

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

**SEPTEMBER 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%				23.31%
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%				9.88%
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)	77 bp	13 bp	27 bp	65 bp	18 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)*	2.09 x AUM	0.40 x AUM	0.22 x AUM	0.30 x AUM	1.17 x AUM	

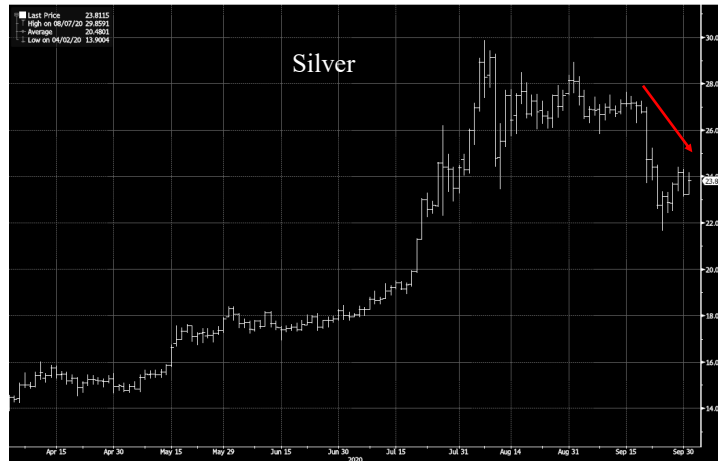
All data above is for the Metolius Master Fund (unlevered).  
\*The notional value of the short term interest rate contracts have been adjusted to reflect their contribution to portfolio volatility.

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The Metolius Enhanced Fund lost -8.00% after all fees and expenses in September. Trading had negative returns in currency and metal trading, with positive returns in grains.

We were caught wrong-footed in dollar shorts and metal longs this month:



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Our positioning in FX is now normal, but we continue to hold a bullish bias in metals with somewhat smaller positions.

A long-term fundamental thought is in its early stages:

In 2019, air travel in the US accounted for 12% of energy consumption. Electric battery use in air travel is many, many years away because of technology issues and slow moving safety-focused FAA reasons. The use of biofuels in place of conventional jet fuel for carbon emission reasons is now allowed. In addition, current aircraft would not need to be retrofitted to make use of alternative biofuels. We believe this will grow. That change can remove up to 85% of carbon emissions currently. The lack of demand is mainly because the cost is 2-3 times as expensive. That cost spread is trending down though and the difference will continue to narrow. Grain prices should be a beneficiary of this slow trend in the making, either from higher prices of a grain to make the biofuel or the greater demand for farmland. The aviation company Vista Jet, for example, now offers this fuel to customers who are willing to pay for it.

Clearly election risk will grow this month in markets. We hold no opinions on how this election will play out. Our positioning will not be aggressive and controlling risk will be our focus. Our sizing will decrease as we get closer to the November 3rd date, although we will continue to run our systems as we do now, but with lower exposure levels.

The top three systems this year inside Metolius are:

TCT: trend model

Special Situations: a very targeted macro strategy not correlated to trend following

ATS: our 30 fully automated algos that trade with a shorter holding time

The bottom three systems are:

Composite Equity Model: longer term trades in seven world equity markets

FX Macro: currency trading with mechanical systems and fundamentals combined

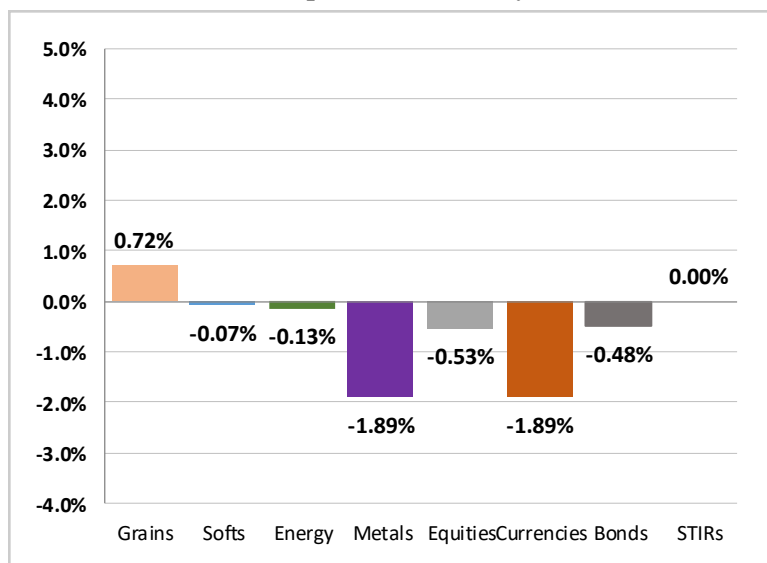
STI: our 1-5-day S&P 500 futures trading model

