22%	1.94%	-3.18%	-1.52%	1.18%	3.79%	13.64%
2019	-2.18%	-1.13%	0.99%	-0.06%	0.30%	0.82%	-0.39%	3.24%	-4.11%	-0.80%	0.18%	1.94%	-1.40%
2018	4.58%	-4.57%	-0.57%	-1.09%	-1.48%	-1.67%	-1.46%	-1.27%	-0.55%	1.49%	0.06%	3.01%	-3.75%
2017	-1.42%	-1.39%	-0.88%	0.67%	0.58%	0.15%	1.50%	-0.72%	-0.28%	0.78%	0.24%	1.26%	0.43%
2016	3.20%	1.41%	-2.43%	-0.22%	-2.31%	2.26%	1.10%	-1.43%	-1.96%	-0.34%	0.55%	1.60%	1.26%
2015	7.90%	-1.69%	-0.48%	-2.81%	-2.11%	-0.94%	0.25%	-0.41%	0.10%	-2.13%	3.10%	-0.93%	-0.59%
2014	-3.24%	1.12%	-1.18%	-1.76%	-0.54%	1.01%	0.55%	2.44%	5.65%	2.02%	3.21%	2.44%	12.02%
2013	2.79%	-0.90%	0.21%	0.83%	0.90%	-0.90%	-2.08%	-0.70%	-2.77%	-0.15%	1.86%	2.29%	1.23%
2012	-0.38%	1.04%	-1.31%	-2.73%	1.47%	-2.47%	2.10%	-0.82%	-0.12%	-2.07%	-0.59%	2.27%	-3.70%
2011	-1.83%	1.32%	0.25%	4.00%	-2.56%	-0.02%	1.23%	-0.08%	2.19%	-3.02%	-1.07%	1.06%	1.25%
2010						1.06%	0.42%	0.84%	3.69%	2.12%	-1.67%	3.61%	10.40%

\*THE PERFORMANCE FROM JUNE 2010 THROUGH DECEMBER 2019 CONSISTS OF PRO FORMA PERFORMANCE OF AN UNLEVERED 0/25% STRATEGY. THE PERFORMANCE AS OF JAN 1, 2020 IS BASED ON HYPOTHETICAL PERFORMANCE OF AN UNLEVERED 0/25% INTERNAL TRACKING INVESTMENT.

Risk	Portfolio	Currencies	Commodities	Stock Indices	Interest Rates	Sector Risk (VaR)
VaR (Hist. 3 Yr 95% 1 Day)	115 bp	49 bp	55 bp	38 bp	8 bp	<ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Currencies</li> <li><span style="color: green;">■</span> Commodities</li> <li><span style="color: orange;">■</span> Equities</li> <li><span style="color: red;">■</span> Interest Rates</li> </ul>
Gross Notional Exposure (as multiple of AUM)*	2.33 x AUM	0.93 x AUM	0.42 x AUM	0.34 x AUM	0.64 x AUM	

All data above is for the Metolius Master Fund (unlevered).  
\*The notional value of the short term interest rate contracts have been adjusted to reflect their contribution to portfolio volatility.

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The Metolius Enhanced Fund made +9.49% in December led by stock index (+1.76%), grain (+1.58%) and currency (+1.43%) trading with losses in bonds (-0.39%). The 2020 year end returns came in at +33.72% with a maximum monthly drawdown of -11.50%.

Looking back on the COVID related news earlier in the year that caused excess volatility, we are reasonably happy with our performance as it relates to keeping risk in line. This is our main job and it supersedes anything else. Proper sizing, stops, non-correlated systems and back-testing that looked at things from a longer term historical perspective than normal helped. We are disappointed though in the upside potential that presented itself in selling more "risk assets", like stocks, in February. We could have done a better job in taking advantage of that opportunity. Uncorrelated returns produced by doing that type of trade is highly valuable to investors.

