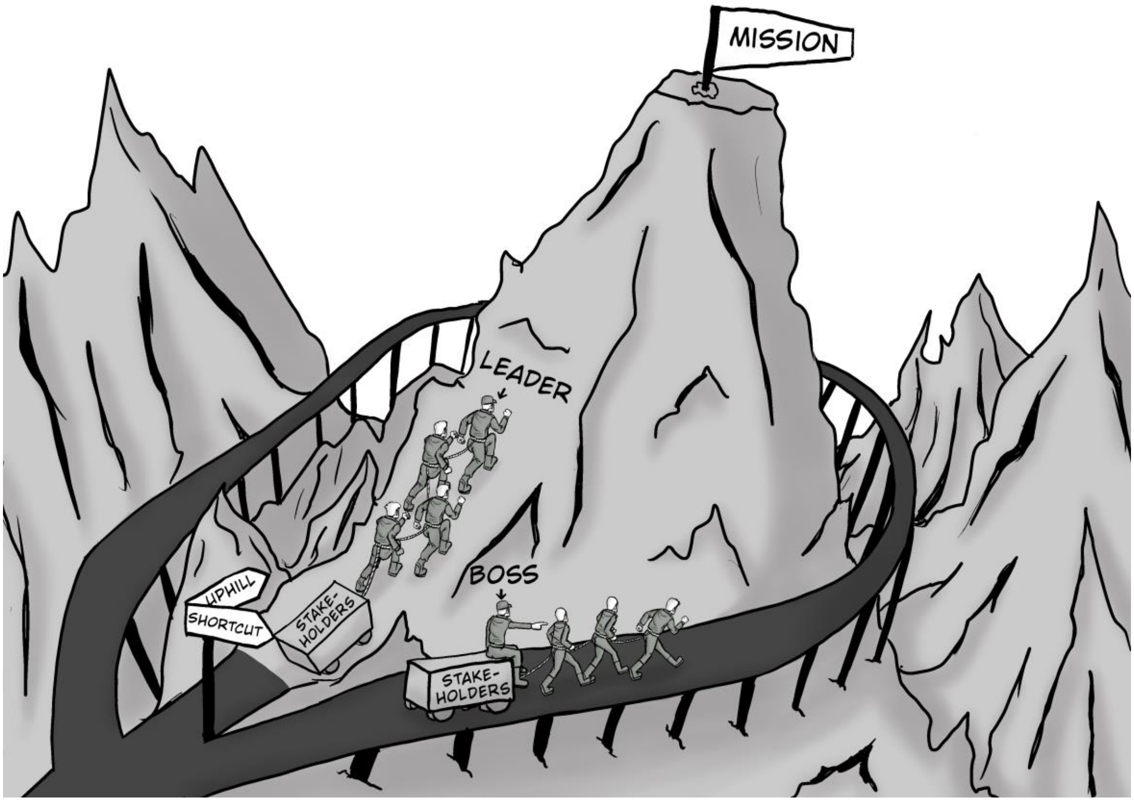
True Leadership



Elaborated by Sharp Capital and illustrated by Dimas Yuli [a]

"The key to a leader´s impact is sincerity. Before he can inspire with emotion, he must be swayed by it himself. Before he can move their tears, his own must flow. To convince them, he must himself believe" – Winston Churchill

When Sergio Rial took over Santander Brazil in 2015, the bank had typical symptoms of some subsidiaries of foreign companies: poorly-engaged employees, excessive interference from an unacculturated parent company, and results that trailed those of its peers.

Just like a soccer team that starts winning simply after a new coach arrives, Rial revolutionized the bank without changing a single name in the C-level. With the same top management team, he started to achieve expressive results and to change the company's own culture. How can a single individual be able to transform the daily behavior of over 40,000 employees?

[a] Based on the "leader vs boss" meme

In nature, millions of ants work cooperatively for the common good of the colony, without anyone having to force or captivate them to do so. On the other hand, the human being, much more complex, carries in his DNA instincts that are useful for the survival of the individual, but that sometimes prove to be harmful to the collective. In order to achieve large-scale cooperation and obtain special results, the role of leadership is key.

