

# Alopex Global Vega Fund

## Volatility Strategies

Manager: Peter van Dooijeweert

### Historical Performance

September 2003-September 2007\*

Year	Annualized Compound Return	Annualized Standard Deviation	% of Positive Months	Maximum Drawdown	Length of Drawdown (in months)
Sep-Dec 2003	3.3%	3.7%	80%	-.63%	1
2004	7.1%	2.6%	75%	-.60%	1
2005	8.6%	1.8%	100%	0.0%	1
2006	8.7%	2.0%	83%	-.30%	1
Jan-Sep 2007 (unwind)	-.4%	5.7%	66%	-.497%	3

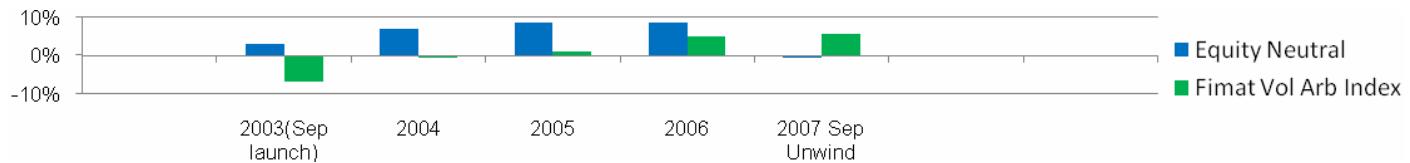
### Commentary

**Strategy 1: Relative Value Volatility Trading:** Long/short volatility positions in highly correlated stocks or sectors; Macro and fundamentally supported volatility trades across sectors and countries; Dispersion/Correlation strategies

**Strategy 2: Event Driven:** Earnings releases, analyst meetings, FDA rulings and panels, patent litigation, government investigations, etc.

**Strategy 3: M&A and Capital Structure Arbitrage:** Deal specific risk, potential transactions, rumored transactions; shareholder activism; corporate restructurings: spinoffs, capital enhancement; CDS vs equity puts

5 year track record, Outperformed FIMAT Volatility Arbitrage Index 4 out of 5 years.



### Products

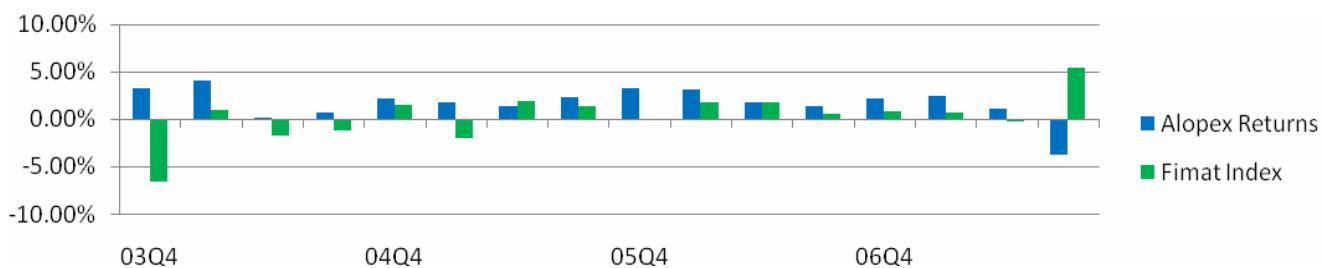
Products: Options, Convertible Bonds, Variance Swaps, Futures, Stocks      Holding Period: 1 - 12 months      Target Leverage: N/A

### Exposure and Return Correlation

Target Return: Libor plus 12-15%  
Target Volatility: 8%  
Target Sharpe Ratio: 1.5  
Max Single Name Monthly Stress Loss: 1.5%  
Max Single Strategy Monthly Stress Loss: 6.0%  
Max Portfolio Monthly Stress Loss: 15.0%

**Major Asset Classes**      **Enhance**  
S&P 500 Index

### Actual Returns\*



\* Returns for Alopex Global Vega, LP

## Peter Drippe (Risk Arbitrage/Merger-Arb) -Parameters Updated 3/21/2013

**Risk Capital: \$79.9 mm (Global + UCITS)**

**Drawdown Stop-out** Peak-Trough: -10% of Risk Capital

**Drawdown Stop-loss** Peak-Trough: -5% of Risk Capital

**Max Gross Delta-adjusted Exposure** < 30% of Risk Capital → Temporarily increased to 50% till further notice

**Max Beta-Adjusted Exposure** < 30% of Risk Capital → temporarily increased to 50% till further notice

**Maximum Fixed-Income Notional Exposure (HY and IG Bonds/CDS only)** <= 10% of Invested Risk Capital

**Max Fixed Income Notional exposure per Issuer** <= 10% of an Issue subject to Long/Short position size constraints below

**VAR 99-1 day (Monte-Carlo)** < 1 % of **Invested Risk Capital**

**Max Risk Capital per Sector** <= 25% of **Invested Risk Capital**

**Max Long Size:** 7% of **Invested Risk Capital**

**Max Short Position:** 7% of **Invested Risk Capital**

**Portfolio Liquidity** – Risk Capital as measured using 25% of 3-Month ADV:

- At least 90% can be liquidated within 1-day
- At least 95% can be liquidated within 5 days
- At least 99% can be liquidated within 10 days

**Position Liquidity:**

- Max position **10%** of 3-Month ADV in stocks with market cap < \$1B
- Max position 50% of 3-Month ADV otherwise

**Max Long Option Premium** <=1% of **Invested Risk Capital**

**Max Loss per Deal Break** < 1 % of **Risk Capital (Increased from 0.50% earlier)**

**Stress test limit:**

- Losses from SPX +/- 10% < 2% of Risk Capital

Allowed subsectors of Risk arb

definitive arbitrage	MA
Dutch tenders	MA
letter of intent	MA
evaluating strategic alternatives	MA
hostile offers	MA
press rumors	MA
website rumors	MA



## **Sean P. Sheerin**

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Princeton Junction, NJ 08550  
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### **D/A Capital**

#### Co-Head of ABS Group

January 2007 – January 2010

- Joined D/A to launch and co-head ABS/MBS strategy originally designing and employing our RMBS strategy successfully before expanding the focus to CMBS as well.
- Developed and maintained proprietary models used to collect performance data and support credit and cash flow analysis for ABS, RMBS and CMBS collateral which guided portfolio construction for long/short positions within the funds.
- Long/short ABS strategy generated positive returns in each of the last three years during the height of the credit crisis.
- Provided portfolio advisory services to large European Bank for a non-agency RMBS portfolio of more than 950 line items totaling almost \$20 billion in notional exposure. Developed credit hypothesis for line items and both credit (loss and prepay) as well as cash flow projections for all assets in the portfolio for use by the bank and its regulators.

### **Clinton Group, Inc.**

#### Director of ABS Research

March 2003 – September 2006

- Responsible for controlling the credit risk within the ABS portfolio of CDO and hedge fund accounts. Assisted the Portfolio Manager with strategic decisions regarding sector allocation, credit environment and asset performance.
- Developed and managed the credit research and surveillance function supporting portfolio management of the ABS allocation of CGI's flagship Multi-Strategy Fund and more than \$6 billion of CDO investments.
- Using my knowledge of rating agency approaches and models, I focused the credit process on areas most in need of review. Credit calls included complete divestiture of DVI equipment lease and all Fairbanks-serviced HEL assets well before market recognition of problems affected pricing or liquidity. In addition, my knowledge to rating approaches in the sub-prime home equity market have identified several instances where rating agencies are laggards in reacting to collateral trends that resulted in several opportunities for our investors.
- Directed eight professionals in credit research of potential transactions and/or surveillance of existing portfolio line items in support of the Portfolio Manager and Traders specializing in ABS/CDOs, RMBS and CMBS respectively. Began a schedule of due diligence meetings and site visits to support servicer and originator relationships.
- Responsible for marketing CGI's ABS strategy to both hedge fund and CDO investors. One of the primary marketers for CGI's last two ABS CDOs which included road shows and travel to Europe and Asia.

### **Fitch, Inc. f/k/a Duff & Phelps Credit Rating Co.**

#### Senior Director / Group Vice President

December 1999 – March 2003

#### Vice President

June 1997 – December 1999

#### Assistant Vice President

September 1995 – June 1997

- Chairman of all credit committees for ABS ratings at Fitch. All transactions needed my approval to pass committee.
- Specifically charged with all new or esoteric asset transactions as lead analyst, relationship manager and director of the New Assets Group. This role included all aspects of the rating process for new and esoteric asset classes including collateral analysis, structural analysis, servicer/sponsor diligence meetings, documentation review, contract negotiation and junior staff assignment.
- Extensive experience in the following asset classes: prime and sub-prime credit cards, franchise loans, intellectual property transactions, non-performing consumer loans, timeshare receivables, 12b-1/variable annuity fees, agricultural mortgage/agribusiness loans and railroad operating assets.
- I was also frequently engaged in the marketing of the ABS group to institutional investors and ABS issuers. I also represented the ABS group at numerous industry conferences and training seminars.

### **Standard & Poors Rating Group**

#### Rating Analyst

June 1994 – September 1995

- Responsible for all aspects of the rating process: due diligence site visits, portfolio credit analysis, structural review and documentation/disclosure examinations for various credit card ABS issuers.
- Prepared committee presentations and argued criteria policy with review boards, as well as coordinated ratings efforts with other internal groups.

### **Moody's Investors Services, New York, NY**

#### Junior Analyst

September 1993 – June 1994

- Assisted in the analysis of structured issues and coordinated subsequent internal units to assure the tracking of bonds through refundings or use in derivative products.

## **Education**

**New York University, New York, NY      Robert F. Wagner Graduate School of Public Service**  
M.P.A., Public Finance and Financial Management, Public Service Fellowship Recipient

**Trenton State College, Trenton, NJ**  
B.S., Law and Justice, Magna Cum Laude

Prior to attending college, I enlisted and served three years in the US Army, and was honorably discharged as an E-4/Specialist. I have three children, aged 12, 9 and 6 and two rescued dogs. I coach little league baseball, softball and soccer, and am an avid home remodeler and tinkerer. My wife and I actively support our local schools as well as veterans, cancer and equine charities.

## **Paul Ma, CFA**

226 W. Rittenhouse Sq #605, Philadelphia, PA 19103, 617-905-6672, [paulma@post.harvard.edu](mailto:paulma@post.harvard.edu)

### **Blackrock**

2011-present

#### **Portfolio Manager/Analyst for Technology, \$600 million AUM**

- Manager of the Global Tech Fund that returned 14.93% YTD 2012 (as of 9/12).

### **Mclean & Partners**

2009-2011

#### **Portfolio Manager/Tech Analyst, \$500 million AUM**

- Sole manager of the absolute return International/Emerging Market Fund, returning (USD) 22% in 2009, 11% in 2010, 10.35% in 2011 (YTD 4/8), and 19.58% 1 year (4/8).
- Co-manager of the absolute return Global Dividend Growth Fund, returning (USD) 31% in 2009, 14% in 2010, 7.25% in 2011 (YTD 4/8), and 15.66% for 1 year (4/8).
- Co-manager of the absolute return Global Balanced Fund, returning (USD) 33% in 2009, 13% in 2010, 6.82% in 2011 (YTD 4/8), and 13.65% for 1 year (4/8).
- Analyst for N. American Technology with absolute return of 108% 2009-2010 (USD).

Reference: Ric Palombi, 403-471-3511, portfolio manager, Mclean & Partners

### **SunAmerica Asset Management**

2005-2008

#### **Portfolio Manager, \$300 million AUM**

- Sole manager of the Disciplined Growth Fund.
- The Fund is ranked by Lipper in the top 2% of all large growth funds in the US in 2006.
- The Fund is ranked by Lipper in the top 7% of all large growth funds in the US in 2007.
- The Fund is ranked by Lipper in the top half of large growth funds in 1H2008.
- The Fund has been featured in Barron's, USA Today Mutual Fund All-stars, and WSJ Top Mutual Funds.
- SunAmerica awarded 3 new funds to be managed by Paul in June of 2008: New Century Fund (a SMid Cap Growth Fund), Aggressive Growth Fund (long-short capabilities), and Focused Growth Fund (10 stock Growth Fund). Total asset size of about \$250 million.

Reference: Dan Lew, 201-324-6420, portfolio manager, SunAmerica Asset Management

### **LifeHarbor**

2001-2004

#### **Co-Founder and Director of Research**

- Co-founded and ran this software firm with Archan Basu, President of LifeHarbor, to provide a software solution to the scalable management of separately managed accounts (SMA).
- Company was sold in 2004 at 20 employees, and Macgregor did a lift out of 3 employees, including me.

Reference: Archan Basu, 914-246-1880, President of LifeHarbor, currently at JP Morgan

### **Putnam Investments**

1998-2000

#### **Senior Analyst**

- Paul won the Rookie of the Year Award and was promoted the first year from Analyst.

Reference: Steve Case, 203-434-0617, SVP and Team leader at Putnam, currently at Mercer

### **Education:**

#### **Massachusetts Institute of Technology**

graduated 1998

M.S. Financial Engineering, Technology and Policy Program

### **Harvard University**

graduated 1992

B.A. Chemistry, magna cum laude

- Wrote a textbook called Chemistry Safari that was used by Harvard's largest chemistry class called Chem 10 for many years, as well as used at other universities.

**Interest:** Avid Pilot, Wine connoisseur (not at the same time), and mad chef.

# PAUL ROSENBAUM, CFA

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510 W. 55<sup>th</sup> St. Apt. #109  
New York, NY 10019  
(212) 498-1473

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**PROFESSIONAL EXPERTISE:** Quantitatively-oriented fixed income professional with sovereign credit portfolio management skills and significant experience trading and analyzing a wide variety of global fixed income products.

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**WORK EXPERIENCE:** **George Weiss Associates**, Vice President, *Fixed Income Trader/Analyst* July 2008-Present

- Initiated highly profitable Western European government bond and CDS trading business by using Emerging Markets (EM) credit trading skills and techniques. Perform curve trades, basis trades, price differential trades, directional trades, and auction set-up trades across 11 EMU countries and all maturities.
- Profitably trade EM sovereign, quasi-sovereign, and corporate credit, as well as local EM products. Examples of successfully traded products include Argentine GDP warrants, Venezuelan/PDVSA bonds, Mexican 100 year bonds, Eastern European USD vs. EUR debt, puttable and callable bonds, Turkish curve trades, Indonesian CDS, and Mexican Bonos.
- Encouraged our group to start a US Investment Grade corporate bond trading business in January 2009 after noticing severe mispricings in the market. Produced large profits in US corporate bonds from 2009-2010 by trading and analyzing new issues and bond/CDS basis relationships.
- Perform trades in US Treasuries, JGBs, UK Gilts, and inflation-linked government bonds.
- Meet frequently with external strategists. Have taken fact-finding trips to Argentina, Russia, and Turkey.

**Susquehanna International Group**, *Fixed Income Proprietary Trader* August 2003-July 2008

- Primary trader for EM relative value book starting in 2005. Doubled EM trading P&L each year for last three years at firm. Performed sovereign CDS basis trades, curve trades, CDX, and CDX roll trades. Built CDX valuation model to facilitate CDS/CDX arbitrage trading. Traded sovereign intra-country relative value by using a probability-of-default model, term repo markets, expected recovery rates, and knowledge of flow. Traded EM quasi-sovereign, corporate, distressed, and defaulted bonds.
- Collaborated with a large relative value fixed income hedge fund with respect to G-7 derivatives trading strategies. These discussions led my group to initiate swap spread trades, swap curve trades, butterfly trades, and swaption trades, implemented in USD, EUR, GBP, and JPY.
- Managed treasury and EM repo book. Profitably traded treasury rolls using repo knowledge.
- Formally educated in trading theory and risk management. Training included mock trading sessions, options pricing theory, conditional probability theory, and decision making with incomplete information.

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**TRADING / PORTFOLIO MANAGEMENT STYLE:**

- Highly analytical with a relative value and quantitative focus. Monitor macro trends and events.
- Scour market for asymmetric payoff opportunities, where upside potential is greater than downside risk. Prefer trades that appear fundamentally cheap and also have a potential technical catalyst. Attracted to trades where the market is offering cheap tail protection or positive convexity.
- Implement repeatable trading strategies that are designed to profit from predictable flows and supply.
- Adept at building models and tools in Excel. Use spreadsheets to monitor for mispriced securities. Proficient with Bloomberg, Bond Hub, MarketAxess, and Tradeweb (2010 Tradeweb Million Dollar Club).
- Skilled at trade execution and efficiently implementing directional views of upper management.
- Comb portfolio for potential risks and have been successful in profiting from large price dislocations. Risk management approach includes looking at historical price movements as well as working to anticipate and protect against new risks.

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**EDUCATION:** **Cornell University**, College of Engineering, Ithaca, NY  
School of Operations Research and Industrial Engineering

Master of Engineering Degree, May 2003  
Bachelor of Science Degree, May 2002—*Dean's List, National Society of Collegiate Scholars*

**COURSES:**

- Optimization, Simulation, Probability and Statistics, Game Theory, Fixed Income Derivatives, Data Mining, Economics, Calculus, Financial Engineering.

**ACTIVITIES:**

- Reading books about financial crises, Cornell Wall Street, Cornell Alumni Admissions Ambassador Network, tennis, golf, squash, poker, 2004 NYC marathon.

## **Paul A. Berman, CFA**

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## **EXPERIENCE**

**Hybrid Capital Management, LLC**  
Managing Member

Greenwich, CT  
November 2009-Present

**Horizon Asset Management, Inc.**  
Portfolio Manager

New York, NY  
July 2006-April 2009

- Managed private investment funds
  - Horizon Credit Opportunities Master Fund, LTD: low volatility, short duration credit fund focused on high yield/crossover credits
  - Horizon Multi-Disciplinary Master Fund, LTD: hybrid equity/debt fund focused on (i) shorting equity put options and (ii) investing in high yield/crossover credits

**PoleStar Capital Management, LLC**  
Founder/Managing Member

New York, NY  
May 2003-June 2006

- Managed PoleStar Partners, LP (predecessor to Horizon Credit Opportunities)

**Bear, Stearns & Co., Inc.**  
Sr. Managing Director, M&A Group

New York, NY  
March 1997-Dec 2002

- M&A advisory focused on emerging telecom subsectors (CLECs, Hosting, ISPs etc.)
- Member of M&A group's Valuation Committee

**Nomura Asset Management USA**  
Portfolio Manager/Equity Research Analyst

New York, NY  
1994-1996

- Co-managed a family of four equity mutual funds
- Focused on telecommunications, media and natural resources

**VM Equity Partners**  
Principal

New York, NY  
1992-1993

- provided financing and M&A advisory services to middle and small market clients

**Kidder, Peabody & Co., Inc.**  
Associate, M&A/Debt Restructuring

New York, NY  
1988-1992

**Standard & Poor's Corporation**  
Equity Securities Analyst

New York, NY  
1983-1986

## **EDUCATION**

**The Wharton School, University of Pennsylvania**  
Master of Business Administration

Philadelphia, PA  
1986

- Major in Finance, with concentrations in Money & Banking and Strategic Planning

**Babson College**  
Bachelor of Science, Magna Cum Laude

Wellesley, MA  
1983

# PETER S. KREISLER

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Work: (212) 224-7219

## EXPERIENCE

**GLG Partners; New York, New York**

**February 2005 – Present**

### **Senior Analyst and Asset Manager, North American Opportunity Fund, Utility and Infrastructure Group**

- Co-manage book and provide research coverage and investment recommendations as part of an equity long-short focused North American utility, energy and related infrastructure group within a global multi-strategy \$20 billion fund
- Create and maintain financial and valuation models for companies in the utility, power, coal, energy, railroad and related infrastructure groups
- Communicate extensively with senior level managements and industry research leaders through attendance at major industry conferences, company visits, roadshows and telephonically
- Group achieved double digit rates of return since inception outpacing relevant benchmarks

**CIBC Capital Partners; New York, New York**

**June 2000 – February 2005**

### **Director, Merchant Banking, Healthcare Venture Capital Group**

- Helped manage healthcare venture capital portfolio as member of three-person investment team located in New York and San Francisco with a focus on biotechnology, specialty pharmaceutical, medical device and healthcare services investments
- Assisted in originating and sourcing new deal flow including evaluating and screening approximately 200 potential investments annually
- Actively participated as key member of deal team for investments in 10 portfolio companies for a total of \$30.5 million invested, inherited coverage responsibility for 7 additional portfolio companies with \$45 million invested and helped select and manage venture fund of funds portfolio consisting of 7 healthcare funds with \$75 million in committed capital
  - Executed and closed 14 separate investments (includes follow-on investments) in 10 portfolio companies consisting of \$30.5 million where primary responsibilities included deal screening, company visits, management assessment, financial modeling, returns analysis, intellectual property review, competitive market analysis, legal documentation and synthesis of due diligence findings into an investment memorandum presented to CIBC Investment Committee
  - Managed active portfolio companies by attending or auditing Board of Director's meetings, communicating with management on a weekly to monthly basis, assisting companies with strategic and financial partnerships and presenting quarterly company update reports to CIBC Investment Committee

**CIBC Oppenheimer; New York, New York**

**January 1998 – June 2000**

### **Financial Analyst, Investment Banking, Global Power and Utilities Group**

- Designed dynamic financial models to examine optimal transaction and financing structures for corporate and project level mergers, acquisitions and leveraged buyouts in the power and utilities sector and performed financial, company and industry level due diligence for initial public and follow-on equity offerings, high yield debt transactions, private placements and merger and acquisition advisory assignments
- Conducted comparable company, discounted cash flow and precedent transaction analyses to support financial valuations
- Ranked in top 10% of financial analyst class by senior level evaluation system
- Participated in the solicitation and execution of over \$5.5 billion (22 transactions) in managed common equity, hybrid equity, investment grade debt and high yield debt offerings and over \$4.5 billion (6 transactions) in strategic and financial merger and acquisition advisory assignments

## EDUCATION

**University of Virginia; Charlottesville, Virginia**

**May 1997**

- Citizen Scholar Program, post-graduate work with a concentration in Economics, August 1996 - May 1997
- McIntire School of Commerce Business Institute, Summer 1996
- Bachelor of Arts, Major: Environmental Sciences, Minor: Art History; May 1996

## INTERESTS/OTHER

- Cooking, Tennis, Golf, Triathlon Training, Art History, Traveling
- Series 7 and Series 63 NASD certifications



# PATRICK YEGHNAZAR

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Mobile: 818.383.3032 • pyeghnazar@yahoo.com

<b>Experience</b>	<b>HIGHBRIDGE CAPITAL MANAGEMENT</b>	<i>New York, New York</i>
January 2009 – Present	<b>Sector Head/PM – Long / Short Equity – Industrials / Basic Materials / Energy:</b> responsible for idea generation and P&L for industrial/materials/energy companies within a diversified equity portfolio. Hired and trained two analysts to specialize in commodities and industrials companies.	
July 2006 – Dec 2008	<b>Analyst – Long / Short Equity – Basic Materials / Energy:</b> researched and presented long / short investment ideas; analyst on two portfolios with equity capital of over \$1.1bn within a \$4.5bn equity portfolio: <ul style="list-style-type: none"><li>• Global coverage universe of mid &amp; large capitalization companies in all subsectors of industrials, basic materials and energy, including commodity strategies.</li><li>• Performed bottoms-up research, modeling and valuation work to find under and over-valued companies.</li><li>• Built relationships with management teams of leading companies in each sub-sector.</li><li>• Developed views on supply/demand for commodities. Established a network of industry contacts, private producers, commodities traders and consultants to develop high conviction on commodity price movements.</li><li>• Portfolio framework includes neutral market exposure; positions with 50% upside in 12-24 months; short selling strategy focused on absolute returns utilizing no indices.</li><li>• Traveled extensively and globally to meet companies and source ideas and contacts.</li></ul>	
	<b>GOLDMAN, SACHS &amp; Co.</b>	<i>Los Angeles, California / New York, New York</i>
February 2004 – July 2006	<b>Investment Banking Analyst – Leveraged Finance:</b> Worked with management, financial sponsors and internal team to develop investment analyses including detailed operating and integrated LBO models. Conducted extensive credit due diligence. Deal experience includes: <ul style="list-style-type: none"><li>• Lead bookrunner – \$1.5bn financing – TPG / H&amp;F's acquisition of LPL (Dec-2005); \$325mm financing – Thomas Hicks' dividend recap of Southwest Sports Group (Dec-2005); \$610mm financing – Cerberus' dividend recap of IAP (Dec-2005); \$740mm financing – Veritas Capital's acquisition of DynCorp Int'l (Feb-2005); \$665mm financing – Thomas H. Lee Partners' recap of TransWestern Publishing (Feb-2004); \$150mm financing – Thomas H. Lee Partners' recap of TransWestern Publishing (Aug-2004); \$620mm financing – TPG / JP Morgan Partners' buyout of KRATON Polymers (Dec-2003).</li><li>• Joint bookrunner – \$11.3bn financing – CD&amp;R / Carlyle / Merrill Lynch's acquisition of Hertz (Dec-2005); Joint bookrunner – \$435mm financing – IAP's acquisition of JCWS (Mar-2005); Joint bookrunner – \$795mm financing – Aurora Capital's acquisition of K&amp;F Industries (Dec-2004); Joint bookrunner – \$850mm financing – CVC / Francisco Partners' recap of MagnaChip Semi. (Dec-2004).</li></ul>	
July 2003 – February 2004	<b>Investment Banking Analyst – Natural Resources:</b> Prepared strategic advisory and financing presentations for power companies. Worked on \$100mm of debt / \$100mm of equity financing for Hawaiian Electric (Mar-2004).	
Summer 2002	<b>Investment Banking Summer Analyst – Healthcare:</b> Performed technical analysis for mergers and IPO's.	
	<b>OTHER PROFESSIONAL EXPERIENCE</b>	
Spring 2002	<b>INDEX ASIA PUMP GROUP – Berkeley, California – Consultant:</b> Evaluated Asian growth opportunities for pump co.	
Summer 2001	<b>ELAM – Los Angeles, California – Project Development Analyst:</b> Prepared \$350k of project proposals for charity.	
July 2000	<b>PRICEWATERHOUSECOOPERS – Kuala Lumpur, Malaysia – Junior Analyst – Corporate Finance</b>	
June 2000	<b>ARAB-MALAYSIAN SECURITIES – Kuala Lumpur, Malaysia – Junior Analyst – Auto Equity Research</b>	
<b>Education</b>	<b>University of California, Berkeley</b>	
	Simultaneous Degrees in Business Administration and Economics, May 2003.	
	Cumulative GPA: 3.74      Business GPA: 3.81	
<b>Activities</b>	<ul style="list-style-type: none"><li>• <b>Delta Sigma Pi Business Fraternity:</b> VP – Professional Activities, Professional Development Chair.</li><li>• <b>Haas Business School Consulting Case Seminars:</b> McKinsey, Bain, Cisco/Deloitte, Artemis, Goldman Sachs.</li><li>• <b>Fed Challenge Competition:</b> National finalist in macro-economic policy competition.</li><li>• <b>Love Armenia Volunteer:</b> Visited Armenia twice with relief teams. Researched business development projects.</li></ul>	
<b>Personal</b>	Conversant in Farsi and Armenian. Travel enthusiast – visited 17 countries. Enjoy basketball and volleyball. 10 years piano, 2 years drums/percussion, beginner guitar/bass; enjoy jazz and improvisation. Love reading.	

**J. Patrick Kelly**  
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## Experience

January 2010 -  
Present

**STANDARD BANK** New York, NY  
*Executive, Principal Trading Group*  
• Key member of emerging market/macro trading team that generated over \$30mm in profits.  
• Managed a trading book with a capital base of \$75mm.  
• Identified global macro themes and trends and expressed relative value and directional views across FX, rates, and credit within Latam, Europe, Africa, Asia, and G10.

January 2008 -  
December 2009

**TEMPEST CAPITAL, LLC** New York, NY  
*Sole Proprietor, Trading*  
• Allocated personal capital to learning how to trade equity and commodity futures including SPX, Nasdaq, crude, nat gas, copper, gold, corn, wheat, soybeans, sugar, and cotton.

July 2005 -  
October 2007

**JPMORGAN CHASE & CO.** New York, NY  
*Senior Proprietary Trader, Strategic Proprietary Group*  
• Managed an emerging market/macro trading book with an average capital base of \$75mm.  
• Focused on trading macro themes across FX, rates, and credit within Latam and Europe.

January 2004 -  
June 2005

**MOUNTOLIVE CAPITAL MANAGEMENT, LLC** New York, NY  
*Senior Portfolio Manager, Emerging Markets*  
• Developed all relevant aspects of the Fund including trading infrastructure, comprehensive risk management framework, a methodical investment process, and a cohesive marketing strategy.

June 2002 -  
December 2003

**SAC CAPITAL, LLC/LOTUS CAPITAL ADVISORS, LLC** London/New York  
*Senior Portfolio Manager, Emerging Markets*  
• Co-head of the \$100mm emerging market portfolio.  
• Launched an EM/Macro Fund with \$130mm and was involved in all marketing and trading.

January 1999 -  
May 2002

**MARATHON ASSET MANAGEMENT, LLC** New York, NY  
*Senior Portfolio Manager, Emerging Markets*  
• Actively traded FX, rates, and credit within Latam and Europe.  
• Generated average returns of 12% on average capital base of \$75mm.  
• Played a key role in growing AUM from \$70mm to \$500mm.

March 1996 -  
October 1998

**DONALDSON, LUFKIN & JENRETTE** New York, NY  
*Senior Proprietary Trader, Emerging Markets*  
• Managed a relative value and a directional book in credit within Latam and Europe.  
• Responsible for building and leading a team of five traders in London and New York.  
• Generated \$22mm in profits.

August 1993 -  
February 1996

**J.P. MORGAN & CO.** New York, NY  
*Senior Proprietary Trader, Emerging Markets*  
• Co-managed a relative value book focusing on credit within Latam and Europe.  
• Generated \$80mm in profits.

## Education

1991-1993

**MIT SLOAN SCHOOL OF MANAGEMENT** Cambridge, MA  
Master of Business Administration, June 1993.

1985-1989

**QUEEN'S UNIVERSITY** Kingston, Ontario  
Bachelor of Commerce with Honors, June 1989.

PhaseCapital LP

PhaseCapital

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*Strategic Partnership Opportunity*

*May 30, 2012*

*PROPRIETARY AND CONFIDENTIAL*

# Contents

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1. Introduction
2. Phase Strategy and Solutions
3. PhaseCapital Team
4. Strategic Partnership Opportunity

# PhaseCapital LP

## 1. Introduction

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1.1 Opportunity Overview

1.2 Business Case

## 1.1 Opportunity Overview

Phase provides a highly customizable platform and strategy to meet a range of investor requirements.

# Phase Platform

### ***Phase II Hedge Fund Strategy***

- A scalable, flexible approach to providing improved risk-adjusted returns relative to US and global hedge funds.
- Strategy is fully operational and has been trading since January 2012.
- Focus is on risk-adjusted returns and fee-adjusted outperformance.

### ***Phase Alternative Mutual Funds***

- “Core” and “Opportunity” strategies designed to outperform the S&P 500 and Russell 2000 indexes; the approach is globally extensible to other indexes.
- “Alternative” funds form a rapidly growing mutual fund category; long-only investors increasingly seek “alternative-like” performance.

### ***Phase Solutions***

- Customized solutions for exposure to index or bespoke strategies based on client preference regarding volatility, correlation, leverage, and downside protection.
- “Open architecture” movement in the industry provides a fertile landscape for Fund, SMA, and UCITS structures.

## 1.1 Opportunity Overview

Phase is highly differentiated in well-established, multi-billion dollar asset categories

# Phase Platform

### ***Phase II Hedge Fund Strategy***

- Target Client: Institutions, Endowments, Family Offices, Funds of Funds
- AUM Potential: \$10B+
- Strategy Operational: Jan 2012
- Fund Launched: Feb 2012

### ***Phase Alternative Mutual Funds***

- Target Client: Institutions, Endowments, Retail, Pensions
- AUM Potential: \$10B+
- Strategy Operational: Jan 2012
- Launch Date (est.): May 2012

### ***Phase Solutions***

- Target Client: Institutions, Endowments, Investment Managers, Hedge Funds, Banks
- AUM Potential: Billions

## 1.2 Business Case

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- Phase II Fund is fully operational: developed, deployed, and trading.
- Phase Alternative 40 Act Funds are currently in registration and targeted to launch May 1<sup>st</sup> 2012. Other domestic and international equity enhanced index opportunities include: **Russell 2000, Nasdaq 100, MSCI World, FTSE 100, Nikkei 225** and various emerging market opportunities.
- Phase Solutions: collaborative discussions with allocators for customized portfolios ongoing.

PhaseCapital LP		Partner	
Contribute	Gain	Contribute	Gain
<ul style="list-style-type: none"><li>• Investment Team</li><li>• Strategy</li><li>• Product Expansion</li><li>• Capital Raising</li></ul>	<ul style="list-style-type: none"><li>• Marketing</li><li>• Distribution</li></ul>	<ul style="list-style-type: none"><li>• Marketing</li><li>• Distribution</li></ul>	<ul style="list-style-type: none"><li>• Product Line</li><li>• Investment Team</li></ul>
Net:	Business Expansion	Net:	Revenue Stream

## 2. Phase Strategy and Solutions

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- 2.1. Strategy Overview
- 2.2 Funds and Performance Characteristics\*
- 2.3 Phase Solutions

\*See *important notes on simulated performance at the end of this document.*

## 2.1 Strategy Overview

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“I violated the Noah rule: Predicting rain doesn’t count; building arks does.”

- Warren Buffett, CEO, Berkshire Hathaway

“The fact that the source of dislocation in long/short equity portfolios seems to lie elsewhere – apparently in a completely unrelated set of markets and instruments – suggests that systemic risk in the hedge fund industry may have increased in recent years.”

- Dr. Andrew Lo, Professor MIT Sloan, Chief Scientist, AlphaSimplex Group

“The high frequency finance technology will continue to work successfully as long as the financial markets remain heterogeneous and market participants trade with different risk profiles and trading horizons.”

- Dr. Richard Olsen, Founder, Olsen & Associates

“When managing systemic risks it is much more important to react tactically to the observed market conditions than to try to predict what will happen next.”

