

OBSIIDO INVESTMENT PROCESS OVERVIEW





OVERVIEW

Obsiido Alternative Investments Inc. (“**Obsiido**”) follows a disciplined and comprehensive investment process in the management of its two investment fund solutions, Obsiido Alternative Growth Portfolio and Obsiido Alternative Income Portfolio.

Within this document, we capture information on our investment team and the five inter-connected stages of our investment process.

CONTENTS

- Investment Team
- Summary Overview
- Asset Allocation
- Universe Compilation & Screening
- Due Diligence
- Review & Approval
- Ongoing Review & Oversight

www.obsiido.com



INVESTMENT TEAM

Obsiido's investment team is made up of experienced investment professionals with decades of combined experience researching, structuring and managing alternative investment strategies.

Below we provide an overview of key investment personnel, including Obsiido's external investment consultant, Asset Consulting Group, LLC, a wholly-owned subsidiary of Guggenheim Partners, LLC.



Sean O'Hara, CIM, CAIA
Chief Investment Officer & Lead Portfolio Manager

Mr. O'Hara is a senior investment executive with deep alternative investments expertise, including in the areas of due diligence, manager selection, portfolio construction and risk management. He has over 30 years of investment experience in Europe and North America and has worked in the retail, private wealth, and institutional investment markets. Prior to Obsiido, Mr. O'Hara held CIO positions at XFO Private Asset Solutions and at Cygnus Investment Partners where he built and managed private market fund-of-fund solutions for ultra-high-net-worth investors.

Mr. O'Hara is the lead portfolio manager for the Obsiido Funds and the Chair of the Obsiido Investment Committee.



Nimar Bangash, CIM, CAIA
Chief Executive Officer & Portfolio Manager

Mr. Bangash has 12 years of investment management experience. Prior to Obsiido, he was head of investment products at AGF Investments where he was responsible for leading ongoing manager oversight and due diligence for all external investment managers as well as leading due diligence efforts for new third party managers under consideration for sub-advisory roles.

Mr. Bangash leads Obsiido's portfolio management operations efforts and supports Mr. O'Hara in manager due diligence and oversight efforts. He is a member of the Obsiido Investment Committee

ACG | ASSET CONSULTING GROUP

Obsiido has retained Asset Consulting Group, LLC ("ACG") to provide it with certain manager research and due diligence services as well as certain capital markets information and analysis.

ACG provides comprehensive investment consulting and investment supervisory services to taxable and tax-exempt investors such as trusts, endowments, foundations and other non-profit corporations, insurance company reserves, and corporate, public, Taft-Hartley employee benefit plans, high net worth investors, and estates. ACG has provided investment consulting and investment supervisory services since 1989. ACG's Clients range in size from approximately \$50 million to several billion dollars.



SUMMARY OVERVIEW

The investment process underpinning Obsiido's multi-asset, multi-manager investment fund solutions includes five inter-connected, complimentary steps. Each step of the process is summarized below with detailed descriptions contained in the following sections.



Asset Allocation

Generate forward-looking risk/return assumptions for alternative asset classes & strategies in scope for the Obsiido Portfolios. Leveraging in-house & third-party research.



Universe Compilation & Screening

Key screening criteria include fund terms/structure, historical performance, risk statistics, team tenure, fees, firm history and reputation, AUM, & changes to leadership/PM team.



Due Diligence

Shortlisted underlying funds undergo detailed investment due diligence assessments culminating in the production of a comprehensive due diligence report on each fund.



Review & Approval

Prior to receiving an allocation in an Obsiido Portfolio, underlying funds under consideration are subject to review and approval by Obsiido's Investment Committee.



Ongoing Review & Oversight

Continuous oversight of each Obsiido Portfolio including monitoring each underlying fund/strategy based on qualitative and quantitative factors



Step 1 – Asset Allocation

To determine the most appropriate asset mixes for the Obsiido Portfolios, the Obsiido Investment Team, in collaboration with its external investment consultant, derive and evaluate intermediate-term capital market assumptions for the alternative asset classes in which the Obsiido Portfolios invest. These include private equity, private debt, private real estate, private infrastructure, Canadian farmland, and hedge funds.

