

Talenta Capital CTA Overview

For Information
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Agenda

- Talenta Overview
- Talenta Investment Strategy

Executive Summary

- Trading system contracts: Tudor (2005-8), TT International (2010-12)
- Rigorous research, systems development, testing, execution over 9 years
- Key client credentials: **Tudor, TT International**
- Talenta CTA Fund:
 - Capital allocated to systematic, liquid CTA strategy
 - Performance aims: **10-15% CAGR, 10%-15% volatility**
 - Traded universes: portfolio of liquid, diverse futures instruments
 - Proprietary risk management: strategy, portfolio, instrument levels
 - Structural non-correlation to S&P500
 - Attractive profile compared to CTA Index
- This pack provides a summary of the CTA Fund trading strategy and investor benefits arising from proven and differentiated capabilities

Talenta Capital: Key Principals

Dr David Bryant

- 2008 - Present: Talenta CIO
- 2005 - 2008: Tudor trading systems
- 2001-2004: Private funds manager
- 1999-2001: Forecasting consultant
- PhD: Imperial college
- Ran all system trades relating to Tudor and an Established UK Institutional Fund Manager
- Expert in Equity and Futures trading strategies, including mean reversion and break out
- Core capabilities: design, test and execution of capital allocation, risk management, trade execution, operations and financial reconciliation

Mark Bryant

- 2009 - Present: Talenta Managing Partner
- 1985 - 2008: Managing Director at Accenture. Responsible for UK and Europe/Latin American business (\$1 billion) and two largest clients globally (\$1 billion)
- Expert in business growth, operational excellence, transformation change, IT systems and commercial deal making
- Core capabilities: board relationship development, global sales and marketing, deal making, compliance and anti-money laundering
- FCA Registered for CF10, CF11, CF30, CF4
- Executed deal with an Established UK Institutional Fund Manager

Track Record

- Talenta Capital traded \$500,000 original equity since March 2009 on short and medium term CTA strategies, until overtaken by track record jointly owned by Talenta Capital and TT International which ran from October 2010 to May 2012
- Assets traded started at \$10m and peaked at \$25m. A verifiable track record is available for investors wishing to undertake due diligence.
- Talenta Capital is continuing to supply data from its systems to TT International for TT International's information but not for its use*
- The track record clearly evidences that the P&L track record prices and slippage were consistently more favourable than those used in the model, reflecting both testing rigour and robust model assumptions.
- The CTA strategy is actively traded live as part of the Talenta Portfolio.

* TT International is able to verify to investors conducting due diligence only that the data has been received from Talenta Capital on a daily basis since 2010, and has not been altered or manipulated by TT. Talenta Capital will verify that the data provided includes all daily orders from the CTA medium term strategy since 2010 to the present day.

Talenta Capital: Differentiation

Good Capability

- Good track record
- Strong CVs
- Tier 1 eco-system
- High liquidity proposition
- Scalable offering
- High transparency
- Innovative fee structures
- Operational resilience
- Accessible investor funds



Differentiated Capability

- Trading algorithms and filters with few free parameters and low Akaike are more robust & responsive
- Medium term trade horizon with low slippage penalties
- Tudor and TT International heritage
- Rapid roadmap execution (Matlab)

Differentiated Performance

- Favourable performance in both trend following and range-bound markets
- Market-beating Sharpe, MAR, CAGR, Max. Drawdown and Calmar Ratios
- Attractive fund propositions ... with a compelling future roadmap

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Investment Strategy Introduction

- CTA Fund reflects the core medium term CTA trading strategy
- CTA strategy is structurally uncorrelated to S&P500.
- Capital allocation approach reflects deep capital preservation philosophy
- Exposure to diverse range of highly liquid futures instruments
- Risk management edge born of academic and empirical research
- The following slides set out:
 - Overview of the core investment strategy;
 - Traded universe of futures instruments;
 - Position entry and risk management approaches;

CTA Strategy - Invested Markets

- We invest in the most liquid managed futures markets which benefits clients in terms of accurate valuations and easier access to funds
- The key 48 markets traded are as follows:

10 Year Note	DJ Eurostoxx 50	NASDAQ 100
2 Year Note	DJIA	Natural Gas
30 Year T-Bond	Dollar Index	Nikkei Index
5 Year Note	Euro FX	Palladium
Australian Dollar	EuroDollar	Platinum
Bobl	Feeder Cattle	RBOB
British Pound	FTSE 100	Russell 2000
Bund	Gilt Long Bond	S&P 500
CAC40	Gold	Schatz
Canadian Dollar	Hang Seng	Short Sterling
Cocoa	Heating Oil	Silver
Coffee	Japanese Yen	Soybean Meal
Copper	Lean Hog	Soy bean Oil
Corn	Live Cattle	Sugar
Cotton #2	Mexican Peso	Swiss Franc
Crude Oil		Wheat
DAX Index		

CTA Strategy - Overview

- Trades medium term trends (Long & Short) in futures markets.
- Price pattern information is used to derive break-out levels (no use of lagged indicators).
- Proprietary filter restricts trading activity to situations with high likelihood of sustained trend developing.
- Filter is conditional, having no tuneable parameters, “plug & play”.
- Markets in portfolio are ranked daily by relative volatility. Most volatile markets are excluded from trading, avoiding “Flash in Pan”.
- Correlation control prevents instruments with highly correlated returns from taking positions in the same direction.
- Portfolio risk is controlled on a daily basis. Portfolio Heat is limited to a fixed % per position.

Further Information

For further information, please contact:

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