- PhaseCapital

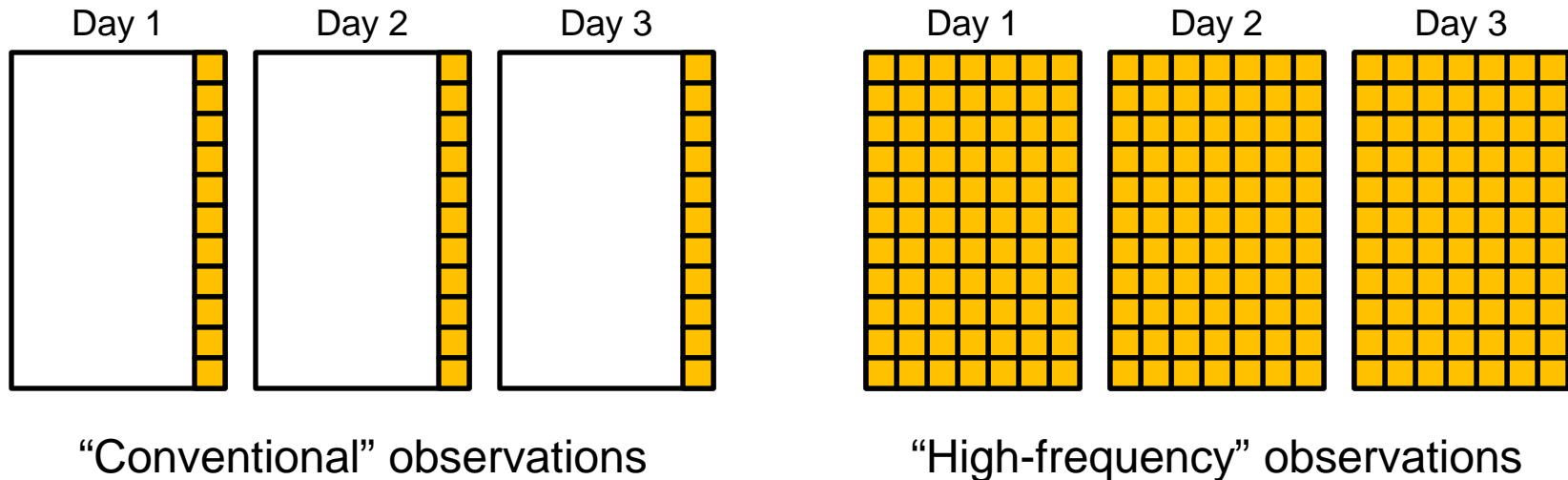
## 2.1 Strategy Overview

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High-frequency market participants have an edge

Market **microstructure** is the study of the **process** and **outcomes** of exchanging assets under explicit trading rules. (Maureen O'Hara, emphasis added)

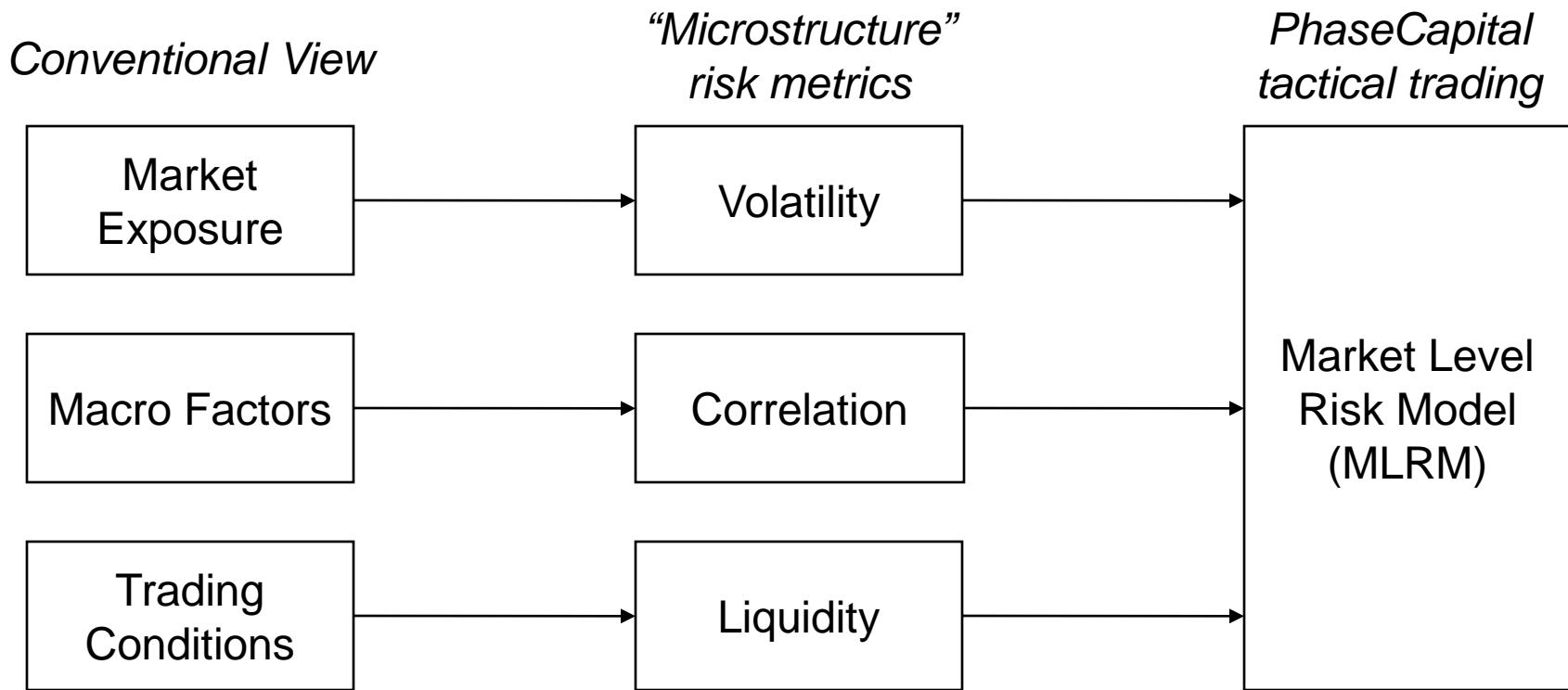
With heritage in high-frequency trading and statistical arbitrage, Phase has built a platform to observe the market on intraday time scales.



Intraday observations provide a means of measuring risk that is measurably both more effective and more responsive than conventional techniques.

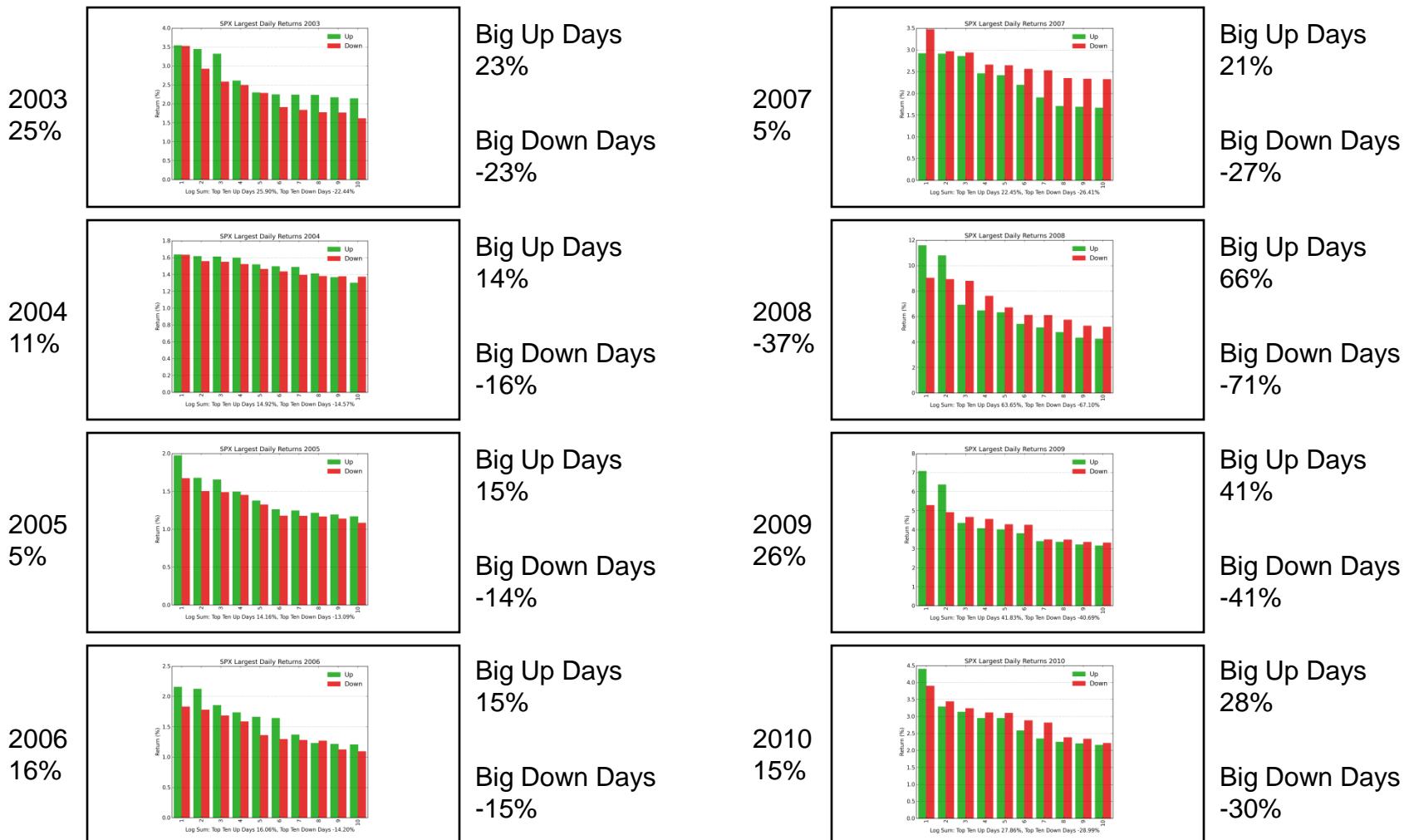
## 2.1 Strategy Overview

Systemic risk management warrants a new approach



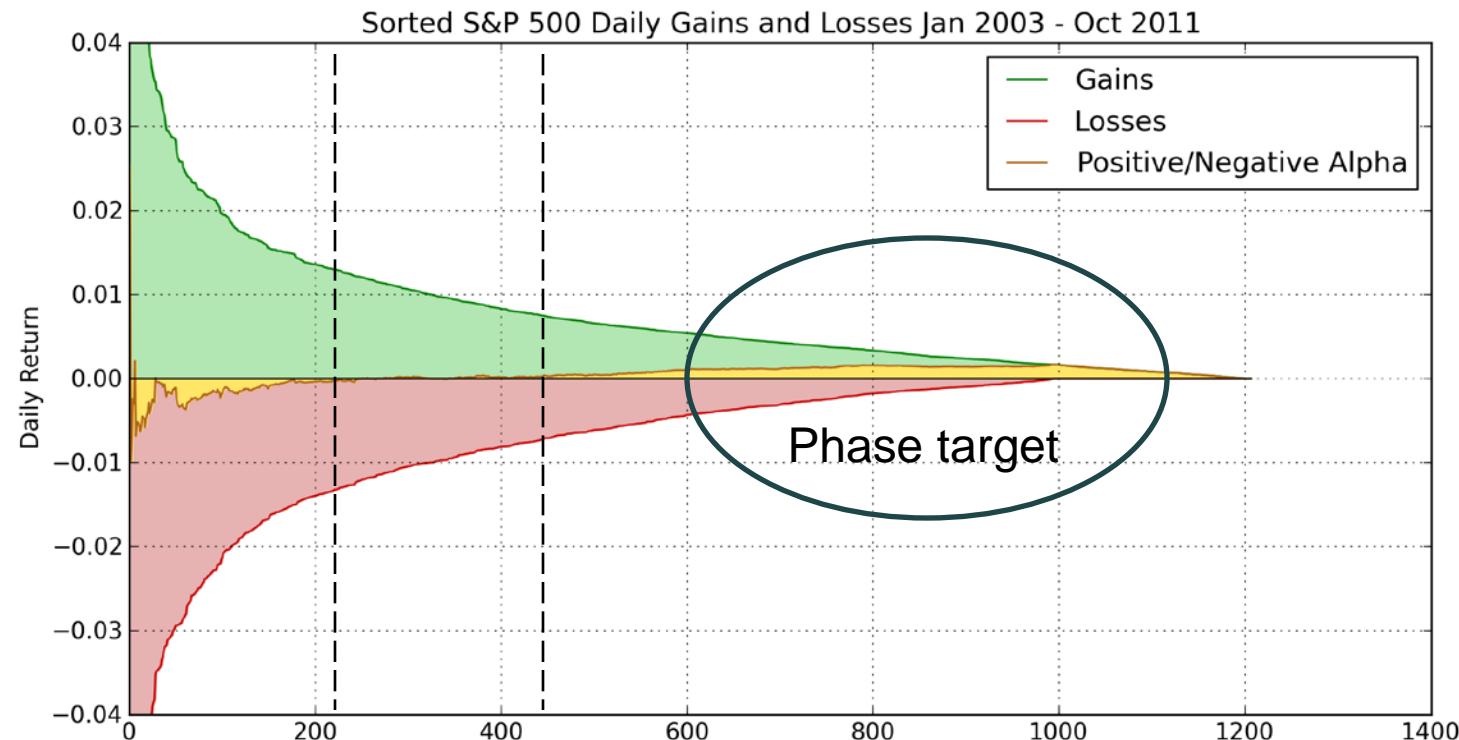
## 2.1 Strategy Overview

### Removing “big days” does not change the annual return (S&P 500)



## 2.1 Strategy Overview

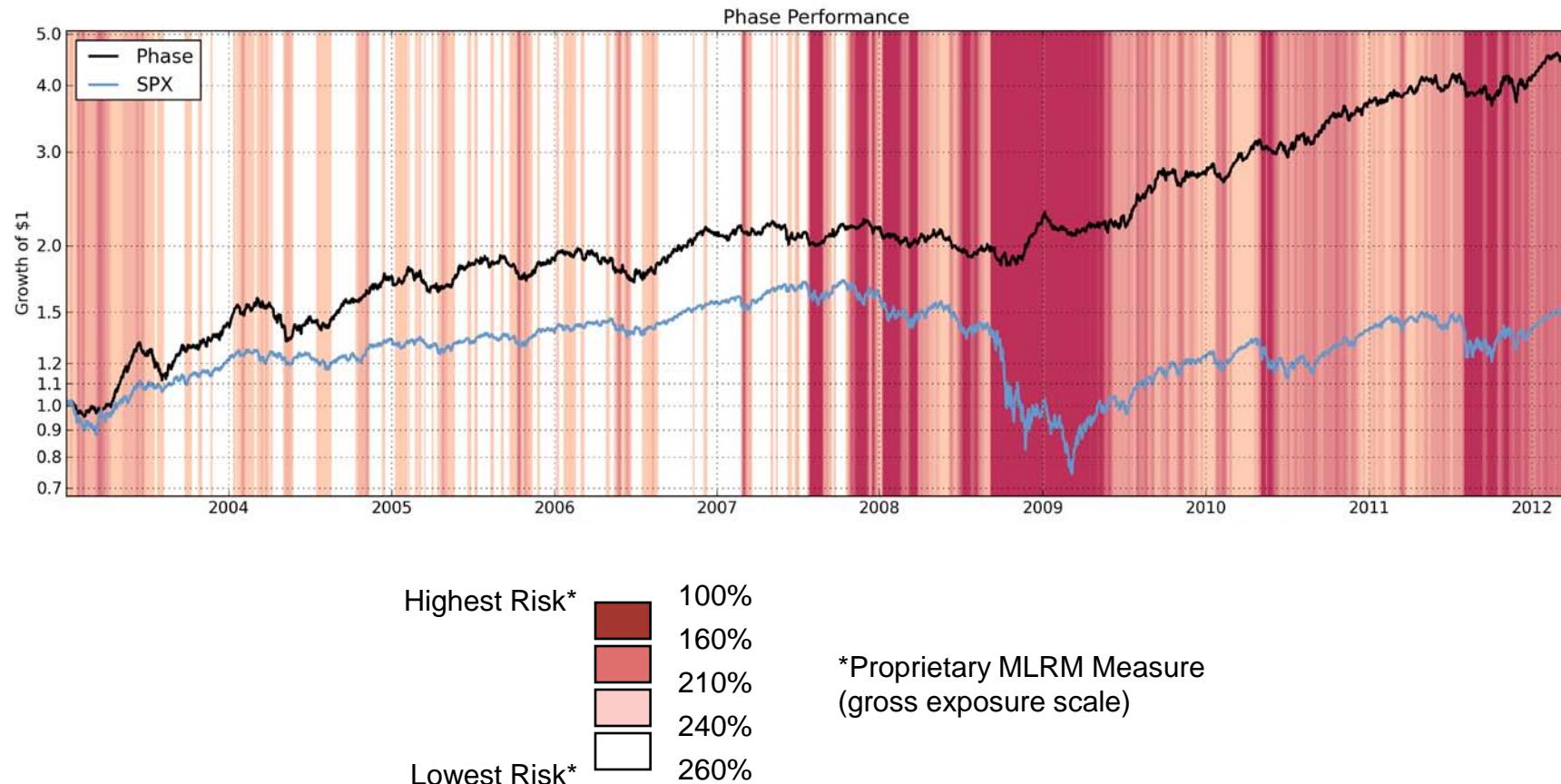
The low-volatility days provide the best opportunity



Note: Daily return segmentation for SPX total return from January 2003 – October 2011, sorted in pairs (biggest up, biggest down) days. The positive days outnumber the negative days and the largest individual day is negative.

## 2.1 Strategy Overview

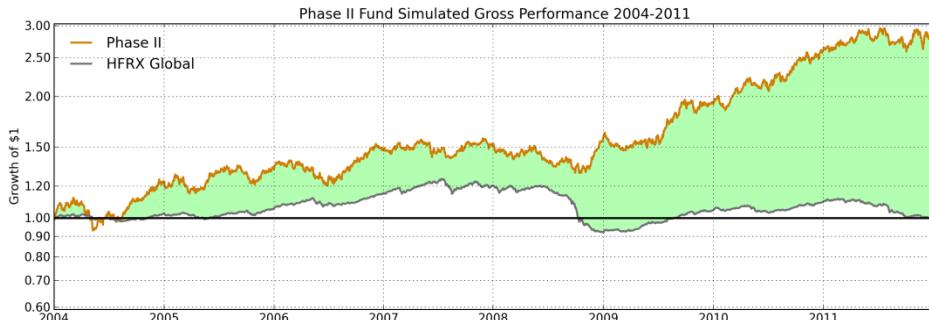
Phase dynamically adjusts its market exposure in response to market-level risk



Note: Simulated Results. All MLRM values produced using published equity, index, and interest rates data from 1/1/2003 to 3/16/2012 run on the PhaseCapital standard test platform. All backtest results show gross returns (no fees).

## 2.2 Funds and Performance Characteristics

# Comparison of Phase Strategies



### Phase II Fund

- Annualized Return (%) 17.09
- Annualized Volatility (%) 15.59
- Sharpe Ratio 0.88
- Beta (%) 32.22



### Phase Tactical Core Strategy

- Annualized Return (%) 16.17
- Annualized Volatility (%) 22.18
- Sharpe Ratio 0.59
- Beta (%) 57.85



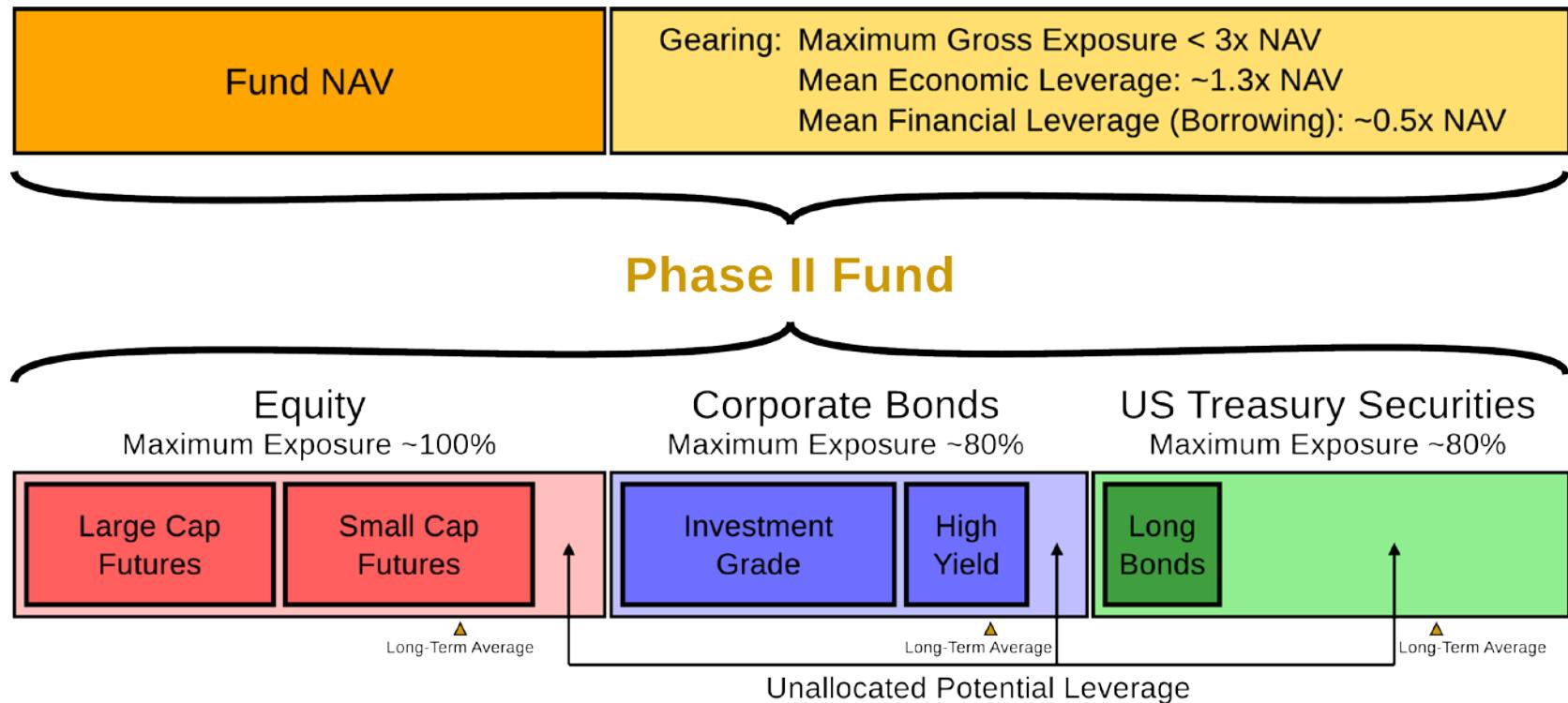
### Phase Tactical Opportunity Strategy

- Annualized Return (%) 22.01
- Annualized Volatility (%) 31.24
- Sharpe Ratio 0.57
- Beta (%) 77.41

Note: Simulated Results. All results use S&P 500 and ETF market data from 1/1/2003 to 12/30/2011 run on the PhaseCapital standard test platform. Backtest results show gross returns (no fees). Graphs show results from 2004 for consistency, since the HFRX Global Index data start in April 2003.

## 2.2 Funds and Performance Characteristics

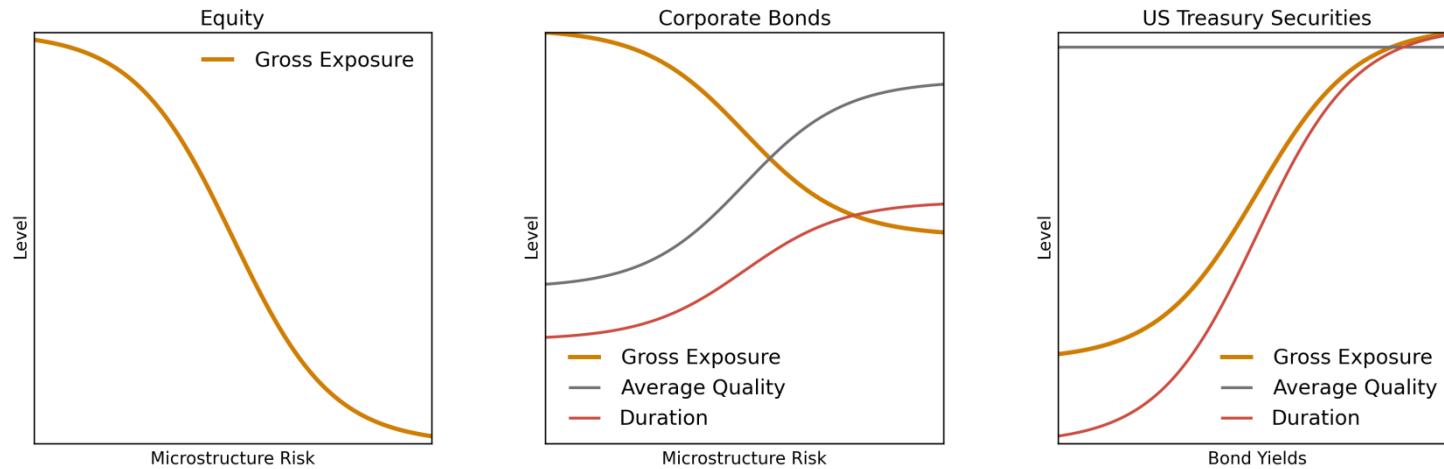
### Phase II Fund: Portfolio Construction



Note: Diagrams are illustrative and not necessarily to scale.

## 2.2 Funds and Performance Characteristics

### Phase II Fund: Dynamic Behavior

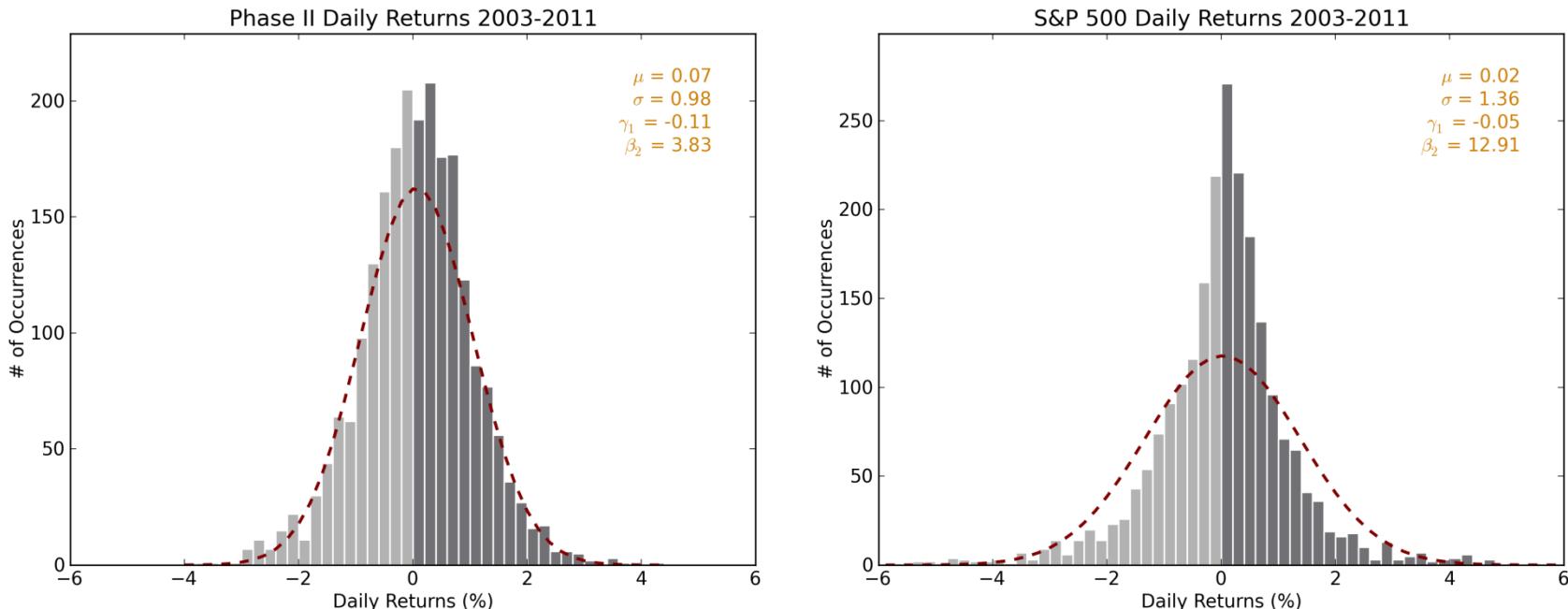


- Exposure to equity and credit risk at a portfolio level decreases as microstructure risk increases.
- Exposure to interest rate risk decreases as bond yields fall.

Note: Graphs are illustrative and not necessarily to scale.

## 2.2 Funds and Performance Characteristics

### Phase II delivers more consistent risk and return over a market cycle



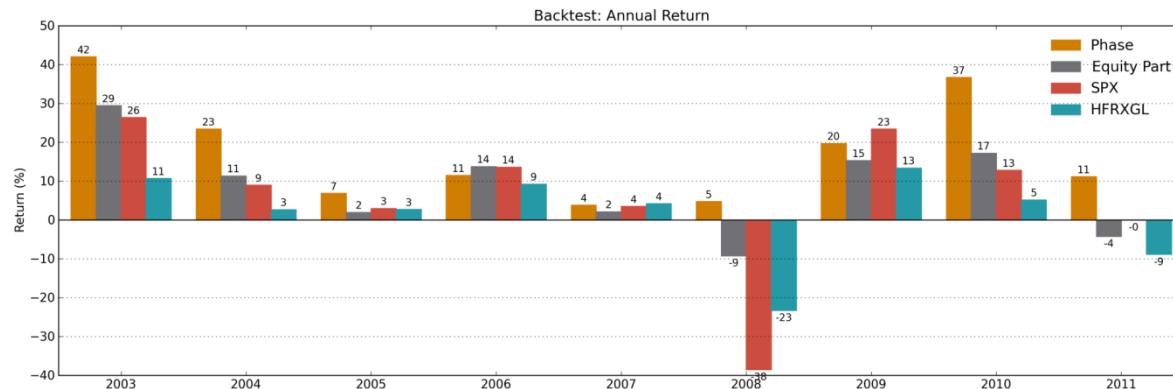
- N = 2,267
- Mean = 0.07%
- Standard Deviation = 0.98%
- Kurtosis = 3.83
- Excess Kurtosis = 0.83 (small deviation from normal distribution)

- N = 2,267
- Mean = 0.02%
- Standard Deviation = 1.36%
- Kurtosis = 12.91
- Excess Kurtosis = 9.91 (significant fat tails in distribution)

Note: Simulated Results. All values produced using S&P 500 and ETF market data from 1/1/2003 to 12/30/2011 run on the PhaseCapital standard test platform. All backtest results show gross returns (no fees).

## 2.2 Funds and Performance Characteristics

### Backtest results for Phase II Fund (2003-2011)

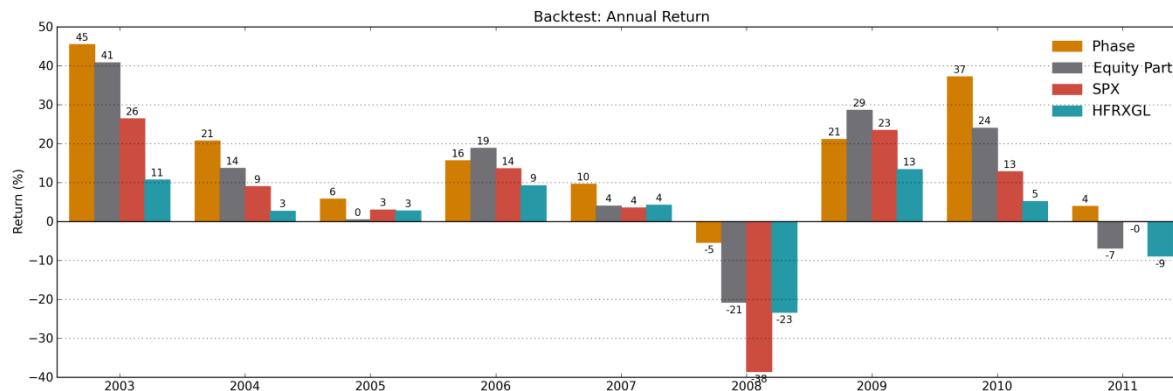


	Phase II Fund	S&P 500	Russell 2000	HFRX Global Index**
Annualized Return (%)	17.09	4.05	7.61	1.16
2011 Return (%)	11.16	-0.00	-5.45	-8.87
Annualized Volatility (%)	15.59	21.55	27.62	4.03
Skewness	-0.15	-0.29	-0.33	-1.27
Kurtosis (Pearson)	3.84	12.68	7.78	11.65
Sharpe Ratio	0.88	0.09	0.19	-0.20
Sortino Ratio	1.27	0.12	0.26	-0.25
Treynor Ratio	0.29	0.02	0.06	-0.19
Information Ratio*	0.43	n/a	0.37	-0.36
Max Drawdown (%)	17.99	56.78	59.89	26.30
Beta (%)	32.22	100.00	118.30	10.31
Phase II Correlation (%)	100.00	44.60	50.29	38.00

Note: Simulated Results. All values were produced using published index and ETF market data from 1/1/2003 to 12/30/2011 using the PhaseCapital standard test platform. All results show gross returns (no fees), and as reported by individual hedge funds for HFRX Global Index. \*Information ratio vs .S&P 500. HFRX Global Index data starts 4/1/2003.

## 2.2 Funds and Performance Characteristics

### Backtest results for Phase Tactical Core Strategy (2003-2011)

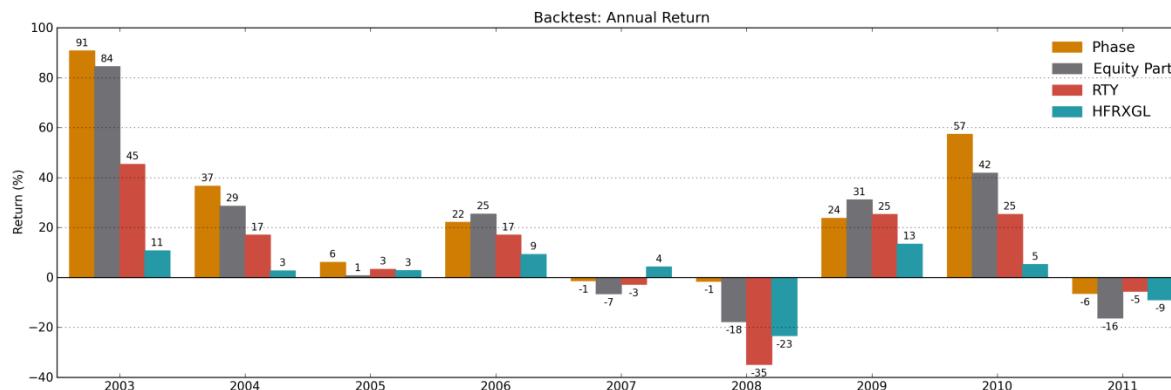


	Phase Tactical Core	S&P 500	Russell 2000	HFRX Global Index**
Annualized Return (%)	16.17	4.05	7.61	1.16
2011 Return (%)	3.92	-0.00	-5.45	-8.87
Annualized Volatility (%)	22.18	21.55	27.62	4.03
Skewness	-0.25	-0.29	-0.33	-1.27
Kurtosis (Pearson)	4.23	12.68	7.78	11.65
Sharpe Ratio	0.59	0.09	0.19	-0.20
Sortino Ratio	0.82	0.12	0.26	-0.25
Treynor Ratio	0.21	0.02	0.06	-0.19
Information Ratio*	0.44	n/a	0.37	-0.36
Max Drawdown (%)	24.29	56.78	59.89	26.30
Beta (%)	57.85	100.00	118.30	10.31
Strategy Correlation (%)	100.00	56.27	56.53	38.85

Note: Simulated Results. All values were produced using published index and ETF market data from 1/1/2003 to 12/30/2011 using the PhaseCapital standard test platform. All results show gross returns (no fees), and as reported by individual hedge funds for HFRX Global Index. \*Information ratio vs .S&P 500. HFRX Global Index data starts 4/1/2003.

## 2.2 Funds and Performance Characteristics

### Backtest results for Phase Tactical Opportunity Strategy (2003-2011)



	Phase Tactical Opportunity	S&P 500	Russell 2000	HFRX Global Index**
Annualized Return (%)	22.01	4.05	7.61	1.16
2011 Return (%)	-6.37	-0.00	-5.45	-8.87
Annualized Volatility (%)	31.24	21.55	27.62	4.03
Skewness	-0.14	-0.29	-0.33	-1.27
Kurtosis (Pearson)	3.83	12.68	7.78	11.65
Sharpe Ratio	0.57	0.09	0.19	-0.20
Sortino Ratio	0.81	0.12	0.26	-0.25
Treynor Ratio	0.25	0.02	0.06	-0.19
Information Ratio*	0.55	n/a	0.37	-0.36
Max Drawdown (%)	34.99	56.78	59.89	26.30
Beta (%)	77.41	100.00	118.30	10.31
Strategy Correlation (%)	100.00	53.46	66.84	43.34

Note: Simulated Results. All values were produced using published index and ETF market data from 1/1/2003 to 12/30/2011 using the PhaseCapital standard test platform. All results show gross returns (no fees), and as reported by individual hedge funds for HFRX Global Index. \*Information ratio vs .S&P 500. HFRX Global Index data starts 4/1/2003.