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:	\$151 million* (as of Oct 1, 2020)

Summary Statistics (Unlevered)	
Year to Date Return:	9.88% (net of fees)
Compound Annual Return:	2.47%
Std Dev of Monthly Returns:	2.08%
Sharpe Ratio (rf=0):	0.34
Average Annual Drawdown:	-6.09%
Max Peak-to-Valley Drawdown:	-10.69%
Annualized Volatility:	7.84%
Correlation to HFR systematic:	0.57
Correlation to HFR Macro Index:	0.51
Correlation to S&P 500:	-0.11
Average Margin/Equity:	5.35% (since inception)

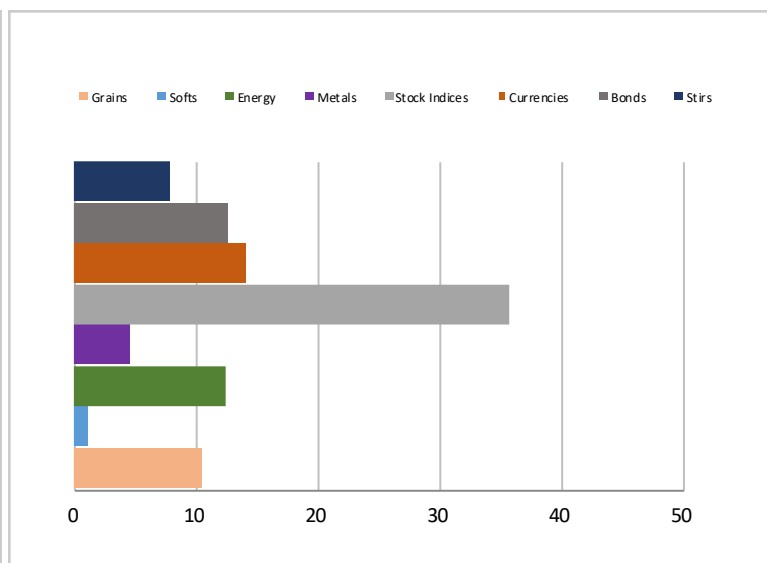
**\*86% of Total AUM is comprised of proprietary capital (principals and employees)**

