



TIMBER POINT
CAPITAL MANAGEMENT

ALTERNATIVE INCOME STRATEGY

MARCH 2025

FIRM OVERVIEW

Timber Point Capital Management, LLC is a New York based, boutique asset management firm providing multi-asset and alternative investment solutions to a wide range of clientele, including direct investors, institutional investors, financial advisers and registered funds.

The investment team at Timber Point Capital Management has successfully worked together since 2004.

TIMELINE

20 years working together

David Cleary, CFA - Founder, Portfolio Manager

Timber Point
Capital Management

UBS Asset Management

Lazard Asset Management

Crow Point Partners



'93 '94 '95 '96 '97 '98 '99 '00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20 '21 '22 '23 '24

A.B. Laffer/V.A. Canto & Assoc

La Jolla
Economics

Lazard Asset
Management

Crow Point Partners



Victor Canto, PhD - Macroeconomic Advisor

Timber Point
Capital Management

STRATEGY OVERVIEW

DESCRIPTION

- Fixed income diversification strategy that seeks to outperform high grade fixed income by investing in unique, higher yielding investments while mitigating structural interest rate risk

OBJECTIVE

- Seeks superior risk-adjusted returns within fixed income universe
- Targeted annualized 5-year net return of Barclays Aggregate plus 150bps
- Targeted risk similar to high-grade fixed income

UNIVERSE

- Corporate credit including high yield bonds, asset and mortgage-backed securities, emerging market debt including local and hard currency, bank loans, dividend-oriented equities, select private investments and other income generating securities
- Category: Morningstar Non-Traditional Bond

BENCHMARK

- Bloomberg Aggregate Bond Index

ROLE IN PORTFOLIO

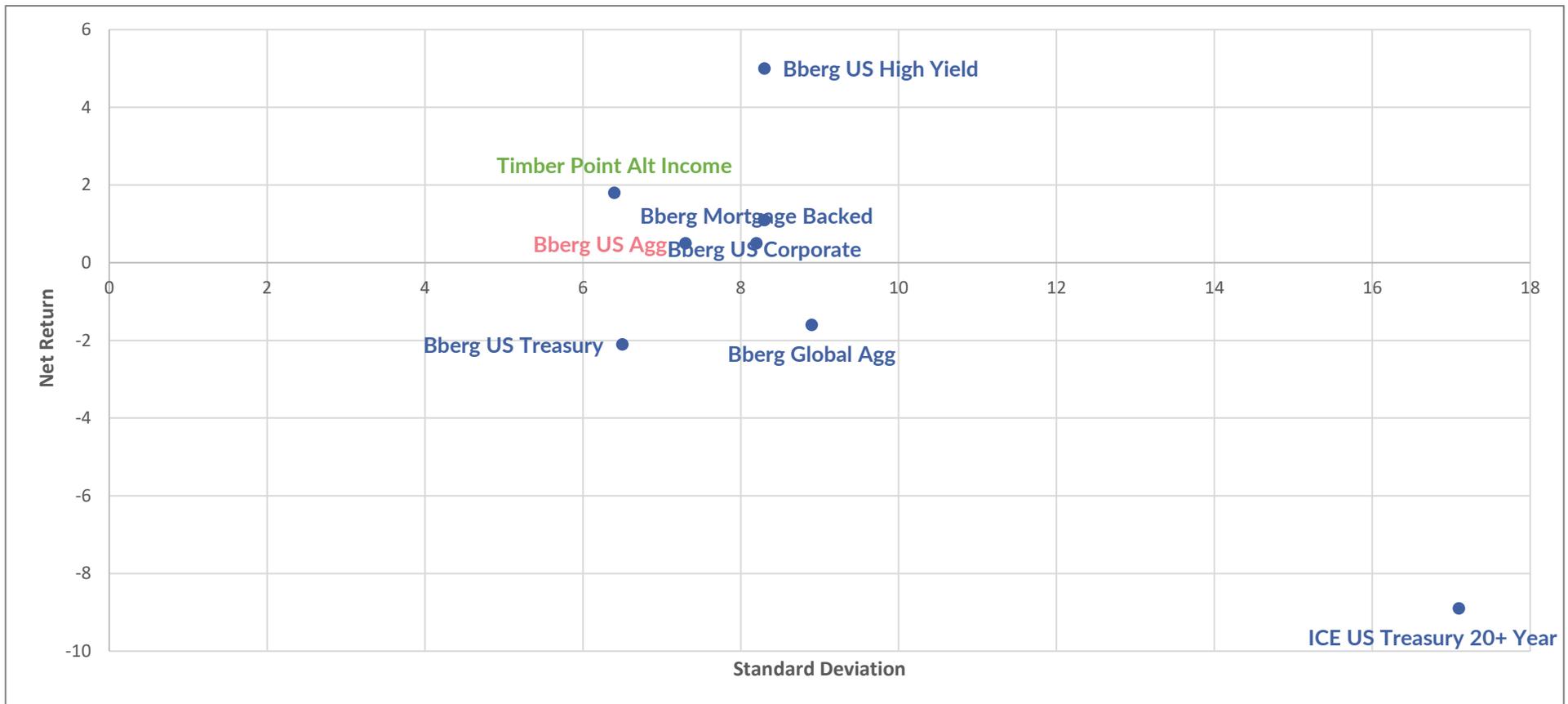
Volatility within bonds and other income investments has sharply increased. Investors will require an opportunistic strategy within portfolios to diversify risk and take advantage of opportunities.