### The Phase investment platform is customizable on several dimensions

#### Example: Reduce Volatility

Investor seeks to reduce drawdowns.

**Solution:** reduce exposure ranges for long-term debt securities and small-cap equity; increase credit quality.

#### Example: Reduce Beta

Investor seeks to avoid holding too much beta at any given time.

**Solution:** reduce exposure ranges for equity and high-yield bonds.

#### Example: Reduce Leverage

Investor has a maximum gross exposure mandate.

**Solution:** reduce exposure ranges for short-term debt securities.

#### Example: Downside Protection

Investor seeks tail risk protection or positive skew.

**Solution:** overlay a rolling option strategy.

# PhaseCapital LP

## 3. PhaseCapital Team

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*PROPRIETARY AND CONFIDENTIAL*

## Leadership

- **John Donahue**

- Head of Trading, DeMatteo Monness
- Founding Partner and Head Trader, Compass Point Research
- Managing Director, Cowen & Co.
- Director, Furman Selz
- Floor Trader, Citigroup (Smith Barney)
- B.S. Accountancy, Villanova

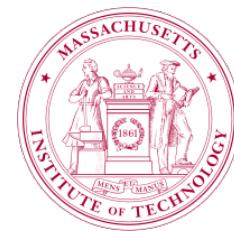


Furman Selz



- **Geoff Goodell**

- Associate Credit Strategist, Goldman Sachs & Co.
- Ph.D. Computer Science, Harvard
- S.B. Mathematics, MIT



### 3.1 PhaseCapital Team

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## Professionals

- **Brian Drew, CFA (Operations)**
  - Portfolio Controller, Harvard Management Co.
  - B.S. Finance, Fairfield University
- **David Korsnack, FRM (Trading)**
  - Financial Analyst, AT&T.
  - B.S. Business Administration, Boston University
- **Omri Schwarz (Technology)**
  - M.Eng. Electrical Engineering & Computer Science, MIT

## Board of Managers

- **Joe Casey**
  - Managing Director, Denham Capital (*currently*)
  - Partner, Boston Ventures Management
  - Partner, Venrock Associates
- **Eric Pritchett**
  - Chief Executive Officer, Potamus Trading LLC (*currently*)
  - Senior Analyst, DeMatteo Monness
  - Senior Engagement Manager, A.T. Kearney
- **Robert Tishman**
  - Managing Partner, Lightkeeper LP (*currently*)
  - Founder, Family Endowment Partners
  - Founder, Tamale Software

## 4. Strategic Partnership Opportunity

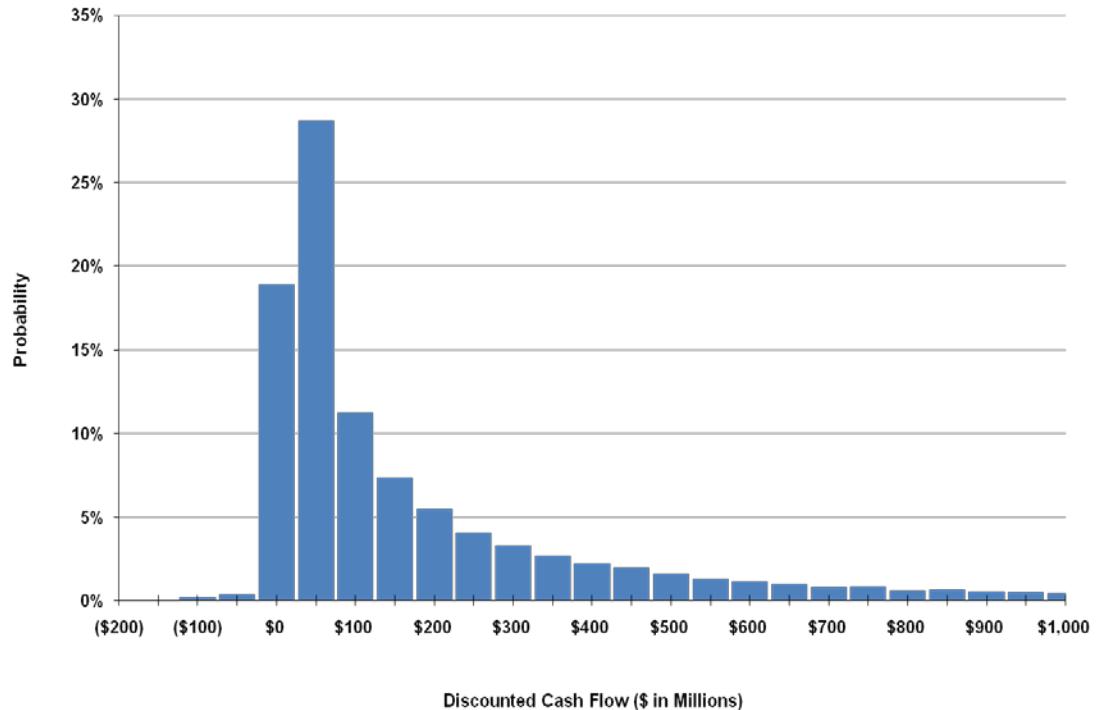
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## 4.1 Strategic Partnership Opportunity

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### Proposed Terms

- 300mm strategic investment in Phase Funds
- 50mm minimum investment (6 total shares)
- Each share equates to a 2.5% revenue share of Phase Funds
- Two year vest to achieve the revenue share but fund-level liquidity is preserved during the vesting period
- 125 bps annual management fee and associated performance fee
- Capacity guarantee of 4x initial investment



\* 5 yr. Discounted Cash Flow Valuation based upon historical performance simulated with 20,000 independent trials net of all fees

# PhaseCapital LP

## **Important Information Regarding Simulated Performance**

Hypothetical or simulated performance results have inherent limitations. No representation is made that the Fund will or is likely to achieve performance results similar to those shown. There are frequently material differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program.

The hypothetical, simulated performance results presented herein represent a proprietary, model-driven simulation of investments generated by PhaseCapital. This hypothetical trading does not involve financial and other risks and no hypothetical trading record can completely account for the impact of such risks in actual trading. There are numerous other factors related to the markets in general or to the implementation of any specific trading program that cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results.

No independent party has audited the simulated, hypothetical performance results shown herein, nor has any independent party undertaken to confirm that such results reflect the trading method under the assumptions or condition of the PhaseCapital investment process. While the results presented herein are based upon certain assumptions believed to reflect actual trading conditions, these assumptions may not include all variables that will affect, or have in the past affected, the execution of trades indicated by the investment process. Furthermore, the hypothetical performance results are based on trades in a limited universe of U.S. securities. It is the intention of PhaseCapital to expand this universe of securities to include other U.S. securities and foreign securities. The performance results will vary if and when such securities are included.

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## **General Disclaimers**

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**PROPRIETARY AND CONFIDENTIAL**

# PRASHANT TANDON

Mobile +44(0) 79 887 72 791 prashant.tandon@gmail.com  
London, United Kingdom

## Profile

- Masters, Economics from the London School of Economics and Political Science (2005)
- 10+ years of progressive experience spanning portfolio management covering fixed income and global macro portfolios, investment strategy and fundamental company research in equity and credit markets
- Strong working knowledge of all major asset classes in international financial markets – setting strategic and tactical asset allocation, portfolio re-balancing, hedging and risk management techniques
- Hands-on experience in trading, investing and proactively managing global portfolios across a range of assets including exotic OTC and listed derivatives and emerging markets (focus: Asia Ex-Japan)
- Maintained and reinforced a strong work culture based on teamwork, humility and integrity
- Dedicated self starter with proven interpersonal and communication skills

## Work Experience

### INFINITY CAPITAL MARKETS, London, UK

Jun'11-Mar'12

#### Senior Macro Portfolio Manager

Infinity Capital Markets is the London Branch of First New York Securities, a pre-eminent multi-strategy principal finance firm headquartered in New York City. I worked as a Senior Portfolio Manager in the Macro Strategy team in London. I independently managed a global macro portfolio investing in multiple asset classes across global regions

- Generated excess returns (alpha) by implementing directional and relative value views (both long/short) in all major asset classes e.g. global equity, bond, currency, commodity, credit and emerging markets
- Determine the macro asset allocation and investment strategy of the portfolio within the framework of current/medium-term investment outlook; proactively manage the portfolio over high risk market events
- Employ a streamlined investment allocation process to allocate capital across different assets – process seeks to build an adequate margin of safety before exposing capital to risk
- Developed *Véda*, a proprietary cross-asset screening tool that helps identify macro themes and provides investing signals; holistic process that incorporates several qualitative and quantitative indicators
- Investigate and execute hedging strategies to optimize the risk and return parameters of the portfolio across various assets
- Oversee and manage all aspects of daily portfolio management tasks including performance and liquidity management and presenting this information to Executive committees
- Communicate and present investment strategy decisions and views on current market conditions and forward-looking outlooks to different stakeholders– senior management, affiliated firms and external clients
- Worked closely with other team members to continuously enhance existing investment process and improve asset allocation and trading decisions

#### Key achievements and strategies:

- Profitable trading year in 2011/12 – Successfully managed a global macro portfolio during an extremely volatile environment in the financial markets (i.e. IPIGS sovereign event risk)
- Long risk on China and India Equities in 1Q12 via Index futures

### FIRST RAND BANK – London Branch, UK

Apr'07-Mar'11

#### Global Macro Portfolio Manager – Fixed Income, Currencies and Commodities (FICC)

Core member of multi-strategy proprietary trading division of First Rand Bank based in London. The division runs a dynamic trading mandate deploying bank capital across a broad range of asset classes and regions viz. currencies, rates, commodities, equities, credit and emerging markets. Joined the firm as Fixed Income Portfolio Manager and promoted to Global Macro Portfolio Manager to take on additional responsibility:

- Proactively managed a global portfolio, investing in multiple asset classes across global financial markets
- Implemented strategic and tactical asset allocation strategies after detailed evaluation of current/future macro themes and capital market trends

- Identify mispriced assets through strong fundamental and macro economic analysis; created a global scorecard for cross-country economic analysis encompassing developed and emerging markets
- Unique investing style with minimal directional bias – believe maximum returns are made at market extremes or potential turning points; fairly low correlation to benchmark market indices
- Strong portfolio construction skills with deep understanding of all major asset classes including derivative securities; active use of option strategies to optimize portfolio risk/return parameters and value at risk (VaR)
- Regular communication and presentations to senior management and executive board on the investment strategy and performance results
- Ongoing liaison with finance and risk managers to ensure risks posed by adopted investment approach are clearly understood and all investment guidelines/mandates are adhered to

**Key achievements and strategies:**

- Promoted to Global Macro Portfolio manager to take on additional responsibility
- Profitable trading years in 2008, 2009 and 2010 – successfully managed the portfolio through period of unprecedented market volatility during the Great Recession
- Long Commodities and Commodity FX vs. G3 in 3Q10: punish the printers macro theme
- Long funded Call spreads on Eurodollar interest rate futures in 3Q09: libor normalization theme
- Short risk on US Equities from 2Q08 to 1Q09 via S&P 500 put options

**Fixed Income Portfolio Manager (Apr'07-Mar'08)**

Special Projects International, London, UK

Special Projects International is the Principal Finance division of the firm based in London and South Africa. The division runs a multi-strategy investment mandate deploying bank capital in fundamental value and niche opportunities across Global financial markets

- Jointly managed a global long/short fixed income portfolio that executed investment strategies to extract value across the capital structure from credit market dislocations
- Investment portfolio focused on Corporate credit and sovereign markets across US, UK and Continental Europe (predominantly using structured credit instruments, underlying credit exposure of c. \$3bn)
- Played a lead role in investment research and determining appropriate market strategy with a objective for firstly capital preservation and secondly generating high risk-adjusted returns whilst limiting portfolio volatility
- Performed in-depth fundamental credit analysis across wide array of sectors to devise credit selection and optimal allocations reflecting current/future macro economic and industry views
- Active risk management of the portfolio – tail risk analysis and management of all Greeks (beta, gamma and correlation risks) to determine and execute the most appropriate liquid market hedges
- Key member of the International Investment committee – made recommendations, proposed changes, published reports and made presentations to stakeholders on the investment process of the team

**Key achievements and strategies:**

- No defaults on global portfolio – exposure to 300+ companies across US and Europe
- Short default basket on Insurance companies in June 2007 before the advent of Credit crisis at a time when their credit default spreads were trading at <30bps!
- Return on Bank Economic capital of 30%+, Team achieved the “Building a business” award

**DEUTSCHE BANK – London, UK**

Senior Analyst, European Credit Research

**Mar'05-Feb'07**

Part of award-winning Pan-European Credit Research team. As a Senior Analyst, I was jointly responsible for active fundamental research coverage of 50+ Pan-European companies in the telecom, media and utilities sectors

- Conducted detailed fundamental credit analysis – studied financial statements and conducted extensive financial modeling, valuation and qualitative analysis
- Worked in a multi-functional team interacting on a daily basis with sales and trading desks in a fast-paced trading environment
- Participated in morning meetings, providing investment insights and published content to be used in daily, weekly and monthly research publications (flagship, DB Credit Express)
- Presented investment ideas and made recommendations to institutional clients

- Provided research support to other internal capital market teams (sales, bond syndication, etc.)
- Published several thematic reports and marketed the same to hedge fund and real-money investors

#### **Key achievements and publications:**

- **Ranked in Top 10 in Euromoney Institutional Investor Survey for two consecutive years**
- Co-authored UK Water sector report that provided detailed insight into bond covenants, structural features, credit profiles of the issuers and made key recommendations to UK real-money investors

#### **HSBC INVESTDIRECT – Mumbai, India** **Senior Equity Analyst, Institutional Equity Business**

**Aug'99-Oct'02**

Formerly IL&FS InvestSmart is one of India's largest domestic financial institutions providing individuals and corporates with customized financial solutions. Joined the organisation as a Fresh Undergraduate and moved up the ranks to Senior Equity Analyst gaining immense exposure to diverse departments, contributing positively therein

- Active Equity Research coverage of 15 major automobile, auto-ancillary companies in India (Apr'02-Oct'02)
- Presentation to Board of Directors on hard underwriting of Suzuki Motor Corporation Initial Public Offering in India (largest private sector IPO in India at the time)
- Investment Manager, Portfolio Management and Investment Advisory Services division (Nov'99-Apr'02) - Jointly managed specialised investment advisory portfolios for retirees (corpus c. \$10mn)
- Designed, restructured and managed portfolios for clients (discretionary and non-discretionary); multi-asset and products exposure (public equities, mutual funds and insurance products)
- Research Assistant, Products and marketing division (Aug'99-Sep'99) – Provided support to Head of Department in planning, operations and development of various retail financial products and services

#### **Internships**

#### **NATIONAL COUNCIL OF APPLIED ECONOMIC RESEARCH, Delhi, India** **Intern, Macroeconomic Modeling and Forecasting**

**Dec'04-Jan'05**

- Research Assistant, Joint NCAER-World Bank Report, "India: Rural Access to Financial Services"

#### **DEUTSCHE BANK, London, UK** **Summer Analyst, Global Markets**

**Jul'04-Sep'04**

- European Credit Research – Conducted analysis and developed a model to evaluate rating sensitive bonds in the telecom sector; Started two new weekly publications that were published and sent to clients
- FX Forwards Trading – Created short-term FX forecasting model (Spot and Forward Rates) for traders using: (a) Risk-reversal strategies and (b) Surprise indicators and survey of expectations

#### **Education**

#### **LONDON SCHOOL OF ECONOMICS and POLITICAL SCIENCE, London, UK**

**Jul'03-Jun'05**

*PG Diploma, Global Market Economics (equivalent MSc Economics)*

**Distinction: Development Economics, Recipient Of J. N. Tata Endowment for Higher Studies**

#### **JAI HIND COLLEGE, UNIVERSITY OF MUMBAI, Mumbai, India**

**Jul'96-Jun'99**

*B.A., Economics Honours, Finance Concentration – Grade First*

**Ranked 1st in Class of 1999, Recipient of Taru Lalwani Fellowship for academic excellence**

#### **Professional Skills**

##### **Technical**

- Microsoft Office, Bloomberg, Sophis, Quantifi, Calypso, S&P CDO Evaluator, Moody's CDROM

##### **Certificates**

- Completed CFA Level 1 (Dec'06); Certificate in Securities and Financial Derivatives – FSA Registration (Jul'05); Investment Management Certificate (Feb'05)

# RADO BRADISTILOV

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## PROFESSIONAL EXPERIENCE

### **TALISMAN GLOBAL ASSET MANAGEMENT**

London

#### **Portfolio Manager and Analyst – Global Long/Short Equities and Special Situations**

Oct 09 - Present

Senior member of \$2.7Bn global hedge fund/family office that manages the assets of one prominent London-based family  
Portfolio Manager of Talisman Special Situations Fund, a global long/short special situations fund with strong returns and  
low market exposure. Pure alpha, liquid relative value strategy investing in long/short equities, corporate transition such  
as restructurings, spin offs, pre-announced M&A, management changes, recaps, post-bankruptcy, underfollowed equities  
Main equity idea generator for master fund, also involved with private equity and hedge fund manager selection

#### **Portfolio Manager: managed a personal special situations portfolio with 40%+ return**

Jan – Sept 2009

### **SAC CAPITAL**

New York

#### **Senior Analyst – Long/Short Special Situations Group**

Jan - Dec 2008

Founding member of \$500mm global long/short special situations group investing as a generalist in the US, Europe, EM  
Responsible for US, European, EM equity sourcing, screening, analysis, due diligence, position sizing and monitoring  
My investment recommendations significantly outperformed SAC Capital average, indexes, and peer group in 2008

### **EXTON CAPITAL**

New York

#### **Partner – Long/Short Special Situations Hedge Fund**

July 2005 - Dec 2007

Exton Capital was a successful special situations equity hedge fund investing across sectors in the US, Europe, EM  
Founding member who played integral role in developing investment process, track record and growing assets three-fold  
Responsible for primary sourcing, analysis, valuation, due diligence, sizing, portfolio management, monitoring of ideas  
Became the fund's leading idea generator and profit contributor. Developed profitable niche of global investing  
Exton had successful 3-year double-digit track record with low leverage and volatility and was acquired by SAC Capital

### **TIEDEMANN INVESTMENT GROUP**

New York

#### **Principal – Value and Special Situations Hedge Fund**

July 2004 - July 2005

Founding member of TBGS Partners, a value/special situations long/short private investment partnership within a \$2bn  
family office/HF manager. Responsible for sourcing, analysis, valuation, monitoring of long/short equity, distressed debt  
Identified and invested in undervalued equities and special situations (spin offs, restructurings, divestitures, bankruptcies,  
takeouts/LBO, litigation, distressed debt). Personal stock recommendations generated consistent double digit returns

### **MORGAN STANLEY**

New York

#### **Associate – Investment Banking (Financial Institutions Group/General M&A)**

Sept 1999 - Dec 2002

Promoted to Associate within months of joining this industry leading group. Performed and supervised analysis related to  
M&A, capital raisings, LBOs for insurers, banks, asset managers, specialty finance companies, and conglomerates.  
Structured and negotiated complex transactions/contract terms. Led due diligence sessions. Trained a team of 12 analysts  
Executed a dozen transactions ranging from a \$100mm acquisition to a \$25 billion cross-border hostile takeover defense

### **GOLDMAN SACHS**

New York

#### **Financial Analyst – Equity Research**

Aug 1996 - Aug 1999

Assisted *Institutional Investor* #1-ranked group of Life Insurance, Property Casualty, and Reinsurance equity analysts  
Performed fundamental research and issued investment opinions on a universe of fifty US insurance companies  
Responsible for the creation of earnings projections models and valuation tools. Coordinated global industry research  
Participated in due diligence/execution of IPOs, M&A deals. Taught insurance valuation seminars to clients, sales force

## EDUCATION

### **COLUMBIA BUSINESS SCHOOL**

New York

MBA (Focus: Value Investing Program, Private Equity)

Jan 2003 - May 2004

Exchange program studies at **London Business School**

London

### **MACALESTER COLLEGE**

St. Paul, Minnesota

BA in Economics and International Studies, Graduated with Honors

Sept 1992 - May 1996

Dean's List, President of International Student Organization, President of Economics Honor Society, Varsity Soccer team  
Exchange program studies at **L'Université de Paris III, SORBONNE-NOUVELLE**

Paris, France

Languages: English, French, Russian, Bulgarian (native), basic Italian. Authorized to work permanently in UK/US/EU

# PRIYANTHAN KODEESWARAN

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## WORK EXPERIENCE

PARTNER & PM  
**RWC PARTNERS**  
LONDON, U.K.  
2009 – CURRENT

- Portfolio Manager of the Global Growth Absolute Alpha UCITS III fund launched in late Feb, 2010, Citywire A Rated
- Designed and launched the strategy focused on fundamental long short stock picking using both quantitative and fundamental screening tools, lead a team of 3 people
- Specialising in TMT, Clean Tech, Med Tech., Industrials, and Consumer Discretionary.

PARTNER & PM  
**CHEYNE CAPITAL MANAGEMENT**  
LONDON, U.K.  
2003 – 2009

- Portfolio Manager of Global GARP oriented carve-out within broader Cheyne Value Fund, specialising in TMT & Clean Tech
- Strong Absolute and Relative Performance based on Alpha with minimal volatility on hedged market neutral strategy. Return is on total capital (L +S) with zero leverage

INVESTMENT MANAGER  
**AVOCET CAPITAL MANAGEMENT**  
LONDON, U.K.  
2000 – 2003

- Fundamental Stock Picking Responsibilities for Long/Short primarily Pan European TMT Fund
- Sector Responsibilities for IT Hardware, CE, Semiconductors, SPE, Israel and Telco Equip
- Substantial documented out performance and absolute performance in sectors and sub-book managed

PORTFOLIO MANAGER  
**DEUTSCHE ASSET MANAGEMENT (MORGAN GRENfell )**  
LONDON, U.K.  
1997 – 2000

- Portfolio responsibilities for \$ 1.4 billion, sub. outperformance
- Stock selection and portfolio construction
- Valuation methodologies; Fundamental analysis combined with, EVA, Holt CFROI, and other methods
- Sector coverage responsibilities for all sectors but specialisation in Technology.
- Market coverage encompasses Europe ex UK, previous coverage of Emerging Europe, all sectors

ASSOCIATE  
**EUROPA CAPITAL MANAGEMENT A.S.**  
PRAGUE, CZECH REPUBLIC  
BUCHAREST, ROMANIA  
1995 – 1997

ECM is a private equity firm that managed funds for Odyssey Partners and Templeton Direct Advisors. Assets under management valued at \$ 150 m.

- Country Manager for Romania, additional field experience in Czech Republic and Moldova
- Privatisations, Acquisitions, MEBOs, Equity Trading
- Due Diligence, Investment Management, Deal Structuring & Placement, and Deal Modeling
- Sector Experience: Energy, Pharma, Food, Media

# **PRIYANTHAN KODEESWARAN**

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## **QUALIFICATIONS**

BACHELOR OF COMMERCE  
**MCMASTER UNIVERSITY**  
HAMILTON, CANADA, 1990-94

- Concentration in Management and Marketing
- Numerous Extracurricular Honours and Activities
- Four Year Program

UK REGULATORY  
QUALIFICATIONS

- IMC - Obtained in February 1998 from IMRO
- SFA Rep. - for BT Funds Advisory Role

CHARTERED FINANCIAL  
ANALYST PROGRAM

- Full registered member of the CFA Institute and Charter holder

## **VOLUNTEER**

**MCMASTER UNIVERSITY CAPITAL CAMPAIGN CABINET MEMBER 2007 - PRESENT**

**RAJIV SHUKLA**  
London, Singapore • rajivshukla74@gmail.com

**MORGAN STANLEY/FRONTPONT PARTNERS**

London, Singapore

**Managing Director**, Morgan Stanley Investment Management, Feb 2010 – current.

**Portfolio Manager**, FrontPoint Partners, Long/short fund focused on Healthcare and affiliated sectors in Emerging Markets.

- Conceptualized fund and raised \$50 million in seed capital from Morgan Stanley and FrontPoint Multi-Strategy Fund.
- Manage all aspects of the Fund ranging from fundraising, portfolio and team management.
- As of fund liquidation notice, Fund was up double digits since June 1, 2010 launch. Low single-digit volatility with low correlation to SPX.

**ICICI VENTURE**

Mumbai, India

**Director**, Investments, Jan 2008 – 2010. India biggest private equity firm.

- Focused on buyout and growth investments in Healthcare & Chemicals sectors. Managed 3-person team.
- *Business Development*: Identified and sourced investment opportunities through relationships with bankers, CEOs and consultants. Developed transaction insights based on inputs from Industry leaders, Consultants and Analysts.
- *Investments*: Evaluated 30+ deals with 5 that went to pre-IC: \$330M US LBO, \$100M hospital control, \$60M specialty chemicals, \$120M medical device PIPE, \$80M CRO control. Made \$20M hospital investment.
- *Board Memberships*: Director of 6 Indian and US companies and 3 audit committees.
  - *RFCL*: lab chemicals and diagnostics
  - *Bharat Biotech*: 3<sup>rd</sup> biggest Indian vaccine company
  - *Arch Pharmalabs*: top 5 API company
  - *Swiss Bio (US)*: global clinical CRO roll-up
  - *Iven Medicare*: domestic hospital roll-up
  - *Malladi Drugs (India, US)*: niche API company
- *Portfolio Management*: Beyond monitoring performance and advising on business issues:
  - *Turnaround Strategy*: refocused business on high ROCE, changed leadership, incentives around reset goals.
  - *Holding Company*: building corporate unit and processes to manage roll-up investments.
  - *Cash Management*: working capital management, delayed capital projects, closed units, cut salaries.
- *Exits*: Exercised put option on Dr. Reddy's, De-merged veterinary business from portfolio company and sold to Pfizer, experience with numerous exit routes - explored IPO exits, SPAC merger and numerous secondary transactions.

**AVENDUS CAPITAL**

Mumbai, India

**Executive Director**, 2007 – 2008. Top 5 boutique investment bank in India

- Led Healthcare & Chemicals vertical.
- *PIPE*: Advised Krebs in equity placement to Ranbaxy.
- *M&A*: Advised ICICI Venture/Wockhardt on acquisition of US-based CRO, Radiant Research.

**PFIZER INC**

New London, CT

**Senior Director**, Business Development & Strategic Management Group, Global R&D, 2001 – 2006

- Joined as Assistant Manager. Promoted 5 levels in 5 years
  - *Target Screening*: Co-led, with Corporate Finance, screening of 70 acquisition targets. Detailed evaluation of 6 targets of which 3, in the \$1-10 billion EV range, went to CEO-level negotiation.
  - *M&A*: 5 acquisitions totaling \$59 billion. Led cross-functional and multi-geography teams for 100-day planning and integration, due diligence and valuation, cost cutting and synergy extraction. Received awards for efforts.
  - *Outsourcing*: Led strategy and implementation for Division. Resulted in accelerated outsourcing to Asia.
  - *Licensing Strategy*: Led initiative to enter early stage licensing. Implemented with budget of \$50-100 million.
  - *Organizational Design*: Redesigned licensing organization for better outreach and evaluation efficiency.
  - *Operational Improvement*: Led team of 75 to improve efficiency at largest Site with budget of \$1.5 billion.

**BOSTON CONSULTING GROUP**

Chicago, IL

**Consultant**, Corporate Finance & Development, 2000 – 2001

- Cost benchmarking of Appliance Company against GE that drove 10% improvement in EBITDA.
- Developed novel investor analysis tool for CFOs that was sold to about half a dozen US and European clients.
- Helped establish quantitative hedge fund for Partners' capital.

*Education*

**HARVARD UNIVERSITY**

Boston, MA

Masters in Healthcare Management. School of Public Health. 1998-2000

- Merit Scholarship. 1998-99. Published 4 HBS case studies in globalization & strategy.

**STATE UNIVERSITY OF NEW YORK**

Buffalo, NY

Pfizer Fellowship, Department of Pharmaceutics. 1997-1998

**INSTITUTE OF TECHNOLOGY**

Bachelor of Pharmaceutics. Honors with Distinction. 1993-1997

Varanasi, India

**Peter Stiler**  
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## Experience

2009-2012	<b>Meadowvale Partners Capital Management</b> <i>Founding Partner and CIO</i>	<b>New York</b>
	<ul style="list-style-type: none"><li>• Founding Partner and CIO of an emerging market debt hedge fund</li><li>• Focus on HY and distressed corporate credits in the global emerging markets</li><li>• Fund primarily invests in corporate credits denominated in hard currency</li><li>• Responsibilities include management of investment team, marketing to investors and overall management of business</li></ul>	
1998-2008	<b>Greylock Capital Management</b> <i>Founding Partner and Portfolio Manager</i>	<b>New York</b>
	<ul style="list-style-type: none"><li>• Responsible for overall management of the firm, including acting as a Portfolio Manager for the Greylock Global Opportunity Fund (GGOF), an emerging market debt fund with one of the industries longest track records</li><li>• Fund experienced no down years during tenor at Greylock (departed Feb 2008)</li><li>• Played key role in increasing the firm's assets from less than \$10MM to \$1BN at its peak. Involved in all aspects of running and growing the business</li><li>• Primary responsibility was managing the flagship debt fund (GGOF), growing and training the investment team, raising assets and meeting with clients/investors</li><li>• Played active role in numerous debt restructurings in Russia and other former Soviet republics post 1998, and was appointed by Russia's Agency for Restructuring Credit Organizations (ARCO) to represent bondholders on the official creditor committee in the largest private bank restructuring in Russia</li><li>• Involved in numerous corporate and sovereign emerging markets restructurings globally</li></ul>	
1996-1998	<b>Lazard Asset Management</b> <i>Analyst</i>	<b>New York</b>
	<ul style="list-style-type: none"><li>• Worked for emerging market group focused on high yield and local currency instruments</li></ul>	
1995-1996	<b>BlackRock Financial Management</b> <i>Analyst</i>	<b>New York</b>

## Education

New York University, New York MBA, Finance and Statistics, 1988  
New York University, New York BS, Finance and International Business, 1993

## Interests

Fluent in Russian, enjoy tennis, Board member of Chamah charity organization.

# RAFAEL SAMUEL-LAJEUNESSE

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## PROFESSIONAL EXPERIENCE

### **JP MORGAN & CO., London, UK**

07/2010 – PRESENT

#### **Portfolio Manager – Equity Proprietary trading(Equities Long/Short)**

- Responsible for long/short equity investments in energy, industrial as well as consumer sectors mostly in the US and Europe
- Investment process based on fundamental approach with proprietary research including meeting with management, building of financial models, and industry analyses (supply/demand, marginal cost analyses, pricing power analyses)
- Responsible for idea selection, portfolio construction, as well as risk management and execution
- Responsible for providing commodity related views at the group level

### **BARCLAYS CAPITAL, London, UK**

08/2008 – 06/2010

#### **Portfolio Manager – Equities Long/Short (Commodities Group/Proprietary Trading Group)**

- Responsible for investments in long short equity and commodities through a JV between the proprietary trading Group and the commodities Group
- Investment process based on fundamental approach combining equities and commodity hedging (including futures, options and OTC instruments, e.g. coal, metals)
- Developed quantitative strategies for energy long short book (systematic approach)

### **UBS AG, London, UK**

09/2005 – 07/2008

#### **Director – Fundamental Investment Group - Equities Long/Short**

- Assisted the PM in launching the first Commodities and Equity desk with a fundamental approach
- Responsible for implementing investments mostly in the energy, chemicals and industrial portfolios
- Responsible for investments of up to \$400M as part of the portfolio (reached gross size of \$2BN)
- Led effort to build risk management modeling tools and provide input/trades on overall portfolio hedging

### **MCKINSEY & COMPANY, New York, NY**

10/2001 – 05/2005

#### **Engagement Manager**

Promoted from Associate to Senior Associate and Engagement Manager; led knowledge initiatives within practices and managed recruiting effort for Wharton. Led and managed teams from 3 to 15 members

#### **Private Equity practice**

- Assisted leading US distressed fund in conducting due diligence for French distressed chemical company, led review of cost savings program with CEO and CFO and presented recommendations to Investment banks to secure refinancing
- Evaluated \$200M potential investment in the financial services industry, performed due diligence with CEO and senior management, completed industry analysis and reviewed potential options for growth resulting in decision not to invest

#### **Financial Institutions practice**

- Led two Asset Management projects with 15 US and European funds-of-funds to benchmark performance and develop a high performing organizational structure for a \$2.5B fund-of-fund business
- Led cross-functional team of 12 to build company wide earnings model for \$20B insurance company, covering all institutional and individual product groups to analyze sensitivity to macroeconomic and microeconomic variables. Worked with senior management and CFO to focus company on operational performance
- Identified operational improvement opportunities in IT operations for global investment bank, capturing \$150M in annual savings. Conducted benchmarking analyses, identified best practices and developed key evaluation metrics

#### **Media and Entertainment practice**

- Designed operational effectiveness program across business service divisions with CEO and CFO of largest Internet provider to capture over \$500M in savings. Worked with 15 member client team on cost reduction plan and PSM program
- Developed strategic plan for leading US cable network group to capture \$500M in revenues from broadcast television. Conducted market sizing, interviewed largest advertisers and worked with cross-functional client team to develop strategy

### **SAFEGUARD INTERNATIONAL FUND, SAFEGUARD SCIENTIFICS, Philadelphia and Paris**

Summer 2000

#### **Associate – Private Equity in Environmental related industries**

- Identified investment opportunities to consolidate the European chemical industry
- Developed investment rationale and prepared bid for three acquisitions in Europe
- Conducted due diligence and negotiation for the acquisition of two identified targets in continental Europe

### **CREDIT SUISSE FIRST BOSTON, New York, NY**

01/1997 – 06/1999

#### **Senior Analyst – Investment Banking, Global Industrial and Services Group**

Received highest rank of peer group. Offered early promotion to Associate. Completed Corporate Finance and M&A transactions with Fortune 1000 companies. Trained starting analysts in mergers and acquisitions accounting and valuation

- \$800M acquisition of Zurn Industries by US Industries: conducted due diligence, performed valuation
- Framatome's undisclosed bid for Westinghouse's nuclear Division: conducted due diligence, assisted French-American team in negotiations with US seller, prepared valuation, developed transaction structures and presentation for management
- \$1.5B convertible preferred equity issue for Union Pacific Corporation: drafted prospectus and roadshow presentations and assisted management team in marketing the securities to institutional investors
- \$2.2B sale of Coltec Industries to BF Goodrich: conducted due diligence, performed valuation analyses. Presented proposed terms and financial implications to the Board of Directors. Drafted SEC filings
- \$1.8B acquisition of Coca-Cola Canada and Coca-Cola New York for Coca-Cola Enterprises: conducted due diligence, prepared valuation, drafted presentation to Board of Directors and SEC filings

**CREDIT LYONNAIS SECURITIES, CLINVEST, New York, NY**

10/1995 – 12/1996

**Analyst – Merchant Bank, Mergers & Acquisitions**

- Executed a \$150M sale of Herstal to international acquirer: conducted auction process, led due diligence teams, performed valuation analyses, prepared selling memorandum, and led negotiations with buyers
- Executed a \$202M sale of Imaje to Dover: conducted due diligence and prepared selling memorandum

**EDUCATION****THE WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA, Philadelphia, PA**

09/1999 – 06/2001

**Master of Business Administration**

- Recipient of European Alumni Scholarship for academic excellence for both years
- Won case competition sponsored by Microsoft, Dell and Amazon on Amazon's strategy
- Selected to participate to Wharton Leadership Venture Program with The US Marine Corp. at Quantico Camp, Virginia
- Led team of 7 students to semi-finals of Wharton Business Plan Competition with a transportation exchange venture
- GMAT: 710 (top 4%)

**LYON SCHOOL OF MANAGEMENT, Lyon, France**

09/1990 – 07/1995

**MSc in Management, Major in Finance and European Integration**

- Selected among top 10% of candidates through national competitive entrance exam; one of two students selected for Erasmus exchange with **Solvay Business School**
- In last year, part-time assistant of CFO of a \$100M textile company. Initiated a marketing effort, winning an award from the French Minister of Commerce and Les Echos, France's largest economic newspaper

**ADDITIONAL INFORMATION**

- French national; Series 7 – NASD representative
- Running and hiking: ran 2004 London marathon and raised funds for The Leukemia Society; climbed Kilimanjaro
- Keen on Tennis and contemporary arts

# RAHUL GUPTA

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## EXPERIENCE

### OAKTREE CAPITAL MANAGEMENT

\$1B long-short hedge fund investing in Emerging Market equities. Part of \$86B diversified investment firm.

