

Talenta Capital Multi-Strategy 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 12 years
- Key client credentials: Tudor, TT International
- Talenta Multi-Strategy Fund:
 - Capital allocated to systematic, liquid CTA and momentum strategies
 - Performance aims: **10-15% CAGR, Less than 10% volatility**
 - Attractive performance, drawdown attributes and tail risk protection
 - Traded universes: diverse futures instruments
 - Proprietary risk management: strategy, portfolio, instrument levels
- This pack provides a summary of the Multi-Strategy Fund trading strategy and investor benefits arising from proven and differentiated capabilities
- Our trading strategies are 100% systematic so all trade logic is verifiable

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, Futures and Forex trading strategies, including mean reversion and trend following
- 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's trading track record began in 2009
- The Multi-Strategy Fund began trading in June 2014
- Monthly net performance is available from a range of websites including:
 - IASG
 - BarclayHedge
 - Hedge Fund Research
 - Eurohedge.
- Gross daily returns are available as part of due diligence process on request.

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 lower Akaike are more robust & responsive
- Medium term trade horizon with low slippage penalties
- Tudor and TT International heritage
- Rapid roadmap execution (Matlab)
- 100% Systematic trading allows all trades to be independently verified.

Differentiated Performance

- Favourable performance in both bull and crisis 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

- Multi-Strategy Fund reflects two core trading strategies - CTA and S&P500
- Strategies uncorrelated and executed independently
- CTA offers investors tail risk protection from market downturns – “crisis alpha”
- Capital allocation approach reflects capital preservation philosophy
- Exposure to diverse range of highly liquid instruments
- Risk management edge born of academic and empirical research
- The following slides set out the overall Multi-Strategy Fund rationale and trading architecture followed by a description of each core investment strategy:
 - CTA Trend
 - S&P 500 Momentum

Multi-Strategy - Benefits

Multi-Strategy Fund combines managed futures with S&P500 to offer potential higher returns at reduced risk:

- Low correlation of many managed futures to equities enables structural diversification
- The ability for long and short trades mean critical events can be profitable, where equities often decline
- Systematic trading with stop-losses can reduce drawdowns, speed recovery and avoid behavioural trades

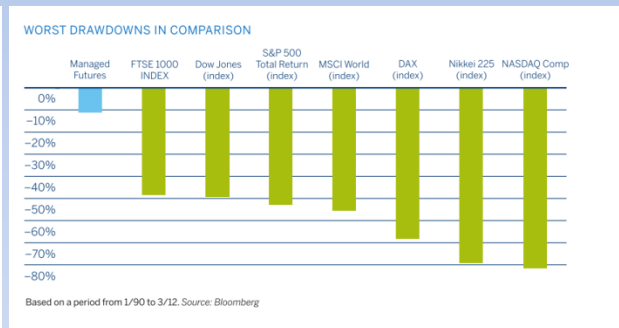
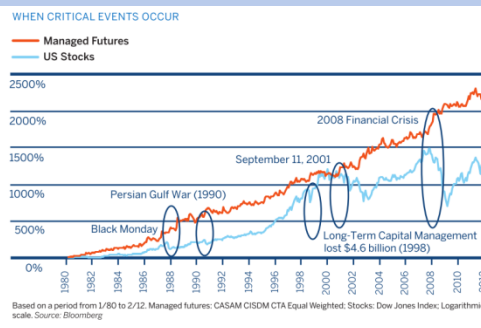
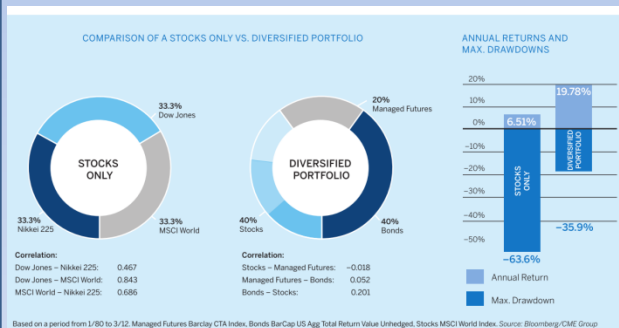
Higher gains
at lower risk



