



Zindel Capital AG

Assurance report on the Institution's Back Test of the

Zindel Global Quantitative Fund

September 4th, 2018



Independent Reasonable Assurance Report on the Institution's Back Test of the Zindel Global Quantitative Fund

We were engaged by **Zindel Capital AG** (“the Institution” or “Zindel”), to report in the form of an independent reasonable assurance about whether the Institution’s assertion that the information (“subject matter information”) to support the results of the Zindel Global Quantitative Fund’s back test for the period of 216 months ended on December 31st 2017 (“subject Matter”), is fairly stated, in all material respects, based on the criteria set out in the Appendix to this report (“Criteria”).

Entity Responsibilities

The Institution’s management is responsible for preparing the subject matter information and for the information contained therein that are free from material misstatement in accordance with the requirements. The Institution’s management are also responsible of the compliance with the aforementioned requirements and for preparing the assertion accompanying this report.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the subject matter information that is free from material misstatement, whether due to fraud or error. The Institution is responsible for preventing and detecting fraud and for identifying and ensuring the Institution complies with laws and regulations applicable to its activities.

The Institution is also responsible for ensuring that staff involved with the preparation and fairly stating of the subject matter information, are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Responsibilities

Our responsibility is to examine the subject matter information prepared by the Institution and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain reasonable assurance about whether the subject matter information is fairly presented, in all material respects according to the criteria established.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the reviewed information whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the preparation of the subject matter information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Institution's internal control over the preparation of the subject matter information.

Our engagement also included evaluating the appropriateness of the methods, policies and procedures, and models used by the Institution in the preparation of the subject matter information in the circumstances of the engagement and the reasonableness of estimates made by the Institution, reference to the Methodology, comparison of the underlying data to the sources from which it was obtained and re-computation of the calculations of the subject matter and the overall presentation of the subject matter information. Reasonable assurance is less than absolute assurance.

Our engagement is planned and performed to obtain reasonable assurance, but not absolute assurance, about whether the subject matter information is free of misstatement, whether caused by fraud or error.

Our work included procedures to obtain evidence about the reasonableness of the subject matter information. These procedures include:

- Review of calculations performed by the Institution.

Identification of the Applicable Criteria

The subject matter evaluation was performed to review the Fund's back test calculations, as applied by the Institution, and in accordance with the criteria set out in Appendix I to this report.

Institution's Assertion

The Institution asserts complying with subject matter information, by letter attached set out in the Appendix II to this report.



Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this independent assurance report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the Institution's assertion that the subject matter information to support the Zindel Global Quantitative Fund's back test for the period of 216 months ended on December 31st 2017, is fairly stated, in all material respects, based on criteria mentioned above.

Restriction of Use of Our Report

In accordance with the terms of our engagement, this independent reasonable assurance report on the subject matter information has been prepared for exclusive use of the Institution and the actual or prospective clients if required on the basis that our report should not be used for other purposes or by other persons, nor will be published or reproduced in partially or fully in any document that contains other information without our previous consent.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Institution for any purpose or in any context. Any party other than Institution who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Institution for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to the Institution on the basis that it shall not be copied, referred to or disclosed, in whole (except for the Institution's own internal purposes) or in part, without our prior written consent.

KPMG

A handwritten signature in black ink, appearing to read 'Erick Morales', written over a horizontal line. The signature is enclosed within a large, hand-drawn oval.

Erick Morales

Director

September 4th, 2018



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I. Introduction

Zindel Capital is a quantitative investment and technology development firm based in Switzerland, with offices in North America and Europe.

Zindel Capital has developed an algorithm that allows the Institution to automatically process data from Bloomberg in order to generate a series of daily investment orders. This algorithm is the core of the Zindel Global Quantitative Fund, making it a “fully systematic and automated” fund.

According to the Institution, the algorithm operates in such way that it processes all the Bloomberg data overnight and provides the investment orders to be executed first thing in the morning. In this way, all the transactions are determined once a day.

In order to evaluate the performance of the Zindel Global Quantitative Fund, Zindel Capital executed the algorithm process to obtain daily investment orders for a hypothetical portfolio with an initial investment of \$10,000,000 USD with a target volatility of 22.5% for a period of eighteen years, from January 2000 to December 2017. The Net Asset Value of this hypothetical portfolio at the end of the period was \$ 152,752,060.91 USD. The returns of this hypothetical portfolio were used to simulate the performance of the Zindel Global Quantitative Fund as stated in the following section; the results are presented in Table 1.

