FAIRFAX
GLOBAL MARKETS

Frequently Asked Questions

Firm Overview:

Fairfax Global Is A True Financial Fiduciary

- When investing client assets, Fairfax Global Markets LLC embraces the legal fiduciary obligation to always place clients' interests first.
- Provides fee-only investment management.
- Does not accept commissions.
- Does not accept third party "soft dollar" research or services.
- Receives only one source of revenue: client fees.
- Provides transparency on investment portfolios.
- Remains independent from any bank, broker-dealer, insurance company or custodian.
- Measures client performance returns using independent third parties.
- Does not hold any client assets, securities or money.

History & Background of Fairfax Global Markets LLC

Paul Dietrich has been an investment manager for over 30 years, since 1986. For more information, see Mr. Dietrich's bio below and the firm's Form ADV Part 1 and 2A on file with the SEC at www.adviserinfo.sec.gov.

He was CEO and CIO of FOXHALL CAPITAL MANAGEMENT, INC. from 1999 to 2012. Foxhall Capital grew to almost $800 million in assets under management in 2012. About $400 million of those assets under management were for managing FOUR variable annuity and VUL subaccount funds for several major insurance companies.

In 2011 & 2012 Paul Dietrich divested much of FOXHALL CAPITAL MANAGEMENT INC., in order to repay venture capital debt that Foxhall Capital borrowed in 1999, when it acquired all of the equity of Foxhall.

Because of Foxhall's complex ownership structure, after the debt was repaid, Paul Dietrich started a new firm, FAIRFAX GLOBAL MARKETS, LLC in June of 2012.

OWNERSHIP STRUCTURE OF FAIRFAX GLOBAL MARKETS LLC

Paul Dietrich and James Auffenberg Jr. each own 50% of FAIRFAX GLOBAL MARKETS LLC. James Auffenberg was formerly the second largest investor (after Paul Dietrich) in FOXHALL CAPITAL. He was a member of the FOXHALL CAPITAL board since 1995.

Mr. Auffenberg is a passive investor in Fairfax and lives in St. Louis, Missouri.

KEY PERSONNEL

Paul Dietrich: CEO, Chief Investment Officer, Chief Compliance Officer, and Chairman of the Investment Committee
Neil Lukonis: Director of Trading (member of Investment Committee)
Hila Wever: Comptroller and Director of Administration
Kim Krause: Customer Service/New Accounts Management
Hardin Compliance Consulting: Outside compliance consultant
Sondhelm Partners: Public Relations
Kris Eager: IT/Website and Social Media

BIOGRAPHY OF PAUL DIETRICH, CEO & CHIEF INVESTMENT OFFICER

Paul Dietrich, is CEO and Chief Investment Officer of Fairfax Global Markets LLC (FAIRFAX).

Paul Dietrich was previously CEO and Chief Investment Officer of Foxhall Capital Management Inc. from 1999 to 2012.

FAIRFAX currently manages investments for private investors, retirement funds and private institutions throughout the United States.

He is an international corporate attorney and was formerly associated with two Washington, DC law firms, JONES DAY and SQUIRE, SANDERS & DEMPSEY (now SQUIRE PATTON BOGGS). As an attorney, he has been an advisor on privatization and economic development issues to the World Bank, as well as several governments in Asia, Eastern Europe and the former Soviet Union.

Before entering the practice of law, he served as Publisher and Editor in Chief of SATURDAY REVIEW, one of the United States' oldest cultural magazines. He also served for four years as an elected State Representative (Republican from St. Louis County) in the Missouri General Assembly.

Mr. Dietrich has been a frequent on-air commentator for CNBC, Fox Business News, CNN and Bloomberg TV. He has also been a frequent contributor to the editorial pages of the WALL STREET JOURNAL, the WASHINGTON POST, the LONDON TIMES, the INTERNATIONAL HERALD TRIBUNE, the SINGAPORE TIMES and the SOUTH CHINA MORNING POST. From 1994 to 1997, he was editor of both the REUTERS EMERGING MARKETS GUIDE and the REUTERS ASIAN STOCK SOURCEBOOK.