"On a livestream last night with two other entrepreneurs, someone asked about our management styles. The other two panelists gave Hallmark Channel answers about helping people find their purpose and encouraging failure and some other bullshit. Then it was my turn: "I'm fucking all over everybody all the fucking time." – Scott Galloway

The variety of successful leaders' management styles is huge. There is no single formula for taking the best – and dealing with the worst – out of the people who make up an organization.

José Galló led Lojas Renner from 1998 to 2019 by means of a sensitive and collaborative culture, seeking efficiency by delighting employees and customers. In turn, Marcel Telles instilled in Brahma (later Ambev) a competitive and aggressive culture, focused on cost efficiency and operational excellence. Differing styles, similar successes.

Nevertheless, some successful leadership attributes actually seem to transcend the different personalities of the leaders, such as the ability to express and communicate a clear vision, an obsession with meritocracy, and a focus on long-term results. Besides that, there is a particular cultural trait that we believe to be one of the main features of management practiced at a high level. In the words of prominent leaders:

Bob Iger (Disney): "When I talk about authenticity in leadership, what I really mean is being honest, being straightforward, being genuine, being real, never faking anything, never saying anything that you don't mean or that isn't believable, that isn't real, that isn't rooted in the truth."

Ed Catmull (Pixar): "Candor is the key to collaborating effectively."

Ray Dalio (Bridgewater): "Trust in radical truth and radical transparency."

Reed Hastings (Netflix): "Netflix's success is built on a culture of candor."

In order to make decisions, establish relationships, connect with customers, define promotions and layoffs, provide feedback, and plan strategies, taking the truth as a foundation should be the typical and obvious attitude of management teams. But in truth, it is not.

"Humans are herd animals. We want to fit in, to bond with others, and to earn the respect and approval of our peers. Such inclinations are essential to our survival. For most of our evolutionary history, our ancestors lived in tribes. Becoming separated from the tribe—or worse, being cast out—was a death sentence." – James Clear, author of the book Atomic Habits [b]

It is important to understand the truth in each situation, but it is also important to be part of a tribe, and these goals can be conflicting. Amazingly, social connection is often more important to people's daily lives than searching for the truth of a particular idea.

Steven Pinker, Professor of Psychology at Harvard University and writer, puts it this way: "People are embraced or condemned according to their beliefs, so one function of the mind may be to hold beliefs that bring the belief-holder the greatest number of allies, protectors, or disciples, rather than beliefs that are most likely to be true."

Believing in something, not for the truth, but so as to look good to a certain valued tribe – or to avoid rejection from the tribe to which one belongs – is the kind of conduct that can lead intelligent people into ignorant attitudes.

In companies, if the culture is lax about business ethics, an individual who is fundamentally upright may find himself committing fraud. If the company has lax behavior about meritocracy, a competent employee may stand for a point that has a dubious outcome for the company just to avoid conflicts with their corporate allies. If it is lax about transparency, honest feedback will become too costly for the provider, thus damaging the ability to collaborate with each other.

In his book, Reed Hastings tells us about when he decided to split Netflix into two companies: a streaming company and a DVD company. Over the next few quarters, the company lost millions of subscribers and their stock dropped more than 75% in value. After an open apology from the CEO, the top executives came forward internally to reveal their original opinions on the project:

"I knew it was going to be a disaster, but I thought, Reed is always right, so I kept quiet."

"We thought it was crazy, (...) but everyone else seemed to be going along with the idea, so we did too."

"You´re so intense when you believe in something, Reed, that I felt you wouldn´t hear me."

This episode led Hastings to introduce a new element to the Netflix culture: "We now say that it is disloyal to Netflix when you disagree with an idea and do not express that disagreement. By withholding your opinion, you are implicitly choosing to not help the company".

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[b] This segment replicates and adapts parts of James Clear's book

Showing vulnerability, admitting some fault, or simply being open to criticism, is unnatural for most people. And it becomes even more challenging in large corporate environments, particularly in those where the top management does not foster such behavior.

Everyone wants to be cherished by their superiors, and their individual behavior usually reflects what they imagine to be expected of them. This process of defining expectations begins with the leadership, usually from one single person, who inexorably radiates his values throughout the organization and influences the daily behavior of thousands of employees.