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



All data above is for the Metolius Enhanced Fund

### Margin Allocation (%)



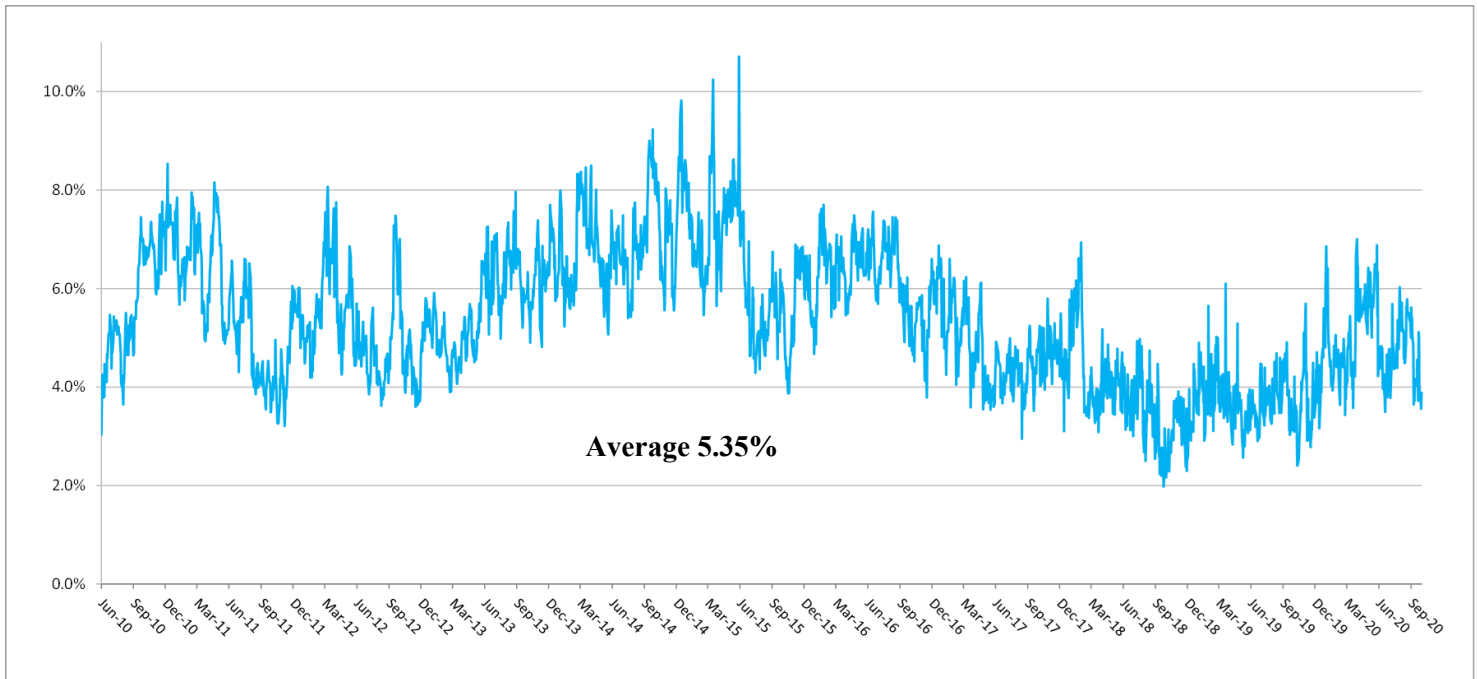
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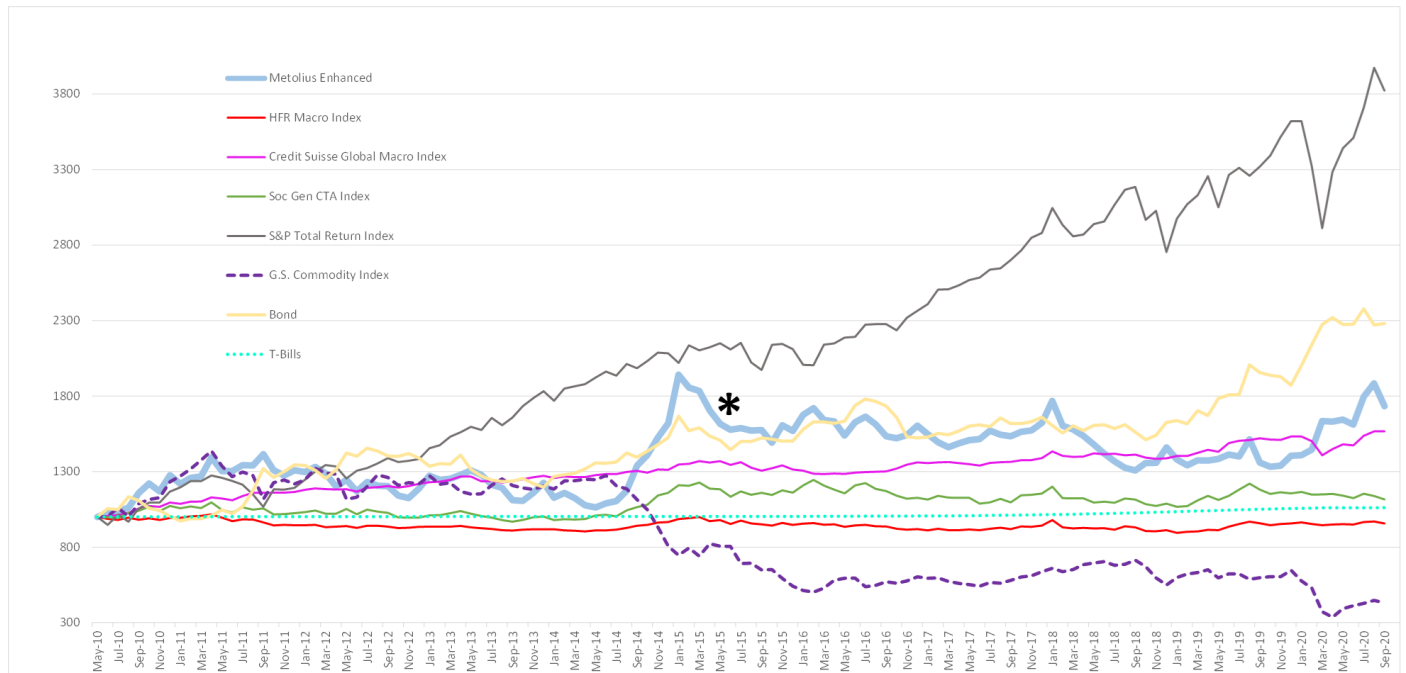
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### Daily Margin to Equity Ratio (since inception)



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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