Breaking down the best and worst performance in the 8 models in our portfolio this year shows a few with outlier performance (we added a 9th system in Q3):

Top 3 performers:

**TCT** (trend model): +69%

**Special Situations** (GrayBox macro): +39%

**Short Term Commodity**: +25%

Bottom 3 performers:

**Composite Equity Model** (Fundamental and technical long term trading of 7 world equity markets): -14%

**Short Term Index** (1-5 day trading of stock indices): -3%

**Global Bond**: -2%

We have continued to spend a lot of time, effort and money building out our fully automated blackbox suite of shorter-term systems called ATS. It returned +9.5% in 2020 and is very uncorrelated to stocks, bonds and trend following.

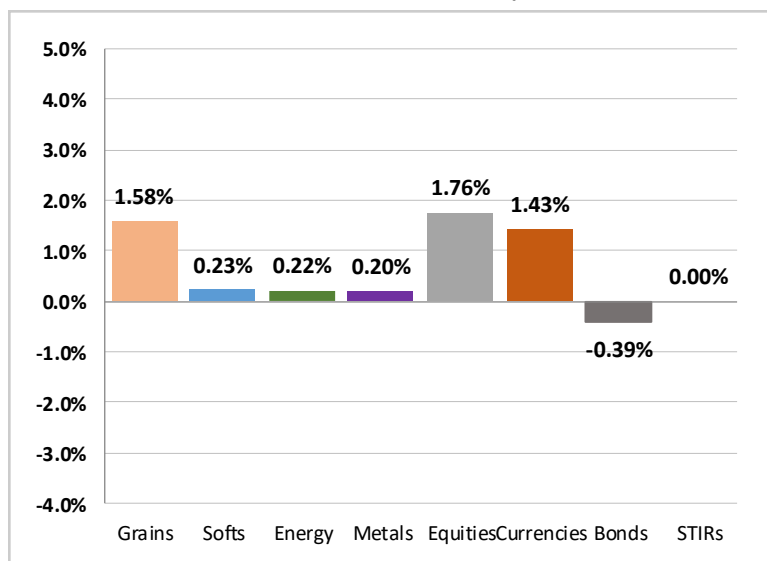
Thank you for your continued investment and trust in Metolius Capital.

Firm Overview	
Enhanced Fund:	Illinois L.P.
Minimum Managed Account:	\$3 million
Minimum Fund Investment:	\$100,000
Legal:	Greenberg Traurig, LLP
Fund Administration:	NAV Consulting, Inc. (USA)
Independent Auditor:	Cohen & Company, Ltd.
Enhanced Fund Fee Structure:	0% / 25%
Liquidity:	Monthly
Total Firm AUM:	\$165 million* (as of Jan 1, 2021)

Summary Statistics (Unlevered)	
Year to Date Return:	13.64% (net of fees)
Compound Annual Return:	2.74%
Std Dev of Monthly Returns:	2.09%
Sharpe Ratio (rf=0):	0.38
Average Annual Drawdown:	-6.09%
Max Peak-to-Valley Drawdown:	-10.69%
Annualized Volatility:	7.86%
Correlation to HFR systematic:	0.57
Correlation to HFR Macro Index:	0.51
Correlation to S&P 500:	-0.10
Average Margin/Equity:	5.33% (since inception)