- Fixed Income diversification strategy designed to complement traditional bond portfolios
- Aims to diversify return streams beyond traditional fixed income investments
- Seeks to achieve volatility similar to traditional bond investments and lower than equity investments

RISK & RETURN PROFILE

Timber Point Alternative Income Strategy vs Traditional Bond Sectors

3 Year Annualized Ending March 31, 2025



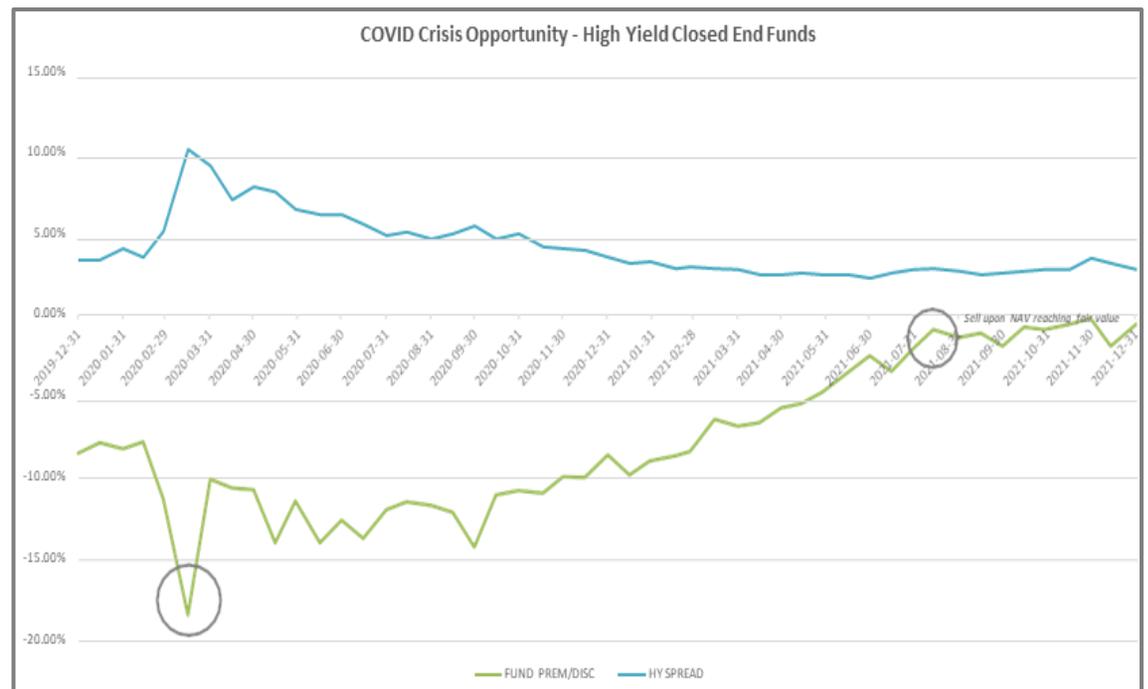
- Bonds and other income investments have suffered due to increasing inflation and monetary policy
- Opportunities have become more attractive as rates have normalized
- Strategy goal: Enhance income and return without structurally changing portfolio risk profile