He was also President of the INSTITUTE FOR INTERNATIONAL HEALTH AND DEVELOPMENT (founded in 1982 by Nobel Peace Prize Laureate, David Morse). He has served as a member of the Board of Trustees of the CATHOLIC UNIVERSITY OF AMERICA in Washington, DC, was a member of the National Advisory Board of Harvard University's School of Public Health's AIDS Institute and a member of the Advisory Group on International Health Systems Assessment of the New York Academy of Sciences. He has been a member of the Advisory Board of the John Templeton Foundation. He has also served as a member of the Development Committee of the Pan American Health Organization (PAHO), and as a member of the Board of Directors of the U.S. Congressional Human Rights Foundation and the American-European Community Association. He is also the Editor of the award winning book, A Guide to American Foreign Policy (1982) and the author of the forthcoming book, The Ultimate Baby Boomer's Guide to Retirement Investing (to be published in late 2019).

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Compliance

Paul Dietrich is the Chief Compliance Officer and Fairfax has contracted with Hardin Compliance Consulting LLC for Fairfax's compliance consulting services. Their expert consulting team consists of former in-house securities attorneys, senior compliance managers, compliance officers and senior audit professionals from prominent financial institutions.

1. **How does your firm monitor employee trading? What types of controls do you have in place?**

Fairfax monitors employee trading consistent with its Code of Ethics and the requirements of the Investment Advisors Act. The monitoring is done through a review of its employees' brokerage statements on a quarterly basis. In addition, employees are required to provide an initial and annual holdings report. Employees are also required to pre-clear investments in stocks, bonds, IPOs and Private Placements.

2. **Please describe your books and records policy?**

The Firm books and records policy is to keep the required books and records for the periods set forth by the Investment Advisors Act. The Firm keeps all required records in its main office in electronic and/or hard-copy formats. Please note that some books and records are retained in electronic format only. I n addition, the Firm has an off-site third-party service provider who retains and protects a back-up of the Firm's electronic records.

3. **Have there been any privacy exposure incidents in the last five years? Please provide details as to how the exposure took place and what steps were taken to resolve the issue.**

There have been no privacy incidents since the inception of the company.

4. **Is your firm the subject of any legal proceedings? If so, please describe or attach an explanation.**

No.

5. **Does your firm accept fiduciary responsibility? If not, please describe or attach an explanation.**

Yes.

6. **Does Fairfax utilize "soft dollar" research or services.**

Fairfax, as a matter of policy, does not have any formal or informal arrangements or commitments to utilize research, research-related products, and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

Registered Investment Advisor With the SEC

Fairfax Global Markets LLC is a Delaware corporation incorporated in May 2012. Fairfax Global Markets LLC is also a Registered Investment Advisor with the SEC.

Fairfax Global Markets' SEC Number and CRD Number

SEC: 801-76856

CRD: 164741

Fairfax Global Tactical Investment Strategies:

Fairfax Global Permanent Portfolio Strategy

The **Fairfax Global Permanent Portfolio Strategy** was created and developed in the early 1970's through the research of free-market economist, Professor Harry Browne. The goal of his studies and research was to create and investment strategy that would endeavor to protect investor's capital under any set of economic conditions. It was designed to work during bull and bear markets, and in periods of inflation, deflation, and in periods of recession and depression. The investment strategy was designed to hold contrasting qualities of four, non-correlated investment allocations – which means that any event that would damage one investment should offset and be good for one or more of the other asset allocations. And no one investment allocation could devastate the entire portfolio. The core base investment strategy is designed as follows:

- 25% of the portfolio is invested in global stock ETFs.
- 25% of the portfolio is invested in long-term treasury bond ETFs.
- 25% of the portfolio is invested in short-term 1-3 year treasury bond ETFs.
- 25% of the portfolio is invested in gold & precious metals ETFs.