Initial Investment (2000)	\$ 10,000,000 USD
Present Portfolio Value (2017)	\$ 180,290,451.54 USD
Period Return (2000-2017)	1,702.90%
Average Return	17.43%
Realized Volatility	11.62%

Table 1. Zindel’s Back Test Results

The differences between the returns of the hypothetical portfolio and the returns of the fund relies in the fact that the Zindel Global Quantitative Fund invests a portion of the cash in U.S. Treasury Bills; the gains of this investment are reinvested in the fund and are assumed to replicate the performance of the hypothetical portfolio; it is important to notice that the trading costs were not contemplated for this simulation.

KPMG México (KPMG) has been engaged to review the results from the Zindel’s Back Test stated in Table 1, focusing mainly on the returns generated by the hypothetical portfolio. The process used to review the results of the Back Test is described in section III. It was not the objective of KPMG, review the internal control of the Institution, nor the systems or functionality of the possible execution of the simulated trades.

II. Institution's Methodology

The returns presented in section I were calculated by Zindel performing the following steps:

1. Constructing a hypothetical portfolio and calculating the returns of this hypothetical portfolio.
2. Calculating the gains of the investment made in U.S. Treasury Bills and projecting the returns of the hypothetical portfolio for these gains.

II.1 Hypothetical Portfolio's Returns

Zindel Capital executed the algorithm process to obtain daily investment orders for a hypothetical portfolio with an initial investment of \$10,000,000 USD with a target volatility of 22.5% for a period of eighteen years, from January 2000 to December 2017.

This hypothetical portfolio assumes that there is an initial investment with no additional investment through the period, and without any kind of withdraws (nor partial or total withdraws). Since the portfolio under scope is a hypothetical one, and Zindel's algorithm operates in such way that the transactions are determined once a day, it is assumed that all the investment orders are carried out at the beginning of the day, thus, no intraday returns occurred. The daily returns for the hypothetical portfolio were calculated by the Institution as follows:

$$r_i = \frac{V_i^E - V_i^B}{V_i^B}$$

Where:

r_i : Is equal to the return for period i

V_i^E : Is equal to the ending value of the portfolio for period i

V_i^B : Is equal to the beginning value of the portfolio for period i

II.2 Portfolio Valuation

The hypothetical portfolio of the Zindel Global Quantitative Fund consists of cash and financial assets. The financial assets are solely futures contracts positions. As stated in the Zindel Capital presentation, the Zindel Global Quantitative Fund invests in a variety of futures "in the most dependable and stable global markets and in different asset classes such as Equity Indices, Fixed Income, Commodities, Volatility and Foreign Exchange "FX".

The initial cash is equal to the initial investment of the hypothetical portfolio, that is \$10'000,000 USD. The cash is affected whenever a position is opened and closed, due to the trading cost and because of the payment required to open and closing a futures position, commonly known as initial



margin. Also, the cash will be affected when an opened position is being closed and the realized profit or loss is reflected. Since the portfolio under scope is a hypothetical portfolio, the trading expenses were estimated by Zindel.

The value of the financial assets was determined by the Institution by measuring the asset to Mark to Market (MtM), using Bloomberg's Settlement Price for each financial instrument.

II.3 Fund's Returns

Once the hypothetical portfolio returns are calculated, the Institution calculates the returns of the Zindel Global Quantitative Fund by assuming that half of the Net Asset Value at the end of the day is invested in US Treasury Bills, the daily gains arising from this investment are assumed to be reinvested in the Fund and the profits of this reinvestment are assumed to be in the same proportion of the hypothetical portfolio return.

III. Fund’s Back Test Review Process

The process for validating the results of the Zindel’s Back Tests followed by KPMG comprise two stages, the first one consists on validating the data integrity and consistency used by Zindel as input for the hypothetical portfolio’s returns calculation, and the second one consists on calculating the returns of the hypothetical portfolio as well as the returns of the Zindel Global Quantitative Fund obtained by Zindel (as shown in Table 1).