**Past performance is not indicative of future results. Returns are presented Net of management fees and include the reinvestment of all income. Source: Longspeak Advisory Services, YCharts. & Morningstar Direct. Please see appendix for full disclosure.*

INVESTMENT PROCESS

Security Selection – High Yield CEFs

- Macro Investment Trade
- On the back of COVID-19 crisis, high yield credit spreads widen to levels not seen since 2008 Global Financial Crisis
- Company specific fundamentals deteriorate sharply with shutdown of the economy
- Federal Reserve initiates expanded quantitative easing program increasing the balance sheet to \$7 Trillion including corporate bonds, as assets available to purchase
- Trade: purchase high yield credit closed end funds trading at significant discount to NAV, yielding 13%, in anticipation of high yield market improvement and a narrowing of the discount to NAV



Any information is for illustrative purposes only and is not intended to serve as investment advice since the availability and effectiveness of any strategy is dependent upon individual facts and circumstances. Past performance is no guarantee of future results.

INVESTMENT PROCESS

Security Selection – Apple Inc.

- Apple Corporation is one of the world's leading technology companies and is the largest publicly traded market company in the world, by market capitalization
- Apple has \$122 billion in outstanding debt and \$193 billion in cash on the balance sheet. The company is expected to generate over \$70 billion in free cash flow in 2021
- Apple debt is rated AA+ by Moody's despite having credit and cash flow metrics that justify AAA rating
- Trade: purchase AAPL 2.4% 8/20/50 @ 100bps over US Treasuries in anticipation of 40 to 50bps of credit tightening

APPLE INC (AAPL US) - ADJ HIGHLIGHTS

In Millions of USD 12 Months Ending	Current / LTM 06/27/2020	FY 2020 Est 09/30/2020	FY 2021 Est 09/30/2021
Market Capitalization	1,889,146.1		
- Cash & Equivalents	193,617.0		
+ Preferred & Other	0.0		
+Total Debt	122,186.0		
Enterprise Value	1,817,715.1		
Revenue, Adj	273,857.0	272,650.3	308,362.6
Growth% YoY	5.7	4.8	13.1
Gross Profit, Adj	104,580.0	104,070.6	119,114.3
Margin %	38.2	38.2	38.6
EBITDA, Adj	79,784.0	76,660.5	88,215.3
Margin %	29.1	28.1	28.6
Net Income, Adj	58,412.9	57,145.8	65,003.9
Margin %	21.3	21.0	21.1
EPS, Adj	3.29	3.23	3.84
Growth % YoY	12.0	8.7	18.8
Cash from Operations	80,008.0		
Capital Expenditures	-8,302.0	-9,003.2	-11,295.3
Free Cash Flow	71,706.0	68,162.5	73,085.9