"During this job, I learned a lot about the technique of anticipating truths. When it comes to something you know is going to happen, speaking a little beforehand is not a lie." – Founder of a renowned Brazilian unicorn in the book Fora da Curva 3

It is not always easy to distinguish the optimism of an entrepreneur who has overcome many challenges from an exaggerated attempt to conceal risks, praise virtues, and overestimate results. The asymmetry of information and the lack of commitment to facts on the part of some executives turn such task into a constant challenge.

In private markets, where the valuation of invested companies can take place after the convincing of a single investor, the 'fake it till you make it' culture echoes a bit louder, in particular when investors are gripped by the fear of missing out on the next unicorn startup.

In public markets, the dispersion of capital brings a little more efficiency to securities pricing and expands the number of "inspectors" of companies' best practices. Still, it is not always possible for the investor to perceive when the process of embellishment of reality by the management becomes exaggerated.

Generally speaking, some typical symptoms tend to emerge from the leadership's attitudes when the truth is overly bent, such as the raising of the tone on the "full" conviction of a prosperous future, the reduction of transparency, the altering of accounting practices, the sudden changes in speech, the search for culprits and even the attempt of bullying against buy-side and sell-side analysts. But it doesn't always have to be that way…

Mark Leonard, CEO of Constellation Software, founded the company in 1996 and went public in 2006. Since then, it has turned a market value of USD 400 million into over USD 35 billion after a 37% compounded annual return on the stock. By analyzing his annual letters, it is possible to identify a remarkable commitment to truth and transparency, year after year communicating to stakeholders the company's problems, challenges and opportunities in a realistic and pragmatic manner.

Once, Mark decided to proactively demonstrate why a given reported result was of poor quality due to some accounting subtleties. He recently acknowledged that he was no longer willing to work as many hours as in the past and communicated that he would zero his own salary. On another occasion, he showed his concern about the excessive rise of the company's own stock, which he saw as having significantly outperformed the improvement in the company's fundamentals in the year.

According to Mark, an expensive stock drives good shareholders away, and they tend to be replaced by less sophisticated investors, with less ability to contribute. "It takes lots of time and effort to attract and educate competent shareholders. The last thing we want them to do, is sell."

In addition, Mark's company also relies on internal partners, employees who have been with the company for a long time and have a good part of their equity in the company's own shares. "If they don't think that Constellation shares will generate high rates of return, they need only sell their shares and use their unique skills to deploy and manage their capital."

A third, even more subtle and sophisticated point he raises, is that an overvalued stock creates pressure for growth that may not be healthy for business. "Those sorts of market multiples create a growth imperative… you have to either rapidly grow into your multiple or disappoint your shareholders, analysts and board."

Resisting short-term temptations, in transparent acknowledgment of their possible conflicts with long-term goals, is an attitude that requires enormous effort and proactivity from the leadership; but that can be very well rewarded, as the successful example of Mark Leonard at Constellation shows us.

"The further a society drifts from the truth, the more it will hate those who speak it." – George Orwell

In politics, in order to remain well-appraised by their voting tribes, representatives chosen to lead the country also wish to please their customers, the voters. Lack of economic growth can make it more difficult for a leader to maintain his/her good image, thus opening room for easy alternatives.

Extremist regimes, both on the left and on the right, spread all kinds of fallacies, some of which are atrocious. The tactic of repeating falsehoods with apparent conviction, no matter how absurd they may sound, may be enough to convince a generally discontented electorate.

Fake news, which for centuries has been part of the dominance strategy of leaders unconcerned with reality, has gained new momentum with social networks, as there are subgroups of people willing to offer validation by "liking" every kind of factual distortions.

We accept a new idea, even if it is fundamentally flawed, much more easily when it is introduced to us by someone with whom we already agree on most other ideas, thus reinforcing the strict division of the population into increasingly tight and polarized tribes.

As for Brazil, regardless of the ideological bias, any well-meaning person wants lower diesel prices and to have inflation tamed, as well as a health, security, and transportation apparatus that makes a dignified life feasible for all. The real difference in political proposals does not lie in the objectives, which are obvious and common, but in how to achieve them.

In 1999, during Fernando Henrique's administration, the ANS (Brazilian National Health Agency) was established to regulate the private health sector and to circumvent the consumer's low bargaining power in relation to health insurance providers. The ANS could not resist the shortcut and started to limit the readjustments of individual plans at levels below the costs incurred by the operators. As a result, big players such as Bradesco, Porto Seguro, Itaú, and Amil have completely stopped selling new individual plans and small operators have gone bankrupt.

