

FAIRFAX GLOBAL VALUE STOCK STRATEGY

THE BENEFITS OF GLOBAL TACTICAL RISK MANAGEMENT

FAIRFAX GLOBAL VALUE STOCK STRATEGY

2013 PERFORMANCE: 36.33% NET OF FEES VS. DOW JONES INDUSTRIAL AVERAGE 26.50%

JUNE 30, 2012 (INCEPTION) TO SEPTEMBER 30, 2014 (GROSS OF FEES)



See Disclosures On Other Side



PAUL DIETRICH
INVESTMENT MANAGER

FAIRFAX GLOBAL VALUE STOCK STRATEGY

The **FAIRFAX GLOBAL VALUE STOCK STRATEGY** is a globally diversified, tactical strategy that primarily invests in stocks. The core investment criteria used is to screen for “value-oriented stocks” during long-term bull markets that have: (1) Low price/earnings ratios or a low Enterprise Value to EBITDA (EV/EBITDA); (2) A high return on equity (ROE); (3) High free cash flow production (Cash Return on Invested Capital); and (4) Price momentum. During long-term bear markets, larger amounts of treasury bonds are invested in the strategy.

ACTIVE TACTICAL RISK MANAGEMENT: FAIRFAX GLOBAL will move the portfolio to cash, short-term treasury bonds and other defensive investments when FAIRFAX GLOBAL’s technical signals indicate a long-term stock market decline or bear market. We believe this risk management technology has served to protect Fairfax clients from outsized losses during the bear markets of 2000-2002 and 2008-2009.

DISCLOSURES

Fairfax Global Markets LLC is a registered investment adviser with the U.S. Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940. Investment performance prior to September 30, 2012 was achieved by Foxhall Capital Management, Inc. and Portfolio Manager, Paul Dietrich. For a detailed discussion of Fairfax and its investment advisory fees, see the firm’s Form ADV Part 1 and 2A on file with the SEC at www.adviserinfo.sec.gov.

The **FAIRFAX GLOBAL VALUE STOCK STRATEGY** (CREATION DATE 6/30/2012) has a target equity allocation of 100%, however, the portfolio may move entirely to fixed income or non-equity funds as a defensive position during major market declines or economic recession. Minimum portfolio size to open a new account is \$30,000.

The benchmark for this strategy is the Dow Jones Industrial Average Index. The performance and volatility of this Index may be materially different from that of the strategy depicted, and the holdings in the strategy may differ significantly from the securities that comprise the Dow Jones Industrial Average Index. Indices are unmanaged and investors cannot invest in an index directly.

Net-of-fees returns are calculated using actual management fees (bundled fee accounts use maximum allowable fee), that were paid and are presented before custodial fees but after management fees, all trading expenses, and withholding taxes. The Firm’s maximum management fee is 2.5%. Fees may be subject to negotiation where special circumstances warrant. Tax withholding on ADR dividends and capital gains are taken at the time of the dividend payment. Cumulative returns shown reflect the cumulative performance that would have resulted from an investment of \$100,000 made at the inception of the strategy.

Standard Deviation is applied to the annual rate of return of an investment to measure the investment’s volatility. Sharpe Ratio is a ratio to measure risk-adjusted performance. The Sharpe ratio is calculated by subtracting the risk-free rate - such as that of the 10-year U.S. Treasury bond - from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. Alpha is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund’s alpha. Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

As with any investment strategy, there is potential for profit as well as the possibility of loss. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value. Valuations and returns are computed and stated in U.S. dollars, include the reinvestment of all dividends and individual portfolios are revalued monthly. Additional information regarding policies for calculating and reporting returns is available upon request. **PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.**

Annualized Returns Returns as of September 30, 2014	Strategy Return:		Dow Jones Industrial Average
	Net of Fees	Gross of Fees	
Quarter-To-Date	-0.3282%	0.0034%	1.8734%
Year-to-Date	3.4838%	4.4227%	4.5991%
One Year	16.2501%	17.6287%	14.2827%
Since Inception: 6/30/2012	19.9550%	21.2777%	16.0843%
Risk Metrics as of September 30, 2014			
Alpha	-0.1129%	-0.0009%	
Beta	0.0035	0.0003	
Sharpe Ratio	-1.3745	-0.2046	
Standard Deviation	0.0773%	0.0008%	