Profit from
critical events

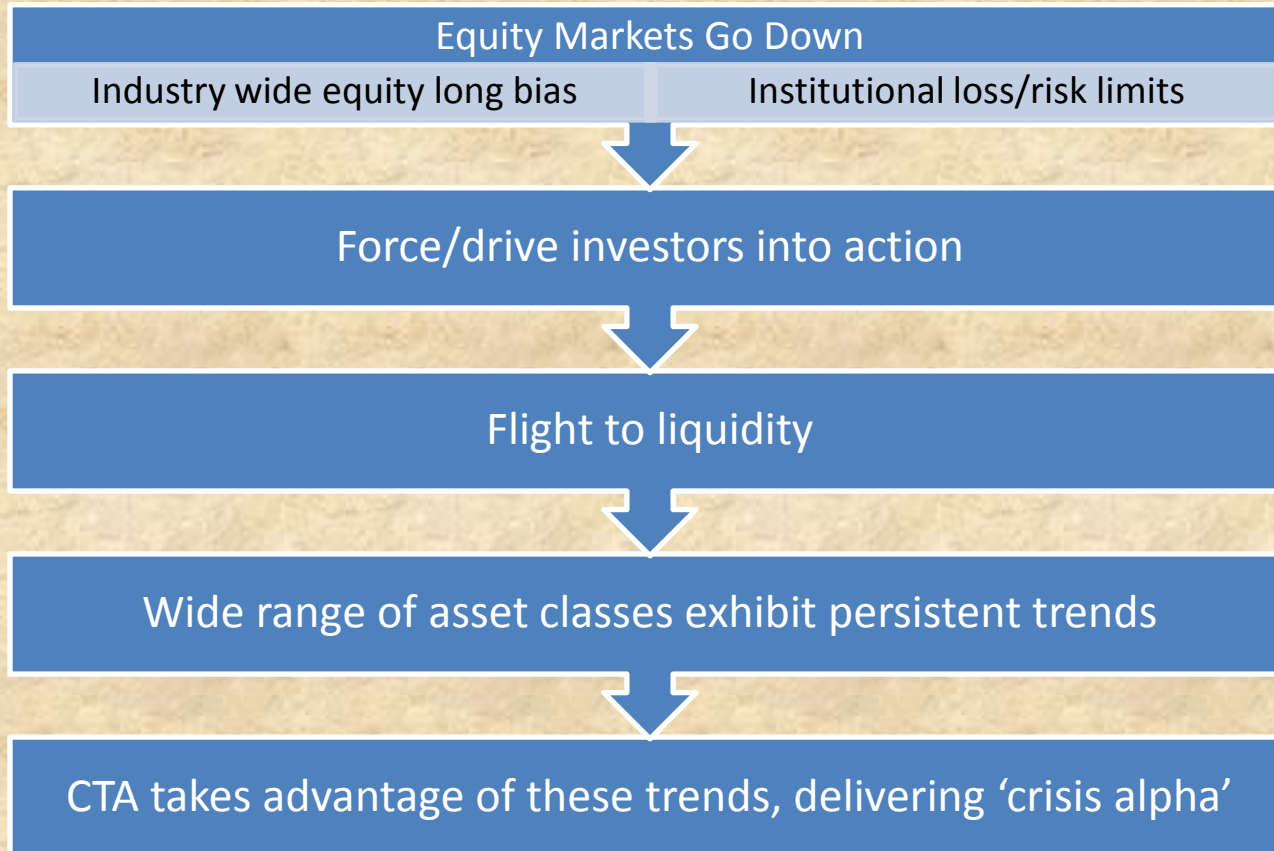


Reduce drawdowns
recovery faster



The Multi-Strategy Fund exploits these structural advantages to offer an attractive investment proposition