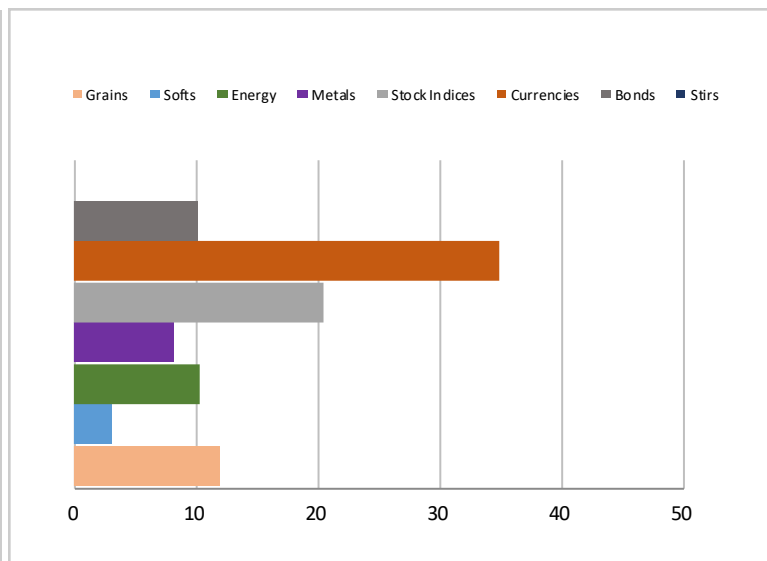
**\*87% of Total AUM is comprised of proprietary capital (principals and employees)**

### Gross Returns for December 2020: By Market Sector



All data above is for the Metolius Enhanced Fund

### Margin Allocation (%)



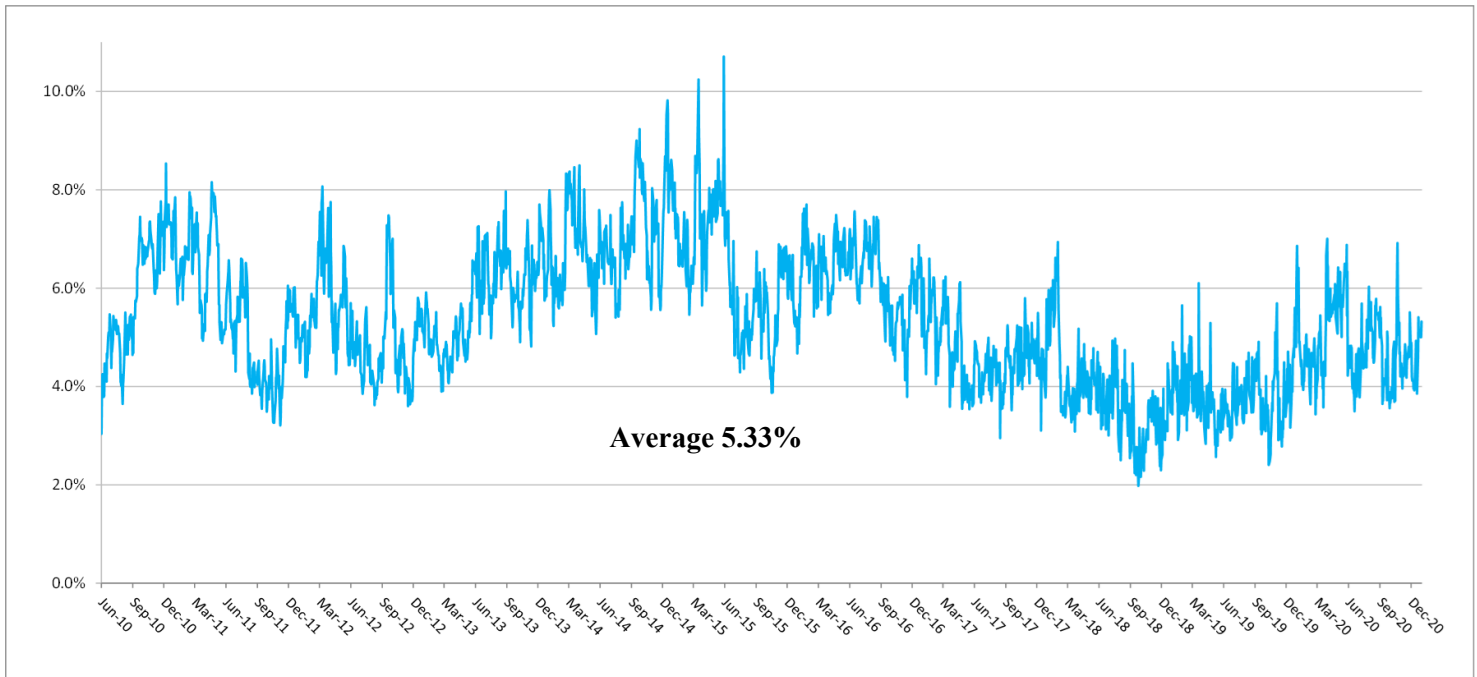
The data above is for the Metolius Enhanced Fund as of December 31, 2020