To this date, in order to buy an individual health plan, the client needs to resort to an oligopoly of a few companies, which embed the high risk of political intervention in the price, thus producing even higher prices and all sorts of schemes to make up for the lack of supply. Everyone loses, except for the privileged of the time before the rules, who pay monthly fees subsidized by the rest of society.

On the other hand, in the regulation of the payments industry, the Central Bank of Brazil has walked the path of truth and, through technical decisions, achieved the best possible long-term result for the population. Without resorting to short-term changes in regulation in an attempt to artificially create the impact it wanted to effect, it established the conditions for the emergence of a highly competitive environment, which allowed for sustainably lower prices, better quality services, expansion of the potential market, and job creation.

Good intention is fundamental, but it is not enough. Good administrative and tax reforms are essential, but they are not enough either. The complex paths of aligning incentives, stimulating supply, regulating with intelligence, fighting oligopolization, reallocating subsidies, promoting legal security and expeditiousness, reducing bureaucracy, and enabling an environment of mutual trust and cooperation among people, are all initiatives that pertain to superior public management, and which require true leadership.

"Brazil is the country of the underdog, the country of rights without obligations, and the country of impunity" – Carlos Alberto Sicupira, 3G Capital

It is not easy to change the culture of a company, let alone that of a nation. Convincing someone to change their mind is so hard that it often requires more than the truth. It takes empathy, care, and validation from others. It is not easy to change ingrained cultures and one is not capable of doing anything alone, but the business world shows that it is possible, with adequate leadership.

Amazing transformations have been promoted by Sergio Rial at Santander, by Octavio Lopes and Carlos Piani at Cemar, and by Rodrigo Osmo at Tenda. Other transformations still in progress require more time to consolidate, but they already show interesting partial results, such as those led by Roberto Funari at Alpargatas, by Roberto Monteiro at PetroRio, and by Jean Jereissati at Ambev.

There are also examples in the public sector. Wilson Ferreira Jr. took Eletrobras off the path of bankruptcy, corruption and multiple losses to society. João Manoel and Roberto Campos created and implemented PIX (the Brazilian instant payment technology) with such success and speed that would make many fintechs jealous: more than 90% of the transactions now take place through the new technology, causing a 53% drop in the number of TEDs (wire transfers). In just one year, the Brazilian Central Bank produced relevant social impact through the use of technology, carefully executed regulation, and increased alternatives available to the consumer.

Solutions for Brazil that aim solely at the symptoms instead of the problems, that neglect international experience, and disregard second-level consequences, sentence the country to channeling energy into a vicious cycle. Shallow populism, a tool for manipulation used by both left and right alike, is the antithesis of the truth. Disguised inside an unfounded marketing, this management style weakens especially those it claims to help.

For whoever becomes the next leader of the country in the coming elections, our vows are for that they choose a management method based on technical competence to achieve lasting results, that they spread their values with empathy through example, and contribute to redefine the culture that influences the daily attitudes of 215 million Brazilians. For the good. For the better. Through the truth.

Performance Remarks 2021

(Returns presented in BRL)

Sharp Equity Value

The fund had a negative return of 19% in the year. Over the last 10 years, from 2010 to 2020, our positive performance in relation to the Ibovespa index was more prominent in periods of index decline. 2021 was the first year when the fund underperformed the market in a year of generalized negative results. This frustrating result occurred for a few reasons.

One of the factors was the significant deterioration at the macroeconomic level. If, on the one hand, we are not experiencing a crisis similar to that of 2015/2016, on the other, conditions at the beginning of the year were quite favorable, with optimistic prospects and an opportunity cost close to historical lows, exemplified by government bonds with real yields ranging from 3.0% to 3.5%. Therefore, the continuous worsening throughout the year implied a significant review of parameters. Not only has inflation eroded part of the results of some companies and the consumption capacity of families, but the opportunity cost also swiftly returned to levels more in line with those of the last decade, around 5.0%-5.5% in real terms.

