



Investing in  
Businesses  
That Change  
the World

## I SUMMARY

The Future Fund LLC is a SEC Registered Investment Advisor, advisor to The Future Fund Active ETF. We focus on companies with secular growth opportunities we've identified as megatrends created by fundamental change in their markets that we believe change the world.

### Focused on leading secular growth opportunities

**We manage concentrated, high-conviction secular growth portfolios** for clients in both long-only and hedged equity structures.

**Our strategy is focused** on long-term trends in the marketplace that we believe have not been fully recognized by investors.

**We invest in companies** that we believe have the strategy, products, and proactive culture to exploit these long-term trends.

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### Discovering uncaptured equity value

**We believe** transformative companies will displace legacy industry incumbents in several key sectors, building strong brand recognition and first-mover advantages, while increasing market share.

**The threat to existing businesses is high** and the long-term opportunities for companies and investors participating in this change will lead to significant value creation.

**Our goal is to identify** companies that can best capitalize on these secular trends by leveraging their competitive advantages.

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## HOW WE DIFFER

High-Conviction Strategy Driven by Proprietary Research,  
Aligned with Clients' Interests

- 1 | Focused portfolios backed by intensive research** – We apply deep industry research and create concentrated, high-conviction portfolios.
- 2 | Differentiated return profile** – We are benchmark agnostic and do not manage to an index, thereby creating high active share and a non-correlated return profile.
- 3 | Blending people, investment, and operational expertise** – Our partners have decades of investment experience and first-hand operational experience gained from managing companies.
- 4 | Opportunistic and tactical** – We strive to exploit short-term dislocations in the market, creating incremental alpha.
- 5 | Managing risk on multiple levels** – We manage risk intensively, both fundamentally and quantitatively.
- 6 | Fully aligned with investors** – We have a fully transparent business model, tied to investment performance designed to achieve our clients' best interests.

## FUTURE FUND LEADERSHIP

Shared History of Success,  
Combined 50+ Years' Experience



**Gary Black**  
Managing Partner  
The Future Fund, LLC

**David Kalis, CFA**  
Partner,  
The Future Fund, LLC

### Gary Black Managing Partner

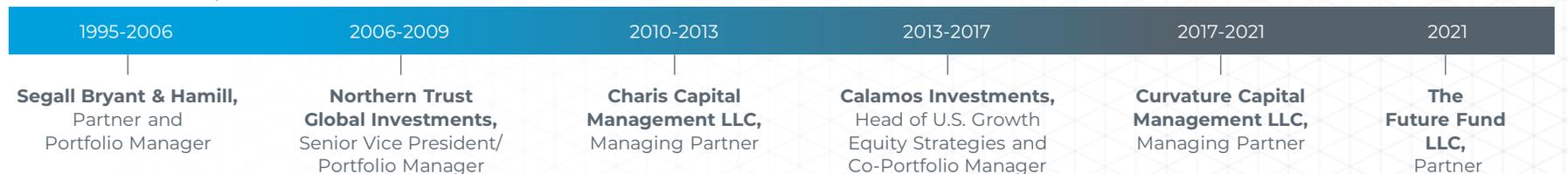
Nearly 30 years' portfolio management, investment, research experience complemented by operational expertise



MBA, **Harvard Business School** and BSc in Economics, **Wharton School of the University of Pennsylvania**

### David Kalis Partner

25+ years' proven success managing small- and mid-cap portfolios and leading investment teams



BA in Economics, **University of Michigan**, Chartered Financial Analyst

## INVESTMENT PHILOSOPHY

We Invest in Transformative Companies that Create Long-Term Value

Our investment philosophy is based on thematic idea generation; a systematic, proprietary research-backed process for analyzing industries and companies; and disciplined portfolio and risk management.



## INVESTMENT PROCESS OVERVIEW

Targeting Businesses Capitalizing on  
Secular Trends Over Three to Five Years

Our investment process is a combination of:



## SECULAR GROWTH IDEA GENERATION

Focused on a Defined Set of Secular Megatrends

We seek to identify inflection points in multi-year secular trends driven by changes in technology, consumer preferences, demographics, and environmental sustainability, which can lead to significant increases in their markets, earnings trajectories, and market capitalizations.