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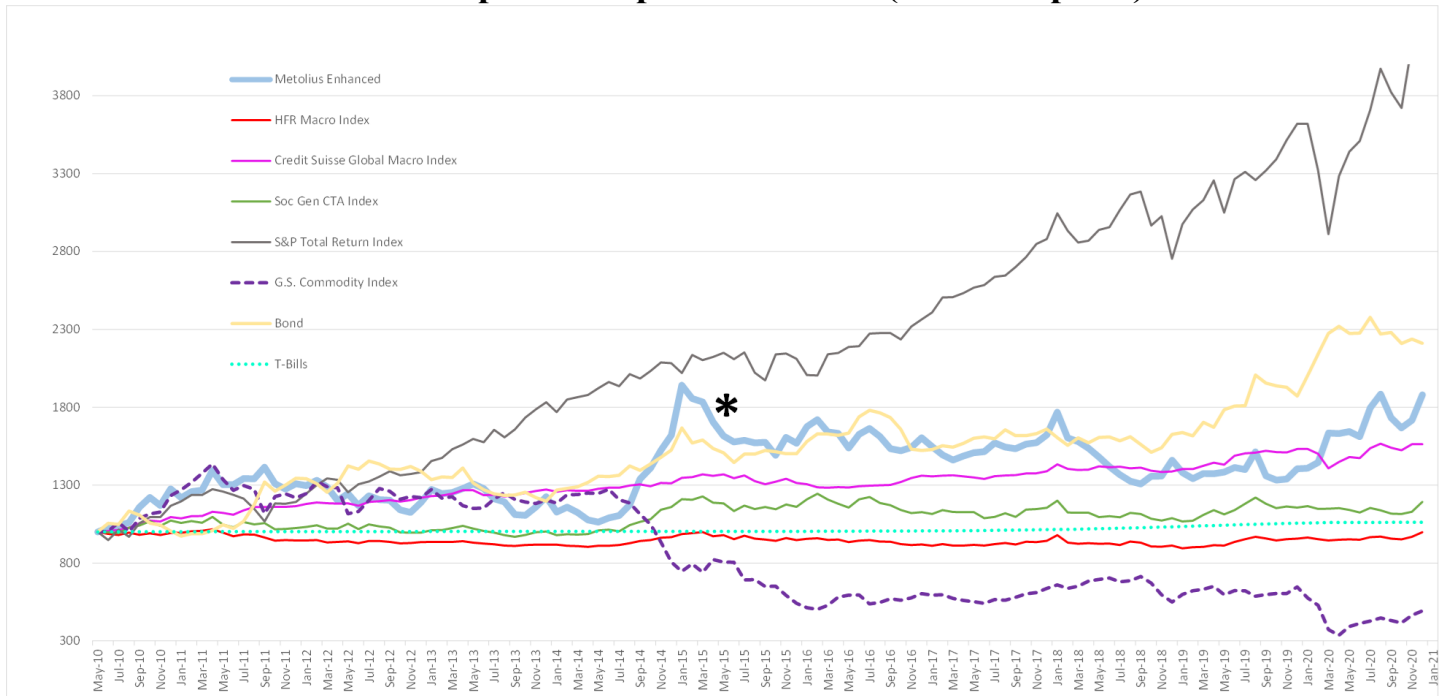
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### Daily Margin to Equity Ratio (since inception)



All data above is for the Metolius Enhanced Fund (unlevered)

### Metolius Capital Comparison Charts (since inception)



\* Pro forma performance used prior to June 1, 2015

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