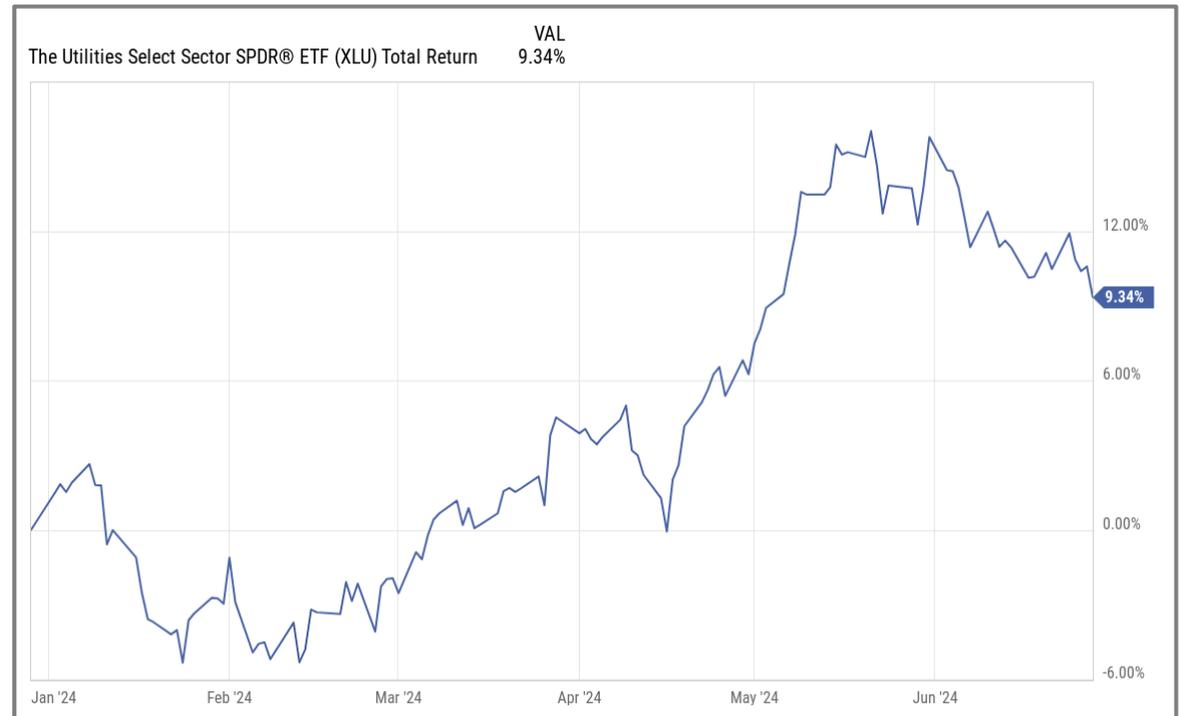
Source: Bloomberg

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INVESTMENT PROCESS

Security Selection - Utilities

- **Stable Cash Flow:** Utilities provide consistent cash flow, leading to reliable dividends.
- **Defensive Investment:** Utilities perform well in downturns, offering portfolio stability.
- **High Dividend Yields:** Utilities pay higher dividends, ideal for income-focused investors.
- **Regulated Earnings:** Regulatory frameworks ensure steady earnings with reduced risk.
- **AI-Driven Growth:** AI in utilities boosts efficiency and profitability, supporting long-term growth.