Crisis Alpha



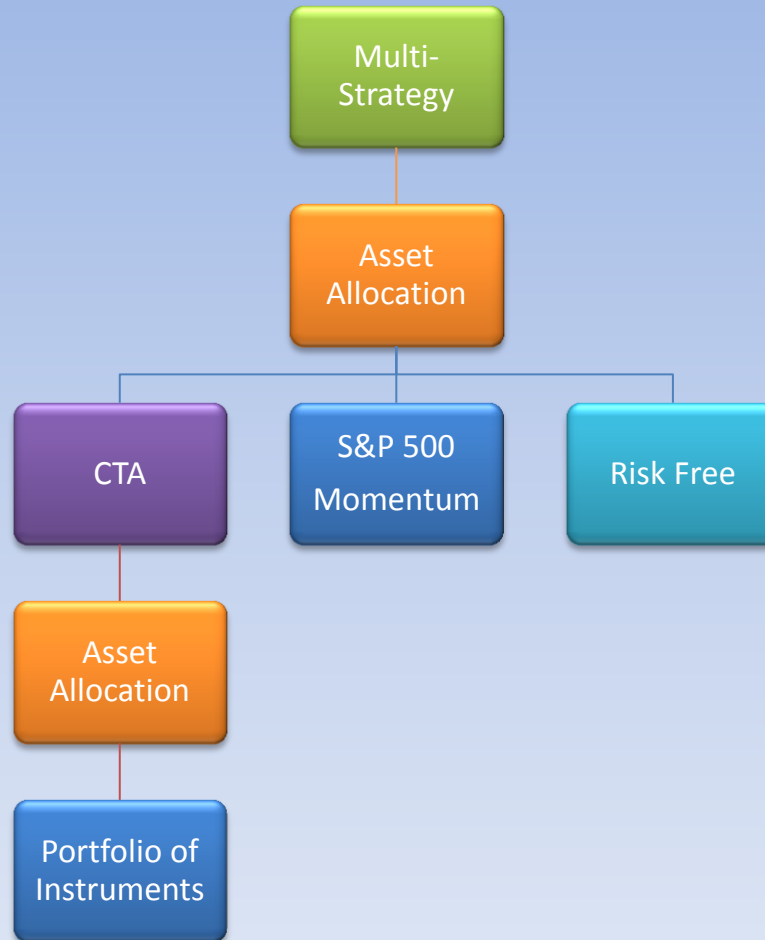
CTA Performance During S&P 500 Crisis Events

Performance of the BTOP 50 Index During 15 Worst Quarters of S&P 500 (Total Return) Index

Period	Event	S&P 500 Total Return Index	Barclay BTOP 50 Index	Difference
Fourth Quarter 1987	Black Monday - Global Stock Markets Crash	-22.53%	16.88%	39.41%
Fourth Quarter 2008	Bear Market in U.S. Equities led by Financials	-21.95%	9.14%	31.08%
Third Quarter 2002	WorldCom Scandal	-17.28%	9.41%	26.69%
Third Quarter 2001	Terrorist Attacks on World Trade Center and Pentagon	-14.68%	4.12%	18.79%
Third Quarter 1990	Iraq Invades Kuwait	-13.75%	11.22%	24.97%
Second Quarter 2002	Continuing Aftermath of Technology Bubble Bursting	-13.39%	8.52%	21.92%
First Quarter 2001	Bear Market in U.S. Equities led by Technology	-11.86%	5.97%	17.83%
Second Quarter 2010	European Sovereign Debt Crisis, "Flash Crash"	-11.42%	-1.94%	9.48%
First Quarter 2009	Credit Crisis Continues	-11.01%	-1.75%	9.26%
Third Quarter 1998	Russia Defaults on Debt, LTCM Crisis	-9.94%	10.54%	20.48%
First Quarter 2008	Credit Crisis, Commodity Prices Rally	-9.45%	6.43%	15.88%
Third Quarter 2011	European Sovereign Debt Crisis	-8.90%	0.44%	9.34%
Third Quarter 2008	Credit Crisis, Government-Sponsored Bailout of Banks	-8.37%	-4.11%	4.26%
Fourth Quarter 2000	DotCom Bubble Bursts	-7.82%	19.78%	27.60%
Third Quarter 1999	Anxiety during Run Up to Y2K	-6.24%	-0.67%	5.57%

Source: Bloomberg

Multi-Strategy Trading Architecture



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.

Momentum Strategy - Overview

- Trades S&P 500 futures.
- Absolute momentum - must outperform risk free rate.
- Unallocated capital invested in risk free assets.
- Balanced risk exposure.
- Offers low cost exposure to S&P500.
- Bellwether of US economy.
- Non – US sales offer global coverage*.

* Non – US sales were 43.2% in 2016

Further Information

For further information, please contact:

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