In this context, we made a mistake in terms of portfolio management. With the perception that cash was an expensive insurance and that there were several interesting theses to invest in, we accepted to keep some stocks in our portfolio, whose prices proved to be excessively high, from the current perspective. Individually, each of these investments was small or moderate-sized, well below the levels reached in the past. However, the percentage of the fund allocated to these companies, in aggregate, was more expressive. The potential devaluation of this group of stocks was relevant, and all it took was some uninspiring quarterly results and the increase in the opportunity cost for these stocks to fall relevantly and harm the fund. Our typical logic of "cash is the consequence of the sum of specific opportunities" was not well executed.

Another factor that contributed to the negative performance was the atypical concentration of losses in uncorrelated investments. We took substantial losses on investments in EZTEC, Stone, SulAmérica, and Natura. Our view is that our original investment theses have been partially or completely invalidated over the course of the year. With the exception of Natura, these companies are no longer part of our portfolio.

Finally, the year's gains were smaller in number and intensity than the historical pattern of the past 10 years, even in terms relative to the market. PetroRio and Banco Inter were highlights, with gains in the range of 1.5 percentage points each, a result that was not enough to offset the losses of the period.

In most cases, when we apply a "hindsight view", we believe that the stock price decline had an important component of correction of excesses, making part of it fair and in due time. Still, prospectively speaking, a good part of the stocks are back to trading with double-digit implied real return, thus providing a partial margin of safety to face the upcoming elections and the rise in interest rates in the US.

As investors in companies in Brazil, we have possibly returned to the scenario we are most accustomed to and under which we have built most of our historical result: we cannot rely on exogenous favorable winds and must find the exceptions that can make our long-term returns differentiated. In a counterintuitive manner, such exceptions usually present themselves in the most difficult moments.

Sharp Long Short 2X

The fund had a CDI + 0.7% return and a realized volatility of 3.2% in the year. Despite the underwhelming result, in a year with so many pitfalls available, avoiding the worst may have been the best we could achieve.

After a good start in 2021, in May we recorded the worst month in 16 years of the Long Short strategy's history. We managed to recover afterwards, particularly in August and September. Directional market movements were important, but sector dynamics were even more marked by extreme movements, with highlights including the performance of fintechs vs incumbent banks, IPO's vs everything else, commodity-producing companies vs domestic companies, and online retailers vs traditional retailers and malls.

Most of our long/short pairs this year were restricted to intrasector operations and some of them obtained great results and contributed to the fund reaching the end of the year still above the CDI. The highlights were a pair in the ecommerce sector, which we set up just over a year ago, at the time when the market considered that all companies would find their place in the sun in the 3P world, a pair in the financial sector, one in the healthcare sector, and another in the oil sector.

Sharp Long Biased

The fund had a negative return of 8% in the year, mostly due to the combination of the two strategies mentioned above. The gains of some long/short pairs and the lower net exposure contributed to reducing the portfolio's losses. The hedge long on breakeven inflation in Brazil added 162bps. Throughout the year, the average gross and net exposures were 163% and 67%, respectively.

Net Returns Since Inception

(Returns presented in BRL)

Sharp Equity Value Feeder FIC FIA

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Since inception	
													Fund	Benchmark	Fund	Benchmark
2010												2.40%	2.40%	1.07%	2.40%	1.07%
2011	-4.64%	0.69%	7.84%	1.65%	1.68%	-0.65%	-5.67%	-5.64%	-7.44%	10.64%	-1.57%	0.93%	-3.71%	11.38%	-1.40%	12.57%
2012	6.11%	5.74%	3.21%	-0.28%	-3.52%	2.09%	2.29%	0.96%	3.59%	-0.34%	1.85%	3.71%	28.10%	14.26%	26.31%	28.62%
2013	0.60%	2.19%	-0.70%	1.38%	0.51%	-6.54%	1.19%	3.93%	5.15%	5.13%	0.44%	-0.88%	12.51%	11.87%	42.11%	43.88%
2014	-4.89%	0.01%	4.89%	1.99%	1.99%	3.71%	0.92%	4.47%	-5.60%	2.44%	3.93%	-2.63%	11.06%	12.91%	57.83%	62.45%
2015	-5.15%	4.73%	1.57%	3.75%	-2.65%	2.06%	-0.97%	-3.78%	-3.21%	2.08%	0.81%	-1.68%	-2.94%	17.32%	53.19%	90.59%
2016	-1.05%	2.17%	8.20%	3.91%	0.19%	4.26%	6.20%	-0.64%	-0.30%	5.00%	-5.25%	0.94%	25.44%	13.36%	92.16%	116.05%
2017	5.33%	1.93%	0.94%	1.03%	-0.43%	1.98%	3.88%	4.18%	1.64%	-0.17%	-1.85%	2.80%	23.17%	8.75%	136.68%	134.96%
2018	6.37%	0.11%	0.66%	-0.91%	-4.81%	-2.92%	4.44%	-3.14%	-0.15%	11.81%	4.08%	2.60%	18.36%	9.18%	180.14%	156.51%
2019	8.72%	-0.51%	0.64%	2.19%	4.10%	3.33%	4.02%	3.02%	1.52%	0.34%	2.74%	6.62%	43.08%	9.16%	300.81%	180.00%
2020	4.56%	-4.74%	-29.63%	14.06%	7.90%	11.35%	9.65%	-0.59%	-2.82%	-1.00%	9.91%	5.94%	17.28%	8.38%	370.09%	203.46%
2021	0.66%	-2.57%	-1.98%	3.59%	-0.05%	1.34%	-3.90%	0.90%	-4.93%	-9.83%	-4.10%	0.35%	-19.30%	14.34%	279.38%	246.96%