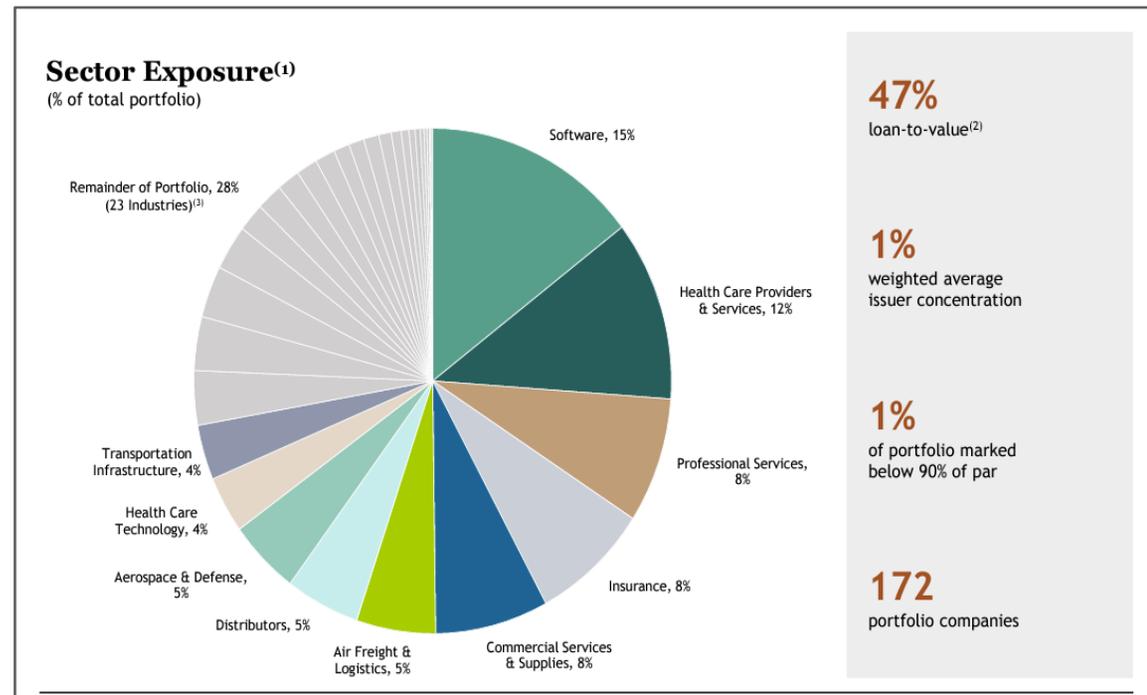


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INVESTMENT PROCESS

Security Selection – Alternative Lending

- A diversified pool of unique, non-public, income generating secured loans
- Niche sectors with attractive yield profiles
- Low correlation to traditional bond investments
- Rigorous sourcing, due diligence and risk management processes
- Not heavily influenced by leverage, macro variables or equity risks



Managed through Blackstone

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HOLDINGS & STATISTICS

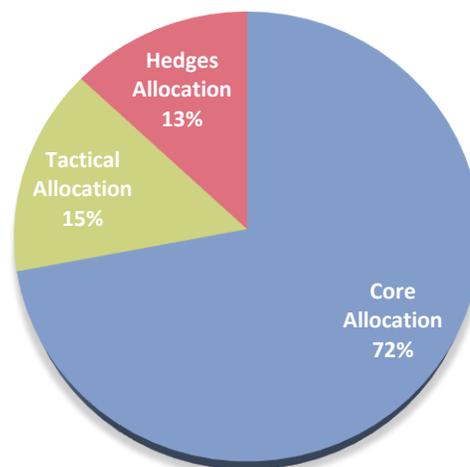
TOP HOLDINGS IN EACH CATEGORY (as of 03/31/2025)

	Long/Short	% of Allocation
Core Allocation		72%
High Yield Corporate Bonds	Long	29.3%
Core Bonds	Long	18.2%
High Grade Corporate Bonds	Long	12.0%
Tactical Allocation		15%
Diversified Equities	Long	6.7%
Closed End Funds	Long	3.7%
Business Development Loans	Long	1.5%
Hedges Allocation		13%
Cash	Long	3.4%
Long Duration Treasuries	Long	3.0%
Bitcoin	Long	2.2%

KEY STATISTICS

Exp Risk	6.3
Exp Beta to Fixed Income	0.8
Exp Beta to Equities	0.2
Gross Yield	5.6%
Avg Duration	4.8 yrs
Avg Credit Quality	A+