When an ETF allocation in the portfolio is below its 10-month moving average at month-end, that position is underweighted in the Permanent Portfolio investment strategy. When an ETF asset class closes the month above its 10-month moving average, the ETF is re-added to the core strategy.

Fairfax Global Markets ETF Strategy

The **Fairfax Global ETF Strategy** is primarily invested in equity exchange traded funds (ETFs). Certain mutual funds including a taxable money market fund may also be utilized. The base line asset allocation is 70% Global Developed Markets, 20% Asian & Emerging Markets and 10% Global Hard Assets, like gold and precious metals, energy and other commodities; providing a GLOBALLY DIVERSIFIED, 100% equity portfolio. During long-term bear markets, larger amounts of treasury bond ETFs are invested in the strategy. Asset Allocation Guidelines: may invest up to 100% in global equities and 100% in treasury bonds during bear market/recessions.

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 by buying securities that are outperforming the broad market and are close to their 52-week highs. During long-term bear markets, larger amounts of treasury bond ETFs are invested in the strategy. Asset Allocation Guidelines: may invest up to 100% in global equities and 100% in treasury bonds during bear market/recessions.

Fairfax Global BALANCED Value Stock Strategy

The **Fairfax Global Balanced Value Stock Strategy** is a globally diversified, tactical strategy that primarily invests in stocks. **Equity Allocation:** 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. **Bond Allocation:** A percentage of the strategy is held in bonds and the Fairfax Permanent Portfolio holdings. During long-term bear markets, larger amounts of treasury bonds are invested in the strategy.

What Are The Composite Inception Dates Of Fairfax's Offered Strategies And How Long Has The Current Investment Manager Managed Them?

Composite Inception Dates:

Fairfax Permanent Portfolio – A Bond Alternative Strategy: November 30, 2012

Fairfax Global ETF Strategy: December 31, 1999

Fairfax Value Stock Strategy: June 30, 2012

Fairfax Balanced Value Stock Strategy: January 1, 2003

Paul Dietrich, CEO and Chief Investment Officer of Fairfax Global Markets LLC, manages all of Fairfax Global's investment strategies since their respective inception dates. Investment strategies pre-dating May 2012, were managed by Paul Dietrich during his tenure as the CEO and Chief Investment Officer of Foxhall Capital

Management Inc. Paul Dietrich maintained portability rights to the GIPS verified track records for the strategies he had managed.

What Is The Turnover Rate Of Fairfax Portfolios?

We endeavor to keep the Fairfax Global's turnover is as low as we can make it, but much depends on the volatility of stock and bond markets. Our annual turnover has averaged roughly 35% to 40% over a long period of time, but there have been years where it has been as low as 10% and as high as 150% in a bear market/recession. We also try to tax manage accounts by off-setting losses with gains.

Fairfax Global Tactical Risk Management Process

When Does Fairfax Global Markets Pull Client Portfolios Out of the Stock Market?

Risk management is everything! At Fairfax Global Markets, we consider ourselves first and foremost, risk managers.

Fairfax Global's overall investment strategy is to move clients' portfolios significantly into cash, U.S. treasury bonds, gold and other defensive investments when the stock markets are trending down into a **long-term recession/bear market.** However, Fairfax Global **does not** exit the stock market during short-term corrections if the underlying U.S. economy is expanding.

Fairfax Global's goal is simple; we attempt to protect client's portfolio principal from the possibility of substantial potential losses during long-term recession/bear markets.

What is the difference between a "Correction" and a "Recession?"

A **correction** is technically a drop in the stock market of at least -10%. Corrections are generally temporary price declines that last just a few weeks or months within a larger bull market uptrend in the stock market. Corrections are often a part of an overall adjustment when the stock market becomes overvalued. A correction is always a shorter duration than a bear market or a recession, but it can be a precursor to either.