Sharp Equity Value Inst FIA

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Since inception	
													Fund	Ibovespa	Fund	Ibovespa
2013							0.08%	3.99%	5.59%	5.69%	0.73%	-1.54%	15.19%	6.48%	15.19%	6.48%
2014	-4.77%	-0.04%	4.61%	1.48%	2.04%	4.26%	0.84%	5.32%	-7.23%	2.49%	4.60%	-3.26%	9.85%	-2.91%	26.54%	3.38%
2015	-5.56%	5.23%	3.04%	3.75%	-1.75%	2.11%	-0.42%	-3.79%	-2.96%	1.96%	0.52%	-1.15%	0.40%	-13.31%	27.04%	-10.39%
2016	-0.07%	1.90%	7.58%	3.59%	-0.95%	4.51%	6.01%	-1.30%	-0.93%	5.81%	-6.14%	0.75%	21.83%	38.93%	54.77%	24.50%
2017	5.85%	1.96%	0.43%	1.07%	-1.01%	2.02%	4.91%	4.88%	1.77%	-0.57%	-2.18%	3.54%	24.75%	26.86%	93.08%	57.94%
2018	7.14%	-0.56%	0.71%	-1.38%	-5.43%	-2.78%	4.38%	-3.98%	-0.20%	12.48%	4.44%	4.05%	18.93%	15.03%	129.63%	81.68%
2019	10.40%	-2.28%	-1.14%	2.08%	4.20%	4.34%	4.31%	2.97%	2.16%	0.51%	2.81%	8.18%	45.20%	31.58%	233.43%	139.06%
2020	5.18%	-6.89%	-31.85%	13.14%	6.12%	10.86%	9.45%	-2.53%	-2.33%	-2.71%	10.94%	7.94%	7.83%	2.92%	259.55%	146.03%
2021	-1.36%	-4.45%	2.37%	3.97%	1.71%	0.44%	-4.50%	-1.95%	-4.46%	-9.33%	-2.92%	-0.15%	-19.42%	-11.93%	189.71%	116.69%