#### *SVP, Senior Analyst / Portfolio Manager*

- Primary responsibility to manage assets with key focus in emerging markets with deep expertise in IT Services, Software, Internet, Industrial and Healthcare industries. Built strong relationships over the years with company managements, policy makers, industry consultants, sell-side / buy-side strategists and analysts.
- Managing sector portfolio since 2006. Track record of returns in most market conditions including the 2008 global meltdown. Evaluated potential investment opportunities using sustainable competitive advantages, industry structure and long-term strategic positioning but at the same time keeping a very keen focus on current economic and tactical conditions developed by extensive reading and research.
- Analyzed opportunities across the value, thematic, earnings momentum, IPOs and long-short strategies. Long opportunities typically in growth businesses with operating leverage, strong cash-flow & balance-sheet or value stocks with catalysts. Short opportunities typically in challenged or broken businesses, market share losers, value traps or earnings power changes due to changes in business environment.
- Supported sales effort with investor due-diligence, developed and continuously refined various valuation frameworks for the group leveraging diverse in-house / external platforms, and trained analysts.

### MOON CAPITAL MANAGEMENT

\$1B long-short hedge fund investing in Emerging Market equities.

New York, NY (Jan - Dec 2005)

(ex-Oaktree Emerging Market Fund)

#### *SVP, Senior Analyst*

- Primary responsibility for coverage of technology stocks across IT services, semi-conductor, consumer electronics. Technology investments were major focus of the firm with 40% of portfolio assets.
- Developed investment thesis by covering supply chain of companies across markets, building financial / valuation models, performing due diligence, developing management and channel contacts and managing long / short investments in the portfolio with a strong fundamental orientation.
- Supported sales effort with investor due-diligence, hired employees across teams including analysts / traders / back-office / IT / marketing, architected the systems workflow and infrastructure for the firm.

### FX ALLIANCE INC, *Director of Technology*

An electronic trading portal integrated with over 50 banks offering institutional customers FX trade execution and research. Formulated and implemented the trade execution / settlement strategy.

### ALTGATE CAPITAL, *Chief Technology Officer*

Research based provider of alternative investment services & products to Private Wealth Managers. Member of the founding team and management committee. Co-developed and implemented the business strategy.

### CITIBANK, *Vice President*

Mumbai, India (1994 – 1996), New York, NY (1996 – 2000)  
Headed the development of new products and services across multiple geographies. Developed eCITI products including reconciliation service, settlement instructions, matching services and currency warrants trading.

## EDUCATION

### INSEAD Business School, MBA

Fontainebleau, France (2003)

### WHARTON Business School, MBA Exchange Student

Philadelphia, USA

*University of Pennsylvania*

### Indian Institute of Technology (IIT), BTech, Mechanical Engg

New Delhi, India (1994)

## ADDITIONAL INFORMATION

- Competitive Squash player (national level tournaments, A-league player). Triathlete.
- Leadership positions at IIT: House Secretary (head of student body), Sports Secretary (led 15 teams).
- Worked with NGOs associated with UNICEF in Nepal & India, focused on child welfare and education.
- Dual citizenship: USA and India.

# Curriculum Vitae

## Peter Rose

### **Contact:**

5 Ainsley Street, London, E2 0DL  
Mobile: 07913755760  
e-mail: [prose8@btinternet.com](mailto:prose8@btinternet.com);

### **Personal:**

Born 16/04/1969, British, Living in London.

### **Career History**

May 2011-

**C-View Ltd** – Portfolio Manager

- Portfolio Manager for a preeminent Macro FX Hedge Fund organisation
- Allocation \$100 million

October 2008 –

May 2011

**Cornhill Capital, London** - **Chief Investment Office Macro FX trading**

- Creator of a Macro FX hedge fund product
- Built a successful business from business plan to execution
- Project managed the implementation of an investment and risk system
- Portfolio Manager of a profitable liquid FX portfolio
- Developed and Implemented a risk reporting system for investors and senior management
- Directed the marketing effort which successfully raised approx £30 million
- CIO and Risk Manager
- 2010 product return +12.05%

July 2007-  
October 2008

**Integrated Asset Management** - **Chief Investment Officer**

- CIO for \$2 billion AIM listed Alternative Asset Manager
- Responsible for an Investment department that covered all hedge fund strategies, other alternative asset classes and traditional asset classes. Included direct investment.
- Designed and scoped an investment and risk process
- Project managed the implementation of the investment and risk process based upon 3<sup>rd</sup> party and bespoke systems.
- Member of the Investment Committee
- Member of the Executive Committee
- Designed an institutional investment process that allowed a firm to migrate from a family office into an institutional fund of funds
- Ran a successful and profitable risk overlay strategy that protected the portfolio from large drawdowns in stress markets

August 2005 –  
July 2007

**Ivy Asset Management, London** - **Director of Research**

- Director of Research for a \$15 Billion Hedge Fund of Funds
- Responsible for the Global Research in for Equity Market Neutral, Convertible Arbitrage, Directional Credit, Relative Value Credit, Fixed Income Arbitrage, Macro, Tactical Trading and Derivative Arbitrage Strategies
- Member of the Investment Committee
- Member of the Investment Risk Management Committee

April 2003 -

**International Asset Management, London** - **Head of Portfolio Strategies**

August 2005

- Head of Portfolio Management for London based \$2.2bln Hedge Fund of Funds (established 1989)
- Strategy Analysis and Market/Macro Analysis
- Portfolio Design and Restructuring
- Portfolio Monitoring/Risk Management
- Fund Research and Due Diligence
- Fund Monitoring
- Marketing Responsibilities
- Member of Portfolio Committee
- Member of Investment Committee

2002 to  
2003

**Bear Stearns, London - Head of European Hedge Fund Risk**

- Analysis and due diligence of prospective clients covering all equity and fixed income alternative investment strategies and products.
- Committing firm's capital to clients via leverage and equity financing levels. Assessing individual complex transactions for financing.
- Constructing portfolios for guaranteed products
- Monitoring existing client's portfolio for inherent market and credit risks. Utilising analytical tools such as stress-testing and VaR
- Member of the European Credit Committee - reporting on OTC credit applications and issues.
- Daily liaising with US team based in New York and San Francisco.
- Involved in sales and marketing visits
- Promoting Hedge Fund risk management via investor presentations and writing articles for industry journals.

2000 to  
2002

**Close Reabourne Fund Managers, London – Hedge Fund Manager/Risk**

- Proprietary trader for long/short and relative value portfolio.
- Responsible for short-term trading strategies.
- Ran over \$10 million
- Head of trading and risk team covering all funds under management.
- Designed and project managed the incorporation of a new risk system and beta adjusted stop loss model. Responsible for the scoping, process mapping and milestone tracking of the project
- Designed an Equity Factor Analysis Model
- Designed trading relative value tools for equity and derivative products.

1998 to  
**Associate**  
2000

**Financial Services Authority (FSA), London - Market Risk Policy**

- Author of the draft Basel II rules on VaR, Options Models (IMM) and Valuation chapters for the new rulebook.
- Research into valuation of new structured product and derivatives.
- Provided advice on the valuation of complex derivative transactions.
- Involved in high profile Investment Banks model validation visits

1994 to 1998

**Merlin Hedge Fund - Hedge Fund Manager/Risk Manager**

- Proprietary trader on a macro relative value portfolio

- Portfolio manager for the macro, convertible book and risk arbitrage book.
- Allocated over \$200 million of firms book.
- Research into equity vs debt relative value trades.
- Designed and Implemented valuation models and relative value tools.
- Project managed the implementation of a multi –asset class risk system.
- Responsible for adherence to risk parameters of all traders
- Involved in the development of scenario testing techniques and VaR.

1986 to 1990

NatWest WoodMac(County NatWest) - Options Market Maker

- Worked on both the office trading floor and on the equity options floor as a market maker.
- Started as a blue button.

**Professional Qualifications:**

IMRO Registered – IMC.  
SFA Registered Representative

**Education:**

1993-1994: **College of Law, Chester;**  
Passed the Legal Practice Course (solicitor finals) with Accomendation.

1990-1993: **University of Wolverhampton;**  
LLB Law (Hons) Degree.  
Upper Second Class.

1981-1986 – **Mill Hill School;**  
3 GCE "A" Level passes in Law (A), Mathematics (A) and English (B).  
10 GCE "O" Level passes.

**Systems:**

Various Risk Systems, Computer literate, Excel, SQL, VB.

**PRASHANT AGRAWAL**  
8645 Stonehouse Drive, Ellicott City MD 21043  
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- Office of Tony Blair, Economics Advisor to Government of Kuwait** Current
- Working with the Amir and Prime Minister of Kuwait as a business and economics advisor
  - Identified potential long term investment opportunities including investments across the agriculture sector
  - Created roadmap for business reform. Identified and prioritized 14 initiatives for the Government to implement over the next decade.
  - Assisting in implementation of the initiatives including easing entry and attracting of FDI
- Courage Capital, Hedge Fund, Mumbai, Executive Director** 2005- 2008
- Established and managed Emerging Market Investments for a US based hedge fund with AUM of +\$1bn fund
  - Created a book of +\$150mmn that returned +30% on a market neutral basis; the book was market neutral shorting the relevant indicies
  - Invested in Indonesian Coal in early 2007 generating +5x returns over the course of the year. Thesis was based on understanding that Indian and Chinese coal demand was increasing, but delivery bottlenecks would choke supply.
  - Invested up to 50% of the corpus in large cap Indian companies establishing positions in companies trading at either low valuations (historically or comparatively) with major catalysts
  - Early investor in listed Indian real estate companies
  - Invested in regional companies (Asia region) that were trading at both historical and comparative low valuations but were experiencing similar growth patterns seen in India. For example, invested in Telekom Indonesia which traded at significantly lower valuations than India but had same growth potential
  - In 2007, invested in Chinese power suppliers trading at historically low valuations. Our thesis proved correct as earnings grew due to Asia wide demand.
  - In 2006, invested in undervalued Chinese gaming companies predicated on Macau growth
  - Established position in Chinese mobile companies which were trading at valuations less than American and European mobile companies with significantly better growth prospects and a safer regulatory environment
  - Invested in basket of 10 Indian mid-cap infrastructure stocks in 2006 that significantly outperformed the Sensex. Two major baskets were created: (1) T&D basket and (2) construction company basket.
  - Identified structural decline in American newspapers and structural growth in Indian media resulting in shorting American newspapers and going long Indian Media – trade resulted in P&L gains of greater than \$15mn
  - Well networked in the Indian investment community

- AGKS Capital Management, Mumbai** 2004 - 2005
- Co-Founder and Principal of a capital management advisory firm which advised leading Global Real Estate Funds on their India entry strategy
  - Retained by Hines to analyze and evaluate investment opportunities in India

- Evaluated investment opportunity in India's largest Special Economic Zone (SEZ) for Hines understanding demand drivers for the SEZ and potential uses
- Helped Blackstone Real Estate evaluate the Indian Real Estate market. Organized India visit for leadership of Blackstone Real Estate; engaged by Blackstone to evaluate investment opportunities in India and to evaluate BPO opportunities for their portfolio companies

**McKinsey & Company, New York**

*Senior Consultant*

1999 – 2004

*Private Equity Experience*

- Developed and executed India entry strategy for Bill and Melinda Gates Foundation, World's largest foundation. Strategy led to the investment of over \$300mn in India over a five year period, the largest
- Led labor market strategy study for the Government of Bahrain. Identified key labor market drivers and levers to improve productivity of local population
- Conducted opportunity scan for investments for joint venture between a leading venture capital firm and a leading LBO shop. Identified investment opportunities in the technology and media sectors.
- Identified market drivers for Engineering R&D outsourcing for Indian market for leading Indian private equity firm. Subsequently identified potential investment/acquisition targets for PE firm
- Developed key account management plan and marketing strategy for leading Indian IT services firm.
- Led confidential M&A study for leading international media company.
- Managed procurement study for leading American financial institution resulting in a 15% savings in overall costs and significant productivity improvements
- Conducted due diligence activities for leading Indian private equity firm's potential investment in an Indian media company. Developed perspective on the prospects for the remote engineering and design industry.
- Led business-building activities for leading Silicon Valley start-up. McKinsey team took on lead roles of business development and marketing. Start-up was eventually funded and acquired

**GQ India, Mumbai**

2008-2010

- Contributing editor and Business columnist ("Money Columnist")
- Wrote a monthly column on business in India.

**EDUCATION**

**Columbia University School of Law**

May 1998

*Juris Doctorate, Stone Scholar, with Distinction*

**Columbia University School of Business**

May 1998

*Masters of Business Administration, with Distinction*

**Cornell University, College of Arts and Sciences**

May 1994

*Bachelor of Arts, Cum Laude, Dual Degree in Economics and Political Science with Distinction*

**LANGUAGE PROFICIENCY & VOLUNTEER ACTIVITIES**

*US Citizen; Open to working in different locations*

*GMAT: 760 and LSAT: 176*

*Fluency in English and Hindi; working knowledge of German*

Senior Advisor to American India Foundation; Hobbies: Squash, current events, traveling and movies

Regular Contributor to the Wall Street Journal; Published in several publications including the New York Times, Times of India, Hindustan Times (HT), DNA, Indian Express and Mint

# RANAJOY SARKAR

462 West 58th Street Apt 1B; New York, NY – 10019  
Ph: 917-2518698; Email: [sarkar.ranajoy@gmail.com](mailto:sarkar.ranajoy@gmail.com)

## EXPERIENCE

May 2007 to Present	<b>Citigroup</b>	New York, NY
May 2008 to Present	<b>Citi Capital Advisors</b>	
<u>Senior Portfolio Manager – Mortgage/Credit Opportunities Fund</u>		
	▪ Portfolio manager of mortgage-related credit focused fund that is active across cash ABS/MBS/CMBS/corporate credit and consumer/mortgage-credit related equities. Scaled up and managed the non-agency RMBS book at fund inception. Spearheaded fund's foray into CMBS starting in Feb 2010. Directed development of CMBS portfolio analytics and risk management systems; also responsible for managing fund's CMBS portfolio. Fund's ITD net annualized returns in excess of 17% (5/08 to present).	
March 2007 to May 2008	<b>Citi Fixed Income Alternatives (CFIA)</b>	New York, NY
<u>Senior Portfolio Manager &amp; Investment Committee Member</u>		
	▪ Directly responsibility for managing \$1.5bn in two sub-strategies of overall \$20bn multi-strategy fund – \$1.2bn in structured credit assets (CLO/ABS CDO) & \$300mm in single-name corporate long-short CDS. Managed \$100MM Credit Opportunities Fund in 2007 for net return of 11%. Only executive of 15-member CFIA investment team asked to stay on post fund liquidation and directly manage/liquidate \$2bn in RMBS and structured credit assets – successfully executed exit at profit to firm.	
January 2006 to February 2007	<b>Koch Global Capital LLC</b>	New York, NY
<u>Portfolio Manager</u>		
	▪ Founding member of platform, helped to raise initial equity investment of \$165MM for a fixed income asset management business. Portfolio manager focusing on subprime and Alt-A RMBS. Hired and directed analytics and risk management teams.	
May 2003 – January 2006	<b>Bear, Stearns &amp; Co.</b>	New York, NY
<u>Managing Director (12/05); Associate Director (01/05 to 12/05); Vice President (06/03 – 12/04)</u>		
	▪ Senior research analyst responsible for firm's coverage of cash/synthetic ABS CDO, CLO & non-agency ARMs. Reported to Global Head of Structured Credit Research.	
	▪ Team Ranked All America #1 by Institutional Investor for CDO Research in 2004 and 2005; #3 for ARMs Research in 2005.	
	▪ Regular speaker at numerous industry conferences, including the annual ABS East & ABS West.	
Feb. 2000 to December 2002	<b>GlobalFilings, Inc</b>	New York, NY
<u>Co-Founder and Vice President</u>		
	▪ Raised \$12mm in private equity capital and co-founded web-based platform for corporate fixed income and equity research professionals. Built a team of 75 professionals across three geographical locations, led business development and product design.	
August 1998 to January 2000	<b>Lehman Brothers Inc.</b>	New York, NY
<u>Associate, ABS Research</u>		
	▪ Co-authored research publications and supported trading desk in subprime HEL, aircraft ABS and CDO sectors.	
<h2>EDUCATION</h2>		
1996–1998	<b>John M. Olin School of Business, Washington University</b>	St. Louis, MO
Masters in Business Administration		
	▪ GMAT: 770/800. Recipient of Scholars in Business Scholarship and Dean's Scholarship.	
	▪ Research Assistant in Economics. Teaching Assistant in Accounting, Economics and Organizational Behavior.	
1992–1996	<b>Indian Institute of Technology</b>	Kanpur, India
Bachelor of Technology		
	▪ Major: Aerospace Engineering; Minor: Engineering Management. Recipient of National Merit Scholarship.	

# PETER H. VOELKNER

119 Long Lots Road, Westport, CT 06880; cell: 917-597-0563; email: pvoelkner@gmail.com

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Experienced equity long/short Portfolio Manager/Senior Analyst with an 8yr+ track record of outperformance. Specialized in cyclical sectors of the market with a rigorous due-diligence approach. US/Pan-Pacific focus with extensive travel and contacts within the region.

## Work Experience:

### Blenheim Capital Management, LC (New York, NY)

Apr. 2010 – Apr. 2012

- Portfolio Manager:** Sole dedicated Equity Long/Short manager within the commodity futures trading firm.
- Focus on long and short equity strategies within the basic materials, energy, industrial, and financial sectors globally.
  - Collaborate on the firm's proprietary commodities research with a focus on fundamental stock due-diligence.
  - Initial capital of \$50million with peak capital of \$100million. No performance data available.
  - Routine marketing and investor relations.

### Sansar Capital, LLC (New York, NY)

Sep. 2008 – Mar. 2010

- Principal:** Sole PM responsible for North American equity markets.

- Originate long and short equity investments with an intensive fundamental due-diligence. Responsible for the North American equity markets with an additional focus on global basic materials, energy and financials sectors.
- The sole manager at the firm dedicated to the North American equity markets responsible for managing risk and exposure of portfolio within pre-set parameters (i.e. generally a balanced/neutral net exposure and maximum 200% gross.) Strict stock specific stops (10-15%), sector stops (<10%), and portfolio stops (5%).
- Collaborate with the firm's global team on investments in the basic materials and financials sectors along with related macro strategy.
- Generated \$142 million of gross P&L from September 2008 – February 2010 on an average capital base of \$150 million. (gross returns: Q4'08: +11.8%; 09: +86.5%; Q1'10: +41.5%)
- Routine marketing and investor relations.

### Alpine Capital Group, LLC (New York, NY)

Nov. 2002 – Aug. 2008

- Portfolio Manager/Director of Research:** Head of long/short investment strategy; global small/mid-cap focus.

- Generalist, bottom-up, accounting intensive analytical style focusing on enterprise wide sources and uses of cash, net asset values, shareholder alignment, and insider activity; contrarian.
- Focus on 30-50 companies in the industrial, financial, consumer products, basic materials, and basic technology sectors; experienced in Japanese & Greater China equities with 30% allocation within the investment strategy.
- Rigorous fundamental analysis based on discretionary cash flow and deep value analysis.
- Generated positive returns from 2003 through March 2007. (gross returns: 03:+39.2%; 04:+43.7%; 05:+16.4%; 06:+14.1%; Q1'07:+10.9%.)
- Routine marketing and investor relations.

### Private Capital Management, Inc. (New York, NY)

May 2002 – Oct. 2002

- Research Analyst:** Sole research analyst at the firm; reported directly to Mr. Bruce S. Sherman, Founder, CEO and CIO of PCM, Inc.

- Worked directly for Mr. Sherman to originate new investments for \$12B AUM registered investment advisor with top-tier performance track record.
- Performed intensive accounting analysis, routine executive management interviews and onsite visits based on PCM's proprietary discretionary cash flow (DCF) approach to fundamental analysis.
- Maintained current research on certain portfolio investments; focus on industrial, retail, consumer products, and gaming/leisure sectors.
- Routine marketing and investor relations.

### M.J. Whitman, Inc. (New York, NY)

Apr. 1995 – Apr. 2002

- Associate Director:** Developed, recommended and implemented equity investments and strategies for affiliates and clients of the firm.

- Since 1997, dedicated analyst and execution trader for KCM, Inc, a \$250 million+ registered investment advisor affiliated with MJ Whitman, Inc.
- Performed proprietary research based on the deep value/distressed analysis as defined by Mr. Martin J. Whitman (Founder & Chairman, Third Avenue Management, LLC.) combined with traditional GARP analysis.
- Focused on small and mid-cap stocks primarily in the basic technology, manufacturing, and service sectors.
- Interacted with company management, industry analysts, consultants, and investment professionals.
- Developed risk/return optimization investment strategies using equity derivatives and statistical back-testing models.

### Office of Senator Sonny L. Orsini, Commission-Rules Committee (Guam)

May 1994 - Mar. 1995

- Economic Advisor (Consultant):** Set policy initiatives, agenda, and schedule for proposed legislation.

- Briefed the Senator on all matters related to policy and legislation.
- Managed a staff of 18 – 25 and served on the Federal Audit Committee.

- Campaign Manager / Director of Finance:** Developed a campaign platform centered on broadening Guam's economic and employment base; revitalizing the agricultural sector; and creating incentive programs to promote high school graduate employment opportunities.

- Drafted speeches and press releases; made public and media appearances with the candidate.
- Managed the budget and financial affairs for the campaign; coordinated fund-raisers and benefits; prepared public disclosures.

### Smith Barney Shearson, Inc. (New York, NY); Paine Webber, Inc. (New York, NY)

Apr. 1993 - Apr. 1994

- Analyst (Wrap account programs):**

- Created portfolio asset allocation & cash flow models and created portfolio reports and performance summaries.
- Maintained portfolio management (Advent®) and analytical software.

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## Education:

### Columbia University, Graduate School of Business (New York, NY) – 2001: Masters of Business Administration

Member of Beta Gamma Sigma honors society, Dean's List, GMAT: 710 (98<sup>th</sup> percentile) / 6.0 (99<sup>th</sup> percentile)

### Bennington College, (Bennington, VT) – 1992: BA, Economics/Chinese Studies

National Merit Scholar Semifinalist (2yr scholarship); Senior Thesis: Sources of Economic Inefficiency in the Pre-reform People's Republic of China

**PETER H. VOELKNER**

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Series 3 registered

# Rahul Chadha

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[rc543@cornell.edu](mailto:rc543@cornell.edu)

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## Experience:

**Axiom International Investors LLC:** 33 Benedict Place, Greenwich, CT 06830 (\$15bn AuM)

05/09-Present

*Lead Portfolio Manager for Axiom Emerging Markets Opportunity Fund*

- Managing an Equity Long Short fund with 80+% gross returns from inception to q211  
Performance FY09 +60%, FY10 +19.37%, YTD Q211 -.95%
- Investment horizon is short-term, taking advantage of “retunes” which involves short term trading ideas (one qtr) versus long term core holdings (3-4qtrs)
- Research methodology combines bottom-up fundamental analysis as well as industry trends, and news flow with quantitative, technical “market action” indicators
- Portfolio has 30-50 names, max gross 200%, net ranges from 30% to 50%,
- Liquidity, position size, country weight, and sector exposure are monitored real-time and actively managed according to macro events

*Senior Analyst*

03/06-03/09

- Generalist covering equities that met the liquidity requirements of Hedge Funds and Long Only
- Participate in marketing and client presentations on weekly basis
- Team based approach to determine volatility, and risk control for optimal capital allocation
- Created quant screens for monitoring price and earnings momentum at sector and individual security level
- Manage and train associates
- Best performing analyst in the firm FY06 & 07
  1. FY06 HF positions returns 21.73%, Long Only relative alpha +122bps
  2. FY07 HF positions returns 61.28%, Long Only relative alpha +184bps
  3. FY08 HF positions returns -22.33%, Long Only relative alpha -68bps

**Principal Global Investors:** 888 7<sup>th</sup> Ave, New York, NY1007 (Fortune 100 Co., \$200bn AuM)

03/01-03/06

*Equity Analyst*

- Primary analyst covering Telecom , Media, Energy in MSCI ex USA equities
- Main responsibility included stock selection and recommendation for inclusion into international portfolios
- Equity research methodology was discounted-cash-flow analysis requiring detailed financial models, meetings with managements, and write-ups of recommendations
- Regular travel and familiarity with management and industry participants was crucial to the research process
- Additional responsibilities included actively participating in portfolio strategy and asset allocation decisions
- Performance: FY01-05: 92<sup>nd</sup> percentile among Long Only peer group (BBG ticker PRWLX)
- Best performing analyst in the firm in FY03, and 04
  1. FY03 Long-Only relative alpha +105bps
  2. FY04 Long-Only relative alpha +94bps
  3. FY05 Long-Only relative alpha +78bps

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## Education:

Cornell University - S.C. Johnson Graduate School of Management  
Masters in Business Administration

05/12e

University of Wisconsin- Madison  
Bachelors of Business Administration in Finance, Investment & Banking

12/00

## Honors:

Puelicher Scholar for academic FY00 (awarded to 2 out of 350 finance majors)

## Outside work:

Read non finance books, listen to music, and meditate

# Renee Bijlani - Risk Management Evaluation

## Grades

Candidate Rankings	
Analytical/Portfolio & Risk Management	7
Track Record/Performance	6
Strategic Fit with VAM	7
Growth Potential (Skills Development, Leadership)	3
Presence (Communication Skills, Professional Demeanor)	5
Education and Career Progression	7
Cultural Fit with VAM	7
<b>Overall Impression</b>	<b>7</b>

## Overall Perception

Renee seems to be seasoned analyst in the Energy space from years of work in corporate finance in Houston, followed by analyst and PM roles. Her PM experience is limited to Graham and Fortis but her reported returns and explanation of her names and trading ideas seem to suggest good potential.

Renee did not seem to be an out-going person overall but was pleasant to speak with. She was more articulate when explaining her ideas and showed a good knowledge and confidence in her ideas. My impression of her was that of a senior-analyst/Junior PM. To be able to manage a larger portfolio Renee will need to display greater management skills (e.g. if she had to hire an analyst etc).

My recommendation would be to proceed with further due diligence pending

- Receipt of return and exposure data and verification of her skills from references.
- Possible other candidates in pipe-line

## Evaluation Themes

### *Trading strategy and ideas*

- I feel that Renee's style is Traditional Energy long/short PM (Market Neutral).
- Oil-services-integrated services, onshore and offshore drillers , Exploration Production(E&P), Integrated oils/refiners (global oil companies), Natural gas pipelines ((interstate and intra-state)).
- Mid to large cap companies US listed.
- Total 111 names spread across Oil services (27), E&P(50), Integrated global oils (20), Natural Gas (4) , Basic Materials (10).
- Sub-sector relative value trades or long/short within sub-sector. Has used long singles vs ETF if short not available within the sub-sector
- Will take on some short-term trades as events/catalysts transpire to drive prices away from par valuation.
- Will also trade macro-themes if they lead into an idea.

## **Portfolio Size and Leverage**

- Stated that exposures were usually large-cap and mid-cap.
- Stated 10% Net long/Short on gross.
- She said that 30% subsector trades but would like have about 50% if enough capital. Relative value (pair) trades would be 70% but ideally 50% of book with more capital.
- Trade duration 1 day (short term event-catalyst) upto 1 year.
- Securities
  - Equities, ETFs with some options overlay
  - She has used high-yield ideas in the past but not heavily. Would be open to trading them in a small percentage in her book if allowed or to provide ideas for a credit PM.
  - She seems to have a good understanding of the futures markets possibly picked up from her work at Graham.

## **Position Sizing**

- 30 names on each side
- Max 7.5 % of AUM in long positions, Max 5% in short position

## **Hedging Strategy**

- XLE, USO (1 month futures etf)
- Beta neutral and sector-neutral , low correlation
- She mentioned her use of custom-baskets but said that they are better used in a larger portfolio.

## **Expected Return and Risk**

- Renee has stated a return of 12-20% annualized with 10% volatility and Sharpe ratio around 1.3.
- As per her resume, she has produced a steady return over the last 3 years.
- Managed portfolio to daily volatility (measured daily). She mentioned that at Graham Capital they were asked to explain daily return deviations beyond 50-60 bps in either direction.

## **Strengths**

- Seems to understand energy markets and her sub-sectors well and seems to have relationships and structures with companies in her sector for a number of years.
- Her approach seems to be conservative and has experience working in closely managed environments.
- Seemed very analytical in her approach and was pleasant to talk to when discussing her portfolio.

## **Weaknesses**

- Experience at Graham was the only one in a full-blown PM capacity with reasonable AUM (\$100MM).
- She did not seem to portray an out-going personality during the interview but did sound earnest and very analytical in her comments. This makes me think that she does not “sell” herself too much and is more likely to be “what she says she is”.
- Lacks people management skills in case she were to require additional analysts for her team.

## **Portfolio Risk Controls and Limits**

- Renee seems to have experience working with strict risk-controls (e.g. Graham).
- She mentioned stop-loss limits of 3% on in-sector pair trades and 5% on sub-sector trades. However her write-up mentioned a 9% stop-loss.
- Does not specifically have market-cap limits. She seems to invest primarily in large and mid-cap names.

- Did not operate under regional and country limits. For her large-cap names it is common to get non-US exposure since companies tend to have operations in multiple countries (primarily North-America and Europe).
- Has a good sense of liquidity in her market from trading volumes. More important she tends to be mostly in large and mid-cap names in appropriate sizes to make sure she can exit a trade with less impact.
- Market Risk
  - Had VAR limits assigned to her at Graham and used correlations and what-if analysis in looking at FX/oil and credit-spread dynamics.
  - Explained correlation dynamics in demand/supply driven markets and their use in expressing investment ideas.
- Event risk managed by plugging into news flow and good relationships with sector-firms.
- Explained a “good” trade in Exxon (2008/2009) quite well followed by her explanation of a “bad” trade in CHK (Chesapeake).

#### ***Historical Performance and Risk Statistics***

- Has provided overall return data over the last 3 years.
- I have asked her to provide daily long/short exposures, beta-exposures, correlations with SPX 500 and daily returns.

# RICK MCQUET

528 Maple Street, Winnetka, IL  
rick\_mcquet@stanfordalumni.org  
Cell 925-381-2261

## EXPERIENCE:

### **ALYESKA INVESTMENT GROUP**

Chicago, IL Jan 2008 – Jan 2013

#### **Portfolio Manager, Financial Services.** \$2 billion market neutral, long/short equity hedge fund.

- Sole responsibility for managing portfolio construction, adhering to broad set of idiosyncratic and systematic risk limits.
- \$500m to \$1bn gross exposure. 40 - 50 positions in portfolio. Fundamentally driven investing, with a healthy respect for non-fundamental, but volatility-generating factors. Generated positive alpha 2009 – 2011. Highest sector P&L in 2009.
- Coverage universe included Banks (Money Center, Trust & Custody, Large and Small Regional), Specialty Finance, Exchanges and Payment Technology. Secondary coverage of Asset Managers, Life Insurance and Non-Life Insurance.
- Deeply involved in growth of the firm: interviewed and evaluated prospective portfolio managers and analysts, met with prospective and current investors. Built investment infrastructure (comp sheets, model templates, screening tools).

### **PEQUOT CAPITAL MANAGEMENT, LLC**

San Francisco, CA Feb 2006 – Dec 2007

#### **Senior Analyst/Portfolio Manager, Global Financial Services.** \$300 million long/short equity hedge fund.

- First hire of team to launch Strategic Equity Fund (along with founders of Citadel's long/short equities business).
- Coverage of Global Financial Services. Sole responsibility for position sizing, risk management and hedging.
- \$150 - \$200mm gross exposure. 15 – 30 positions in portfolio. Fundamentally driven, bottom up approach.

### **STANDARD PACIFIC CAPITAL, LLC**

San Francisco, CA Apr 2001 – Dec 2005

#### **Partner, Global Financial Services.** \$3.5 billion long/short equity hedge fund.

- Portfolio manager responsible for coverage of entire Global, Developed Country Financial Services.
- Solely responsible for idea generation, fundamental research, and sub-portfolio construction and management.
- \$500 – \$700mm gross exposure. 15 – 30 positions in portfolio.
- Fundamentally driven, bottom up approach to investing.

### **TRUST COMPANY OF THE WEST**

Los Angeles, CA Jun 1998 – Mar 2001

#### **Assistant Vice President, Leveraged Finance Group.** Approximately \$6.0 billion under management in Bank Lending, Mezzanine, High Yield and Special Situations. Primary responsibility within High Yield.

- Responsible for research coverage of Gaming, Retail, Food, Bottling, Supermarkets & Textiles. Holdings of \$400 million.
- Conduct credit analysis and perform fundamental research on new issues and secondary market issues; present findings and make recommendations to Portfolio Managers.
- Interact with management teams, institutional salespeople and sell-side analysts. Conduct due diligence during site visits, company presentations and sponsored conferences.

### **GOLDMAN SACHS & CO., INC.**

New York, NY Summer 1997

#### **Associate, Fixed Income, Currency & Commodity Division.**

- Ten-week rotational training program (High Yield, Mortgages, Inv. Grade, Emerging Markets and Capital Markets).

### **OLYMPIC GAMES – WATER POLO**

Atlanta, GA 1996

- Trained full time for two years. Team leader in assists in Olympic Tournament. Team placed 7<sup>th</sup> in the world.

### **WELLS FARGO NIKKO INVESTMENT ADVISORS (NOW BARCLAYS GLOBAL)**

San Francisco, CA 1993 - 1994

#### **Portfolio Analyst, Bond Management Group.** Leading provider of structured and indexed portfolio management services for tax-exempt and other institutional assets.

- Member of team which managed \$25 billion in quantitative fixed income investment strategies.

## EDUCATION:

### **STANFORD UNIVERSITY GRADUATE SCHOOL OF BUSINESS**

Stanford, CA 1996 - 1998

#### **Master of Business Administration**

- Investment/Finance Club. Challenge for Charity Sports Committee. T.A. for Core computer class.

### **STANFORD UNIVERSITY**

Stanford, CA 1987 - 1991

#### **B.A., Economics**

- Stanford Athletic Director's Academic Honor Roll, 1988-1991.
- Varsity Water Polo Team. Three-year starter. Team Captain 1990. Outstanding Senior Male Athlete, 1991.

## ADDITIONAL INFORMATION:

- Toyota Land Cruiser enthusiast; 15 Mins of Fame incl. photos in SI, Vanity Fair, Esquire, and cover of Life Magazine.

# RAVEE MEHTA

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## WORK EXPERIENCE

### KARSCH CAPITAL MANAGEMENT, LLC

*Managing Director – Technology and Telecom Sectors*

October 2002 – October 2010

- Responsibilities included: (i) leading a team to identify, evaluate and monitor public equity investments within the Technology and Telecom sectors; (ii) presentations to both the managing partner and other managing directors of the firm; (iii) providing input for overall firm macro viewpoints as well as with regard to both current and potential firm investments outside of my area of expertise; (iv) participation in the capital raising process and investor relations; and (v) assistance in firm recruiting and new employee training.