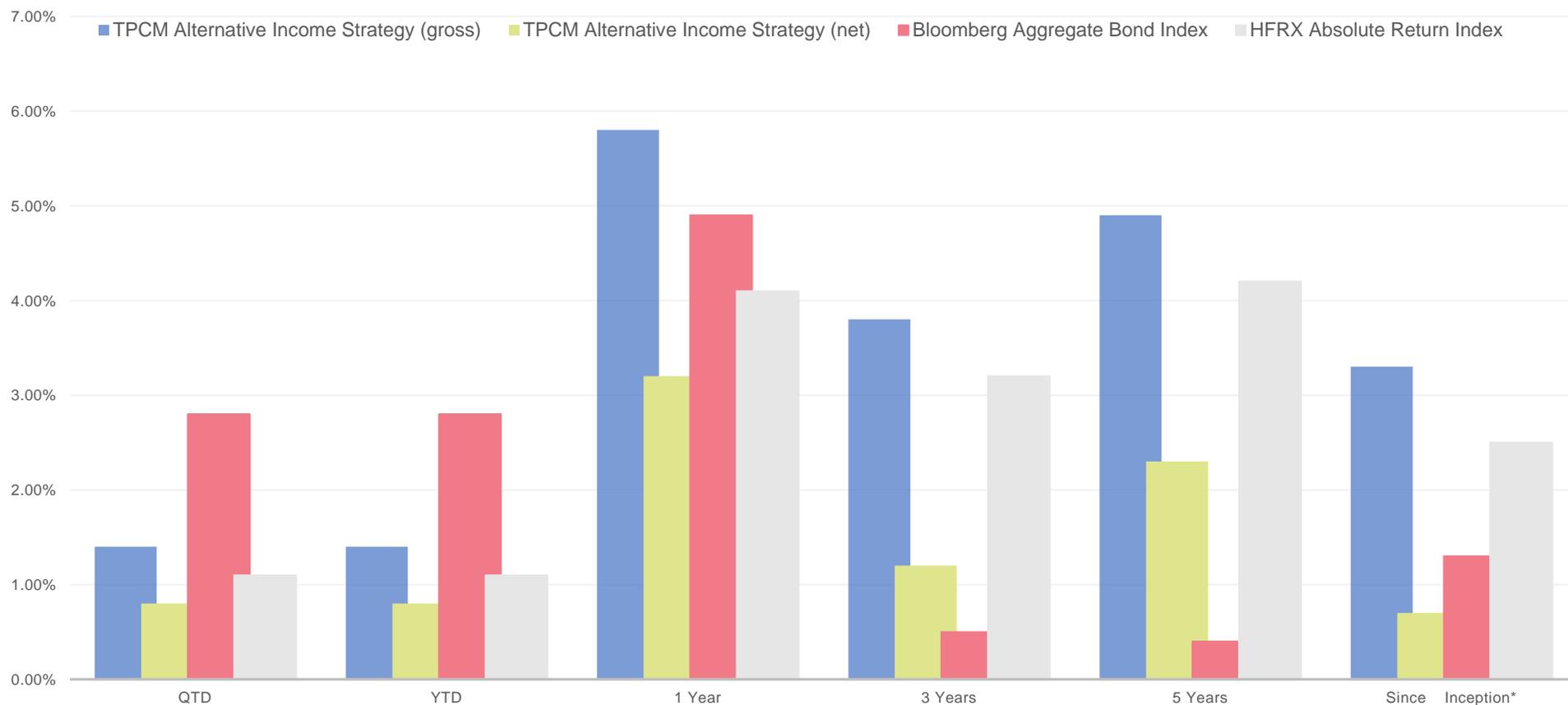
PORTFOLIO ALLOCATIONS



Source: YCharts, TPCM

COMPOSITE PERFORMANCE

ALTERNATIVE INCOME STRATEGY RETURNS (as of 03/31/2025)



	<u>QTD</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>Since Inception*</u>
TPCM Alternative Income Strategy (gross)	1.4%	1.4%	5.8%	3.8%	4.9%	3.3%
TPCM Alternative Income Strategy (net)	0.8%	0.8%	3.2%	1.2%	2.3%	0.7%
Bloomberg Aggregate Bond Index	2.8%	2.8%	4.9%	0.5%	0.40%	1.0%
HFRX Absolute Return Index	1.1%	1.1%	4.1%	3.2%	4.2%	2.4%

*Inception Oct 1 2017. Past performance is not indicative of future results. Returns are presented Net of management fees and include the reinvestment of all income. Source: Longspeak Advisory Services. & Morningstar Direct. *Net of returns are calculated using highest fee level of 2.50% Please see appendix for full disclosure.