Sharp Ibovespa Ativo Feeder FIC FIA

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Since inception	
													Fund	Ibovespa	Fund	Ibovespa
2007							-4.51%	-3.93%	11.25%	8.78%	-3.32%	0.98%	8.38%	10.08%	8.38%	10.08%
2008	-11.62%	11.37%	-7.49%	7.38%	12.76%	-10.01%	-9.26%	-8.78%	-14.03%	-22.27%	3.61%	-0.01%	-43.15%	-41.22%	-38.38%	-35.30%
2009	2.74%	0.09%	3.81%	15.93%	11.69%	-3.56%	9.97%	3.15%	9.86%	3.95%	7.59%	2.02%	89.55%	82.66%	16.79%	18.18%
2010	-2.20%	1.14%	4.47%	-0.95%	-5.93%	-1.79%	13.57%	0.17%	7.45%	4.72%	-2.44%	2.61%	21.17%	1.04%	41.51%	19.42%
2011	-2.65%	1.33%	3.05%	-1.09%	-0.48%	-1.87%	-3.66%	-4.35%	-5.39%	8.53%	-1.91%	0.34%	-8.56%	-18.11%	29.40%	-2.21%
2012	8.35%	4.35%	-0.58%	-2.04%	-8.04%	0.40%	1.66%	1.08%	3.94%	-0.81%	0.46%	4.66%	13.25%	7.40%	46.54%	5.02%
2013	-0.88%	-0.64%	-1.68%	2.01%	-1.54%	-9.18%	1.70%	4.11%	5.32%	6.96%	-1.15%	-2.69%	1.33%	-15.50%	48.49%	-11.25%
2014	-7.13%	-1.23%	4.90%	2.24%	0.16%	4.08%	3.92%	8.24%	-12.04%	1.13%	2.88%	-6.34%	-1.13%	-2.91%	46.81%	-13.83%
2015	-6.74%	8.64%	0.17%	7.10%	-5.91%	1.28%	-3.16%	-7.53%	-3.94%	1.08%	-0.98%	-3.52%	-13.97%	-13.31%	26.31%	-25.31%
2016	-3.79%	3.83%	14.14%	6.40%	-5.31%	5.59%	10.00%	-0.05%	-0.64%	9.14%	-6.78%	-2.01%	32.10%	38.93%	66.86%	3.77%
2017	7.52%	3.00%	-2.07%	0.36%	-2.94%	1.11%	4.60%	6.94%	3.57%	0.26%	-4.02%	5.34%	25.44%	26.86%	109.31%	31.64%
2018	12.03%	1.59%	1.52%	0.39%	-9.11%	-5.31%	8.94%	-3.74%	3.23%	11.59%	3.15%	-0.12%	24.24%	15.03%	160.03%	51.43%
2019	10.40%	-1.26%	-0.16%	0.54%	1.65%	4.26%	0.23%	0.77%	3.49%	1.91%	0.46%	6.66%	32.36%	31.58%	244.18%	99.26%
2020	-0.44%	-7.53%	-29.85%	10.05%	7.50%	9.54%	9.70%	-3.76%	-3.71%	-1.08%	15.60%	8.83%	5.89%	2.92%	264.46%	105.07%
2021	-3.28%	-4.62%	4.34%	2.69%	4.30%	0.51%	-4.01%	-1.67%	-6.31%	-7.25%	-1.75%	1.10%	-15.58%	-11.93%	207.67%	80.61%

Net Returns Since Inception (continued)

(Returns presented in BRL)