### SOROS FUND MANAGEMENT, LLC

*Analyst – Technology and Telecom Sectors*

July 2001 – September 2002

- Responsibilities included (i) new idea generation for potential public equity investments in the Technology and Telecom sectors and associated analysis and communication and (ii) acting as an analytical and informational resource for several portfolio managers.

### SOROS PRIVATE EQUITY PARTNERS, LLC, New York, NY

August 1999 – July 2001

*Associate*

- Responsibilities included: (i) identification and evaluation of private equity investments (assessment of strategic market opportunity, investment returns analysis, company due diligence and reference checking); (ii) management of consultants, lawyers and accountants hired during due diligence; (iii) analysis of potential transaction structures; and (iv) assistance in negotiation and execution of definitive documentation

### DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION, New York, NY

February 1998 – June 1999,  
Summer, 1997

*Analyst (Generalist), Investment Banking*

- Focused on private equity investments while also participating in a broad range of transactions including mergers and acquisitions, restructurings, and senior debt, high yield and equity financings.

## EDUCATION

### UNIVERSITY OF PENNSYLVANIA, Philadelphia, PA

December 1997

*Management & Technology Program*

- Graduated *summa cum laude* with Cumulative GPA: **3.82/4.00**, GMAT: **750**
- Dean's List 1993 – 1997
- President of Tau Beta Pi and member of Golden Key National Honor Society

### The Wharton School

Bachelor of Science in Economics (Dual Concentration: Finance and Operations Management)

### The School of Engineering and Applied Science

Bachelor of Science in Systems Engineering (Concentration: Manufacturing)

## PERSONAL

- Author of *The Emotionally Intelligent Investor: How Self-Awareness, Empathy and Intuition Drive Performance*
- Financed 100% of college education through scholarships, loans and employment.
- Traveled in over 50 countries across 6 continents

# PEDRO GIL

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New York, NY 10019 | Tel.: (+1) 646-770-6084 cell

## EXPERIENCE

### SAC CAPITAL ADVISORS, LP

Research Analyst – Equity Long/Short – Consumer & Retail

New York, NY

April 2009 – Present

- Responsibilities

- Originate, research and manage long and short equity positions in the consumer and retail space.
- Research process involves understanding business model and industry structure, field trips, speaking with business partners, competitors, customers, consultants, other investors and management teams 1-on-1.
- Prepare investment memoranda where appropriate and present to senior leadership.

- Selected Investments

- **Lowe's Companies (LOW)** – Long: Home improvement retailer benefiting from industry pricing power, bottoming existing home sales and maintenance expenditures, and extensive share repurchases.
- **BestBuy (BBY)** – Short: Consumer electronics retailer suffering from increasing price competition from the online and mass market channels, lack of a new product cycle and a generally deflationary category.
- **Carmax (KMX)** – Long: used car retailer benefiting from rising vehicle sales volumes, appreciating used car values, sector consolidation and resurgence of the auto loan securitization markets.

### FORTRESS INVESTMENT GROUP, LLC

Associate – Equity Long/Short – Consumer & Retail

New York, NY

March 2006 – March 2009

Fortress Investment Group (NYSE: FIG) is a leading global alternative asset manager with ~\$35 billion in AUM.

- Selected Investments

- **Apollo Group (APOL)** – Long: For-profit postsecondary education services provider benefiting from accelerating student enrolments in a recessionary environment, increases in Federal Student Loan programs and marketing improvements.
- **Starbucks (SBUX)** – Short: Specialty coffee chain subject to slowing discretionary spend, increasing competition and food commodities inflation.
- **Harley-Davidson (HOG)** – Short: Heavy motorcycle manufacturer suffering from declining sales volumes, increasing raw material costs, tightening credit standards, volatility in the loan securitization markets and foreign exchange headwinds.

### GOLDMAN, SACHS & CO.

Financial Analyst – Investment Banking Division – Telecom, Media & Technology

New York, NY

July 2004 – Feb. 2006

Performance Review ranked ‘Top Tier’ of the 2004 analyst class.

- Responsibilities: Building transaction models (LBOs, Mergers, Acquisitions, Spin-offs) to analyze and present various scenarios; preparing various documents including internal committee memoranda, corporate presentation materials, prospectuses and other SEC filings; IPO valuation benchmarking, investor roadshow coordination.
- Transaction experience: Clear Channel Communications, Inc. (NYSE: CCU). Strategic Restructuring, comprising: (i) IPO of 10% of the Outdoor business common equity (NYSE: CCO) (completed 11/10/05 – \$620 million); (ii) Spin-off of the Entertainment business (NYSE: LYV) (completed 12/22/05 – \$720 million); (iii) Execution of a \$1.6 billion share buyback program (for ~10% of outstanding shares).
- Prior Internship Experience (Goldman Sachs – London, United Kingdom)
  - Global Investment Research Division: Financial Institutions. Head analyst: Anik Sen. Summer 2003.
  - Global Investment Research Division: Software and IT Services. Head analyst: Richard Leggett. Summer 2002.
  - Equities Division: Securities Lending, Equity Derivatives, Latin American Shares. Summer 2001.

## EDUCATION

### CFA INSTITUTE

- *Chartered Financial Analyst Program* - Passed Level I (June 2004) and Level II exams (June 2006).

### PONTIFICIA COMILLAS UNIVERSITY – ICADE

Madrid, Spain

Sept. 1998 – June 2004

- Degree in **Law** (J.D. equivalent) – GPA: 9.2/10, graduated June 2003.
- Degree in **Business Administration** – GPA: 8.9/10, graduated June 2004.
- Won the School of Law’s ‘Honorary Award’ – 2 awards per graduating class of 300+ students
- Fluent in Spanish and French.

# Rick I. Singh

[ricksingh@gmail.com](mailto:ricksingh@gmail.com)  
917-549-0492

## Experience

### **3G Capital Partner**

New York, NY  
Aug 2011 – Current

- Joined 3G Capital as a Partner, a \$4B investment firm primarily responsible for investing the assets of Brazilian partners most famously known for consolidating the global beer industry. The firm's investments included both public and private equity
- Focused on primarily on developed market long/short equities
- Initiated, directed, managed long/short portfolio positions as a generalist with some emphasis on: consumer including discretionary and staples, energy, industrials, gaming, business services
- Managed and trained a team of 1-3 analysts
- Examples of significant positions: PVH, NCR, AVY, HFC

### **Karsch Capital Management Managing Director**

New York, NY  
Jan 2007 – Sept 2010  
Sept 2000 – Dec 2005

- Managing Director for 9 years, since inception of the long /short equities fund, as assets grew from ~\$150mm to ~\$3B
- Initiated, directed, managed long/short portfolio positions with emphasis on (though not limited to) Consumer (including retail, cpg, food, beverage), Gaming/Lodging/Leisure, Tobacco, Education, Media, and Business Services for the overall \$3B fund
- Left in 2006 and was asked to return the following year
- Managed and trained a team of 1-3 analysts
- Generated positive returns every year and was an important contributor to overall profitability
- Examples of significant positions: LO (previously CG), HAS, MAT, WYNN, MGM, ESI, HTZ, CX, Lodging, BBD/B, PCLN, etc.

### **Standard Pacific Capital Partner**

San Francisco, CA  
Jan 2006 – Dec 2006

- Joined the \$3B long/short equities fund as a partner
- Initiated, directed, managed portfolio positions with emphasis on Consumer (non-retail), Tobacco, Education, and Gaming/Lodging/Leisure for the overall fund
- Researched and invested globally within the sectors
- Generated positive returns and was an important contributor to overall profitability
- Examples of significant positions: HOG, NTRI, RCL, MAR, AC FP, STZ, etc.

### **Salomon Smith Barney Mergers and Acquisitions Analyst**

New York, NY  
Jul 1998 – Jul 2000

- Sole analyst on the advisory of AOL's purchase of Time Warner (then the largest merger), reported directly to Managing Directors and Senior Vice President of all of Salomon Smith Barney Investment Bank
- Analyst on the Promus sale to Hilton, as well as 2-3 other deals that closed
- Responsible for rebuilding the firm model template used by entire analyst class across the organization

## Education

### **University of Virginia BS in Finance (with Distinction)**

Charlottesville, VA  
Aug 1994 – May 1998

- GPA 3.74, Concentrations in Economics, Marketing, and Spanish, SAT (M: 780, V: 630)

# P E T E R C H U N G

23 Byram Terrace Drive  
Greenwich, CT 06831

(214) 263-0428  
MLCG1@hotmail.com

## EXPERIENCE

### **Verition Fund Management, L.P.**, Greenwich, CT

**April 2008 – August 2011**

#### *Portfolio Manager / Head of Global Credit Strategy*

- Created a global credit business to manage a \$100.0 million portfolio in leveraged loans, high yield bonds, investment grade bonds, sovereign bonds, equities and credit default swaps across the United States, Europe and Asia.
- Utilized deep fundamental analyses, macro and market technical assessments to identify asymmetric distressed, event driven, special situation and relative value investments.
- Employed a high turnover strategy to be nimble and liquid; traded north of \$3.0 billion face value per year.
- Assembled and managed front and back office teams and developed rigorous investment, legal and operations processes to ensure a solid operating platform to efficiently maximize active portfolio management.
- Developed and maintained dedicated sales and trading relationships in Europe and Asia to establish meaningful regional presences in order to capitalize on best opportunities globally.
- 2008 returns beginning in October: +3.5%; 2009 returns: +67.3%; 2010 returns: +8.3%; 2011 returns thru July: +4.5%

### **Highland Capital Management, L.P.**, Dallas, TX

**July 2002 – March 2008**

#### *Portfolio Manager – Distressed and Special Situations Group*

- Managed a portfolio of \$500.0 million in leveraged loans, high yield bonds, equities and credit default swaps employing control, relative value, event driven and mosaic trading strategies.
- Sourced, analyzed and invested in distressed securities with a focus on control positions. Maximized investment returns through out of court restructurings, Chapter 11 (voluntary and involuntary) reorganizations, 363 sales and Chapter 7 liquidations.
- Negotiated all stages of debt restructuring including reorganized capital structures, lock-up agreements, key employee retention packages, long term incentive packages, debtor-in-possession financings, exit facility financings and stockholders agreements.
- Responsible for building the firm's direct lending business in 2007. Established relationships with middle market investment banks, specialty finance companies, buy side firms and proprietary trading desks to source \$125.0 million in transactions. Secured a \$500.0 million external financing line, created a syndication platform and developed Highland's deal processes in order to execute, fund and close \$1.7 billion in commitments across 30 transactions for the firm.

#### *Portfolio Manager / Senior Portfolio Analyst – Wireless, Towers and Other Industries*

- Analyzed, acquired and managed 40 portfolio credits with a value of \$750.0 million across distressed, stressed and par assets.
- Chaired steering committees of several workout situations to maximize returns and to influence restructured capital structures.
- Negotiated out of court restructurings, amendments and forbearances with debtors, creditors and administrative agents.
- Closely interacted with industry professionals, management teams, buy side and sell side peers to capitalize on mosaic strategies.
- Structured growth, recapitalization, debtor-in-possession and exit facility financings.
- Notable investments: (i) Leap Wireless (ii) Sprint PCS affiliates (iii) Nextel entities.

### **InterActive Sports Media**, Seattle, WA

**August 2001 – July 2002**

#### *Vice President – Finance and Strategic Planning*

- Assisted in the development, execution and implementation of the company's business plan.
- Constructed and maintained the company's operating model and forecasts.
- Closely interacted with all divisions to create new applications and revenue sources employing the company's technologies.
- Represented the company in all negotiations with potential financial investors, joint venture partners and e-commerce partners.

### **Merrill Lynch and Company**, New York, NY

**June 1999 – April 2001**

#### *Financial Analyst – Leveraged Finance Group*

- Participated in all stages of high yield and syndicated loan offerings including financial modeling, valuation, new business presentations, business and legal due diligence, internal credit committee memoranda, credit rating analysis, covenant negotiations, covenant spread analysis, lender diagnostics analysis, pricing analysis and comparable company analysis.
- Involved in seven financial transactions utilizing the leveraged debt product including leveraged buyouts, recapitalizations, refinancings, acquisition financings, cross border acquisitions and management buyouts.
- Industries covered include technology, telecommunications, media, healthcare, retail, automotive, steel, paper and packaging.

## EDUCATION

### **Princeton University**, Princeton, NJ

**June 1999**

AB Economics

Certificate in East Asian Studies

## **Richard Diamond**

67 Navesink Avenue Rumson, NJ 07760

212-477-1022 (H) 732-963-7177 (C)

rdiam@earthlink.net

### **Areas of Expertise**

- Proprietary Trading
- Execution Trading
- Sales Trading
- Technical Analysis and Strategy

### **Education**

#### **MBA, Finance**

*Wharton School, University of Pennsylvania*

*Valedictorian*

#### **BA, Economics**

*University of Maryland*

*Summa Cum Laude*

### **Employment Background**

#### **Ramius Capital, LLC (Cowen Group), New York**

*2000-Present (Confidential)*

#### **Royal Bank of Canada, New York**

*1998-2000*

#### **Bankers Trust Company, New York**

*1987-1998*

### **Specific Experience**

- **Proprietary Trading:** Utilize trading methodology incorporating a self-correcting model of market behavior to identify profitable opportunities. Time frames include day trades and position trades
- **Portfolio Management:** Use market timing methods to profitably trade commodities, foreign exchange, fixed income, equities and derivatives
- **Execution Trading:** Built and maintained a network of sell-side sales traders to capture significant order and information flows as well as minimize transaction costs
- **Risk Management:** Apply statistical analysis to define and manage risk limits and profit targets
- **Technical Analysis and Strategy:** Invented techniques to identify major market trends, maximizing gains while minimizing losses
- **Trading Advisory:** Provide daily and intraday trading intelligence which is relied upon by firm partners and trading desks
- **Disciplined/Adaptive:** Identify changes in market dynamics to make adjustments in trading techniques and risk profiles

### **Licenses**

#### **Series 7, Registered Commodity Trading Advisor**

**Visium Asset Management**  
**Strategy/Portfolio Manager Risk Survey**

**Name:** Ravi Chari  
**Date:** Sep. 22, 2011  
**Contact Phone:** 646-486-1064

**Investment Strategy:** Systematic Futures/Fx  
**Contact Email:** [ravi.chari@gmail.com](mailto:ravi.chari@gmail.com)

**Trading Strategy Description:**

The results are from an equally weighted portfolio of three strategies: mean-reversion on pairs of correlated Futures contracts (or crosses in Fx) using daily data, the same strategy intraday and finally an intraday lead-lag strategy. The universe consists of 70 of the most liquid futures contracts globally in Bonds, Rates, Indices, Currencies and Commodities. The criteria for selection being simply that no matter what the size of the portfolio it should be possible to liquidate it in a day. The average holding period of the three strategies are respectively 3.8 days, 4.2 hours and 8.6 hours. All these models have stop-losses that are wide and don't kick in under normal circumstances (we are dealing with correlated assets) but kick in during extreme events such as Sep. '08.

The mean-reversion strategy exploits the fact certain correlated pairs (crosses in Fx) of Futures contracts have very cyclical behavior after they are suitably normalized. The model then buys one asset and sells the other while being neutral in terms of dollar exposure.

The difficulties in executing this strategy come from the fact that these assets are not always traded in the same exchange, or even in the same country and have different liquidity patterns during the day/night and require very different ways of organizing the tick data than for the standard trend following strategies where every asset is examined independent of others.

Certain futures contracts act as leaders at various times and other futures contracts lag behind this. The lead-lag strategy exploits this by using the leader to put the trade on the laggard.

Most CTAs do pure trend-following (one of the hardest strategies in terms of Sharpe) but easy in terms of execution since both analysis and execution require dealing with one Futures contract at a time. These strategies on the other hand have high Sharpe ratios but have a big hurdle in terms of organizing the data (aligning different streams of tick data) simulating the strategy as well as execution. The only place I have seen this done successfully in Futures is at IKOS.

I have traded the mean-reversion strategies in Fx since my DKR days. After seeing how the Futures data is organized here I realized that my strategies could be easily extended to other Futures as well. The results presented here are based on the simulated returns for all three strategies combined. Extending it to non-Fx Futures provides good diversification. These strategies are fully automated and trade 24 hours a day, five days a week. Although at DKR and IKOS they had in-house execution software, I found that it was more reliable to use a third-party software (Flextrade) while I was at Millennium and would sue it again.

### Historical Performance

Is your performance actual or simulated?	Simulated (see below)
What denominator is used for returns?	Fixed Capital
Are your returns net of management or performance fees?	No.
Do your returns include IPOs?	No.
Are your returns audited?	No
How levered are your returns?	Targeting ~10% Ann. Return
Is leverage and financing cost consistent across time periods? Explain any inconsistency.	Yes.
Are returns provided before or after performance fees, management fees, expenses? Describe fees.	No
Do returns account for dividend withholding tax on long stock?	N/A
What is profit per share (i.e. \$P&L / Shares Traded)?	N/A
What are the costs for execution and clearing?	3bp slippage for the daily strategy and the bid/ask spread where applicable for intraday
How do you mark your book?	Midnight GMT price since this trades 24 hours

Period	Denom (\$MM)	Ann. Return	Avg. VAR	Max VAR	Daily Sharpe	Monthly Sharpe	% days winning	% Months winning	Avg. daily ret bps	Avg daily gain bps	Avg daily Loss bps
2007/7-2001/5	50	12.7%			7.07	3.52	68%	93%	47	93	53

**Largest Drawdown** was 0.6% from 2010/02/05 to 2010/05/14

### **Quant Strategies:**

Describe your core model(s) (i.e. fundamental, statistical, technical, momentum, etc...)	Purely price driven and statistical
Describe the factors, inputs, and variables in your model	For the daily models, the daily close. For the intraday models one minute tick data
How do you combine signals and construct your portfolio (allocation, sizing, etc...)?	Size is a function of Leverage, current volatility. Trades are initiated at specific prices of pairs or individual assets.
How do you optimize?	The only optimization is possible netting of orders.
Describe any equity or commodity factor model used in your portfolio	No factor models are used, but pairs are selected according to a metric that roughly translates to correlation.
Describe your stock, commodity, or trading universe	70 liquid futures contracts globally in Bonds, Rates, Indices, Commodities and Currencies
What is the target holding period for a typical position	3.8 days for daily , 4.2hours for intraday mean-reversion and 8.6 hours for lead-lag
Do you target a specific volatility (annual, daily) Describe	Target annualized return, but it is easy to switch to targeting volatility.
Do you use trailing stops? If so describe	No. very wide stop-losses only meant for extreme events like Sep. '08
Is this model live or back tested?	Although I have traded portions of these models since 2006, the results here are simulated.
Are results in-sample or out of sample?	Results are out-of-sample
Is your execution fully automated or manual?	Fully automated, except for rolls in Fx.
Describe any third party platforms used for manual or automated execution	Flextrade for execution management
How often do you rebalance? When? Start or end of day?	For the daily strategy trades are executed close to the US close. For intraday trades are initiated at specific prices.
Describe your intra-day rebalancing process if applicable	There is no rebalancing as such, but trades are initiated, closed or reversed at specific prices.
Describe the third party software you use for coding your models	No third-part software. Code is in C++/python
What real time or end of day feeds do you utilize in your trading and research?	Need real-time feeds for the major Futures exchanges and tick data for research.

**WORK EXPERIENCE:****SPICE CAPITAL****New York; December 2008 – Present*****Founder and Portfolio Manager***

- Manage a long short equities portfolio of 100-150 positions across all sectors, with the aim of generating steady returns with limited volatility, risk and correlation to the equity market
- Compounded annual return exceeding 20% since inception, as of April 30, 2011
- Marketing presentation, Offering Memorandum and audited financials for fund available on request

**TRACER CAPITAL****New York; August 2004 – February 2008*****Partner and Sector Head***

- Partner and one of four sector heads at a \$1 billion long-short TMT (tech, media, telecom) equities hedge fund
- Managed long-short telecom portfolio (encompassing services, software, equipment, component and semiconductor sub-sectors): idea generation, research, analysis, modeling, valuation and tracking
- Generated superior returns with low volatility on assets overseen, with compound annual return exceeding 20%
- Supervised, trained and developed junior analyst

**LAZARD FRERES & COMPANY****New York; March 2004 – August 2004*****Associate, Financial Institutions Group***

- Participated in all stages of M&A and capital raising processes, including strategic rationale formulation, scenario analysis, valuation (comparable company analysis, precedent deal analysis, discounted cash flow), preparation of offering memoranda and investor presentations, due diligence, and sell-side auction

**SWISS RE CAPITAL PARTNERS****New York; April 2002 – March 2004*****Vice President***

- Worked on various investment-related projects aimed at managing the existing \$3 billion insurance-focused portfolio (private equity, fund of funds, proprietary investments), and furthering new business development
- Assisted senior management of the division (CEO, CFO) interpret and present the division's performance to the Swiss Re Board and other constituents

**THE BOSTON CONSULTING GROUP****New York, Bombay and Hong Kong; June 1997 – March 2002*****Project Leader (June 2001 – Mar 2002); Consultant (June 1999 – May 2001); Sr. Associate ( June 1997 – May 1999)***

- Managed multi-module project teams, including work-planning, budgeting and quality control
- Worked with client executives and team members to gain insight into strategic issues, develop and implement solutions; presented findings to senior client executives (CEO/ Division President level)

**PROCTER & GAMBLE****Bombay; Summer 1996*****Summer Associate***

Served on a cross-functional team that evaluated entry into a new business category, the products to be launched, and the overall strategy to be followed

**EDUCATION:****INDIAN INSTITUTE OF MANAGEMENT****Calcutta; 1995 – 1997**

MBA with Finance and Economics majors

Top 5 in class and place on the Honor Roll; Awarded Central Bank of India Prize for the best record in Finance courses  
GMAT 790/800

**INDIAN INSTITUTE OF TECHNOLOGY****Madras; 1991 – 1995**

BS in Electrical & Electronics Engineering

Top 5 in class; Awarded Governor's Gold Medal for best graduating all-round student, Institute Blues for excellence in cultural activities and organizational abilities, Motorola Prize for academic excellence and all-round performance  
GRE 2320/2400 (Quantitative: 790, Analytical: 770, Verbal: 760)

**PERSONAL:**

Personal interests include travel, technology, trivia and tennis

Chartered Financial Analyst (CFA) charterholder

Author of a book titled *Quizzing*, which tackles arcane issues like the mathematical concept that resulted from soldiers dying of mule kicks in the Prussian army. The book was one of the top selling trivia/quiz books on Amazon.com after publication in 2001

# RAY SHU

126 Blue Pool Road, House A, Happy Valley, Hong Kong. [rshu08@gmail.com](mailto:rshu08@gmail.com) +852-9751-0389

## EXPERIENCE

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### CITADEL LLC, Hong Kong

*Portfolio Manager, 5/11-6/13*

Responsible for Citadel's Asian long/short equities team focused on industrials, energy, commodities, capital goods and transportation sectors across Asia Pacific (including Japan/Australia). *Summary performance data available.*

- \* Investment approach: Maintained in-depth coverage of 100-120 stocks in Asia including Japan, and targeted relative outperformance trades based on differentiated earnings expectations, relative valuation, fundamental industry research, near-term catalysts, technicals and country-sector themes. Focused on single-stock alpha with index futures accounting for 5-10% of long and short books.
- \* Portfolio management: consistently beta-neutral with tightly controlled sector/country/style biases, low portfolio concentration (core positions in 65%+ of coverage), high liquidity (80-90% of GMV < 0.5x ADTV vs. 5-6% GMV < 1.0x ADTV); and active risk/trading management (turnover 6-15x in different markets).
- \* Disciplined build-out: tested and refined the sector-neutral investment approach over 12 months to achieve scale, diversification and differentiated country approach, then gradually sized up GMV to \$650m at peak.
- \* Strength in mentoring/training analysts, combining detailed fundamental analysis with a flexible investment evaluation approach adaptable to changing market conditions and risk appetites.

### TPG AXON CAPITAL MANAGEMENT, Hong Kong

*Principal, 11/09-2/11*

Senior member of the Asian ex Japan team focused on value-oriented and/or growth investments for a concentrated \$8bn global fund. Covered industrials, financials and consumer sectors in Greater China, Korea, and Southeast Asia.

### HIGHBRIDGE CAPITAL MANAGEMENT, Hong Kong

*Portfolio Manager, 10/05-10/08*

Portfolio manager in Highbridge's Asian multi-strategy business, in charge of the primary Asia ex Japan long/short portfolio. Responsibilities included evaluating long/short investments, supervising 3 analysts, optimizing country and sector allocation, and hedging both specific positions and overall portfolio. 24.6% annualized return with 15.7% volatility. Portfolio \$575m at peak (long market value).

- \* Investment approach: Typically maintained 40-50 positions/trades with a focus on value plus catalysts. Opportunistic across all sectors except technology. Directional bias of 40-60% net long in-line with Highbridge Asia investment mandate in 2005-7; switched to smaller event-driven portfolio in mid-2008 with full discretion (gross & net) over \$100m of capital.
- \* Engaged in the equity and credit analysis for the convertible bond portfolio and pre-IPO investments.
- \* The only direct promote to PM in Highbridge Asia during tenure; one of 2 Portfolio Managers in Asia

### SAC CAPITAL (CANVAS), San Francisco, CA

*Analyst, 7/04-9/05*

Founding member of the Asian event-driven team at SAC Capital. Strategies deployed included merger arbitrage, special situations investments, and other event-driven strategies.

- \* Responsibilities include analyzing and recommending long/short investments, ongoing portfolio monitoring and recruiting/mentoring junior analysts on the team. Primary coverage of Greater China and Australia.
- \* Initially joined the PM (Aaron Nieman) on Lehman's Asian risk arbitrage team in 2004, before co-founding the Asian event-driven team at SAC Capital. Left SAC in order to return to Asia for family reasons.

## PREVIOUS EXPERIENCE: Investment banking (3 years) and private equity (5 years)

Brera Capital Partners, New York, NY

*Vice President, 2001 – 2004*

TSG Capital Group, Stamford, CT

*Associate, 1999 – 2001*

Merrill Lynch, Los Angeles, CA

*Analyst, 1996 – 1998*

## EDUCATION

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### STANFORD UNIVERSITY

Stanford, CA

*M.S. Engineering-Economic Systems*

1995 - 1996

*B.A. Economics*

1992 – 1995

- Taipei American School (1986-1990). Phillips Academy (Andover) (1990-2). Oxford University (1994).
- Fluent Mandarin Chinese speaker; full understanding of Taiwanese.

## **PERSONAL DETAILS**

Name: Rob Hart

Nationality: South Africa (also HK permanent ID and Singapore PR)

DOB: 25 March, 1972

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## **WORK EXPERIENCE**

2008-Current

Company: Sansar Capital

Position: Principal

Sector Focus: Regional Property, Gaming, Consumer, Other

Country Focus: HK/China, Asia Pacific incl Japan

Performance: 2009 = 72%, 2010 = 32%, 2011 = 8%, 2012 YTD = 3%.

1996-2008

Company: Morgan Stanley

Position: Managing Director

Focus: HK Strategist, Regional Head of Property, Conglomerates and Gaming

Ranking: Top 3 in all categories above in II/Greenwich for multiple years

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## **TERTIARY EDUCATION**

Institution: University of Cape Town

Degree: B.Bus.Sci (fin.)

Graduated: 1995

Description: Honours Degree in Finance and Accounting

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## **OTHER INTERESTS**

Mountaineering: Completed the Seven Summits in 2011

Triathlon: Compete in several events each year

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# RICHARD N. DAVIDIAN

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New York, NY 10023  
[richdavidian@yahoo.com](mailto:richdavidian@yahoo.com)  
(212) 595-8506

## EXPERIENCE

<b>Natixis Capital Markets – 3<sup>rd</sup> Largest French Bank, New York, NY</b>	4/05 – 11/10
<i>Managing Director – Head of Index and Statistical Arbitrage for North America</i>	
<ul style="list-style-type: none"><li>• Managed \$7B in Assets and a 7 person team</li><li>• Ran the Index Arbitrage Business beginning in 2005<ul style="list-style-type: none"><li>• Traded SP500, Nasdaq and Russell 2000 books</li></ul></li><li>• Built Statistical Arbitrage Business from scratch beginning in April '08<ul style="list-style-type: none"><li>• Low and Mid Frequency Strategies; original Alpha research process</li><li>• Average return for Statistical Arbitrage business of 10.1%; Sharpe 1.58</li></ul></li></ul>	
<b>Bass Brothers – Multistrategy Hedge Fund, New York, NY</b>	10/00 – 8/02
<i>Senior Research Analyst and Portfolio Manager</i>	
<ul style="list-style-type: none"><li>• Portfolio management and trading responsibility for long-short market neutral portfolio</li><li>• Generated ideas thru fundamental research in tech/telecomm space</li><li>• Traded derivative strategies to capture vol spreads in fundamentally-driven situations</li><li>• Average return of 14.7%; Volatility 7.21%; Sharpe Ratio 1.7</li></ul>	
<b>HBK Investments, L.P., Dallas, TX</b>	5/98 – 9/00
<i>Derivatives and Risk Arb Trader for Market Neutral Hedge Fund</i>	
<ul style="list-style-type: none"><li>• Head Trader for \$1B Event-Driven book, trading all positions for the portfolio</li><li>• Implemented derivative strategies to improve risk/reward profile of special situations</li><li>• Traded Dispersion Book, trading single stock volatility versus index volatility</li></ul>	
<b>Lehman Brothers, New York, NY</b>	9/94 – 4/98
<i>Associate, Equity Derivatives Trading</i>	
<ul style="list-style-type: none"><li>• Traded Hardware and Telecom sectors for Listed option flow and OTC product</li><li>• S&amp;P Index Proprietary trading, committing capital for the firm on a volatility basis</li><li>• Pricing and structuring responsibility for Institutional and PCS customer inquiry</li></ul>	
<b>AT&amp;T Bell Laboratories, Holmdel, NJ</b>	6/88 – 9/92
<i>Telecommunications Systems Engineer</i>	
<ul style="list-style-type: none"><li>• Regarded as a resident expert concerning telecommunications industry standards</li><li>• Awarded Merit-Based Full Tuition Scholarship to Stanford</li></ul>	
Other • Research on Diode Lasers and Fiber Optics at MIT	• Speech recognition - C Programmer

## EDUCATION

**Stanford Graduate School of Business**  
Master of Business Administration - June, 1994

**Stanford University**  
Master of Science in Electrical Engineering - August, 1989  
Bell Labs Full Tuition Scholarship  
GPA: 3.8/4.0

**Massachusetts Institute of Technology**  
Bachelor of Science in Electrical Engineering - May, 1988  
Eta Kappa Nu Electrical Engineering Honor Society  
Sigma Xi Scientific Research Honor Society  
GPA: 4.6/5.0

## PERSONAL

Tennis and fantasy football



950 Third Avenue 29<sup>th</sup> Floor New York, NY 10022 646.840.5800

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March \_\_, 2012

Mr. Richard Diamond  
67 Navesink Avenue  
Rumson, NJ 07760  
212.477.1022  
rdiam@earthlink.net

Dear Richard:

The purpose of this letter is to confirm our agreement (the "Agreement") with respect to the terms of your employment by Visium Asset Management, LP ("Visium" or the "Company"). It is hereby agreed as follows:

1. Employment. Subject to the terms and conditions of this Agreement, the Company agrees to employ you and you agree to be employed by the Company commencing on or before the date set forth in Appendix A. If you have not joined the Company by this date, this Agreement shall be null and void. You shall be employed on an at-will basis, meaning that either you or the Company may terminate the employment relationship at any time, for any reason or no reason at all, subject only to the terms of this Agreement, including without limitation the Notice Period described herein.

2. Title and Duties. Your title and reporting lines are set forth on Appendix A. During your employment you shall devote your full business time, attention, energy and best efforts to the business and affairs of the Company and any related funds, entities or companies and you shall not engage in any activity that is harmful to the business, reputation or best interests of the Company or any related funds or entities. In addition, you agree to adhere to and abide by any and all Company policies and procedures, and all relevant federal, state and self-regulatory laws, rules and regulations, as may be in effect from time to time.

3. Compensation. The terms of your compensation are set forth on Appendix A.

4. Deferred Compensation. A portion of your compensation shall be subject to deferral as further as set forth in the Company's deferred compensation plan, appended hereto as Exhibit 1. Your rights and obligations under the deferred compensation plan shall be determined in accordance with the governing plan document, as may be amended from time to time.

5. Benefits. You shall be entitled to employee benefits on the same basis as such benefits are made available to other similarly situated Company employees. In the event you elect not to participate in the Company's benefits plans, no payment shall be made to you in lieu thereof.

6. Representations. (a) You represent and warrant that you are not in breach of any agreement requiring you to preserve the confidentiality of any information, client lists, trade secrets or other confidential information or any agreement not to compete, solicit clients or employees of, or interfere with, any prior employer, and that neither the execution of this Agreement nor the performance by you of your obligations hereunder will conflict with, result in a breach of, or constitute a default under, any agreement or policy to which you are a party or to which you may be subject, including any garden leave or notice requirement prior to resigning your prior employment. You further represent that you have not taken and will not take any confidential information from any prior employer and will not use any such information in performing your obligations hereunder but instead will rely on your generalized knowledge and skill in performing your services hereunder. Further, you represent that: (i) you are not currently and have never been the subject of any investigation by any prior employer or a party in any securities-related or banking litigation

or arbitration proceeding; (ii) you are not the subject or target of any pending investigation, charge or complaint before a securities regulatory or self-regulatory organization, grand jury or any other forum; (iii) you have never been fined, sanctioned or otherwise found to have violated any securities related regulation by any governmental agency or self-regulatory organization, whether or not such finding resulted in statutory disqualification; and (iv) you have disclosed any material information to Visium regarding your personal investments, professional affairs or any legal or regulatory matter of which you aware that, if publicly disclosed hereafter, would adversely reflect on the business, reputation or goodwill of Visium.

(b) You hereby represent that you have not, within the preceding six months, made a contribution to: (i) any person (including any election committee for the person) who is an incumbent, candidate or successful candidate for state or local office, including any such person who is running for federal office; (ii) a political action committee; or (iii) a state or local political party, other than those contributions that are disclosed on Exhibit 2 attached hereto.

(c) You hereby represent that, as of the date of commencement of employment, you do not own any securities issued by public companies, unless such ownership is through discretionary vehicles in which you do not have discretion to make trading decisions (including, but not limited to, mutual funds, exchange traded funds, index products, etc). You understand that the terms of this section apply to yourself, your dependants, or any family member living in the same household as you.

7. Confidential Information. During the course of your employment you will have access to and come into possession of information of a proprietary or confidential nature relating to the present or future business of the Company, and any affiliated or related entities or funds managed by the Company, as well as from clients or prospective clients of the Company (all of such information hereinafter referred to as "Confidential Information"), the improper use or disclosure of which may potentially violate federal or state law, and harm the Company. In addition, the value of such information may be destroyed or seriously diminished by any such disclosure. As such, you agree that at all times during and after your employment at the Company you will hold in the strictest confidence, and will not use, publish or disclose, or permit others to use, publish or disclose, any Confidential Information which you may have acquired by reason of, or in connection with, your employment with the Company. Notwithstanding the foregoing, nothing herein shall prevent you from disclosing Confidential Information: (i) to the extent required by law provided that you shall immediately notify the Company prior to any such disclosure; (ii) with the prior written consent of the Company; or (iii) if such information becomes publicly available other than from disclosure by you or anyone acting in concert with you.

For purposes of this Agreement, "Confidential Information" includes, but is not limited to, sensitive information regarding existing and potential limited partners, shareholders and investors in any fund or account established or managed by the Company (or any affiliated or related entity); existing and future investments, work product developed and research conducted by the Company (or any affiliated or related entity) about investment opportunities, data, formulas and related concepts, financial and operational information and data regarding the Company, and its investment vehicles and strategies; client contact, account, and portfolio information; proprietary software, models, processes, discoveries, inventions, know-how, and the like; track record and account performance data; internal analyses, management information reports and worksheets such as marketing and business plans, profit margin studies and compensation; Company and fund accounting information, including financial statements of the Company and its affiliated entities; personal information pertaining to current and former employees and officers of the Company and its related entities; and personal and financial information pertaining to the Company's principals and their respective family members.