A **recession** is a significant decline in economic activity across the economy, lasting longer than a few months. In a recession, there is usually a real decline in industrial production, employment, real wages and income and corporate earnings. The technical definition of a recession is two consecutive quarters of negative economic growth as measured by U.S. gross domestic product (GDP). Recessions, while unpleasant, are a normal part of the larger economic and business cycle. A recession generally lasts from six to 18 months.

Most recessions are accompanied by a **bear market.** A bear stock market is usually declared when the *S&P 500 Index* or the *Dow Jones Industrial Average* decline by over 20% over a more than a two-month period. A "bear market" should not be confused with a "correction," which is a short-term stock market trend that usually lasts less than two months.

Corrections are often a great place for value investors to buy stocks cheaply. But Fairfax Global believes that investors should generally exit the stock market and move to the sidelines only during bear market/recessions, since bear market/recessions can last six to 18 months and the stock market can drop over 50% during that period.

As can be seen in the chart above, corrections and stock market pullbacks occur almost every year. Investors almost always make a serious mistake in selling out of the market during simple corrections or pullbacks, which take place within an overall up-trending bull market. The difference between a "correction" and a "pullback" is—a "correction" is a stock market drop of more than 10% and a "pullback" is a stock market drop less than 10%.

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RETURN OF YOUR PRINCIPAL, NOT JUST THE RETURN ON YOUR PRINCIPAL!

At Fairfax Global, our primary concern with highly volatile or downward trending markets in a recession/bear market is the return **OF** your principal, not just the return **ON** your principal.

Fairfax Global has always believed that the true measure of an investment manager is how high a priority they place on risk management and limiting client portfolio losses during a recession/bear market.

Warren Buffett's mentor and Columbia University professor, Benjamin Graham once wrote, "The essence of investment management is the management of ***RISKS***, not the management of ***RETURNS.***" He said, "Well-managed portfolios start with this precept."

Fairfax Global has always believed that the best money a client can make in the stock market is the money they don't lose in a recession/bear market.

HOW DOES AN INVESTOR KNOW IF THIS IS A "CORRECTION" OR "RECESSION/BEAR MARKET"?

There is no single leading economic or technical indicator to identify in advance a recession or bear market.

However, the definition of a recession is a significant decline in real economic activity across the economy and overall negative economic growth as measured by U.S. gross domestic product (GDP).

At Fairfax Global, this is where we start.

Fairfax Global has a two-step process to determine a recession/bear market. If this two-step process identifies the start of a recession/bear market, then Fairfax Global will immediately start moving client portfolios out of stocks and begin investing in higher concentrations of cash, money market funds, U.S. treasury bonds, gold and other defensive investments.

STEP 1: Is This a Recession?

There is an old adage, that in the short term, any crazy global incident can negatively impact the stock market, but in the long term, the stock market follows the underlying fundamentals of the U.S. economy. If the economy is trending up and expanding, the stock market will follow. In the history of economics, the U.S. has never experienced a bear market/recession while the underlying U.S. economy was expanding and trending upward.

The following "Dashboard" is reviewed by Fairfax Global Markets investment managers at the end of each week to determine the direction and trend of both the (1) economy through the **U.S. Weekly Leading Economic Indicator Composite Index** and (2) the U.S. stock market through the **S&P 100 Monthly Percentage Of Stocks Above Their 200-Day Moving Average.**

U.S. Weekly Leading Economic Indicator Composite Index

Leading indicators are used to predict changes in the economy. A leading indicator is an economic factor that changes before the economy starts to follow a particular pattern or trend.

Leading indicators are used to gain some sense of which way the economy is headed. Investors use them to adjust their strategy to benefit from future market conditions. Leading indicators often change prior to large economic adjustments. That is why investment analysts watch these indicators closely. While in practice, leading indicators are not always accurate predictors of the future, when they are used in concert with other data, they can reveal certain trends which support the probability of changing economic conditions.

Investors watch many of the same leading indicators as economists, because the health of the economy directly impacts the direction of the stock market.