TEAM BIOGRAPHIES



DAVID CLEARY, CFA

David Cleary, CFA is the President and Chief Investment Officer at Timber Point Capital Management, LLC. Prior to founding TPCM, David served as the Chief Investment Officer at Crow Point Partners. Before Crow Point, Mr. Cleary spent 23 years at Lazard Asset Management where he held a series of senior portfolio management roles over multi-asset and global fixed income strategies. Additionally, he served as the firm's global head of fixed income, a \$26 billion platform. Prior to Lazard, David worked at UBS and IBJ Schroder, mostly in fixed income asset management roles. He began working in the asset management field in 1987 upon his graduation from Cornell University, with a BS in Business Management and Applied Economics. Mr. Cleary holds a Chartered Financial Analyst (CFA) designation.



VICTOR CANTO, PHD

Victor Canto, Ph.D. is the economic consultant to Timber Point Capital Management. Victor founded La Jolla Economics Inc., an economics consulting firm. From 2004 to 2016 he was an adviser to the Lazard Capital Allocator Series. From 1993 to 1998, he was Chief Investment Officer, Director of Research and portfolio manager at Calport Asset Management. From 1989 to 1997 he was President and Director of Research at A. B. Laffer, V. A. Canto and Associates. Victor has been an adviser to governments and a tenured finance and economics professor at the University of Southern California. He received his doctorate in Economics and a Master of Arts degree in Economics from the University of Chicago and his Bachelor of Science degree in Civil Engineering from the Massachusetts Institute of Technology in 1972.



PATRICK MULLIN, CFA

Patrick Mullin, CFA is a Partner and Managing Director at Timber Point Capital Management, LLC. Mr. Mullin is the Founder and CIO of Ardara Capital, a small and mid capitalization hedge fund founded in 2011. From 2013 through 2017, Mr. Mullin served as a consultant at DeepDive Automated Research, a financial technology company, where he fostered client and strategic relationships. Prior to Ardara Capital, Mr. Mullin spent 10 years at Lazard Asset Management where he was the Portfolio Manager for the \$3 billion AUM U.S. Small Cap Product in addition to his analytical coverage of the energy, technology and healthcare industries. Patrick is a graduate of Trinity College, has an M.B.A. from The University of North Carolina at Chapel Hill and holds a Chartered Financial Analyst (CFA) designation.

GIPS ANNUAL COMPOSITE PERFORMANCE

Year End	Total Firm Assets (USD) (Millions)	Composite Assets (USD) (Millions)	Number of Portfolios	Composite Returns Gross	Composite* Returns Net	Benchmark Returns	Composite Dispersion	Composite 3-Yr Std Dev	Benchmark 3-Yr Std Dev
2024	158.35	22.02	≤5	7.04%	4.54%	1.25%	N/A ¹	7.18%	7.81%
2023	93.88	13.72	≤5	10.16%	7.66%	5.53%	N/A ¹	6.45%	7.22%
2022	85.70	14.43	≤5	-9.66%	-12.16%	-13.01%	N/A ¹	7.57%	5.86%
2021	98.84	17.84	≤5	4.17%	1.67%	-1.54%	N/A ¹	6.64%	3.46%
2020	98.78	17.34	≤5	2.56%	0.06%	7.51%	N/A ¹	7.13%	3.42%
2019		15.16	≤5	10.97%	8.47%	8.72%	N/A ¹	N/A ²	N/A ²
2018		10.91	≤5	-3.05%	-5.55%	0.01%	N/A ¹	N/A ²	N/A ²
2017*		16.12	≤5	2.56%	1.94%	0.39%	N/A ¹	N/A ²	N/A ²

Period - As of 12/31/2024	Gross Returns	Net Returns*	Benchmark Returns
1-Year	7.04%	4.54%	1.25%
5-Year	2.62%	0.12%	2.10%
Since-Inception	3.19%	0.69%	0.99%

NA¹ - Composite dispersion is not presented for periods with five or fewer portfolios in the composite for the entire year.