Capital market assumptions incorporate risk and return assumptions for these asset classes, in addition to their correlation relationships i.e., how they behave relative to one another over time. Intermediate-term assumptions take a 5 to 10 year time horizon by factoring in prevailing market yields and valuation levels, and are, hence, appropriate in helping to set the longer-term strategic asset mix for the Obsiido Portfolios.

The cornerstone of Obsiido's asset allocation approach is effective risk management. Obsiido's risk management processes include portfolio stress testing and the impact, and likelihood, of potential losses over specific time periods, while also taking into consideration expanded parameters such as non-normal distributions ("tail risk"), which are typical within most alternative asset classes.

Obsiido's asset allocation process seeks to assess and validate the reasonableness of achieving long-term investment objectives for an appropriate level of risk. As part of its asset allocation process, Obsiido also analyzes the risk/return impact of adding the Obsiido Portfolios to a traditional 60/40 equity/fixed income asset mix.



Step 2 – Universe Compilation & Screening

Once the strategic asset mix has been set for each Obsiido Portfolio, the next step is portfolio implementation. In other words, what investments should the Obsiido Portfolios make to gain exposure to each asset class, such as private equity and private debt.

As low-cost passive index funds do not exist for alternative asset classes in the same way that they do for publicly traded markets, the underlying funds will be actively managed investment strategies representing one or more asset classes.

As part of the underlying manager selection process, Obsiido places a strong emphasis on manager reputation, investment approach, and performance consistency.

Given the Obsiido Portfolios are structured to provide investors with quarterly redemptions, Obsiido prioritizes investments in more liquid, open-ended evergreen fund structures as opposed to traditional illiquid closed-end private fund structures.

To source such opportunities, Obsiido relies upon certain databases to identify a universe of potentially suitable underlying funds (which are based on key criteria established by Obsiido). Additionally, and just as importantly, Obsiido relies upon its market knowledge and existing manager relationships to learn of existing or new strategies coming to market that may not be featured in the databases. The approach used to compile a list of suitable underlying funds is multi-pronged with research being conducted on an ongoing basis.



Step 3 – Due Diligence

Once there is a shortlist of underlying funds, the Obsiido Investment Team focuses on performing comprehensive due diligence on each underlying fund.

The starting point is to gather all available materials on the shortlisted funds, which typically include:

- Offering documents
- Due diligence questionnaires
- Financial statements & related reports
- Client presentation
- Performance history
- Investment and management team overview

After establishing a clearer understanding of the underlying funds under review, the next step is to meet with a member of each underlying fund's investment team. These meetings are invaluable and provide a forum to not only ask questions about each underlying fund, but to hear the manager "tell the story" in their own words, which can often provide a distinct perspective on the offering. At such meetings, the ability to ask good questions is particularly important as it enables Obsiido to get a deeper and more nuanced understanding of each underlying fund and its unique attributes relative to competitor offerings. This is important as it helps solidify the role that a particular underlying fund might play in a diversified multi-asset class alternatives portfolio.

The due diligence findings are then inserted into comprehensive Due Diligence Reports which are prepared by Obsiido's Chief Investment Officer. These reports have multiple sections including, the terms of the fund offering, the management team and investment strategy, the investment process, Obsiido's own risk rating, and a summary of the underlying fund's overall suitability and potential fit within an Obsiido Portfolio.



Step 4 – Review & Approval

The Investment Committee is the official forum for all matters related to the oversight of Obsiido's investment management processes including consideration of proposed asset mixes, as well as oversight of each underlying manager and strategy held by the Obsiido Portfolios.

The final Due Diligence Reports are presented at an Investment Committee meeting for review. During the meeting, the Chief Investment Officer provides a summary of each underlying fund in advance of a broader discussion among the Committee members, which may result in additional questions requiring further discovery and analysis.