III.1. Data

Data validation was performed to corroborate the data used as an input for calculating the returns of the hypothetical portfolio, this is, the data of the hypothetical investment portfolio of an initial investment of \$10,000,000 USD and a target volatility of 22.5%. In order to analyze a higher spectrum of information that allows KPMG to broaden the data validation, KPMG required Zindel Capital to execute the algorithm process for thirty different hypothetical portfolios, for the period under scope, January 2000 to December 2017.

The hypothetical portfolios differ from one another depending on the initial investment and the target volatility. Half of the portfolios had an initial investment of \$10’000,000 USD and the other half an initial investment of \$20’000,000 USD, with the target volatility range from 13.5 to 32.5. A dispersion graph of the portfolios is shown in Figure 1.

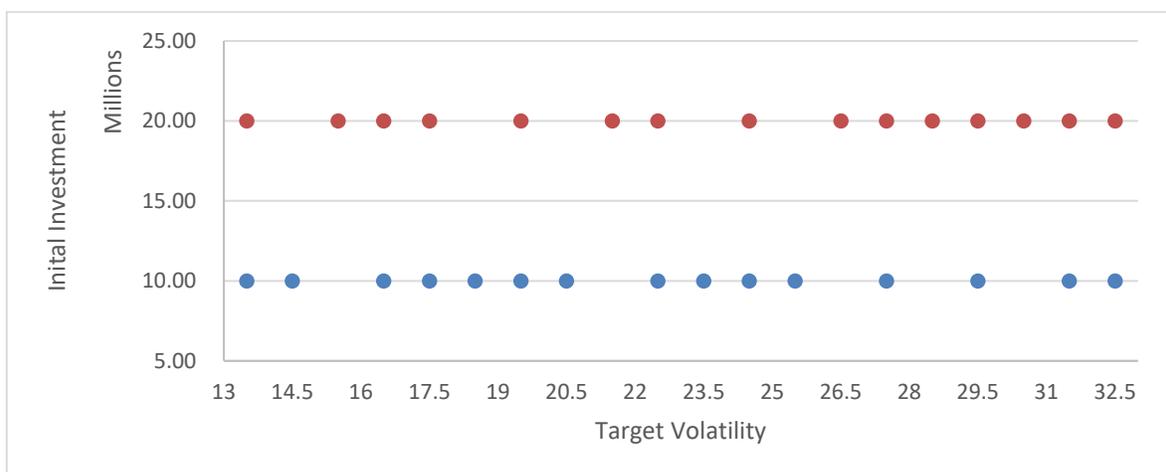


Figure 1. Hypothetical Portfolio’s Characteristics Dispersion Graph

Zindel provided the data for each of the hypothetical portfolios where information from each transaction is shown, this database includes the following fields:

1. **Symbol:** Bloomberg’s ticker of the transacted instrument with the expiry month and year.
2. **Type:** Type of transaction to be made (Buy, Sell, Short or Cover).
3. **Transaction Date:** Date on which the transaction is performed.
4. **Shares:** Number of futures contracts to be traded.



5. **Price:** Estimated Fill Price of the instrument.
6. **Commissions:** Estimated broker's commission for the trade.
7. **Amount:** Cash deducted or added to the fund by the transaction.
8. **Balance:** Cash balance of the fund.

The process to validate the data is described in the Appendix I.

III.2 Returns Calculation Methodology

The portfolio returns calculation methodology selected by KPMG for computing Zindel's hypothetical portfolio returns, is consistent with the principles and requirements set by international recognized performance standards endorsed by the CFA Institute, as well as with specialized financial Literature (see *Practical Portfolio Performance Measurement and Attribution, Carl Bacon, 2004*). The guiding principles followed by the returns methodology used are:

- Total returns must be used. Total return is defined as the rate of the return that includes the realized and unrealized gains and losses plus income for the measurement period.
- Firms must calculate time-weighted rates of return that adjust for external cash flows. External cash flow is defined as capital (cash or investments) that enters or exits in a portfolio and is generally client driven. Income earned on a portfolio's investments is not considered an external cash flow unless it is paid out of the portfolio
- Returns from cash and cash equivalents held in portfolios must be included in all return calculations.
- All returns must be calculated after the deduction of the actual trading expenses incurred during the period.
- The calculation method chosen must represent returns fairly, must not be misleading, and must be applied consistently.