NA² - The three-year annualized standard deviation is not presented for periods before 36 consecutive months of data is available.

Performance is for a partial period from October 1, 2017 to December 31, 2017.

Since-inception performance is calculated for the period beginning October 1, 2017.

Performance is annualized for periods greater than 1 year.

*Net of returns are calculated using highest fee level of 2.50%

Source: Longspeak Advisory Services, YCharts, & Morningstar Direct. Please see appendix for full disclosure.

DISCLOSURES

TIMBER POINT ALTERNATIVE INCOME Composite includes all institutional portfolios that invest in the firm's Alternative Income strategy. The strategy seeks high risk-adjusted returns with similar volatility to traditional fixed income investments and lower volatility than equity investments. The strategy is implemented utilizing a process that seeks to balance risks and minimize drawdowns. The strategy may experience losses as it is subject to market risk, interest rate risk, and other economic risks that may influence the returns of this strategy. The Alternative Income composite is compared against the Bloomberg Aggregate Bond Index as well as the HFRX Absolute Return Index. The Alternative Income composite has a minimum of \$25,000, with a tolerance of 20% for falling below the minimum. The Alternative Income composite was created in April 2020 and incepted on October 1, 2017.

Fortis Capital Advisors dba Timber Point claim compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Timber Point has been independently verified for the periods April 1, 2020 through December 31, 2021. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Fortis Capital Advisors dba Timber Point Capital Management, LLC (TPCM) is a registered investment adviser with the U.S. Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940. Registration with the SEC does not imply a certain level of skill or training.

Returns are presented both gross-of-fees and net-of-fees and all periods greater than 1-year are annualized. Performance quoted represents past performance.

All Returns are in US Dollars (\$)

Past performance is not indicative of future results.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Performance presented prior to January 1, 2020, was achieved by the same portfolio manager while affiliated with a prior firm. The performance from the prior firm has been linked to the current composite performance in accordance with the portability requirements of the GIPS standards. Past performance is not indicative of future results. Returns include the reinvestment of all income.

DISCLOSURES

The currency used to express performance is USD. Gross-of-fee returns are reduced by trading costs. For segregated accounts within the composite, net-of-fee returns are reduced by trading costs and each portfolio's actual investment management fee. For pooled funds within the composite, net-of-fee returns are reduced by trading costs, all actual investment management fees and all pooled fund expenses. Composite dispersion is measured by the asset-weighted standard deviation of annual gross returns of those portfolios included in the composite for the full year. The 3-year annualized standard deviation measures the variability of the composite gross returns and benchmark returns over the preceding 36-month period. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The investment management fee schedule for the composite is tiered, beginning at 2.5%. Actual investment advisory fees incurred by clients are negotiable and may vary.

Prior to mid-2022, a subadvisor managed a segment of composite assets for all periods presented. As of 12/31/2021, the subadvisor managed approximately 49% of composite assets.

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Benchmarks:

Bloomberg Aggregate Bond Index - The Bloomberg Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

HFRX Absolute Return Index - The HFRX Absolute Return Index is a benchmark index published by HFR (Hedge Fund Research, Inc.) that seeks to reflect the performance of hedge funds that aim for consistent positive returns with minimal correlation to traditional markets, such as equities or bonds. It is designed to represent hedge fund strategies that prioritize capital preservation and low volatility over long-term capital appreciation.

DISCLOSURES

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CONTACT US

TIMBER POINT CAPITAL MANAGEMENT

555 Pleasantville Road Briarcliff

Manor, NY 10510

914-645-7745

pmullin@timberpointcapital.com

Visit us online at

www.timberpointcapital.com

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