However, investors tend to track indicators that can more directly influence the stock market. For example, the number of jobless claims, which is reported weekly by the U.S. Department of Labor, provides one timely way to look at the health of the economy. When jobless claims rise, it is a sign of a weakening economy. When they fall, it is an indication that companies are more confident about their prospects for growth.

The **U.S. WEEKLY LEADING ECONOMIC INDICATOR COMPOSITE INDEX** is comprised of many of the top leading economic indicators, including the U.S. stock market, manufacturing activity, inventory levels, retail sales, building permits, housing market, new business startups, etc.

The shadowed area of the following chart identifies the past two official U.S. recessions.

Step 1 Assessment: As of the date of this sample chart, May 4, 2018, the U.S. economy is **NOT** moving toward a recession. The US Weekly Leading Index is up +3.41% from the previous year. This chart indicates the economy is still expanding. Any downturn in the stock market is likely to be a common correction that will end within a few weeks or months.

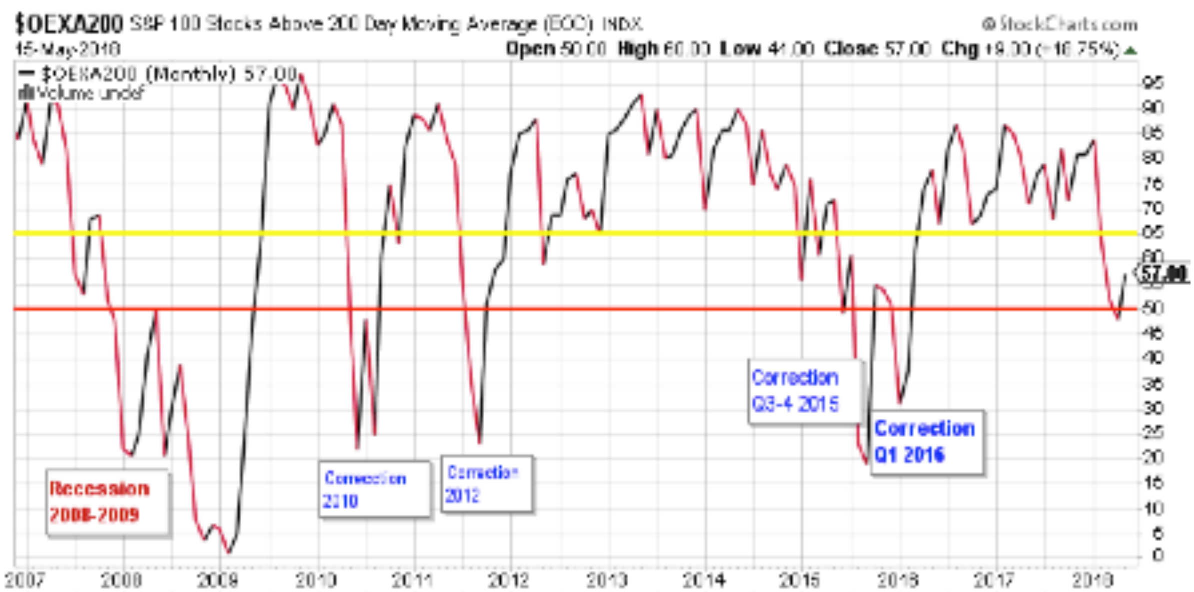
STEP 2: STOCK MARKET ANALYSIS:

Here is the current signal chart of our *FAIRFAX GLOBAL DEFENSIVE TECHNICAL INDICATOR* which is formally known as the **"S&P 100 MONTHLY PERCENTAGE OF STOCKS ABOVE THEIR 200-DAY MOVING AVERAGE."**

1. **STEP 1:** ONLY if Fairfax Global determines there is likely going to be a recession or major economic downturn based on an analysis of the **U.S. WEEKLY LEADING ECONOMIC INDICATOR COMPOSITE INDEX** then;

2. **STEP 2**: If the **Leading Economic Indicators** show the economy is starting to decline, then Fairfax Global analyzes the *FAIRFAX GLOBAL DEFENSIVE TECHNICAL INDICATOR* signal in the chart below. When this indicator drops for a month below 65%, Fairfax Global will start moving out of stocks and investing in a higher concentrations of cash, money market funds, U.S. treasury bonds, gold, and other defensive investments

This ***S&P 100 Index*** indicator shows the percentage of the 100 largest corporations in the ***S&P 500 Index*** that are trading above their 200-day moving average.