Time-Weighted Rate of Return

The time-weighted rate return formula depends on the external and internal cash flows of the portfolio under scope. Since Zindel's hypothetical portfolio assumes that there is an initial investment with no additional investment through the period, and without any kind of withdraws (nor partial or total withdraws), there are no external cash flows during the period under scope. The formula for calculating the time-weighted portfolio return when there are no external cash flows is:

$$r_i = \frac{V_i^E - V_i^B}{V_i^B}$$

Where:

r_i : Is equal to the return for period i in which there are no external cash flows

V_i^E : Is equal to the ending value of the portfolio for period i

V_i^B : Is equal to the beginning value of the portfolio for period i

Since Zindel's algorithm operates in such way that the transactions are determined once a day, it is assumed that all the investment orders are carried out at the beginning of the day. The returns are calculated on a daily basis at the end of each day.

III.3 Portfolio Valuation

In order for the performance calculations to be meaningful, the valuations of portfolio investments must have integrity and fairly reflect their value.

International recognized performance standards require firms to apply a fair value methodology for valuating portfolio investments. Fair value is defined as the amount at which an investment could be exchanged in a current arm's length transaction between willing parties in which the parties each act knowledgeably and prudently. The valuation must be determined using the objective, observable, unadjusted quoted market price for an identical investment in an active market on the measurement date, if available. In the absence of an objective, observable, unadjusted quoted market price for an identical investment in an active market on the measurement date, the valuation must represent the firm's best estimate of the market value. Fair value must include accrued income.

The hypothetical portfolio of the Zindel Global Quantitative Fund consists of cash and financial assets. The financial assets are solely futures contracts positions as stated in the Zindel Capital presentation. As mentioned before, the cash is affected by the initial margin required to open and close futures positions, the trading cost arising from the transactions, and the profit or loss generated by a closing position. The profit or loss generated by a closing position of a future contract is calculated by multiplying the value change of the future contract for one-point tick by the change in the price observed.

The information provided by Zindel show the cash balance for each hypothetical transaction, this information is in the field **Balance**.



Thus, the value of Zindel's hypothetical portfolio at time t, denote by V_t , was calculated by KPMG as follows:

$$V_t = \text{Balance}_t + \text{MtM}_t$$

Where:

Balance_t : Cash balance at time t

MtM_t : Mark to Market of the financial assets at time t

III.4 Fund's Returns

Once the hypothetical portfolio returns are calculated, the Zindel Global Quantitative Fund's returns were calculated by assuming that half of the Net Asset Value at the end of the day is invested in US Treasury Bills, the daily gains arising from this investment are assumed to be reinvested in the Fund and the profits of this reinvestment are assumed to be in the same proportion of the hypothetical portfolio return.

III.5 Realized Volatility

An important concept that complements the analysis of the returns is the realized volatility, also known as historical volatility. This metric is used to measure the dispersion of the daily returns calculated.

KPMG compute the annualized realized volatility (RV) of the daily returns of the hypothetical portfolio as follows:

$$RV = \sqrt{252 \times \sigma^2}$$

Where:

σ is the standard deviation of the daily returns of the hypothetical portfolio.

**IV. Results**

The following are the results of the validation process performed by KPMG, detailed explanation is included in Appendix I.

IV.1 Data Validation

The data validated was the Initial Margin, Price, Commissions, and the Profit and Loss (PnL):

Input	Validation Result	Conclusion
Price		No significant differences
Commissions		No significant differences
PnL		No significant differences

Table 2. Validation Results

Initial Margin

The data validation of the Initial Margins used to calculate the Cash Balance result in difference that were considered to be not relevant. These differences arise from the fact that Bloomberg does not store historical information for the initial margins.

IV.2 Returns

The results are as follows:

	Zindel	KPMG	Difference
Initial Investment (2000)	\$10,000,000 USD	\$10,000,000 USD	0%
Present Portfolio Value (2017)	\$ 180,290,451.54 USD	\$ 182,491,335.02 USD	1.21%
Period Return (2000-2017)	1,702.90%	1,724.91%	1.28%
Realized Volatility	11.62%	11.60%	0.17%

Table 2. Fund's Back Test results

Appendix I – Back Test Validation

In order to calculate the hypothetical portfolio's returns, we need to obtain the value of the portfolio as defined in section III.2. From the formula $V_t = \text{Balance}_t + \text{MtM}_t$, thus we need to obtain the Cash Balance at time t and the Mark to Market of the financial assets at time t.