Sharp Long Short FIM

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Since inception	
													Fund	CDI	Fund	CDI
2005				0.31%	2.67%	2.10%	1.76%	2.44%	2.78%	1.31%	1.72%	2.57%	19.08%	12.88%	19.08%	12.88%
2006	2.62%	0.68%	1.83%	2.59%	2.31%	0.96%	2.26%	2.35%	0.82%	1.65%	1.28%	1.85%	23.36%	15.03%	46.89%	29.84%
2007	1.77%	1.60%	1.43%	1.38%	1.69%	1.60%	1.43%	-0.30%	0.63%	1.18%	-0.81%	0.85%	13.14%	11.82%	66.19%	45.19%
2008	-0.41%	1.24%	0.40%	1.17%	1.71%	0.46%	0.09%	-0.27%	-0.42%	-0.04%	1.36%	0.56%	5.98%	12.38%	76.12%	63.16%
2009	0.87%	1.12%	0.12%	1.84%	1.23%	0.43%	1.57%	0.45%	1.56%	1.46%	0.38%	1.99%	13.81%	9.88%	100.45%	79.27%
2010	1.63%	0.26%	-0.30%	2.19%	0.36%	0.89%	2.07%	2.35%	1.91%	1.53%	1.04%	1.89%	16.99%	9.75%	134.51%	96.75%
2011	0.78%	0.98%	1.15%	1.28%	1.41%	1.50%	1.43%	0.83%	1.03%	0.60%	0.62%	0.58%	12.89%	11.60%	164.74%	119.57%
2012	0.46%	0.83%	1.25%	0.89%	1.32%	0.48%	-0.28%	0.35%	0.20%	2.01%	0.80%	0.65%	9.32%	8.40%	189.40%	138.01%
2013	1.01%	1.01%	0.19%	1.27%	1.01%	0.62%	0.36%	1.20%	0.91%	1.28%	0.86%	0.78%	11.00%	8.06%	221.23%	157.20%
2014	0.86%	0.85%	0.61%	1.07%	1.46%	1.16%	1.33%	0.76%	0.85%	0.76%	1.83%	1.67%	14.02%	10.81%	266.26%	185.01%
2015	0.57%	0.48%	1.77%	-0.91%	1.13%	1.58%	1.43%	1.47%	0.62%	0.96%	1.32%	1.00%	12.01%	13.24%	310.25%	222.75%
2016	1.21%	0.20%	1.55%	1.10%	3.24%	1.31%	0.74%	1.21%	0.35%	1.16%	0.14%	2.18%	15.33%	14.00%	373.16%	267.93%
2017	1.45%	0.53%	2.01%	0.80%	0.83%	1.19%	0.67%	0.76%	0.49%	0.81%	0.09%	0.54%	10.64%	9.93%	423.52%	304.45%
2018	0.98%	0.90%	0.81%	0.36%	0.60%	0.48%	0.77%	0.53%	0.06%	1.79%	0.65%	0.86%	9.15%	6.42%	471.41%	330.42%
2019	0.57%	0.46%	0.33%	0.45%	0.61%	0.74%	0.77%	1.09%	0.43%	0.42%	0.27%	0.33%	6.69%	5.96%	509.65%	356.08%
2020	0.55%	1.73%	3.63%	0.54%	0.82%	0.12%	0.85%	0.47%	0.10%	0.32%	0.86%	0.26%	10.69%	2.76%	574.79%	368.66%
2021	0.59%	0.10%	-0.63%	0.59%	-0.97%	0.43%	0.34%	1.42%	0.83%	0.20%	0.49%	0.37%	3.80%	4.42%	600.45%	389.39%

Sharp Long Short 2X Feeder FIC FIM

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Since inception	
													Fund	CDI	Fund	CDI
2015						1.33%	1.61%	1.78%	0.48%	1.02%	1.60%	1.05%	9.20%	7.78%	9.20%	7.78%
2016	1.40%	-0.34%	1.86%	1.27%	4.92%	1.56%	0.61%	1.38%	-0.25%	1.40%	-0.66%	3.24%	17.51%	14.00%	28.33%	22.87%
2017	2.03%	0.39%	2.73%	0.84%	0.88%	1.67%	0.72%	0.89%	0.59%	1.04%	-0.22%	0.60%	12.83%	9.93%	44.79%	35.06%
2018	1.33%	1.27%	1.22%	0.28%	0.83%	0.56%	1.09%	0.56%	0.05%	3.09%	0.96%	1.26%	13.21%	6.42%	63.92%	43.73%
2019	0.67%	0.56%	0.38%	0.58%	0.81%	1.03%	1.08%	1.72%	0.51%	0.50%	0.29%	0.49%	8.96%	5.96%	78.61%	52.30%
2020	0.81%	3.31%	7.18%	0.94%	1.59%	0.16%	1.67%	0.91%	0.24%	0.62%	1.71%	0.45%	21.22%	2.76%	116.52%	56.50%
2021	1.10%	0.21%	-1.18%	1.01%	-1.89%	0.71%	0.45%	2.39%	1.24%	0.17%	0.59%	0.28%	5.12%	4.42%	127.61%	63.43%

Sharp Long Biased Feeder FIC FIA

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		Since inception	
													Fund	CDI	Fund	CDI
2018												3.07%	3.07%	0.15%	3.07%	0.15%
2019	6.35%	0.09%	0.80%	1.57%	4.06%	3.16%	2.37%	3.43%	0.23%	-0.55%	1.35%	5.31%	31.77%	5.96%	35.81%	6.12%
2020	3.55%	0.68%	-9.36%	10.23%	6.32%	6.54%	7.73%	-0.02%	-0.91%	-0.18%	8.26%	4.31%	41.93%	2.76%	92.75%	9.05%
2021	1.09%	-0.04%	-2.35%	3.36%	-2.16%	1.38%	-2.12%	3.45%	-1.56%	-6.62%	-2.10%	0.03%	-7.78%	4.42%	77.76%	13.87%