The *"200-day moving average"* is a stock's long-term price trend over the past 10 months. When a stock's price dips below its 10-month long-term trend, analysts generally believe that stock is in a long-term, downward "bear trend."

The ***S&P 100 Index*** represents about 85% of the price movement of the broader S&P 500 Index, which largely represents the entire U.S. stock market. Most analysts believe that if a substantial percentage of the 100 largest stocks in America are trading below their 10-month price trend, then the stock market itself is also generally going down.

* *For additional information, please refer to the Disclosures page.*

HERE IS HOW FAIRFAX GLOBAL USES THIS INDICATOR

Green Light: If the chart above is trading ***above 65%,*** this usually indicates a bull market and Fairfax Global tries to keep client portfolios fully invested in a diversified stock market portfolio.

Yellow Caution Light: If the chart above is ***below 65%,*** this signals "caution" in the stock market and Fairfax Global will start increasing defensive holdings like cash and U.S. treasury bonds in client portfolios, if Fairfax Global has previously determined there is likely going to be a recession based on its analysis of the ***Fairfax Global Economic Risk Dashboard.***

Red Stop Light: If the chart above dips ***below 50%,*** that means that 50% of the 100 largest stocks in America are trading below their 10-month long-term price trend and this almost always signals a severe drop in the stock market. As you can see from the chart this happened in the "recession" of 2008-2009. Fairfax Global did not exit the stock market during the "corrections" in the summers of 2010, 2012 and 2015 because they had previously determined the declines in those years were "corrections" and not "recessions" based on their analysis of the **U.S. WEEKLY LEADING ECONOMIC INDICATOR COMPOSITE INDEX.**

WHY IS A TACTICAL STRATEGY THAT MOVES OUT OF RECESSIONS/BEAR MARKETS & MOVES BACK INTO BULL MARKETS AN IMPORTANT INVESTMENT STRATEGY?

Most investors in the United States have created investment portfolios that ONLY DO WELL WHEN THE STOCK MARKET IS RISING.

Fairfax Global believes this was a big reason so many people lost money in the 2000-2002 recession and again in the 2008-2009 recession because investors built investment portfolios too dependent on ONLY RISING MARKETS. Their strategies were based on the experiences of their lifetimes up to the year 2000.

Even today, most financial planners continue to set up client investment strategies that do well only when stocks and bonds are rising. This "mindset" among many financial planners and advisers has created havoc in many people's investment portfolios over the past decade.

The problem is that when investors were hit with losses after the stock market declines in 2000-2002 and 2008-2009 recessions, many investors pulled their money out of the stock market and corporate bonds and went to cash right when the stock markets started to recover—ONLY TO SUFFER AGAIN AS TIMES CHANGED.

AN "ALL WEATHER" CONSERVATIVE INVESTMENT STRATEGY

Fairfax Global believes the only solution to this on-going problem faced by many investors is to use a disciplined TACTICAL RISK MANAGEMENT INVESTMENT STRATEGY like that implemented at Fairfax Global Markets.

The FAIRFAX GLOBAL TACTICAL RISK MANAGEMENT INVESTMENT STRATEGIES are designed to be "ALL WEATHER" strategies that are created to:

1. Stay FULLY INVESTED in the stock market during the good times of a Bull Market; and to

2. EXIT THE EQUITY MARKETS IN THE BAD TIMES of a Recession/Bear Market and primarily invest in cash, money market funds, U.S. treasury bonds, gold and other defensive investments.

It should be noted that this CONSERVATIVE INVESTMENT APPROACH means that Fairfax Global is often a little bit late getting out of a recession/bear market and often a little bit late getting back into a new bull market."