The database for each hypothetical portfolio consists in the following fields:

1. **Symbol:** Bloomberg's ticker of the transacted instrument with the expiry month and year.
2. **Type:** Type of transaction to be made (Buy, Sell, Short or Cover).
3. **Transaction Date:** Date on which the transaction is performed.
4. **Shares:** Number of futures contracts to be traded.
5. **Price:** Estimated Fill Price of the instrument.
6. **Commissions:** Estimated broker's commission for the trade.
7. **Amount:** Cash deducted or added to the fund by the transaction.
8. **Balance:** Cash balance of the fund.

Zindel provide the resulting Balance for each hypothetical transaction, which is calculated as the starting cash (before the transaction was traded) plus the amount (the cash deducted or added to the fund by the transaction):

$$\text{Balance}_i = \text{StartCash}_i + \text{Amount}_i$$

The amount of each transaction depends on the payment required to open or close the position (the initial margin), the estimated broker's commissions charged for the trade and the profit or loss (PnL) generated by a closing position.

$$\text{Amount}_i = \pm \text{Total Initial Margin}_i - \text{Commissions}_i + \text{PnL}_i$$

When the position is buy or short, the total initial margin has a positive (+) sign, when the position is sell or cover, the total initial margin has a negative (-) sign.

The initial margin required to open or close a future contract position was obtained by Zindel from Bloomberg.

The PnL for an open position, buy or short, is zero. The profit or loss generated by a closing position of a future contract is calculated by multiplying the value change of the future contract for one-point tick (Value of 1 pt) by the change in the price when the position was opened ($Price_o$) and the price when the position was closed ($Price_c$):

$$PnL_i = (Price_o - Price_c) \times \text{Value of 1pt}$$

The MtM of the financial assets were calculated by KPMG as described in the following section 2 of the Appendix.

1. Data Validation

In order to use Zindel’s Balance from the data bases, we need to validate the inputs required to calculate the Balance which are the Price, Commission, Initial Margin, and PnL.

Before describing the validation process, it is important to analyze the nature of the futures contracts that compose the hypothetical portfolios, particularly the currency in which are traded. There were 4,454 different futures contracts (from all of the 30 hypothetical portfolios), with the following distribution by currency traded:

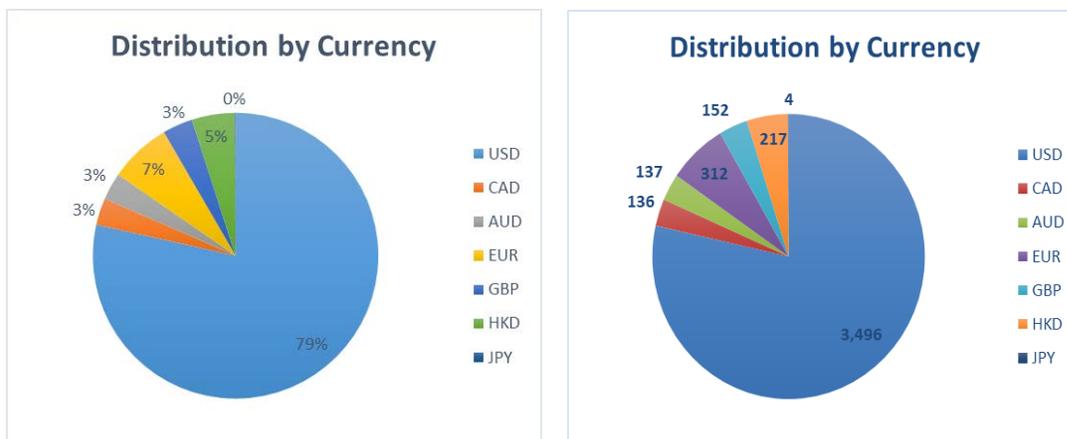


Figure 3. Future Contracts Distribution Graph

The value of the portfolio will be measured in USD, thus in order to consider the Initial Margin and the PnL in USD, we used the exchange rate from Bloomberg (open price).