8. Intellectual Property. You covenant and agree that the Company is the sole and exclusive owner of all right, title and interest in all discoveries, developments, inventions, processes, techniques, algorithms, technologies, programs, software, works of authorship, know-how and data (whether

or not registerable under copyright, trademark or patent statutes), trade secrets and proprietary information which you may make, conceive, develop or acquire, either individually or jointly with others, while providing services under this Agreement and all the goodwill associated therewith (collectively, the "Intellectual Property"). You shall promptly and fully disclose to the Company all Intellectual Property. You acknowledge and agree that Intellectual Property that is a work of authorship is a "work for hire" (as that term is used under U.S. copyright law), and the Company (or its affiliates, members, associated companies, successors, assigns or nominees) shall be the sole owner of all copyrights in or connected with such Intellectual Property. You hereby waive any moral rights that you may have with respect to the Intellectual Property. You hereby irrevocably assign and agree to assign to the Company (or its affiliates, members, associated companies, successors, assigns or nominees) your entire right, title and interest in the Intellectual Property, present and future.

9. Notice Period. You agree to provide at least the number of days prior written notice set forth on Appendix A in advance of resigning or retiring from the Company (the "Notice Period"). You will continue to be an employee of the Company during the Notice Period. The Company shall have the right to designate the Notice Period as a non-working period where you may not be required to come to work but shall remain available to assist with transitioning your duties and responsibilities. During the Notice Period, you will continue to be paid at your then current base salary and be eligible to participate in benefit plans for employees of your level, provided you continue to act in a manner consistent with your obligations as an employee of the Company, but you shall not be entitled to any further payments of any kind. In no event may you perform services for any other employer during the Notice Period. Visium may, at its sole discretion, waive or reduce the duration of the Notice Period by providing you with written notice.

10. Non-Solicitation. As part of the consideration for the benefits and consideration paid to you under this Agreement, you agree that during the period of your employment (including any Notice Period), and for a period of twenty four (24) months thereafter, you will not, without the prior written consent of the Company, directly or indirectly: (a) (i)solicit or accept funds from any actual client, "Prospective Client" (as defined below), former client who was a client within the one (1) year prior to your termination for employment, limited partner, shareholder or investor of or in any fund or account established or managed by Visium or any affiliated or related entity; or (ii) encourage such person or entity to turn down, terminate or reduce a business relationship with Visium or any affiliated or related entity; (b) (i) hire, solicit, recruit, induce, work with, or attempt to hire, solicit, recruit or induce, any person who is an employee or member of Visium or any affiliated or related entity and who was such an employee or member at any time during the final year of your employment; (ii) assist in hiring any such person by any other individual, sole proprietorship, company, partnership, broker-dealer, investment adviser, investment company, hedge fund, or similar entity; or (iii) encourage any such person to terminate his or her employment or membership with Visium or any affiliated or related entity.

For purposes of this Agreement, "Prospective Client" shall mean any person or entity that has within the final six (6) months of your employment, received an offering memorandum or marketing materials, including, but not limited to any PowerPoint presentations, Word documents, monthly or quarterly letters, or similar marketing related correspondence with respect to Visium or any affiliated or related entity.

11. Non-Competition. You hereby agree that during the period of your employment (including any Notice Period) and for a period of six (6) months thereafter, you will not, directly or indirectly, individually or as part of or on behalf of any other person or entity, have any interest in, own, manage, operate, control, be employed by, perform services for, participate in, work with, contract with, any hedge fund, private investment partnership or group within a larger firm (whether as a member, partner, employee, director, officer, investor, advisor, consultant or otherwise) that employs or plans to employ an investment strategy similar to any investment strategy engaged in by the Company or any of its affiliates or related entities.

12. Capacity Rights.

(a) If this Agreement is terminated for any reason and at the time of such termination or within two (2) years thereafter, you form an intention to commence, acquire an equity interest in, or otherwise join an investment advisory, money management, trading, private equity, hedge fund or other similar business as a manager, partner, member, equity owner, portfolio manager, controlling person or in any other capacity that your duties would foreseeably include, directly or indirectly, the raising of capital, the setting of fees or any decisions in connection therewith (each such business hereinafter a “New Business”), you agree that you will promptly notify the Company in writing and will abide by the terms of this Section.

(b) The Company (or an affiliated or related entity) shall have the right, but not the obligation, to elect in its sole discretion to either: (i) furnish for management by such New Business up to 50% of the capital that you manage in connection with the New Business, in a managed account, commingled fund, or other structure; or, (ii) direct up to one hundred million dollars (\$100,000,000), as contributions into the funds managed by the New Business; wherein the fee shall be either: (x) 60% of the standard fees charged generally to other clients of the New Business during such quarter; or, (y) the best available terms offered to other investors, whichever is less. You agree that you shall cause the New Business to provide to the Company the most frequent and detailed reports that are provided to any other investor.

(c) In addition, you agree to pay to the Company an amount equal to fifteen percent (15%) of the “Gross Revenues” generated by the New Business (Gross Revenues shall include without limitation all management fees, performance fees and/or allocation and any other fees or revenues prior to any deductions of any kind) with respect to capital contributed to any fund, managed account, or investment vehicle that is managed or sponsored by the New Business (or on its behalf), for the first five (5) fiscal years from the date you join such New Business. Notwithstanding the foregoing provision, you and the Company may mutually agree that you will pay to the Company in cash an amount equal to two percent (2%) of the New Business’ total assets under management, in lieu of the payments described in this paragraph for any fiscal year.

(d) You hereby agree that before joining or commencing any New Business, you will bring the requirements of this Section to the attention of any person or entity that may be affected by this Section. You agree that you will cause the New Business to enter into any necessary agreements embodying the terms set forth in this Section in form and substance satisfactory to the Company.

(e) You understand and agree that the New Business shall not use the name “Visium” or any variation of the name “Visium” under any circumstances.

13. Non-Disparagement. You agree that you will not at any time, during or after your employment, disparage, criticize or ridicule Visium or any affiliated or related entity to current or former officers, directors or employees of the Company, to any individuals or entities with whom Visium or any affiliated or related entity, has or may have a business relationship or to any third party in the financial services community. Further you agree that you will not make any negative public comments regarding Visium or any affiliated entity by way of news interviews, posting comments on, or publishing internet blogs or webpages (whether or not done anonymously), or publishing and/or circulating any other form of media, or the expression of your personal views, opinions or judgments to the media, internet blogs or webpages, or otherwise (whether or not done anonymously).

14. Acknowledgement/Remedies. You hereby acknowledge and agree that: (a) you have been given a reasonable opportunity to have this Agreement reviewed by counsel; (b) the parties entering into this Agreement are sophisticated and knowledgeable parties; (c) your services are of a unique nature with broad access to plans, strategies and methods of operations; and (d) it is fair and reasonable in order to protect the business, operations, assets and reputation of the Company that you make the covenants and undertakings set forth in this Agreement. Furthermore, you agree that if you breach or attempt to breach or

violate any of the foregoing provisions, the Company will be irreparably harmed and monetary damages will not provide an adequate remedy. Accordingly, it is agreed that the Company may apply for and shall be entitled to temporary, preliminary and permanent injunctive relief (without the necessity of posting a bond or other security) in order to prevent breach of this Agreement or to specifically enforce the provisions thereof, and you hereby consent to the granting of such relief. The Company shall not have to prove the inadequacy of the available remedies at law or actual damages. It is understood that any such injunctive remedy shall not be exclusive or waive any rights to seek other remedies at law or in equity. The parties hereto further agree that the covenants and undertakings as set forth in this Agreement are reasonable in light of the facts as they exist on the date hereof.

15. Return of Company Property. You agree to deliver to the Company promptly on termination of your employment, or at any other time upon request by the Company, all property and equipment of the Company of any kind in your possession including, but not limited to, computer equipment (hardware and software), identification cards, credit cards, cellular telephones, BlackBerry, iPhone or similar device, magnetic key cards and the like.

16. Governing Law/Arbitration. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws. If any dispute should arise concerning the breach, termination, enforcement, interpretation or validity of this Agreement (including the determination of the scope or applicability of this agreement to arbitrate) or otherwise relating in any way to the terms and conditions of your employment, including any statutory claim of discrimination, the parties agree to submit the dispute to arbitration before a panel of three (3) neutral arbitrators at JAMS in New York, New York pursuant to JAMS' Comprehensive Arbitration Rules and Procedures. Each party will bear its own expenses, including legal and accounting fees, if any, with regard to arbitration. Any costs, fees or taxes involved in enforcing the arbitration award shall be fully assessed against and paid by the party resisting enforcement of the award. For injunctive relief, it is agreed that any court of competent jurisdiction may also entertain an application by either party. The parties further agree that no demand for punitive damages shall be made in any arbitration proceeding. Any award of the arbitrators shall be final and binding on the parties, subject only to such right of review that may lie under applicable law, and may be entered and enforced in any court having jurisdiction thereof. The parties agree for themselves and any persons or companies under their control and direction that any arbitration conducted under the authority of this Agreement will be private and confidential, and all documents, evidence, orders and awards, whether electronic or otherwise, will be kept private and secret and will not be disclosed to persons who are not participating in the arbitration proceeding. This obligation continues during the course of the proceeding and thereafter unless all parties otherwise agree in writing to the contrary.

17. No Waiver. No failure by either party at any time to give notice of any breach by the other party, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of a similar or dissimilar provision or condition at the time or at any prior or subsequent time.

18. Severability. In the event that any provision or term of this Agreement is held to be invalid, prohibited or unenforceable for any reason, such provision or term shall be deemed severed from this Agreement, without invalidating the remaining provisions, which shall remain in full force and effect. If at any time a court or other body having jurisdiction over this Agreement shall determine that any of the subject matter or duration is unreasonable in any respect, it shall be reduced and not terminated, as such court or body determines may be reasonable.

19. Non-Disclosure. You agree to keep this Agreement confidential and not disclose its terms to any third parties unless required to do so by law or regulation, without the prior written consent of the Company. You may, however, disclose the details of your employment and compensation arrangements to your immediate family and to your tax, accounting and legal advisors, provided that you secure the

agreement of such individuals to maintain the confidentiality of this Agreement; and you may disclose your post-employment obligations to any potential future employer.

20. Background Check/ Eligibility. This Agreement is contingent upon the successful completion of a background check acceptable to the Company, and proof of your eligibility to work in the United States.

21. No Assignment. This Agreement and all rights and obligations hereunder shall be binding upon and shall inure to the benefit of your heirs, executors, representatives and administrators and any successors in interest which may acquire or succeed to all or substantially all of the business and assets of the Company by any means or its assigns. Because of the personal nature of the services to be rendered by you, you may not assign your rights or obligations under this Agreement, without the prior written consent of the Company.

22. Entire Agreement This Agreement contains the entire understanding between the parties on the subjects covered here and supersedes all prior agreements, arrangements and understandings, whether written or oral, regarding the subjects covered here. You acknowledge that you have not relied on any statements, representations or promises not specifically contained in this Agreement. This Agreement may not be changed orally, but only in writing signed by both parties.

Kindly indicate your acceptance of this Agreement by signing and returning a copy of this Agreement to me on or before **March \_\_, 2012**. We look forward to having you join Visium.

Very truly yours,

Visium Asset Management, LP

By:

\_\_\_\_\_  
Mark Gottlieb  
Authorized Signatory

ACCEPTED AND AGREED TO:

\_\_\_\_\_  
Richard Diamond

\_\_\_\_\_  
Date

**EXHIBIT 1****DEFERRED COMPENSATION PLAN**

This **DEFERRED COMPENSATION PLAN** (the “Plan”) is being made and entered into as of the \_\_\_\_\_ day of March 2012, by Visium Asset Management LP, a Delaware limited partnership (the “Company”).

WITNESSETH:

WHEREAS, employees of the Company (each, an “Employee”) may receive a profit participation (the “Profit Participation”) with respect to services performed by such Employees for the Company during a calendar year (the “Service Year”), which amount may be discretionary or determined pursuant to an Employment Agreement entered into between the Employee and the Company (an “Employment Agreement”); and

WHEREAS, the Company desires to provide an economic incentive for Employees to remain with the Company and to make them defer a portion of their Profit Participation and to make payment of such portion of the Profit Participation forfeitable in certain events as hereinafter set forth;

NOW, THEREFORE, the Company adopts the following Deferred Compensation Plan:

- 1) Participation; Deferral of Compensation.
  - a) The Company may designate one or more Employees to participate in this Plan (each, a “Participant”) pursuant to an employment contract or otherwise.
  - b) The Company hereby requires each Participant to defer the receipt of (i) 25% of all compensation for any Service Year in excess of \$250,000 up to \$1 million and (ii) 35% of all compensation in excess of \$1 Million for any Service Year (the “Deferred Compensation”), pursuant to the terms and conditions contained herein.
- 2) Treatment of Deferred Compensation. Subject to the terms and conditions set forth below, the Deferred Compensation will be treated as if it had been invested as a shareholder in Visium Global Master Fund, Ltd. (the “Fund”) on the January 1 immediately following the Service Year and redeemed on the Payment Date. Therefore, the Deferred Compensation will be increased or decreased, as the case may be, by the performance during the deferral period of the Fund (the “Deemed Return”).
- 3) Vesting
  - a) Subject to subsections (b), (c) and (d), Deferred Compensation and the Deemed Return thereon (the “Deferred Amount”) will vest 100% on the fourth January 1 to occur after the conclusion of the Service Year.
  - b) Notwithstanding anything to the contrary in this Agreement, a Participant’s Deferred Amount shall become immediately vested upon the Participant’s death or Permanent Disability or the Company’s termination of the Participant without Cause.
  - c) In the event of the Company’s termination of Participant for Cause, the Participant shall forfeit his right to any Deferred Amount, whether such amount is vested or unvested.
  - d) In the event of the Participant’s voluntary termination of his employment with the Company, the Participant shall forfeit the unvested portion of his Deferred Amount.
  - e) For purposes of this Agreement, “Cause” shall include (i) willful or deliberate failure of a Participant to perform his duties or gross negligence in the performance of his duties (other than by reason of death or Permanent Disability); (ii) material breach by the Participant of the terms of the Participant’s Employment Agreement; (iii) dishonesty, willful misconduct or fraud in connection with the Participant’s employment by the Company, the performance of the Participant’s duties or in any way related to the business of the Company; (iv) a reportable violation of banking, securities or

commodities laws, rules or regulations; (v) conviction or a plea of nolo contendere (or the equivalent) to a felony or any crime involving moral turpitude; (vi) engaging in conduct materially injurious to the business, reputation or goodwill of the Company; or (vii) violation of applicable policies, practices and standards of behavior of which the Participant has been made aware.

- 4) Payment Trigger Date
  - a) The vested portion of the Deferred Amount will become payable on the earliest to occur of the following events (the "Payment Trigger Date"):
    - i) the fourth January 1 to occur after the conclusion of Service Year;
    - ii) the Participant's "separation from service" (within the meaning of Section 409A(a)(2)(A)(i) of the United States Internal Revenue Code of 1986, as amended (the "Code"));
    - iii) the Participant's death; or
    - iv) the Participant's Permanent Disability (as defined in Section 4(b)).
  - b) Permanent Disability. A Participant shall be treated as having a "Permanent Disability" if the Participant is considered disabled within the meaning of United States Treasury Regulation § 1.409A-3(i)(4).
- 5) Schedule of Payments. Any amounts payable under this Plan on any particular date shall be paid in accordance with the following schedule: (a) at least 90% of such amount shall be paid within 30 days after the Payment Trigger Date, and (b) the balance shall be paid on or before the later of (i) the end of the calendar or fiscal year in which the Payment Trigger Date occurs or (ii) the 15th day of the third calendar month following the month in which the Payment Trigger Date occurs.
- 6) No Property Right.
  - a) Title to and beneficial ownership of the Deferred Amount shall at all times remain with the Company, and Participant shall not have any property interest whatsoever in any specified assets of the Company until such Deferred Amount is paid to Participant.
  - b) Any Deferred Amount shall continue for all purposes to be part of the general funds of the Company, and no person other than the Company shall by virtue of the provisions of this Plan have any interest in such funds. To the extent that Participant acquires a right to receive payments from the Company under this Plan, such right shall be no greater than the right of any unsecured creditor of the Company.
  - c) The Deferred Amount may not be subject to seizure for the payment of any debts or judgments against Participant, and Participant shall have no right to transfer, modify, anticipate, assign or encumber any of such Deferred Amount, and none of the Deferred Amount which may be due and owing to Participant shall be transferable by operation of law in the event Participant becomes insolvent or bankrupt. Any purported seizure, transfer, modification, anticipation, assignment, encumbrance or transfer by operation of law shall be void.
- 7) Non-Transferability. The Participant may not sell, assign or otherwise transfer his right to receive payments under this Plan or any beneficial interest therein except to his estate or heirs by operation of law or by his will.
- 8) Compliance with Section 409A. This Plan and the deferral arrangement set forth herein is intended to comply with Code section 409A, and the foregoing provisions and any action taken related thereto shall be construed accordingly. Therefore, (a) any action that may be taken (and, to the extent possible, any action actually taken) by the Company or the Participant with respect to such deferral arrangements shall not be taken (or shall be void and without effect), if such action violates the requirements of Code section 409A, (b) any provision in this Agreement with respect to such deferral arrangements that is determined to violate the requirements of Code section 409A shall be void and without effect, and (c) any provision that is required by Code section 409A to appear in this Agreement that is not expressly set

forth shall be deemed to be set forth herein, and this Agreement shall be administered in all respects as if such provision were expressly set forth herein.

- 9) No Additional Rights. Except as specifically provided herein, this Plan shall not otherwise affect any of the terms of the employment of Participant by the Company, and, in particular, nothing in this Plan shall be construed as granting Participant the right to receive any particular amount of bonus in any Service Year or the right to be employed by the Company for any period of time.
- 10) Governing Law. This Plan shall be governed and construed in accordance with the laws of the State of New York without regards to principles of conflicts of law.
- 11) Amendment. This Plan may be amended only in a writing signed by both the Company and the Participant.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Plan as of the day and year first above written.

VISIUM ASSET MANAGEMENT LP

By: \_\_\_\_\_  
Mark Gottlieb  
Authorized Signatory

Acknowledged by Participant:

\_\_\_\_\_  
Richard Diamond

Date: \_\_\_\_\_

**EXHIBIT 2**
**POLITICAL CONTRIBUTION REPORT**

You must disclose all contributions made by you within the preceding six months to: (A) any person (including any election committee for the person) who is an incumbent, candidate or successful candidate for state or local office, including any such person who is running for federal office (a “Candidate”), (B) a political action committee (“PAC”), or (C) a state or local political party.

Period of Report: From \_\_\_\_\_ to \_\_\_\_\_.

A. List of Contributions Made by the Reporting Person to Candidates During the Period Covered by Report:

Date Contribution was Made:	Name and Title of Candidate:	Office Occupied by Candidate:	Amount of Contribution:	Whether Reporting Person is Entitled to Vote for such Candidate: [Y/N]

B. List of Contributions Made by the Reporting Person to PACs During the Period Covered by Report:

Date Contribution was Made:	Name of PAC:	Amount of Contribution:	Whether PAC Solicits Funds on Behalf of One or More Officials of Government Entities: [Y/N]	If Yes, List Name and Title of and Office Held by Such Official(s):	If Yes, Indicate Whether Reporting Person is Entitled to Vote for Such Official(s):[Y/N]

C. List of Contributions Made by the Reporting Person to State and Local Political Parties During the Period Covered by Report:

Date Contribution was Made:	Name of Political Party:	Amount of Contribution:	Whether Political Party Solicits Funds on Behalf of One or More Officials of Government Entities: [Y/N]	If Yes, List Name and Title of and Office Held by Such Official(s):	If Yes, Indicate Whether Reporting Person is Entitled to Vote for Such Official(s):[Y/N]

## APPENDIX A

- 1) Start Date. Your start date will be [REDACTED].
- 2) Title. You will have the title: **Portfolio Manager - Global**
- 3) Notice Period. You agree to provide the Company with at least 90 days' notice in the event you wish to resign or retire from employment.
- 4) You shall manage a portfolio of currencies, commodities, equity futures and interest rate futures primarily in the Visium Global Master Fund, Ltd. (the "Fund") or other funds as determined by Company, in accordance with the following risk parameters, which are subject to adjustment at the Company's sole discretion:
  - a. **Implied Capital:** \$40 million subject to reduction in accordance with Section 4(c) below and otherwise subject to adjustments made by the Company in its sole discretion;
  - b. **Calendar Year Stop-loss Drawdown Limit (Peak-Trough):** -5% of Implied Capital;
  - c. **Calendar Month Stop-loss Limit:** 2.5% of Implied Capital;
  - d. **Drawdown Consequences:** In the event of a drawdown in excess of either the Calendar Month Stop-loss Limit (defined below) or the Calendar Year Stop-loss Drawdown Limit, the Company may, in its sole discretion, reduce Implied Capital by 25% (such reduced level of Implied Capital, "Reduced Implied Capital"). In the event that an additional drawdown in excess of the Calendar Month Stop-loss Limit or in excess of 5% of the Reduced Implied Capital should occur in the same calendar year in which Implied Capital was reset to Reduced Implied Capital ("Stop-out Event"), the Company shall review the portfolio and may, in its sole discretion, take further action, up to and including full liquidation of the portfolio and termination of your employment with the Company. If no Stop-out Event occurs during the calendar year in which Implied Capital was reset to Reduced Implied Capital, then at the beginning of the subsequent calendar year Reduced Implied Capital shall be redenominated and regarded for all intents and purposes as Implied Capital;
  - e. **Daily Stop-loss Limit:** 0.75% of Implied Capital or Reduced Implied Capital, as the case may be;
  - f. **Intra-day VaR Limit:** VaR 99%-1 day: 1.6% of Implied Capital or Reduced Implied Capital, as the case may be;
  - g. **End-of-day VaR Limit:** 25% of Intra-day VaR Limit;
  - h. **Stress Tests :** (Intra-day and end-of-day): Sum of the worst losses in each market on 1-standard deviation moves not to exceed the Daily Stop-loss Limit.
  - i. **Permitted Markets/Tickers:**
    - i. Energy: CLA, NGA, HOA, XBA
    - ii. Stock Indices: ESA, NDA, RTAA, VGA
    - iii. Treasuries: USA, TYA
    - iv. FX: EUR, GBP, AUD
    - v. Precious Metals: GCA, SIA
    - vi. Grains and Beans: S A, C A
    - vii. Softs: SBA, KCA (Sugar/Coffee)
  - j. **Daily Contract Limits Per Market:** Based on volatility calculation each day and Daily Stop-loss Limit. For example, if you have six markets, then the dollar-risk per market would be Daily Stop-loss Limit/ 6 = \$300,000/6 = \$50,000 (long and short). The risk per market is a volatility-adjusted number which would result in a limit on the number of futures contracts in that market that could be traded based on volatility.

5) Compensation:

- a. Base Salary. In consideration of your services, you will be paid a base salary at the rate of \$\_\_\_\_\_, annualized, payable in accordance with the Company's normal payroll practices, currently semi-monthly. Your base salary shall operate as a "draw" against any amount due to you as Profit Sharing (as described below). As this position falls within the Employee Exemption under the Fair Labor Standards Act, you will not be eligible for overtime pay.
  - b. Discretionary Bonus. You may be eligible to receive an annual discretionary bonus dependent upon, among other factors, your individual performance and the overall performance of the Company, provided that you are in the employ of the Company through the date that bonuses are paid in the normal course, currently in the first quarter of the following calendar year, after the year-end close, but not later than March 15th. The amount of your bonus, if any, shall be determined in the sole discretion of the Company. For the avoidance of doubt, it is understood and agreed that the Company does not pay a pro-rated discretionary bonus to an employee who resigns or whose employment is involuntarily terminated before the date that such amount is due to be paid in the normal course.
  - c. Profit Sharing. You shall be eligible for profit sharing in an amount equal to a proportion of the portfolio's "Net Trading Profit" (as defined below) (the "Profit Sharing"). Your receipt of any Profit Sharing is conditioned on your remaining in the employ of the Company through the date that profit sharing is paid to Visium employees in the normal course. The calculation of Net Trading Profit and Profit Sharing shall be made by the Company as of the last day of each calendar year. The calculation of Net Trading Profit and Profit Sharing shall be made by the Company in its discretion and its decision in such respects shall be final and binding on you. For the avoidance of doubt, it is understood and agreed that the Company does not pay a pro-rated Profit Sharing to an employee who resigns or whose employment is involuntarily terminated before the date that profit sharing is paid to Visium employees in the normal course. "Net Trading Profit" shall mean - the portfolio's gross trading profit or loss, less any expenses directly attributable to the portfolio, including but not limited to, commissions, fees, portfolio financing charges and securities borrow costs, market data services (e.g. Bloomberg), consulting, travel and other expenses incurred in the course of managing the portfolio.
    - i. Profit Sharing = **8%** of Net Trading Profit + Additional **1%** of Net Trading Profit for achieving Target Sharpe Ratio + Additional **1%** of Net Trading Profit for achieving Target Net Return, less any base salary paid to you, fees paid to third-party organizations that you manage or own (or have managed or owned within the last five years), and all base salary and bonus payments made to any analyst or other staff assigned to work on the portfolio.
    - ii. Target Sharpe Ratio = **1.5**; Target Net Return= **+15%** annualized on Capital. Targets may be adjusted by Company in subsequent years.
  - d. Withholdings and Deductions. All payments made under this Agreement by the Company shall be subject to all required federal, state and local withholdings and such deductions as you may instruct the Company to take.
  - e. Loss Carryforward If the calculation of Net Trading Profit is negative (deficit), such deficit will be carried forward and applied to subsequent years' Net Trading Profit calculations until deficit is made whole.
- 6) If the cumulative expenses and payouts of the Fund exceed the Fund's Net Trading Profit (shortfall), such shortfall will be allocated proportionately to you with respect to your Profit Sharing and will be paid to you in the following year to the extent the portfolio realizes Net Trading Profit.
- 7) Mandatory Deferral. A portion of your compensation shall be subject to deferral as further as set forth in the Deferred Compensation Plan, appended to this Agreement as Exhibit 1.

- 8) New Fund. In the event that the Company creates a new fund entity in which you serve as the portfolio manager, the Company or its affiliates shall serve as the management entity, including, without limitation, entities serving as Investment Manager, Investment Advisor, General Partner, and any other relevant roles the Company may, in its discretion, deem advisable (“New Fund”). You shall be eligible to be paid an amount up to 50% of the management fees and incentive allocations actually paid or allocated to the Company and its affiliates by the New Fund. In the event that the New Fund has multiple portfolio managers, it is understood that such 50% payment shall apply in the aggregate to the multiple portfolio managers.

**SCHEDULE F****NOTICE, AUTHORIZATION AND RELEASE FOR THE PROCUREMENT OF A CONSUMER AND/OR INVESTIGATIVE CONSUMER REPORT**

I, the undersigned consumer, do hereby authorize **KROLL BACKGROUND AMERICA, INC.** ("KROLL") to procure a consumer report and/or investigative consumer report on me for employment purposes. I understand that this authorization and release shall be valid for subsequent consumer and/or investigative consumer reports during my period of employment with **Visium Asset Management** for the purpose of investigating any incidents of workplace misconduct or criminal activity for which I am alleged to have been involved during my employment.

These above-mentioned reports may include, but are not limited to, information as to my character, general reputation, and personal characteristics, discerned through employment and education verifications; personal references; personal interviews; my personal credit history based on reports from any credit bureau; my driving history, including any traffic citations; a social security number verification; present and former addresses; criminal and civil history/records; any other public record.

I further authorize any person, business entity or governmental agency who may have information relevant to the above to disclose the same to **Visium Asset Management**, including, but not limited to any and all courts, public agencies, law enforcement agencies and credit bureaus, regardless of whether such person, business entity or governmental agency compiled the information itself or received it from other sources.

I understand that I am entitled to a complete and accurate disclosure of the nature and scope of any investigative consumer report prepared by **KROLL** of which I am the subject upon my written request to **KROLL**, if such is made within a reasonable time after the date hereof. I also understand that I may receive a written summary of my rights under 15 U.S.C. § 1681et. seq.

Further, I certify that the information contained on this Authorization/Release form is true and correct and that my application or employment may be terminated based on any false, omitted, altered or fraudulent information.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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**IDENTIFYING INFORMATION FOR CONSUMER REPORTING AGENCY**

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Printed Name: \_\_\_\_\_

First

Middle

Last

Other Names Used (alias, maiden, nickname) \_\_\_\_\_ YEARS USED \_\_\_\_\_

**Current Address:** \_\_\_\_\_

Street /P. O. Box      City      State      Zip Code County      Dates

**Former Address:** \_\_\_\_\_

Street /P. O. Box      City      State      Zip Code County      Dates

**Social Security Number:** \_\_\_\_\_ **Daytime Telephone Number:** \_\_\_\_\_**Driver's License Number:** \_\_\_\_\_ **State of Issuance:** \_\_\_\_\_ \***Date of Birth:** \_\_\_\_\_ \***Gender:** \_\_\_\_\_

\* Providing DOB and gender information is strictly voluntary. This information will enable us to properly identify you in the event we find adverse information during the course of our background search.

# Rami R. Abdel-Misih

Home: 515 Broadway APT 3BR, New York, NY 10012 • Mobile (917) 655-4694 • Email rabdelmisih@gmail.com  
Work: 888 7<sup>th</sup> Avenue, Floor 27, New York, NY 10019 • Telephone (212) 287-5334

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## Experience

### Level Global Investors, LLC

*Partner*

**New York, New York**

*September 2005 – Present*

- Sub-sectors include: Casino Operators, Chinese Internet, Gaming Equipment, Lodging, Cruise Lines, Toys, Video Games, Restaurants, Recreational Vehicles, Rental Cars, and have begun to cover Retail.
- A top profit generator in 2009 and 2010. Top ideas in 2009: LVS, EXPE, CTRP, SINA, and CCL. Top ideas in 2010: GENS SP, LVS/1928 HK, BIDU, SINA, and PCLN.
- Maintained approximately \$500m of gross exposure in 2010 and was active in position sizing.
- Developed an investment style that is fundamental and theme driven while also paying close attention to valuation.
- Monitor several different aspects of a stock when evaluating a company, such as catalyst horizon, earnings momentum, sentiment, and technical orientation.
- Use extensive valuation methodologies to evaluate the companies under coverage such as Comparative Multiple Analysis, DCF, and Free Cash Flow metrics among others.
- Traveled internationally to build out a global knowledge base on the respective sectors above and to do further due diligence on focus investments. Travels include: China, Hong Kong, Macau, Singapore, Japan, Korea, United Kingdom, France, Germany and Italy.

### JPMorgan Securities, Inc.

*Associate Equity Research Analyst; Leisure Sector*

**New York, New York**

*July 2001 – September 2005*

- Associate for top ranked leisure analyst (by Institutional Investor, Wall Street Journal, and Forbes) covering 15 companies with an aggregate market capitalization of over \$100 billion.
- Responsible for writing First Call notes, company reports, and industry reports as well as creating and maintaining company financial models and conducting retail channel checks.
- Launched on Polaris Industries in November 2004 as lead analyst with a comprehensive report that provided an earnings outlook, detail on each of the company's different business units, a look at valuation and much more. Was in the midst of picking up coverage of Callaway Golf and Marine Max before leaving the firm to join with Level Global.
- Produced an initiation report on Take-Two Interactive, as well as a 100-page report that included an overview of the toy industry and company update reports on Mattel and Hasbro.
- Communicated investment recommendations to institutional investors, the JPMorgan institutional sales force (through the morning call and 1x1 calls), traders, and the private client group as well as sustained regular contact with management of companies under coverage.