The history of these technical signals are that they usually take 3 to 4 months AFTER A BULL MARKET HIGH to signal the stock market is entering into a LONG-TERM RECESSION/BEAR MARKET and, conversely, they often take 3 to 4 months AFTER A RECESSION/BEAR MARKET BOTTOM to signal that a new LONG-TERM BULL MARKET is beginning. That is generally how the system has worked in the past.

WHY SHOULD AN INVESTOR HIRE A TACTICAL INVESTMENT MANAGER?

THE SHORT ANSWER IS—RISK MANAGEMENT!

Many investors ask this question, especially when the stock market is shooting down, then up and then sideways—and no one is making any money.

In the long run, PERFORMANCE is very important. The goal of all investment managers is to increase a client's capital over any 5-to-10 year period. BUT DURING THAT PROCESS, AN EQUALLY IMPORTANT TASK IS TO PROTECT CLIENTS FROM "CATASTROPHIC LOSSES" ALONG THE WAY. That is what RISK MANAGEMENT is all about.

Fairfax Global believes that risk management and the protection of capital from major drops in the stock market and recessions like 2000 to 2002 and again in 2008 and 2009 to be its primary goal.

Because of Fairfax Global's conservative, risk managed approach to investment management, they will, during certain years lag the overall stock market because client's often hold large amounts of cash during volatile recessions/bear markets.

But Fairfax Global does expect its risk managed investment strategies to protect clients, as they have in the past, from severe losses during long-term recession/bear markets and enhance performance during more volatile bull market periods.

ARE FAIRFAX GLOBAL MARKETS' INVESTMENT STRATEGIES TAX EFFICIENT?

While investment considerations should almost always trump a tax decision, Paul Dietrich, the CEO and Chief Investment Officer, has over twenty years of experience in managing taxable accounts. Fairfax Global's separate account structure and its focus on smaller client relationships enables tactical tax planning per client needs.

DISCLOSURES

Fairfax Global Markets LLC ("Fairfax") is an investment advisor registered with the United States Securities and Exchange Commission ("SEC"). For a detailed discussion of Fairfax and the investment management services described herein, please contact Paul Dietrich, Chief Investment Officer, at PDietrich@Fairfax-Global.com or 203-891-8377. Additional information regarding the firm's products and fees is available by accessing Form ADV Part 1 and 2A on file with the SEC at www.adviserinfo.sec.gov.

The information contained herein has been obtained from sources believed to be reliable, but the accuracy of the information cannot be guaranteed. The opinions and portfolio information provided are subject to change at any time, and are not to be construed as advice for any individual or as an offer or solicitation of an offer for purchase or sale of any security. Any reference to specific securities or sectors should not be considered research or investment recommendations by Fairfax. Past performance is not a guarantee of future performance.

The S&P 500 is a widely recognized unmanaged index of 500 stocks and is representative of the equity market in general. You cannot invest directly in an index. The S&P 500 Index may represent a more diversified list of securities than those recommended by Fairfax. In addition, Fairfax may invest in securities outside of those represented in the index. Additional information on any index is available upon request.

The Fairfax Global Trends ETF Strategy is a globally diversified, tactical strategy that primarily invests in Exchange Traded Funds (ETFs). The base line asset allocation is 60% Global Developed Markets, 30% Asia and Global Emerging Markets and 10% Gold, Energy & Global Commodities; providing a Globally Diversified 100% equity portfolio. During long-term bear markets, larger amounts of treasury bonds are invested in the strategy.

The Fairfax Global Permanent Portfolio Strategy basically holds as a base allocation, (1) 25% of the portfolio is held in equities; (2) 25% in short-term treasuries; (3) 25% in long-term bonds; and (4) 25% in gold and precious metals. This conservative, "all-weather," broadly diversified asset allocation is designed to protect an investor's capital under any and all sets of economic conditions.

A complete list and description of all Fairfax strategies is available upon request.