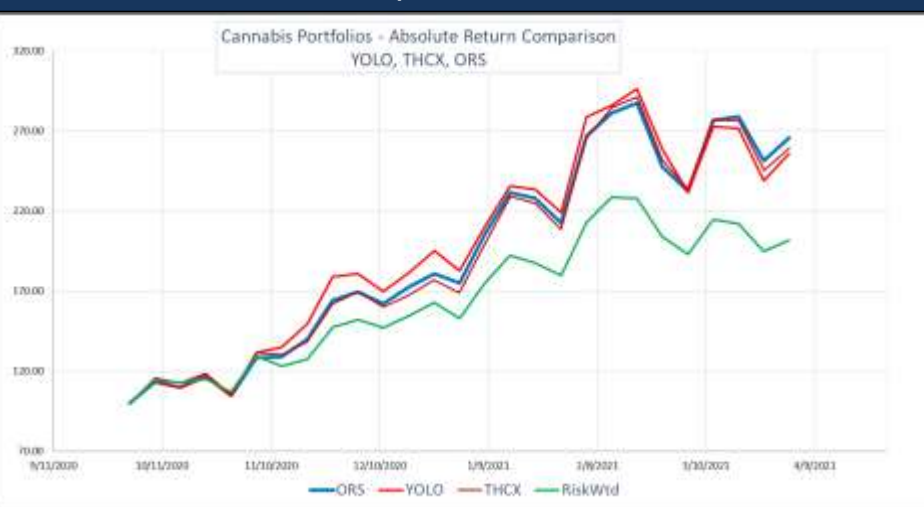


Description

- The ORS Systematic Cannabis portfolio was constructed using Sherpa Funds Technology's Systematic Portfolio Construction Process and Optimal Risk Sizing (ORS) technology to provide a concentrated, risk-controlled systematic Cannabis thematic portfolio
- The portfolio is designed to be executable in \$25mn USD size
- Below the ORS portfolio is compared to 2 popular Cannabis ETFs, YOLO and THCX, and a Risk Weighted portfolio of the same names

Performance and Risk Comparison Backtest



Cannabis Portfolio Comparisons

Stats	YOLO	THCX	RiskWtd	ORS
Performance Statistics Comparison				
Return (p.a.)	155.90%	159.08%	101.67%	165.54%
Sharpe	1.92	1.98	1.61	2.18
Risk Statistics Comparison				
Vol	81.40%	80.52%	63.19%	76.08%
Drawdown	-21.78%	-19.73%	-15.50%	-19.21%

Risk Driver – Analyst Consensus Score Exposures

Cannabis Portfolio Alpha Expression Comparison

Alpha Score Range		Alpha Score Exposure			
Min	Max	YOLO	THCX	RiskWtd	ORS
4.00	5.00	22%	26%	15%	24%
3.00	4.00	42%	42%	43%	31%
2.00	3.00	19%	28%	29%	38%
1.00	2.00	0%	4%	13%	6%
0.00	1.00	17%	0%	0%	0%

ORS Systematic Thematic: Cannabis

Theme	Cannabis
BMK ETFs	YOLO, THCX
Comparison Date	Risk Weighting Apr 2021

Sherpa Systematic Portfolio Problem Definition Overview

(1) Generate Ideas

Selection

- Largest Cannabis theme ETFs
- YOLO and THCX constituent stocks

Scores

- Bloomberg Analyst Consensus score

(2) Shape the Portfolio

Risk You Want

- Concentrated long-only portfolio
- Maximizing exposure to Scores

Risk You Don't

- Limit downside volatility
- Minimize drawdown

Objectives & Constraints

- Each posn. <10% stock ADTV
- Max individual stock wt of 6.5%
- 100% long fully invested exposure

ORS Systematic Results

- More exposure to Alpha scores
- More risk-control (lower vol and drawdown)
- Better returns
- Higher Sharpe

To discuss methodology behind this ORS Systematic Thematic portfolio or learn more about Sherpa Funds Technology's process-driven approach to portfolio construction, [get in touch here](#) or sign up for [the SFT mailing list](#).

www.sherpafundstech.com

info@sherpafundstech.com