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## Education

### Franklin & Marshall College

Bachelor of Arts Degree

**Lancaster, Pennsylvania**

*May 2001*

Major - Business Administration, Finance Concentration; Minor - Philosophy; Major GPA: 3.5

Varsity Tennis – Four-Year Letterman, First team All-Conference for Singles and Doubles in spring of '99, '00, and '01

Kappa Sigma Leadership Scholarship Award – Outstanding duties performed within the chapter as President ('01)

Delphic Honor Society – Achievement in academics and athletics

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## Licenses/Skills

Level II CFA • Series 7 • Series 63 • Series 86 • Series 87

Microsoft Word, Excel • Bloomberg • FactSet • Reuters

## Interests

Tennis • Golf • Squash • Basketball • Traveling

# Pierre-Yves Guillo

110 Butler Street · Brooklyn, NY 11231 . 1-917-687-1094 . [pyguillo@gmail.com](mailto:pyguillo@gmail.com)

## Experience

**Graham Capital LLC**, Rowayton CT November 2013 – September 2014  
PM in charge of team of 3 traders – seeded w/ 45 MM\$

- Researchs, develops and runs fully automated electronic algorithmic trading systems in FX G10, FX EM and Commodities
- Targets mid-frequency (a few hours to a few days) alpha for large capacity w/ an information ratio (IR) of 1.5 – IR of 2+ when vols are “good”, IR of about 1 when vols are low
- Short track record at GCM – started trading Feb w/ some FX models, by April all FX models deployed, by May trading some Commodity models, by June all FX + Commodity models deployed.
- From 2/2 to 9/23 (ie FX then FX+Commo) IR of 0.9 – however, from 6/1 to 9/23 (FX+Commo) IR of 1.8
- The marked difference of performance is due to i) a constantly strong alpha from Commo and ii) early-in-the-year depressed FX alpha (from abnormally low FX vols), back to its normal by early summer
- Alpha is Short Term Momentum with some Mean Reversion and some Dislocation. Live prices, flow data and implied vols are used to generate multiple signals which are traded in the Cash and/or Future Markets w/ from time to time some Options – methods are agnostic of the underlying and are being ported to Equity Indexes.
- Our systems are Plug & Play requiring at most one-month work to integrate any reasonable aggregator API

**BNP Paribas**, NYC August 2006 – July 2013  
Director – Head of FX Algo Trading – Mid and High Frequencies – 500 MM\$ (BNPP + clients)

- Researched, developed and ran FX fully automated electronic algorithmic trading systems across a broad spectrum of frequencies worldwide
- Headed a team (NYC and SIN) of 2 algo traders, 1 quant and 2 solid algo programmers
- Delivered an Information Ratio of 2-2.5
- Made 1, 5, 10, 20 and 33 MM\$ in years 2007-08-09-10-11
- Full vertically integrated Algorithm Trading Activity
  - Market Made – 60 000 trades per 24 hours, non stop 5/24, 0.3 eur/usd spread 30 MM up any time, 3-4 bln per day, Japan, Korea, Mid East, Europe and North America
  - Internalized positive alpha and alpha-hedged un-desired risk
  - Derived, developed and ran alpha mid-frequency strategies w/ large capacity
  - Executed in the market using high-frequency algos
  - Packaged best strategies as indexes and sold TRS on these indexes for 1% and 20% to Institutional Clients

**FX Concepts**, NYC May 2004 – Feb 2006  
Managing Director

- In charge of Non-Directional Trading Strategies (Options/Vol/Corr/HF Trading)
- PM/Strategist for High Frequency/Algorithmic Trading
- Built and ran HF Trading Strategies, Pattern Analytic Tools and Execution Algorithms on Electronic Platforms
- Ran 2 fully automated 24-hour multi-currency systems on sub-hourly frequencies – IR '05 1.6
- Strategist for Volatility, Correlations and Forward Vol strategies
- ~ \$12 billion/month worth of options (including hedges) traded – IR '04 1.2, IR '05 2.2
- Launched a stand-alone Vol fund

**DB ARS/QTS AM**, NYC (DB spin-off) March 2003 – April 2004  
Managing Director — Principal

- Manage trading/quantitative team of 4+ persons
- QTS AM is the management company for funds: DBCM (following amicable spin-off from DB ARS) & QTS I
- QTS I beat FIMAT Volatility-based Hedge Fund Index in '03
- Develop quantitative trading methods and proprietary algorithms to trade implied/realized volatilities, skews, auto-correlations and correlations across asset classes: Equity Indexes, US & International (UK, France, Germany, Spain and Japan) Single Stocks, Commodities and FX
- Develop set of trading automata to monetize intraday micro volatility in equity markets – ported to FX markets

**Deutsche Bank Absolute Return Strategies (DB ARS), NYC/Summit Director** September 2000 – February 2003

- Head trader and Manager of DB Cross Markets Fund (DBCM) – a volatility/correlation based hedge fund
- Built DBCM from zero to \$85 MM -- Gross performance for '01, '02 and '03 were respectively 9.5%, 7.5% and 1% for an average annualized volatility of 2%
- Developed unique proprietary algorithms/methods/strategies to efficiently monetize volatilities of and correlations between different assets or classes of assets
- Marketed fund in US, Canada and Europe
- Spoke at conferences for Money and Fund-of-Funds Managers on Volatility as an Asset Class

**Veritas Capital Management, Greenwich Trader** April 1999 – December 1999

- Quantitative trading with focus on volatility and correlation markets
- Traded G7 IR & FX markets and occasionally Equity Indexes
- Achieved annual total return of 20.5% with a Sharpe ratio of 2.7
- Trading based on own proprietary systems:
  - Future micro-volatility
  - FX out-right positioning
  - FX vols and correlations trading
  - US/UK/Euro swap butterflies
  - Cad/US bond rolls and off-the-run butterflies
- Developed general risk assessment framework to achieve excess returns in FX trading by taking advantage of information contained in options market —framework readily portable to other capital markets

**CitiGroup, NYC Vice President — Fixed Income Derivatives Trading** May 1997 – March 1999

- Senior trader responsible for US/Canadian interest rate derivative desk
- Half of P/L originated from clients trades other half from position taking
- Traded bonds, futures, swaps, options and exotics in both Canadian and US markets
- Structured exotic deals for customers in collaboration with marketers
- Led design, development and implementation of multi-factor interest rate model — model used to price bermudian options, knock-in/out swaptions, average cms floors/caps
- Developed and used own trading systems for bank's and own accounts
- Practiced fundamental and technical analysis for position taking

**Bankers Trust, London/NYC Vice President — Fixed Income Derivatives Trading** August 1993 – May 1997

- Co-traded European path-dependant option book
- Traded Canadian interest rate derivative book
- Structured exotic deals involving several assets for European and North American accounts
- Developed option pricing models

**NYNEX Science & Technology** — a Bell Labs/Bell Core affiliate — White Plains      January 1988 – August 1993  
Computer Scientist — Developed complex computational algorithms for difficult optimization problems

**Framentec/Teknowledge** — a software start-up — Paris/Palo Alto      May 1986 – January 1988  
Computer Scientist — Designed and implemented artificial intelligence based systems

**University of Toronto**, Toronto      May 1984 – May 1986  
Research Assistant — Designed and implemented statistical methods, computational  
algorithms and electronics/hardware boards to record and analyze extremely fast  
electromagnetic pulses

#### **Education**

**Courant Institute of Mathematical Science**, New York University, NYC USA  
Audited classes of the “Mathematics in Finance” Ph.D. program, 1996-1998

**London School of Economics**, London United Kingdom  
Audited classes in Econometrics and Stochastic Methods, 1995

**Stern School of Business**, New York University, NYC USA  
Executive MBA (dual major in  
Economics/Finance), 1992

**University of Toronto**, Toronto Canada  
MASc. in Electrical Engineering/Computer Science, November 1985

**Ecole Centrale**, Lyon France  
~ MSc. in Mathematics/Physics, September 1983

**University of Upper Normandy**, Rouen France  
~ BSc. in Mathematics/Physics, July 1980 – “Mention Bien” with highest GPA

# TEMAGAMI

CAPITAL MANAGEMENT

January 14, 2012

## Fourth Quarter 2012 Investor Letter

Dear Investor:

We had another very solid year at Temagami. In 2012 our fund increased 10.8% net, and our Founders Class increased 11.9% net. We generated the returns with conservative gross and net exposures of 104% and 46% respectively. Our three year track record is in the following table along with our annual exposures.

	2010	2011	2012	'10-'12
Net Temagami Founders Class Performance*	10.4%	7.4%	11.9%	33.2%
Net Temagami Performance**	9.4%	6.5%	10.8%	29.6%
S&P Performance	19.4%	2.1%	16.0%	40.2%
Average Temagami Gross Exposure	86%	102%	104%	97%
Average Temagami Net Exposure	30%	47%	46%	41%

\* Net Temagami Founders Class Performance is calculated using a management fee of 1.5% and incentive fee of 15%

\*\*Net Temagami Performance is calculated using a management fee of 2.0% and incentive fee of 20%

Our top five 2012 performers on a contribution and performance basis are below. The significant crossover between lists demonstrates the success we had sizing the stocks with the greatest upside.

2012: Five Largest Profit Contributors (Long)	Basis Point Contribution	2012: Five Highest Rates of Return (Long)	Price Appreciation
Cedar Fair (FUN)	355	Prestige Brands (PBH)	73%
Macquarie Infrastructure (MIC)	217	Macquarie Infrastructure (MIC)	67%
Anheuser - Busch S.A. (BUD)	209	Cedar Fair (FUN)	63%
Blyth (BTH)	187	Polaris Industries (PII)	54%
<u>Gildan Activewear (GIL)</u>	<u>148</u>	<u>LeapFrog Enterprises (LF)</u>	<u>50%</u>
Top Five Total	1,116	Top Five Average	62%

Our long portfolio continued to drive very significant outperformance. On a stand-alone basis, the long book's contribution has been particularly powerful for us over the past three years.

Longs: Est Stand-Alone Gross Performance	S&P Performance
2010	45%
2011	16%
2012	30%
	16%

The shorts have also had periods of strong performance. At the end of 2010, we set the goal of improving our performance on the short side. In that year, our shorts generated alpha in only two of our eleven months in operation, but since that period we have outperformed in the majority of months.

# TEMAGAMI

CAPITAL MANAGEMENT

The short category most successful for us has been shorting stocks we used to be long. We were profitable on both the long and short sides in all of these ideas. This year, our top two rate of return shorts, Weight Watchers International (WTW) and LeapFrog Enterprises (LF), were companies we used to be long. WTW was our largest long contributor in 2011, increasing 92%; and LF was among our top 5 long rate of return contributors this year, increasing 50%.

Over these three years, we are pleased with our overall risk management and ability to keep losses in check. The two tools we employ most commonly to do so are: a) maintaining price target discipline in determining sizing and exit points, and b) reducing positions by 50% upon unexpected developments contrary to our thesis. The second of these two has helped keep our losses in check, and also prevented us from becoming overly distracted by large, poorly performing positions.

One way to measure the effectiveness of this strategy in 2012 is to look at rates of return compared to contribution percentages of the top five long winners versus long losers. It shows that our average top five gainers rose at 2x the rate of the corresponding decline of the top losers, but made 4.5x the dollar contribution. This highlights that we optimally sized our top five rate of return gainers, while minimizing the position sizes of our top losers.

2012	Aggregate		
	Avg Price Appreciation	Basis Point Contribution	
Top 5 Gaining Longs by Rate of Return	62%	865	
Top 5 Losing Longs by Rate of Return	-31%	(193)	
Absolute Ratio of Top 5 Gainers to Top 5 Losers	2.0	4.5	

It has been a profound honor to manage your assets, so it comes with great sadness that we are announcing the closure of Temagami Capital Management effective January 31, 2013. Our primary focus on companies undergoing management team changes, new product cycles and balance sheet restructurings has helped us identify companies undergoing significant value creation and this has helped us generate strong results. While our assets under management tripled since inception, they remained beneath the level required to sustain the enterprise. The experience has been highly rewarding and we feel fortunate to have developed relationships with all of you.

Best Regards,



Phil Fisher  
Portfolio Manager  
[pfisher@temagamicapital.com](mailto:pfisher@temagamicapital.com)



Jason Young  
Co-Portfolio Manager  
[jyoung@temagamicapital.com](mailto:jyoung@temagamicapital.com)

# TEMAGAMI

CAPITAL MANAGEMENT

**Temagami Capital Management, L.P.-Founders Class**

**Monthly Performance and Exposure Estimate**

**Month Ending 12/31/12**

<b>Temagami Partners, L.P.</b>	<b><u>Jan 2012</u></b>	<b><u>Feb 2012</u></b>	<b><u>Mar 2012</u></b>	<b><u>Apr 2012</u></b>	<b><u>May 2012</u></b>	<b><u>Jun 2012</u></b>	<b><u>Jul 2012</u></b>	<b><u>Aug 2012</u></b>	<b><u>Sep 2012</u></b>	<b><u>Oct 2012</u></b>	<b><u>Nov 2012</u></b>	<b><u>Dec 2012</u></b>	<b><u>YTD 12/31/12</u></b>
<b><u>Performance</u></b>													
Gross Performance	2.59%	1.88%	2.78%	1.45%	-2.89%	0.55%	1.15%	4.93%	0.14%	-0.66%	2.75%	-1.25%	14.00%
Net Performance	2.20%	1.60%	2.38%	1.24%	-2.48%	0.48%	0.99%	4.24%	0.12%	-0.57%	2.37%	-1.09%	11.90%
S&P 500	4.48%	4.32%	3.29%	-0.63%	-6.01%	4.12%	1.39%	2.25%	2.58%	-1.85%	0.58%	0.91%	16.00%
DJIA	3.55%	2.89%	2.15%	0.16%	-5.82%	4.05%	1.15%	1.04%	2.75%	-2.39%	-0.12%	0.79%	10.24%
Russell 2000	7.06%	2.39%	2.56%	-1.54%	-6.62%	4.99%	-1.38%	3.34%	3.28%	-2.17%	0.53%	3.56%	16.34%
Nasdaq	8.06%	5.59%	4.28%	-1.40%	-7.04%	3.91%	0.20%	4.55%	1.70%	-4.40%	1.39%	0.63%	17.74%
<b><u>Contribution to Gross Performance</u></b>													
Long	5.16%	3.45%	3.48%	1.41%	-4.79%	2.16%	1.58%	5.66%	1.11%	-0.89%	3.86%	0.71%	22.56%
Short	-2.37%	-1.37%	-0.52%	0.21%	2.08%	-1.42%	-0.26%	-0.55%	-0.81%	0.41%	-0.92%	-1.78%	-6.45%
Other	-0.20%	-0.20%	-0.18%	-0.17%	-0.18%	-0.18%	-0.17%	-0.18%	-0.16%	-0.18%	-0.19%	-0.18%	-2.11%
<b><u>Average Fund Exposures</u></b>													
Long Exposure	70.08%	70.30%	78.01%	74.66%	75.25%	74.68%	77.79%	76.55%	68.85%	68.77%	79.65%	81.74%	74.73%
Short Exposure	-26.05%	-24.43%	-26.09%	-25.81%	-26.79%	-28.65%	-30.86%	-31.46%	-31.63%	-31.36%	-31.95%	-32.74%	-29.01%
Gross Exposure	96.13%	94.73%	104.10%	100.47%	102.04%	103.33%	108.65%	108.01%	100.48%	100.13%	111.60%	114.48%	103.74%
Net Exposure	44.03%	45.87%	51.92%	48.85%	48.46%	46.03%	46.93%	45.09%	37.22%	37.41%	47.70%	49.00%	45.72%
<b><u>Historical Performance</u></b>													
	<b><u>Jan</u></b>	<b><u>Feb</u></b>	<b><u>Mar</u></b>	<b><u>Apr</u></b>	<b><u>May</u></b>	<b><u>Jun</u></b>	<b><u>Jul</u></b>	<b><u>Aug</u></b>	<b><u>Sep</u></b>	<b><u>Oct</u></b>	<b><u>Nov</u></b>	<b><u>Dec</u></b>	<b><u>YTD</u></b>
<b>2011 Gross</b>	-1.41%	5.19%	2.79%	2.69%	-0.46%	3.06%	-2.16%	-4.38%	-3.28%	2.61%	4.28%	-0.08%	8.65%
<b>2011 Net</b>	-1.41%	4.63%	2.39%	2.30%	-0.40%	2.64%	-1.86%	-3.77%	-2.81%	2.22%	3.66%	-0.07%	7.35%
<b>2010 Gross</b>		-0.11%	1.88%	6.61%	-6.31%	-2.59%	0.27%	-0.94%	5.62%	0.89%	4.62%	2.34%	12.21%
<b>2010 Net</b>		-0.11%	1.62%	5.63%	-5.43%	-2.35%	0.27%	-0.94%	5.02%	0.76%	3.95%	2.02%	10.38%
													<b>Since Inception</b>

Note - Gross returns are after reduction for 1.5% management fees and fund expenses, but before any charged and or accrued performance allocation to the General Partner. Net returns are after charged and or accrued performance allocation of 15% to the General Partner. Individual results may vary due to timing of contributions, withdrawals, participation in new issues and fee arrangements. All amounts are estimated, unaudited, and subject to adjustment. Comparison to the S&P 500, Russell 2000, DJIA, and Nasdaq are for informational purposes only. The index returns include the reinvestment of dividends. Past performance is not an indicator of future returns. This information is confidential and may not be disclosed without the consent of Temagami Capital Management, LP.

# TEMAGAMI

CAPITAL MANAGEMENT

**Temagami Capital Management, L.P.-non Founders Class**

**Monthly Performance and Exposure Estimate**

**Month Ending 12/31/12**

Temagami Partners, L.P.	<u>Jan 2012</u>	<u>Feb 2012</u>	<u>Mar 2012</u>	<u>Apr 2012</u>	<u>May 2012</u>	<u>Jun 2012</u>	<u>Jul 2012</u>	<u>Aug 2012</u>	<u>Sep 2012</u>	<u>Oct 2012</u>	<u>Nov 2012</u>	<u>Dec 2012</u>	<u>YTD 12/31/12</u>	
<b>Performance</b>														
Gross Performance	2.54%	1.83%	2.74%	1.40%	-2.93%	0.52%	1.11%	4.90%	0.10%	-0.70%	2.71%	-1.30%	13.44%	
Net Performance	2.03%	1.47%	2.21%	1.13%	-2.38%	0.42%	0.90%	3.97%	0.08%	-0.58%	2.21%	-1.06%	10.75%	
S&P 500	4.48%	4.32%	3.29%	-0.63%	-6.01%	4.12%	1.39%	2.25%	2.58%	-1.85%	0.58%	0.91%	16.00%	
DJIA	3.55%	2.89%	2.15%	0.16%	-5.82%	4.05%	1.15%	1.04%	2.75%	-2.39%	-0.12%	0.79%	10.24%	
Russell 2000	7.06%	2.39%	2.56%	-1.54%	-6.62%	4.99%	-1.38%	3.34%	3.28%	-2.17%	0.53%	3.56%	16.34%	
Nasdaq	8.06%	5.59%	4.28%	-1.40%	-7.04%	3.91%	0.20%	4.55%	1.70%	-4.40%	1.39%	0.63%	17.74%	
<b>Contribution to Gross Performance</b>														
Long	5.16%	3.45%	3.48%	1.41%	-4.79%	2.16%	1.58%	5.66%	1.11%	-0.89%	3.86%	0.71%	22.56%	
Short	-2.37%	-1.37%	-0.52%	0.21%	2.08%	-1.42%	-0.26%	-0.55%	-0.81%	0.41%	-0.92%	-1.78%	-6.45%	
Other	-0.25%	-0.25%	-0.22%	-0.22%	-0.22%	-0.22%	-0.21%	-0.21%	-0.20%	-0.22%	-0.23%	-0.23%	-2.67%	
<b>Average Fund Exposures</b>														
Long Exposure	70.08%	70.30%	78.01%	74.66%	75.25%	74.68%	77.79%	76.55%	68.85%	68.77%	79.65%	81.74%	74.73%	
Short Exposure	-26.05%	-24.43%	-26.09%	-25.81%	-26.79%	-28.65%	-30.86%	-31.46%	-31.63%	-31.36%	-31.95%	-32.74%	-29.01%	
Gross Exposure	96.13%	94.73%	104.10%	100.47%	102.04%	103.33%	108.65%	108.01%	100.48%	100.13%	111.60%	114.48%	103.74%	
Net Exposure	44.03%	45.87%	51.92%	48.85%	48.46%	46.03%	46.93%	45.09%	37.22%	37.41%	47.70%	49.00%	45.72%	
<b>Historical Performance</b>														
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>YTD</u>	<u>Since Inception</u>
<b>2011 Gross</b>	-1.45%	5.16%	2.74%	2.65%	-0.50%	3.02%	-2.20%	-4.42%	-3.32%	2.56%	4.23%	-0.12%	8.10%	37.00%
<b>2011 Net</b>	-1.45%	4.42%	2.21%	2.14%	-0.41%	2.45%	-1.80%	-3.60%	-2.68%	2.05%	3.41%	-0.10%	6.48%	29.60%
<b>2010 Gross</b>	-0.15%	1.84%	6.57%	-6.35%	-2.63%	0.23%	-0.97%	5.57%	0.84%	4.58%	2.30%	11.70%		
<b>2010 Net</b>	-0.15%	1.51%	5.27%	-5.16%	-2.35%	0.23%	-0.97%	4.85%	0.68%	3.69%	1.87%	9.36%		

Note - Gross returns are after reduction for 2% management fees and fund expenses, but before any charged and or accrued performance allocation to the General Partner. Net returns are after charged and or accrued performance allocation of 20% to the General Partner. Individual results may vary due to timing of contributions, withdrawals, participation in new issues and fee arrangements. All amounts are estimated, unaudited, and subject to adjustment. Comparison to the S&P 500, Russell 2000, DJIA, and Nasdaq are for informational purposes only. The index returns include the reinvestment of dividends. Past performance is not an indicator of future returns. This information is confidential and may not be disclosed without the consent of Temagami Capital Management, LP.

# TEMAGAMI

## CAPITAL MANAGEMENT

This document is confidential and may not be distributed without the express written consent of Temagami Capital Management, L.P. (“Temagami Capital”), the Investment Manager for the Fund. It is intended for the sole use of the recipient and may not be shown, copied, transmitted or otherwise given to any other person. This document does not constitute an offer to sell or the solicitation of an offer to purchase any security or investment product. Any such offer or solicitation may only be made by means of delivery of an approved Private Placement Memorandum (“Memorandum”) and only in those jurisdictions where permitted by law. Before making an investment in the Fund, prospective investors are advised to thoroughly and carefully review the Memorandum with their financial, legal and tax advisors to determine whether an investment is suitable for them. Investors must meet qualifications listed in the Memorandum to be permitted to purchase interests in the Fund.

Certain information contained in this document constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “target,” “project,” “estimate,” “intend,” “continue” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Temagami Partners, L.P. (the “Fund”) may differ materially from those reflected or contemplated in such forward-looking statements.

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The Fund commenced operations in February 2010 and seeks to generate long-term capital appreciation by principally investing and trading in publicly traded equity and/or equity-related securities. The Fund is designed for accredited U.S. investors. There is no assurance that the Fund will achieve its investment objective.

The S&P 500, Dow Jones Industrial Average (“DJIA”), Russell 2000 and Nasdaq (collectively, the “Indices,” each an “Index”) are stock indices comprised of publicly-traded equity securities. The volatility of each Index may be materially different from the volatility of the Fund. In addition, the Fund’s holdings may differ significantly from the securities that comprise the Indices. The Indices have been included to allow for comparison of the Fund’s performance to that of certain well-known and widely recognized Indices. You cannot invest directly in the Indices.

Past results are no guarantee of future results and no representation is made that an investor will or is likely to achieve results similar to those shown. All investments involve risk including the risk of loss of principal.

An investment in the Fund is speculative and involves a high degree of risk. Opportunities for withdrawal and transferability of interest are restricted, so investors may not have access to capital when it is needed. There is no secondary market for the interests and none is expected to develop. The Fund is concentrated in publicly-traded equity securities and this lack of diversification may result in higher risk compared to a more diversified fund. An investor’s investment in the Fund should be limited to the risk capital portion of its investment portfolio. For a complete discussion of the risks associated with investing in the Fund, please see the Memorandum.

### Certain Risk Factors

The investments are speculative and involve a high degree of risk as more fully described in the “Risk Factors” section of the Memorandum of the Fund. These risk factors include, but are not limited to:

- Phil Fisher has investment authority with respect to the Fund. If Mr. Fisher were to cease to be associated with Temagami Capital, it is likely that the success of its investment program would be adversely affected.
- The Fund is not subject to the same regulatory requirements as U.S. mutual funds.
- Opportunities for redemptions and transferability of interests or shares in the Fund are restricted so investors may not have immediate access to their capital.
- The management and incentive fees and expenses of the Fund may offset the Fund’s investment profits.
- An investor should not invest in the Fund unless it is prepared to lose all or a substantial portion of its investment.
- No assurance can be given that the Fund’s investment objectives will be achieved.
- Past performance is not necessarily indicative of future results, and the Fund’s performance may be volatile.
- The Fund is subject to conflicts of interest as more fully described in the Fund’s Memorandum.

## **Paul J. McCarthy, CFA**

250 Mercer Street, Apt. A-303

New York, N.Y. 10012

(917) 330-8480

[paul\\_j\\_mccarthyiii@yahoo.com](mailto:paul_j_mccarthyiii@yahoo.com)

### **DiMaio Ahmad Capital, LLC** - 277 Park Avenue, New York, N.Y.

#### **1/07 – 1/10 Director and Co-Head of Asset Backed Securities (ABS)**

- Co-Head of an ABS platform that was designed to invest in various ABS sectors, including residential (Subprime, Prime, Alt-A), ABS CDOs, credit card, auto and commercial real estate backed securitizations. ABS was a new business for DA Capital, and I helped to create the infrastructure (analytics, systems, back office integration, etc.) that lead to a successful strategy for DA's flagship funds.
- Responsible for trading all ABS securities, including the ABX and CMBX indices and synthetic single-name ABS credit default swaps.
- Despite a tumultuous environment in the ABS and CMBS markets, as Portfolio Manager and Trader for the group, I generated \$95 million in P&L in 2007 (766% return on average capital) and \$75 million in 2008 (415% return on average capital); 2009 P&L was \$3.4 million (96% return on average capital) as the funds returned capital to investors. I maintained a short bias while the credit profile of residential and commercial property markets deteriorated significantly. Most of the short positions were expressed in synthetic form via ABX, CMBX and ABS CDS.
- Our team created systems to analyze underlying performance data from securitization trusts backed by residential, consumer and commercial collateral. A query tool was created to cull data from Intex to quickly identify performance data across several trusts that could be exported to excel spreadsheets. Default and prepayment curves were utilized partly from this data to stress cash flows and identify the default adjusted yield on each security. We designed our systems to enable review of several positions quickly so as to differentiate performance vectors and adjust our cash flow stress testing accordingly.
- In 2009, I was instrumental in a consulting job at DA Capital for a large Swiss national bank on a residential non-agency mortgage portfolio which consisted of 951 line items with an original face of \$22Billion; the cash flow results were used by senior management and regulators of the bank as a third party opinion on their risk exposure.

### **Clinton Group, Inc. (CGI)** - 9 West 57<sup>th</sup> Street, New York, N.Y.

#### **5/01 – 9/06 Senior Trader and Portfolio Manager**

- Senior Trader for multiple hedge fund accounts and Portfolio Manager of a \$6 billion ABS CDO program.
- As a Senior Trader, I managed and traded hedge fund capital allocated to Consumer & Commercial ABS and CLO/CDOs. Positions were interest rate neutral and were hedged primarily with interest rate swaps, treasuries and swaptions. Credit risk was partially hedged synthetically in corporate names correlated to ABS collateral performance. Most positions were actively traded based upon relative value through bid lists and trading with street counterparties (few positions were "buy and hold"). Unlevered hedge fund capital managed ranged from \$100 million to \$200 million, based upon market opportunities. On a levered basis, this equates to \$1-2 Billion of ABS securities. I also identified arbitrage opportunities in CMBS and residential ABS utilizing CDO arbitrage. CGI frequently reallocated hedge fund capital based on these recommendations.
- I assumed the role of CDO Portfolio Manager for CGI's ABS CDO program in 2003; this program consisted of five managed mezzanine transactions and two static high-grade transactions. My responsibilities included identifying potential arbitrage opportunities as well as defining the optimal transaction structure and marketing for new issue ABS CDOs. Marketing included road shows in the U.S., Europe and Asia and ongoing discussions with investors to support CGI CDOs in the secondary market. Optimizing asset allocation, selling underperforming bonds and maintaining low levels of cash increased CDO equity returns. Assets in the CDOs included several types of ABS, including Consumer & Commercial ABS, Residential ABS, CMBS, CLO and ABS CDOs.
- Due to its success, ABS at CGI became the largest capital allocation in its flagship multi-strategy fund.
- Returns for the ABS capital in CGI's multi-strategy fund were as follows: 2002 8.83%, 2003 14.15%, 2004 19.15%, 2005 11.21% and 2006 10.45% (as of 7/06). Sharpe ratio of 3.23%, standard deviation of 4.28% and 90.2% positive months (7/06).
- Co-chaired monthly credit committees to review analysts' credit work and identify potential collateral trends for trading opportunities (long and short).
- Instrumental in marketing the ABS hedge fund strategy to several fund of funds and private banks in the U.S., U.K. and Europe. ABS was marketed as one of CGI's most successful strategies.
- Involved in all decisions of staffing for ABS and levels of compensation for analysts and traders.

### **Fitch, Inc.** - 1 State Street Plaza, New York, N.Y.

#### **6/00 – 5/01 Director - Asset Backed Securities (ABS)**

- Senior member of the new assets/commercial group, which focused on rating securitizations backed by franchise loans, timeshare receivables, operating company securitizations, intellectual property and other esoteric assets.

### **Duff & Phelps Credit Rating Company (DCR)**

#### **6/99 – 6/00 Assistant Vice President - ABS**

#### **1/98 – 5/99 Analyst**

#### **3/96 – 12/97 Research Associate**

- Analytic responsibilities included: cash flow and excess spread analysis, on-site due diligence with issuers, static pool analysis, presentations to rating committees, documentation review, monitoring DCR's outstanding ratings, hosting investor conference calls, evolving rating criteria and publishing reports on new transactions and sector-specific issues.
- Expanded DCR's analytics by bringing focus to potential risks within the franchise lending industry, such as suspect cash flow analysis, leverage, use of proceeds, non-recurring items, aggressive acquisition financing and collateral strength.
- Authored a Special Report on fixed-charge coverage ratios for franchise lending. This report focused attention on different cash flow methodologies utilized among issuers and proposed a standardized methodology for the marketplace. The report further identified the lack of standardized cash flow calculations and the means by which issuers could manipulate the cash flow strength of the underlying obligors. This report was one of the most highly downloaded Special Reports from DCR's website.
- Analyzed and reviewed more than 400 franchise loans to identify financial, collateral and structural risks. Types of financings included: debt refinancing, acquisitions, recapitalizations, leveraged buyouts, sale/leasebacks and synthetic leases.
- Helped create DCR's rating methodology and credit enhancement model for auto lease and franchise securitizations.

**Education**

Hofstra University - Hempstead, N.Y.  
MBA in Banking & Finance (1994)

Bentley College - Waltham, MA  
BS in Finance, Minor in Business Communications (1992)

**Professional** - Chartered Financial Analyst (CFA) and member of the New York Society of Security Analysts (NYSSA)

**Computer Skills** - Microsoft Word and Excel, Intex, Bloomberg

**Interests** - Avid golfer and member of the Mount Kisco Country Club (GHIN Index 3.8), exercise and travel

# Event Driven Investing in Europe and the Emerging Markets

Strictly Confidential

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June 2013

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## I. Executive Summary

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# Introduction

## Centaurus Event Opportunities Fund (CEVO)

- Fund launched in March 2011; seeded with Partners' capital
- International Event Driven mandate, with a focus on Europe, Asia-Pacific and Latam
- Focused on liquid, publicly-listed situations (no privates / pre-IPO investments)
- Market neutral bias with the ability to deviate within a +/-25% band
- Proactive trading and investment approach
- Full transparency to investors
- 15% net return target over the cycle

## The Event Opportunity

- Volatile macro and business conditions forcing corporates to undertake substantial corporate restructurings (e.g. M&A, spin-offs, sale of assets, recapitalisations, cost cuttings, capital returns)
- Cash rich corporate buyers, sovereigns and private equity funds seeking scale, synergies and growth
- Valuations at compelling levels, in particular in Europe
- Asia and Latin America playing an increasingly important role in corporate events

## The Team

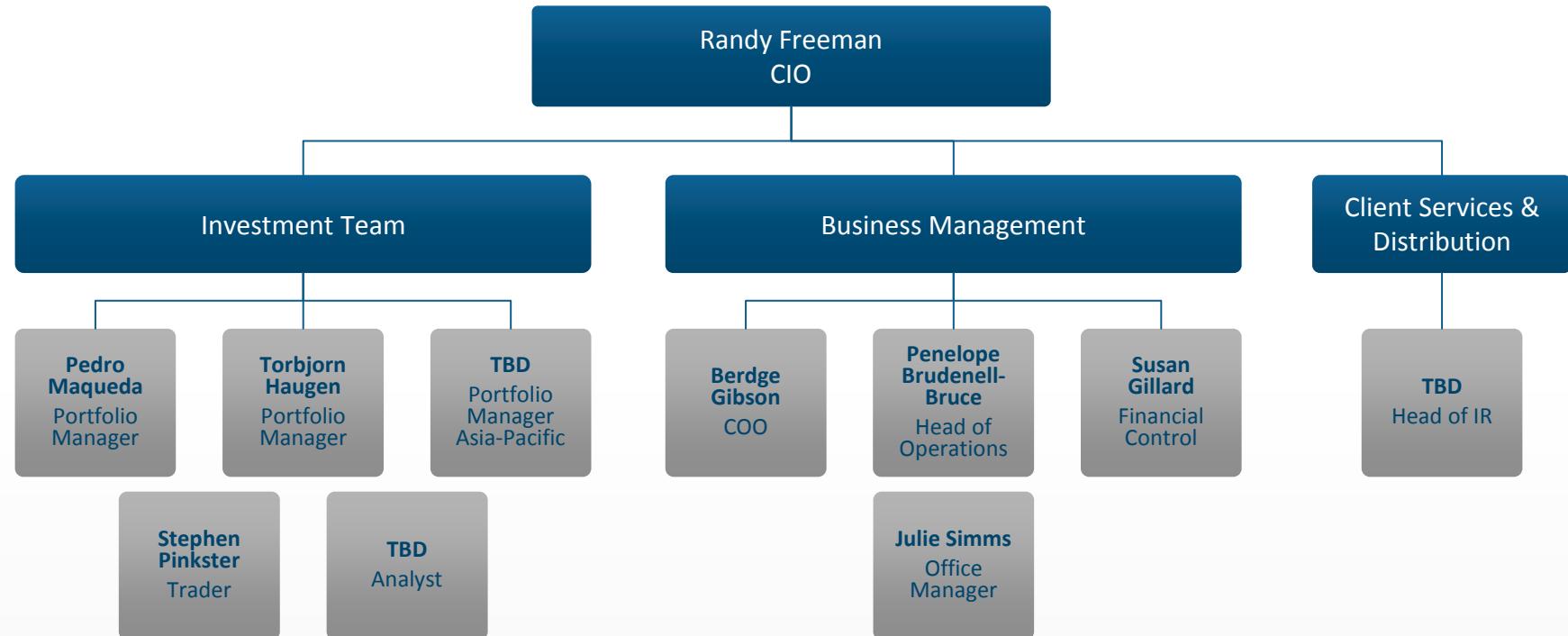
- Experienced team led by Randy Freeman (CIO and co-founder of Centaurus Capital). Core investment team having worked together for the past 7 years
- 3,000+ event driven and risk arbitrage investments in 62 countries
- Over 18 years of audited track record as a Firm

# CIO Background: Randy Freeman

- One of the most experienced international event driven managers, with an 18 year audited track record
- Co-founded and managed Centaurus Capital, a multi-billion dollar hedge fund (peak AUM of c\$5bn in 2007)
- Wide breadth of investment experience:
  - Multi-strategy approach (corporate restructurings, recapitalizations, capital structure arbitrage, long/short with catalysts, risk arbitrage)
  - Across the liquid capital structure (equity, debt and derivatives)
  - Broad array of geographies (investments in over 60 countries)
- Recruited, managed and mentored numerous investment and operational professionals at all experience levels

Background		
2008+	Chief Investment Officer	Centaurus Capital, London/HK
2000 – 2008	Co-Founder, Co-Chief Investment Officer	Centaurus Capital, London
1997 – 2000	Co-Head of Risk Arbitrage Division	Paribas, London
1995 – 1997	Risk Arbitrage Investment Manager	Paribas, London
1993 – 1995	Associate, Private Wealth Management (formerly PCS)	Goldman Sachs, Chicago
1989 – 1993	Associate, Asset Management Division	Goldman Sachs, New York/Chicago
Education:	MBA University of Chicago; BBA Loyola University	

# Organisational Chart



- 62 years of total relevant experience
- Core investment team working together for the past 7 years

- 70 years of total relevant experience
- Strong continuity of process: COO and Head of Operations working alongside Randy Freeman for 7 and 16 years, respectively

# What sets us apart

1

**Successful two-decade long audited track record in Event Driven investing across the capital structure, with 3,000+ investments in 62 countries**

2

**Pioneers in exporting our Event Driven Approach into new geographic markets (Europe, Asia-Pacific, Latam, MEA)**

3

**Unique understanding of event dynamics**

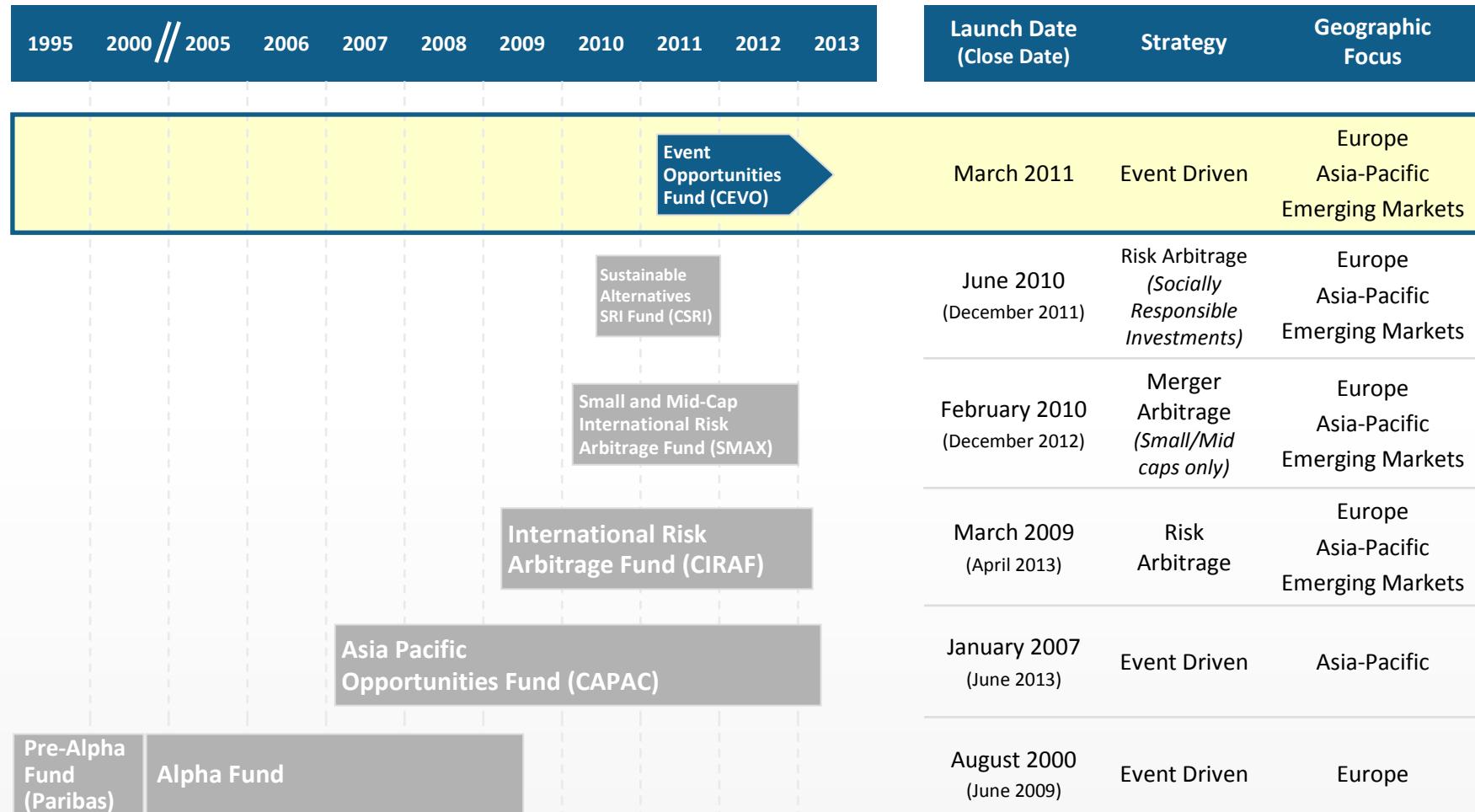
4

**Focus on less crowded investment opportunities**

5

**Proactive approach to investments**

# Evolution of the Centaurus Funds



Note: Excluding 6 managed accounts in addition to the existing funds above

# Changes Implemented to our Business

Preparing Centaurus for the future: simplicity, efficiency, back-to-basics approach