Secular  
Growth  
Idea  
Generation



Fundamental  
Research-  
Driven  
Process



Disciplined  
Portfolio  
Construction



Dynamic  
Risk  
Management



## Key Secular Megatrends

**Social networking:**  
Replacing traditional  
media



**E-commerce:**  
Disintermediation of  
brick-and-mortar retail



**Automation:** Artificial  
intelligence (AI) and  
robotics replacing labor



**People living longer:**  
Health care and  
technology converging



**Lifestyle betterment:**  
Fitness, staying young,  
and enjoying life



**Mobility:** Working  
and interacting from  
anywhere



**Climate sustainability:**  
How technology can  
fight climate change



**Big data and security:**  
Data management  
and privacy



**Fintech:** Digital  
transactions and  
financial innovation



**24/7 information  
and entertainment:**  
Delivered digitally



We strive to find investment opportunities where company fundamentals differ from the consensus, a key driver of alpha generation.

## RIGOROUS, FUNDAMENTAL, RESEARCH-DRIVEN PROCESS

Rigorous, Approach Aimed at  
Generating Significant Excess Returns



Secular  
Growth  
Idea  
Generation



Fundamental  
Research-  
Driven  
Process



Disciplined  
Portfolio  
Construction



Dynamic  
Risk  
Management

We apply a rigorous  
research-driven  
process for analyzing  
companies across  
sectors and themes,  
which includes  
the following:

**Develop a detailed investment thesis**, disciplined valuation process, and key metrics to track long-term performance of the business and strategy

**Enhancing our fundamental** research with proprietary, objective quantitative tools

### Analyzing the sustainability of core businesses:

- Large and growing total addressable market
- Product superiority
- First-mover advantage
- Management execution
- Pricing power

### Focusing on specific stock drivers:

- Accelerating growth
- Catalysts
- Uncaptured expectations
- Significant valuation gap to current market price

Our research process focuses on sustainable multi-year growth opportunities, supported by tailwinds from our defined secular trends, where we evaluate outcomes across scenarios that may not be considered by typical investors.

## DISCIPLINED PORTFOLIO CONSTRUCTION

Concentrated on the Best Secular Growth Ideas



Secular  
Growth  
Idea  
Generation



Fundamental  
Research-  
Driven  
Process



Disciplined  
Portfolio  
Construction



Dynamic  
Risk  
Management

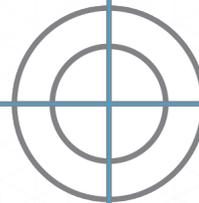
We believe that a concentrated, high-conviction portfolio with moderate turnover is the best way to achieve sustainable alpha.

**We target** equities that we believe have a probability weighted 2:1 upside/downside over a three- to five-year period.

**We believe disciplined valuation** is an important differentiator in growth-stock investing and view the value of a company through multiple lenses.

**We construct** portfolios based on our level of conviction, with an emphasis on low correlation to benchmarks and unique investment outcomes.

**We do not manage to,** nor are we constrained by, sectors, industries, or indices. We are benchmark agnostic.



## DYNAMIC RISK MANAGEMENT

Potential Downside Scenarios  
Evaluated Throughout the Process



Secular  
Growth  
Idea  
Generation



Fundamental  
Research-  
Driven  
Process



Disciplined  
Portfolio  
Construction



Dynamic  
Risk  
Management

We employ the following risk-management measures:



**Evaluate outcomes** including upside/downside capture, volatility and factor analysis, and macro drivers to enhance portfolio construction

**Tactically employ options and hedges** in an effort to magnify alpha and minimize downside risks, as appropriate

**Seek to maintain** a keen understanding of long-tailed growth stocks and short-term sensitivity to valuation drawdowns

**Utilize risk tools** to manage unintended exposures (factors)

## STRONG SELL DISCIPLINE

Based on Four Key Scenarios

1

### PRICE TARGET REACHED:

Our expertise in valuing growth stocks is rooted in understanding the intrinsic value of companies over the long term.

2

### INVESTMENT THESIS HAS CHANGED:

Our investment thesis focuses on two to three drivers. We will continue to be invested in a company as long as those drivers stay intact.

3

### NEAR-TERM RISK/REWARD NO LONGER COMPELLING:

Given the dynamic nature of the market, we are presented with new investment opportunities frequently.

4

### INVESTOR EXPECTATIONS BECOME TOO OPTIMISTIC:

Our in-depth research leads us to believe revenue and earnings expectations will not be reached.



We will sell a position if one or more of the following scenarios emerge.

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