The Investment Committee is an important check and balance to the investment process and ensures the necessary diligence on an underlying fund has been appropriately completed. Before any underlying fund can be considered for inclusion in an Obsiido Portfolio, the Investment Committee must approve it, requiring a unanimous approval by the voting members.



Step 5 – Ongoing Review & Oversight

The ongoing review of the underlying funds held in the Obsiido Portfolios is just as important as the process of approving each fund.

While the intention is to hold the underlying funds in the Obsiido Portfolios for the long term, ongoing oversight and monitoring of each fund is an important aspect of Obsiido's risk and portfolio management processes. Oversight encompasses a comprehensive review of absolute, peer group and benchmark relative performance, organizational and investment personnel changes, portfolio composition changes as well as changes to fees and/or associated expenses.

Obsiido monitors the performance of the underlying funds on a monthly and quarterly basis with a more detailed analysis and assessment occurring on an annual basis. On a quarterly basis, Obsiido's Chief Investment Officer provides the Investment Committee with a full performance review of the underlying funds held in the Obsiido Portfolios. Obsiido receives regular performance and commentary reports from the underlying managers.

Another important component of the ongoing review process relates to the asset allocation decision.

At the beginning of each year, Obsiido will review the asset mix of the Obsiido Portfolios by running new analysis based upon updated capital market assumptions. This *may* result in moderate changes (or not) being made to the asset mix of the Obsiido Portfolios. The annual asset allocation review ensures the longer-term strategic mix of alternative asset classes held within the Obsiido Portfolios remains appropriate and on track to deliver attractive risk-adjusted returns for investors.



DISCLAIMERS

This material is not intended to constitute an offering of units of Obsiido Alternative Income Portfolio or Obsiido Alternative Growth Portfolio (collectively, the “Obsiido Portfolios”). Any offer or sale of securities of the Obsiido Portfolios will be made according to the Obsiido Portfolios’ Offering Memorandum to eligible “accredited investors” or Obsiido Direct clients under applicable Canadian securities laws

This material is for informational and educational purposes only. It is not a recommendation of any specific investment product, strategy, or decision, and is not intended to suggest taking or refraining from any course of action. It is not intended to address the needs, circumstances, and objectives of any specific investor. Prospective investors should consult with their own professional advisors regarding the financial, legal and tax consequences of any investment. The Obsiido Portfolios are not intended as a complete investment program. Past performance is not necessarily indicative of any future results.

This material reflects the general intentions of Obsiido. There can be no assurance that these intentions will not change, be adjusted to reflect the environment in which Obsiido operates, or ensure that the Obsiido Portfolios meet their stated investment objectives. Conclusions and opinions do not guarantee any future event or performance. Neither Obsiido or its affiliates are liable for any errors or omissions in the information or for any loss or damage suffered.

Statements that depend on future events are forward-looking statements. Forward-looking statements are not guarantees of performance, and are inherently subject to, among other things, risks, uncertainties, and assumptions. These statements may be based on assumptions that are believed to be reasonable, however there is no assurance that actual results may not differ materially from expectations. Investors should not place undue reliance on forward-looking statements. There should not be an expectation that such information will be updated, supplemented, or revised whether as a result of new information, changing circumstances, future events or otherwise.

OBSIIDO and its logos, slogans, taglines and other trademarks are trademarks of Obsiido Capital Management Ltd. and may not be used without permission.

This document may not be reproduced (in whole or in part), transmitted or made available to any other person without the prior written permission of Obsiido.

About Obsiido Alternative Investments Inc. (“Obsiido”)

Obsiido is a technology enabled investment management firm that specializes in researching, structuring, and enabling investments in core alternative investment opportunities within private markets and hedge funds. Obsiido is registered as an investment fund manager in Ontario and as a portfolio manager and exempt market dealer in Ontario, British Columbia and Alberta.

Obsiido is a wholly-owned subsidiary of Obsiido Capital Management Ltd.

Published: September 24, 2023.

For more information, contact Obsiido:
invest@obsiido.com