1.1 Price

The Price stated in the databases for each hypothetical portfolio should correspond the fill price of the instrument. The Fill Price of an instrument is the price at which an order for an instrument is executed, which normally is different from the price in theory. Since investment orders of the hypothetical portfolio were never actually traded, the Fill Price is estimated by Zindel by affecting the open price of the future contract at time t by the Slippage:

$$\text{Fill Price (t)} = \text{Open Price (t)} \times (1 \pm \text{Slippage}(t))$$

The Slippage is calculated using the following formula:

$$\text{Slippage (t)} = 0.2 \times \left| \frac{\text{Open Price (t)}}{\text{Close Price (t - 1)}} - 1 \right| \times \frac{\text{Number of Contracts}}{\text{Volume}(t)}$$

Where:

Open Price (t): Open price at the market at day t

Close Price (t - 1): Close price at the market at day t-1

Number of Contracts: Number of contracts to be traded. Database Field: Shares

Volume(t): Total number of contracts traded in the market at day t

KPMG replicated the Fill Price calculated by Zindel. Since the data provider for Zindel is Bloomberg, KPMG obtained the information from Bloomberg, using the following tickers:

Bloomberg Name	Ticker	Description
Open Price	PX_OPEN	Price at which the security first traded on the current day. If the market is closed, it is the first price of the last day the market was open.
Closing Price 1 Day Ago	PX_CLOSE_1D	The last price the security traded at as of the previous trading day.
Volume	VOLUME	Total number of contracts traded in the market on the current day.

KPMG calculated the slippage and the fill price of the transactions for all the thirty hypothetical portfolios and compare it to the Price in the Zindel’s databases. The fill price of a total of 4,454 different futures contracts were analyzed with the following results:

	Number of Instruments	Percentage	Range of Differences
Total Instruments	4,454	100%	N/A
Instruments with significant differences in Fill Price	73	2%	100%
Instruments with no significant differences in Fill Price	4,381	98%	0% - 5%

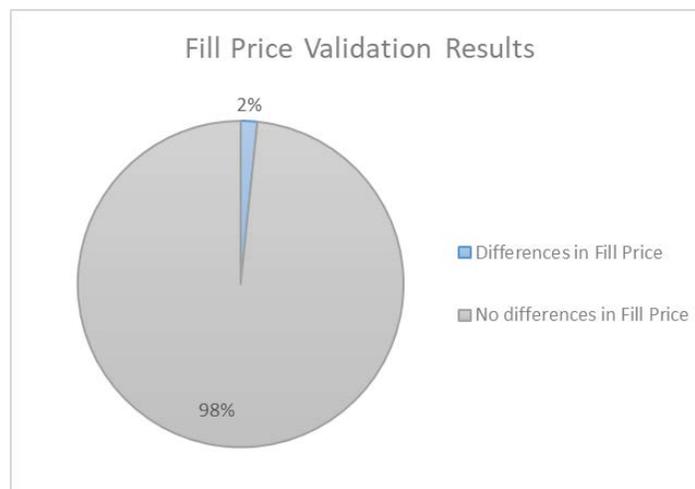


Figure 4. Fill Price Validation Results

Conclusion

All of the 73 future contracts with differences in the Fill Price calculated are Australian 10 year Bond Futures. The differences were addressed with Zindel and they explained that this particular Prices were modified in order to take into account the value change of the future contract for one-point tick (Value of 1 pt). In these particular cases, the Value of 1 pt is not given by Bloomberg, and thus is reflected in the Fill Price.

KPMG considers that there are no significant differences in the Fill Price.

1.2 Commissions

Zindel estimates the brokerage commissions of the transaction, taking the average of the Clearing and Electronic Execution Fees (2.14 USD) and multiplying it by the number of shares of the transaction.

$$\text{Commission}_i = 2.14 \times \text{Shares}$$

The commission for all the transactions in all of the thirty hypothetical portfolios were validated.

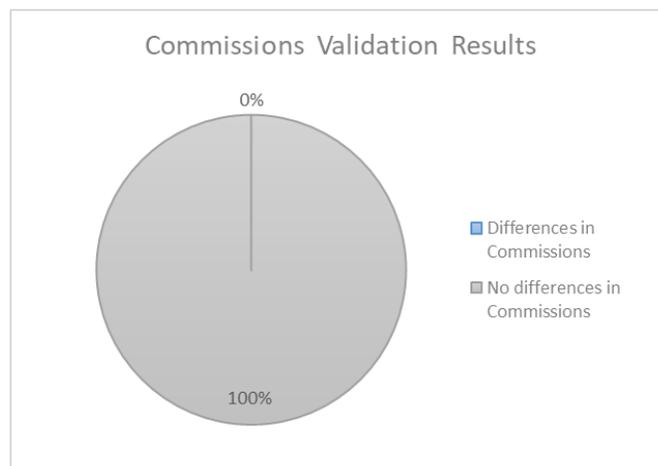


Figure 5. Commissions Validation Results

1.3 Initial Margin

Zindel obtains the initial margin from Bloomberg’s Initial Speculator Margin Limit, which is obtained using the following ticker:

Bloomberg Name	Ticker	Description
Initial Speculator Margin Limit	FUT_INIT_SPE C_ML	The minimum amount of money or marginable securities a speculator must post when buying or selling the futures contract.

KPMG downloaded the initial speculator margin limit for all the 4,454 futures contracts, however, the information from Bloomberg was not available for two future contracts:

	FUT_INIT_SPEC_ML
PTU03 INDEX	#N/A Field Not Applicable
SBV13 COMDTY	#N/A Field Not Applicable

The reason for this lack of information is because both future contracts are not currently been traded and Bloomberg do not store historical information for initial margins of expired contracts. Zindel encounter with this problem itself, and the Initial Margin for both contracts were estimated by assuming the Initial Margin will be equal to the total value of the future contract. This assumption of the Institution represents an overestimation of the Initial Margin, which normally is around 10% of the total value of the future contract.

For the rest of the futures contracts, the validation was not straightforward due to the fact that the Initial Margin was not one of the fields in the database. The validation of the Initial Margin was made by obtaining the Zindel’s Initial Margin from the amount equation, for those transactions when the PnL was zero.

$$\text{Amount}_i = \pm \text{Total Initial Margin}_i - \text{Commissions}_i + \text{PnL}_i$$

When comparing the initial margin obtained from Bloomberg to the initial margin used by Zindel, there were several differences. These differences arise from the fact that Bloomberg do not keep historical data for the initial margins. Since not all of this information is publicly available in Bloomberg, we couldn't reconcile these differences, however, differences are considered to be not relevant.

1.4 PnL

The profit or loss generated by a closing position of a future contract is calculated by multiplying the value change of the future contract for one-point tick (Value of 1 pt) by the change in the price when the position was opened (Price_O) and the price when the position was closed (Price_C):

$$\text{PnL}_i = (\text{Price}_O - \text{Price}_C) \times \text{Value of 1pt}$$

Zindel obtains this information from Bloomberg using the following ticker:

Bloomberg Name	Ticker	Description
Value Of 1 Pt	FUT_VAL_PT	The value change of the contract for a one-point tick.

KPMG obtained the value of 1 pt and using Zindel's Initial Margin recalculated the Profit and Loss.

For the hypothetical portfolio with an initial investment of 10,000,000 USD and target volatility of 22.5%, the accumulated amounts of the sampling selected, showed no significant differences (0.046%).

2. Returns Calculation

Once the data was validated, we were able to use Zindel's Balance as input for the portfolio valuation:

$$V_t = \text{Balance}_t + \text{MtM}_t$$

The MtM of the portfolio was calculated using the Bloomberg's last price of the futures contracts for the valuation day.

Bloomberg Name	Ticker	Description
Last Price	PX_LAST	Futures and Options: Returns the last traded price until settlement price is received, at which time, the settlement price is returned. If no trade or settlement price is available for the current day, then the last settlement price received is provided

Appendix II – Institution's assertion



KPMG Cárdenas Dosal, S.C.
Blvd. Manuel Ávila Camacho 176, P1
Col. Reforma Social, 11650
Ciudad de México

August 10, 2018

Subject: Confirmation Letter on the Zindel Global Quantitative Fund's back test for the period of 216 months ended on December 31st, 2017 (*"the subject matter"*).

Dear Sirs:

We confirm the following criteria in relation to the **Zindel Capital AG** (*"the Institution"*) assertion that we have agreed with you to support the compliance with the subject matter:

A. The information prepared by **Zindel Capital AG** (*"the Institution"*) that supports the compliance with the subject matter is our responsibility. Given that the information presented corresponds to a hypothetical portfolio, some information has been estimated.

The actual application of the methodology by the Institution is standard.

B. During the period of 216 months ended on December 31st, 2017, the Institution supports the compliance with the subject matter.

Sincerely,



Jorge A. Zindel
CEO