Previous Set-Up (2009-2013)		New Set-Up (2013+)	
Firm Structure	Overly complicated Firm structure, with multiple funds and managed accounts		<b>1 Fund</b>
Investment Strategy	Main focus on global risk arbitrage strategies (hard catalysts only)		<b>100% multi-strategy event driven in our core markets</b>
Team	Total staff of 30		<b>Target total staff of 9-10</b>
Cost Base	Large team, multiple offices, disproportionate real estate space		<b>1 team/1 office in new London premises</b>
Operations/ IT	Reliance on in-house operating model		<b>Strive for 'best in class' scalable backbone Outsourcing where it makes sense</b>

# Our Path Forward

- Simplicity
  - ✓ One Fund
  - ✓ Back-to-basics: broad event driven investing in our core geographies of Europe and the Emerging Markets
- Efficiency
  - ✓ Reduction in cost base – secure viability of the Firm
  - ✓ Strive for best in class operational backbone, outsourcing where it makes sense
- Accountability
  - ✓ Change in Firm ownership
  - Significant partners' assets and working capital committed to the Firm

## **II. The Centaurus Event Opportunities Fund**

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# Investment Philosophy

## 5 core principals form the philosophy of our Event Driven Approach

### Fundamentals & Event Dynamics

We employ a bottom-up approach to our research and investment selection, combining fundamental research with analysis of the event dynamics; identification and timing of the catalyst are key

### Non-consensus

We seek ideas in less-trodden paths, avoiding crowded trades and favouring opportunities in our core European and Emerging markets, and those companies lower down the market capitalisation scale

### Flexible

We remain flexible to best navigate changes in market conditions; e.g. during high market volatility and lower event visibility we can increase our exposure to "harder" catalyst investments and/or adjust net beta exposure and leverage

### Protect Capital

Risk Committee and CIO run a structured risk management process to ensure all investment guidelines are adhered to and that hedges are matched at an individual position level with portfolio overlays as required, incorporating our macro view

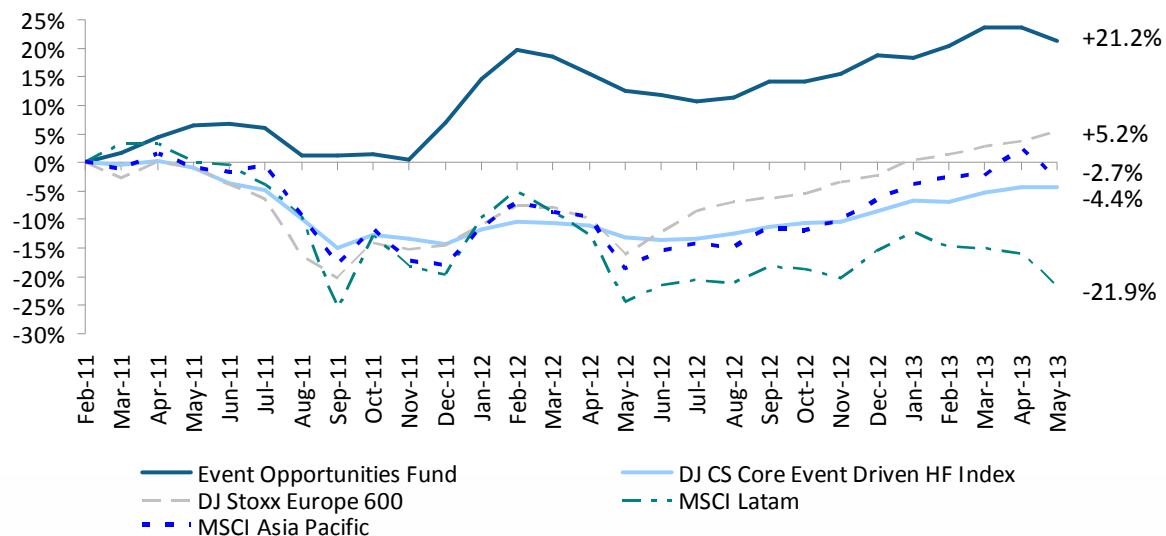
### Proactive Approach

Our approach seeks to increase returns of our investments by engaging with management teams, other stakeholders and third parties to enhance shareholder value

# Fund Performance

- Launched in March 2011
- International Event Driven, with a focus on Europe, Asia Pacific and Latin America
- Soft and hard catalyst trades
- Liquid securities only
- Market neutral bias with the ability to deviate within a +/-25% band
- Monthly liquidity, 2 month notice
- Seeded with partners' capital

## Fund Performance vs. Benchmarks<sup>1</sup>



Monthly Performance													
Euro Share Class	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011			1.72%	2.64%	1.94%	0.24%	-0.67%	-4.45%	-0.12%	0.26%	-0.97%	6.60%	7.02%
2012	7.15%	4.42%	-0.96%	-2.52%	-2.61%	-0.72%	-0.92%	0.57%	2.40%	0.15%	1.09%	2.75%	10.88%
2013	-0.27%	1.64%	2.84%	-0.10%	-1.92%								2.14%

Volatility <sup>2</sup>				
	2011	2012	250D	Inception
Centaurus Global Event	7.0%	10.0%	10.2%	10.8%
DJ Stoxx Europe 600	22.7%	15.2%	14.2%	19.0%
S&P 500	23.8%	12.7%	13.3%	19.0%
MSCI Asia	21.6%	13.3%	12.6%	18.7%

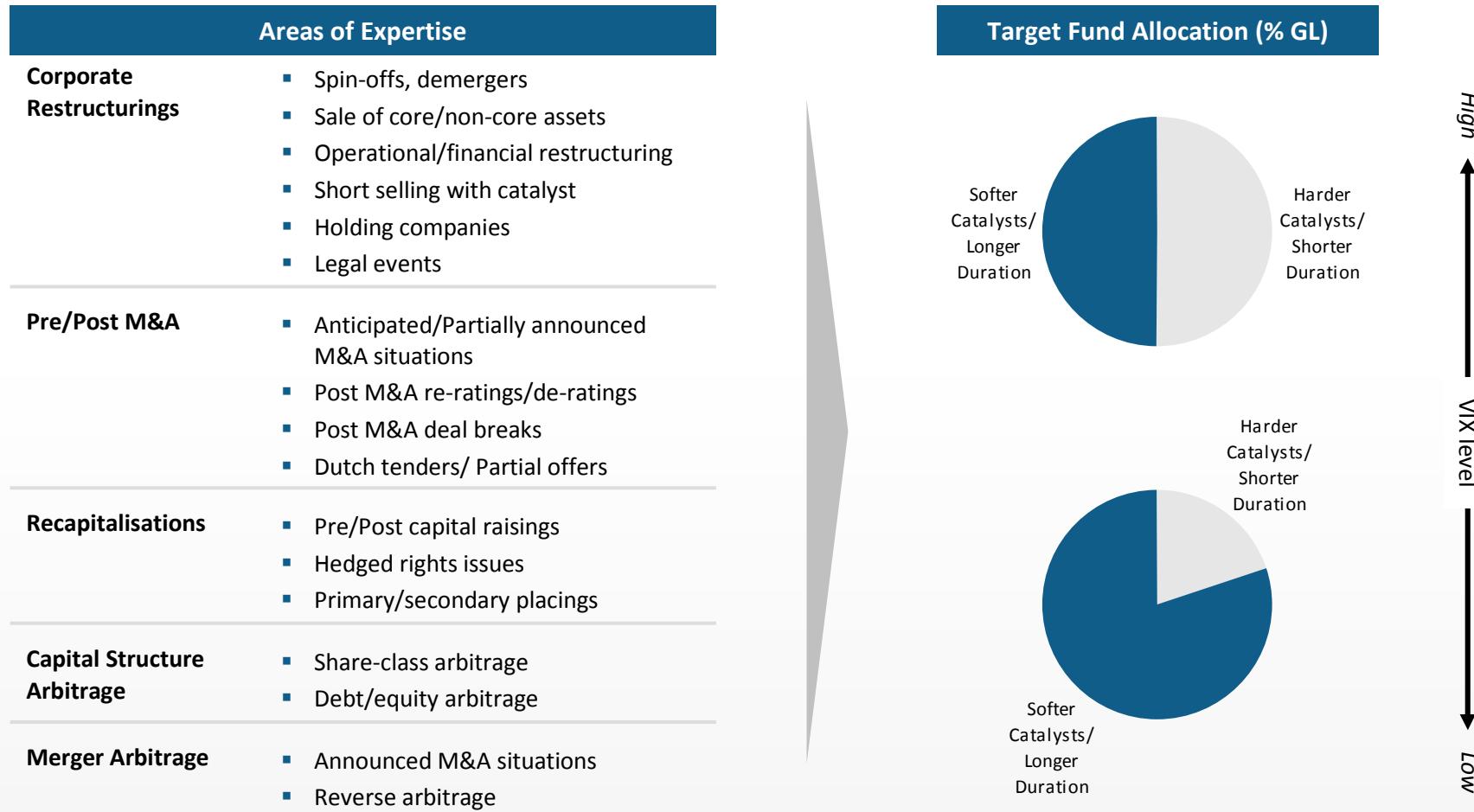
Correlation Daily <sup>2</sup>				
	2011	2012	250D	Inception+
DJ Stoxx Europe 600	16.97%	5.73%	5.35%	9.97%
S&P 500	n/a	-2.07%	1.64%	4.35%
MSCI Asia	n/a	6.26%	6.77%	10.07%

1. Returns for DJ Stoxx Europe 600 Index, DJ CS Core Event Driven Index, MSCI Asia Pacific Index and MSCI EM Latin America Index (together, the "Indices") as provided by Bloomberg. There are significant differences between the Fund's investments and the investments included in the Indices. The Indices do not reflect the reinvestment of income or dividends and the Indices are not subject to any of the management fees or expenses. It should not be assumed that the Fund will invest in any specific securities that comprise the Indices, nor should it be understood to mean that there is a correlation between the Fund's returns and the Indices' returns. The Indices are included for comparison purposes only.

2. Source: Centaurus Capital internal estimates

# Multi-Strategy Event Driven Portfolio

Focus on soft and hard catalyst situations in liquid securities across the capital structure



# Our Core Markets

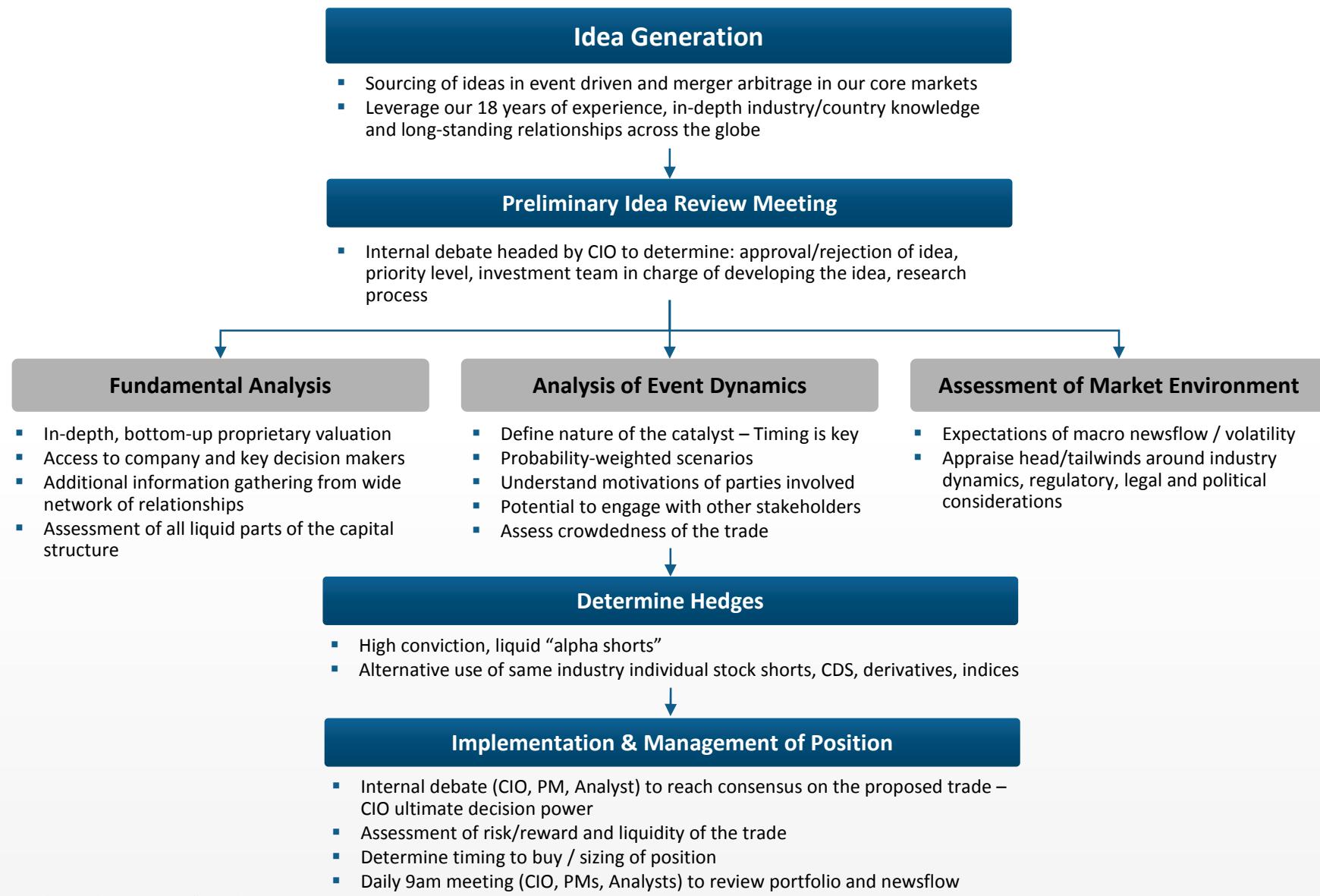
**Emphasis on European event opportunities, with a selective approach to emerging markets**

	Core Markets	Target Fund Allocation (% GL)
Europe	<ul style="list-style-type: none"><li>▪ Early investors in European events since the mid 1990's</li><li>▪ 2,500+ investments in event and merger arbitrage situations</li><li>▪ Deep understanding of macro, political, regulatory and corporate risks</li><li>▪ Strong pipeline of event ideas as corporates continue to restructure and adapt to ongoing volatile environment</li><li>▪ "Crowdedness" at low levels as investors shy away</li></ul>	<b>60-70%</b>
Asia-Pacific	<ul style="list-style-type: none"><li>▪ Early investors in Asia-Pacific events since late 1990's</li><li>▪ Randy Freeman responsible for the launch of the Centaurus Asia-Pacific Opportunities Fund in 2007</li><li>▪ 500+ investments in event and merger arbitrage situations</li><li>▪ Asia today = Europe 10 years ago = US 20 years ago</li><li>▪ Very uncrowded markets across the region</li></ul>	<b>15-20%</b>
Latin America	<ul style="list-style-type: none"><li>▪ Focus market since 2008</li><li>▪ 60 investments in event and merger arbitrage situations</li><li>▪ Focus on more liquid yet still uncrowded markets of Brazil, Mexico, Chile</li></ul>	<b>10-15%</b>
North America	<ul style="list-style-type: none"><li>▪ Focus on merger arbitrage situations only, with a Europe/Asia/Latam angle</li></ul>	<b>5-10%</b>

### **III. Investment Process**

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# Investment Process



# Portfolio Construction

## Positions

- Targeting 20 – 30 positions
- Combination of event driven and merger arbitrage investments driven by the opportunity set and our risk/reward analysis
  - Event driven: Bottom-up approach across all sectors in our core markets
  - Merger arbitrage: Focus on more complex deals or situations with optionality not priced-in
- All positions driven by senior portfolio managers
- Equities are our core exposure but capable of selectively invest in other liquid parts of the capital structure

## Geography

- Focus on our core markets of Europe, Asia-Pacific and Latin America
- Europe majority of total exposure

## Sizing

- Size positions on the risks inherent in each situation and the downside if deal is not consummated
- Target minimum of 1% NAV positive contribution in event driven trades
- Maximum 15% of gross long

## Net Exposure

- Market neutral bias with the ability to deviate within a +/- 25% beta adjusted band

## Trading

- Active portfolio management and trading of all positions and hedges

## Holding Period

- Event driven: 6 – 9 months
- Merger arbitrage: 3 – 6 months

## Exit

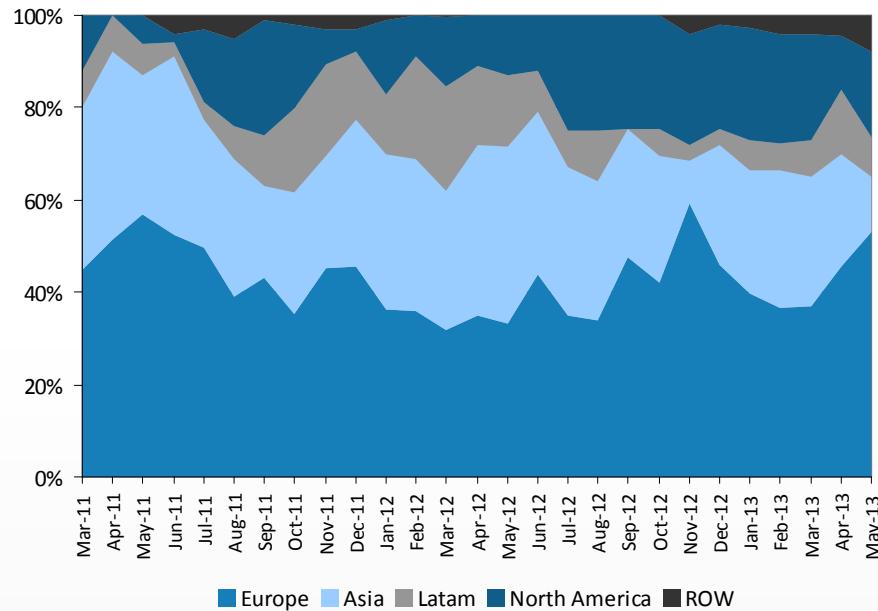
- Sell positions when expected IRR is reached; or if catalysts deteriorate / risk/reward becomes unattractive

## Returns

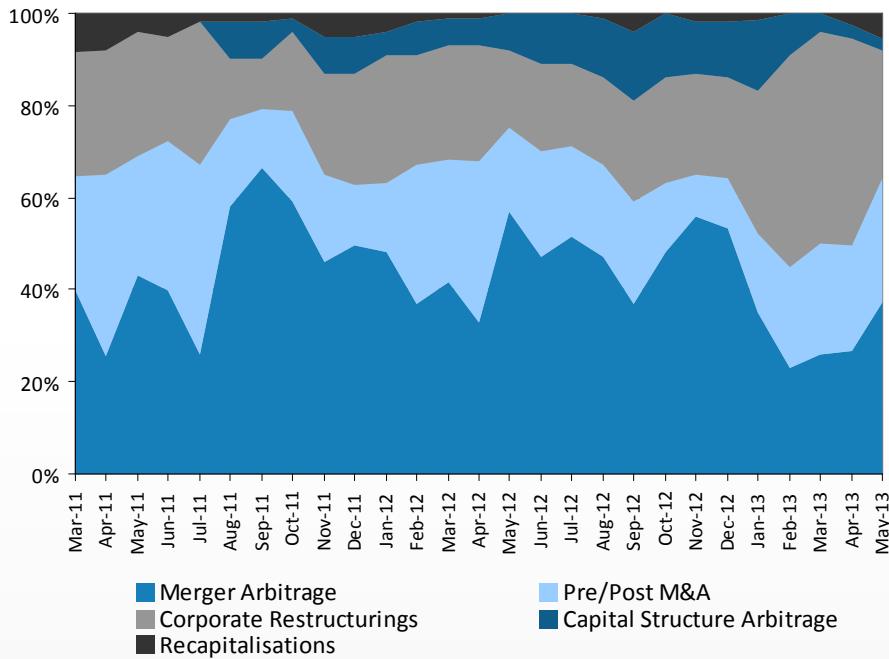
- Targeting mid-teen net returns across the cycle
- Targeting annualised volatility of 5-10%

# Portfolio Construction

**Portfolio Breakdown by Geography  
(based on long value)**



**Portfolio Breakdown by Strategy  
(based on long value)**



*Note: Past data regarding use of leverage, portfolio construction and Fund exposure does not guarantee that future leverage, portfolio construction and Fund exposure will be the same, as the exposure presented may have been significantly impacted by non-recurring market or economic conditions and hence, may not be capable of being replicated*

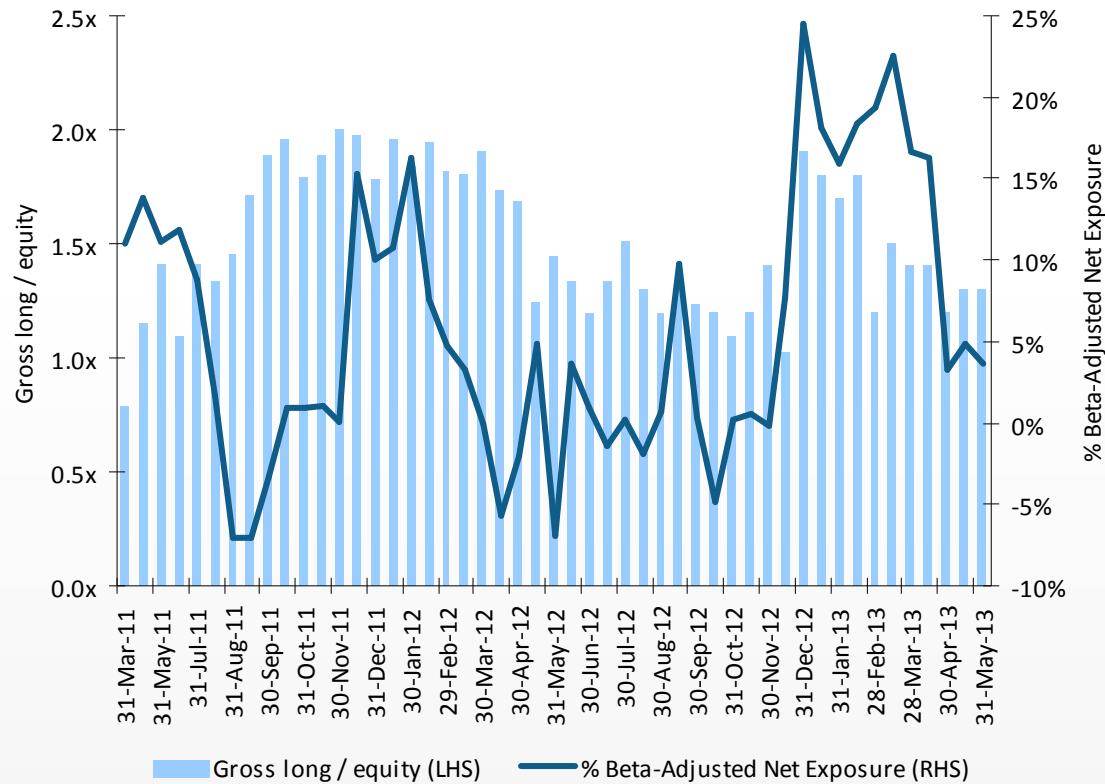
# Portfolio Construction

We adapt the leverage and beta-adjusted net exposure of the portfolio to changing market conditions

## Mechanisms to Adjust Risk

- Shift portfolio from softer to harder catalyst events
- Adapt leverage
- Adjust net beta exposures

## Portfolio Leverage and Beta-Adjusted Net Exposure (since Fund inception)



Note: Past data regarding use of leverage, portfolio construction and Fund exposure does not guarantee that future leverage, portfolio construction and Fund exposure will be the same, as the exposure presented may have been significantly impacted by non-recurring market or economic conditions and hence, may not be capable of being replicated

# Hedging

**Disciplined, dynamic risk management and hedging process**

## Portfolio Overlay Hedging

- Mitigate against extreme market volatility/dislocation
- Nominal premiums paid through the use of derivatives and CDS
- Embedded portfolio protection via strategies such as reverse arbitrage, rights issues
- Adjust leverage and beta-adjusted net exposure of the portfolio to changing market conditions

## Event Driven Hedging

- High conviction and relevant single stock shorts
- Selective use of indices
- Liquid derivatives (CDS, options) to enhance protection
- Use of options strategies

## Merger Arbitrage Hedging

- Share mergers hedged by selling acquirer short in the exchange offer ratio
- Cash deals hedged on case by case basis, use zero beta by default (adjusted when appropriate)
- Embedded portfolio protection (e.g. reverse arbitrage)
- Tactically deviate from traditional arbitrage hedging ratios; Hedging using derivatives and/or competitor securities / conviction shorts

# Risk Management

## Event Driven: Stop Losses

- 2 levels of stop-losses per position:
    - (a) 10% loss level, a thorough review of the investment thesis;
    - (b) 20% loss level, our default is to exit the position unless there is a significant mitigating factor
  - Loss limits on every position of maximum [2]% of portfolio equity
- 

## Merger Arbitrage: Loss Mitigation

- To quantify the potential downside, we start with the undisturbed share price(s) linked to a basket of comparable securities on a beta adjusted basis. We make additional adjustments for crowdedness, liquidity and market multiples
  - No probability adjustment of our potential downside calculation
  - Loss limits on every position of maximum [2]% of portfolio equity
- 

## Diversification

- Securities of a single issuer will not exceed 15% of portfolio gross long
  - Daily assessment of overall portfolio concentration: sub-strategy, security, sector, country
- 

## Liquidity

- No investments in private, illiquid or unlisted debt/equity securities
  - We anticipate being able to exit each investment in 60 trading days assuming a 20% participation of the average daily trading volume
- 

## Leverage

- Capped at 2x (gross long / equity)
- 

## Company Ownership

- Overall firm ownership limit on single securities of 10% of capital
-

# Where do we think we can make money?

**Valuation support, visible catalysts, un-crowded trades**

- Cimpor (Portugal)
- Kuka (Germany)
- Genting (Hong Kong)
- Clough (Australia)
- La Polar (Chile)

## **IV. Terms of the Fund**

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# Terms Of The Fund

## Management Fee

A Share class: 2% / A1 Share class\*: 1.5%

## Performance Fee

A Share class: 20% / A1 Share class\*: 15%

## Lock-up

None

## Liquidity

Monthly, 2 months notice

## Transparency

Full transparency for investors

## Prime brokers

Credit Suisse, Deutsche Bank and Goldman Sachs

\* A1 Shares, which are subject to a lower Performance Fee and a Lower Management fee than A shares, will only be issued in respect of the first €100m (or currency equivalent) of subscriptions

## Appendices

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## Appendix A: Background of Centaurus Capital

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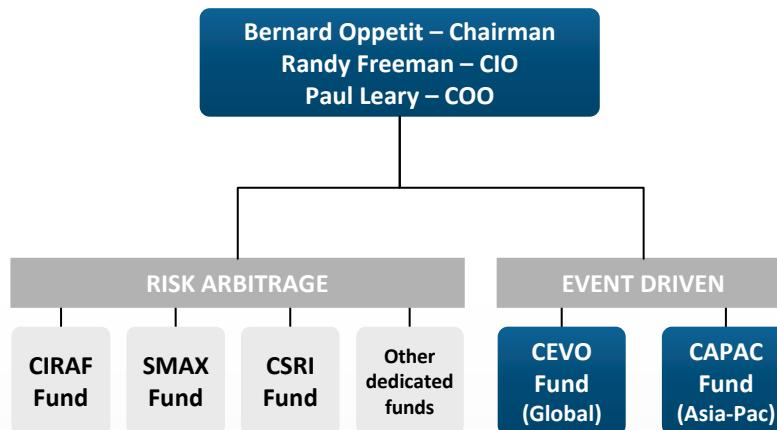
# History of Centaurus Capital

- The Centaurus team was one of the pioneers in international event driven investing, having worked together since 1995 at Banque Paribas
- Centaurus Capital was spun-out of Paribas in August 2000, with BNP Paribas being a significant investor at launch
- At its peak Centaurus had \$5 billion of assets under management (September 2007)
- Having started as a single global multi-strategy event driven fund (the ‘Alpha Fund’), Centaurus evolved during 2008/09 into a multi-fund group led by Randy Freeman
- We became overly complex as a business over the past 3 years and took the decision in 2013 to concentrate on one fund, the **Centaurus Event Opportunities Fund (CEVO)** – a single best ideas event driven Fund dedicated to Europe and the Emerging Markets, launched in March 2011

# Simplification of the Business

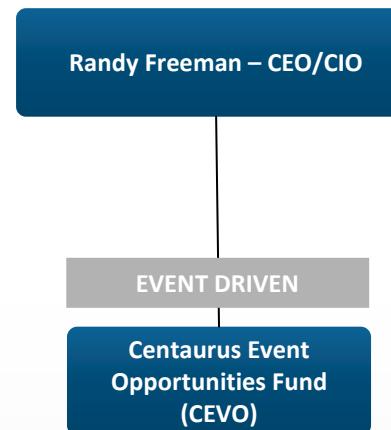
## Reduction in number of funds

### Previous Firm Structure (2009-2013)



# Personnel	London	Hong Kong	Total
Investment	9	3	12
Trading	2	1	3
Infrastructure	14	-	14
<b>Total</b>	<b>25</b>	<b>4</b>	<b>29</b>

### New Firm Structure (2013+)



# Personnel	London
Investment	[3-4]
Trading	[1]
Infrastructure	[2-3]
<b>Total</b>	<b>[6-8]</b>

# Challenges encountered during 2012/13

1

## Decline in firm-wide assets

- AUM loss driven by redemptions in our pure risk arbitrage products primarily, which represented the bulk of our assets
- Drop in our risk arbitrage returns since 2010. After a very strong 2009, backdrop for risk arbitrage strategies became very difficult from mid 2010 with the onset of the European crisis: historically low M&A volumes, low interest rates/tight arbitrage spreads, high level of deal failures. We underestimated how long the M&A drought would last
- Firm-wide we had a very concentrated investor base (top 4 investors represented c65% of total firm assets). Furthermore, starting mid-2012 our initial sponsors/Centaurus backers at all those 4 investors changed roles or left their respective firms

2

## Inability to raise money for our Global Event Opportunities Fund\*

- Firm seen as too complex, with too many funds
- Declining firm-wide AUMs and a high cost base meant our business viability came into question
- Desire for investors to see a longer track record
- Marketing of the Fund
- Europe perceived to be “out of bounds” until latter part of 2012

\* Launched in March 2011

# Unwind of the Alpha Fund (2008/09)

- The Alpha Fund liquidity was monthly, 90 day notice, but still considerably more liquid than many peers (many of which had lengthy lockups at the time)
- Shortly after the start of the credit crisis in late-2007, Alpha received c10% redemptions per month, peaking at 40% in September 2008 following Lehman's bankruptcy
- At that point fund AUM was circa \$2.5bn (from \$5bn at its peak)
- The illiquid exposures of the Fund (historically in the 10% to 15% range) increased to over 40% by virtue of the accelerated pace of redemptions
- We canvassed each and every investor, and presented various options (execute the 40% redemption, split our single fund into multiple funds or effect an orderly wind down of the entire Fund) – feedback from these discussions led us to initiate an orderly and equitable complete wind down of our Alpha Fund
- We subsequently called an EGM in order to accelerate the capital repayment *pari-passu* to all investors (our gate mechanism required a 10% per monthly repayment). We proposed a return of a “minimum” of 10% per month with a c\$150m side-pocket provision for the most illiquid and sensitive assets
- Virtually all investors’ capital was returned by Summer 2009 (98% of total), with c20% positive performance during 2009. The remainder was returned by July 2011

# Alpha Fund vs. Event Opportunities Fund

## Liquidity

### Alpha Fund

- Blended approach to liquidity
- No liquidity criteria in position sizing
- Invested in pre-IPO / private securities

## Hedging

- Inflexible hedging:
  - 100% intra-industry hedging
  - 100% market neutral
- Market-cap and liquidity mismatches
- Open ended overlay hedges

## Stop Losses & Risk Management

- No stop losses for Event Driven situations
- Less dynamic assessment of deal break value in Merger Arbitrage situations

## Leverage

- Fixed limit of 4x (gross long/equity)

## Trading

- Limited portfolio turnover

### Event Opportunities Fund

- Liquidity of each investment matched to the liquidity of the fund
- Position sizing based on being able to exit each investment in 60 trading days assuming 20% of ADV
- No private or illiquid investments

- Conviction shorts regardless of sector
- Market-neutral bias, with the ability to deviate within a +/- 25% band
- Matching of market capitalizations on hedges
- Fixed downside overlays (long derivatives and CDS)

- 2 level of stop-losses at the position level for Event Driven situations
- More conservative estimates for deal break values for Merger Arbitrage situations (additional discount for crowdedness and liquidity)

- Fixed limit of 2x (gross long/equity)

- Active trading approach

# Alpha Fund vs. Event Opportunities Fund

## Credit

### Alpha Fund

- Invested in less liquid debt instruments
- Invested in longer-term distressed situations
- “Buy and hold” strategy

### Event Opportunities Fund

- Limited to liquid credit – no direct lending/bank debt
- No distressed investments
- Ownership capped at 10% of issuance
- Active trading

## Proactive Investing

- ### Alpha Fund
- Sizable stakes in public companies to create catalyst
  - Longer-term activist campaigns

- ### Event Opportunities Fund
- Maximum company ownership limited to 10% of free float
  - Careful selection of investment “partners”

## Geography

- ### Alpha Fund
- European focus (80% minimum)

- ### Event Opportunities Fund
- Global with focus on Europe, Asia and Emerging Markets

## Staff Incentive

- ### Alpha Fund
- Fixed salary + discretionary bonus

- ### Event Opportunities Fund
- Key staff members having equity interest in the management company

## Transparency

- ### Alpha Fund
- Partial transparency

- ### Event Opportunities Fund
- Full transparency with monthly position-level reporting

## **Appendix B: Centaurus' Funds – Historical Performance**

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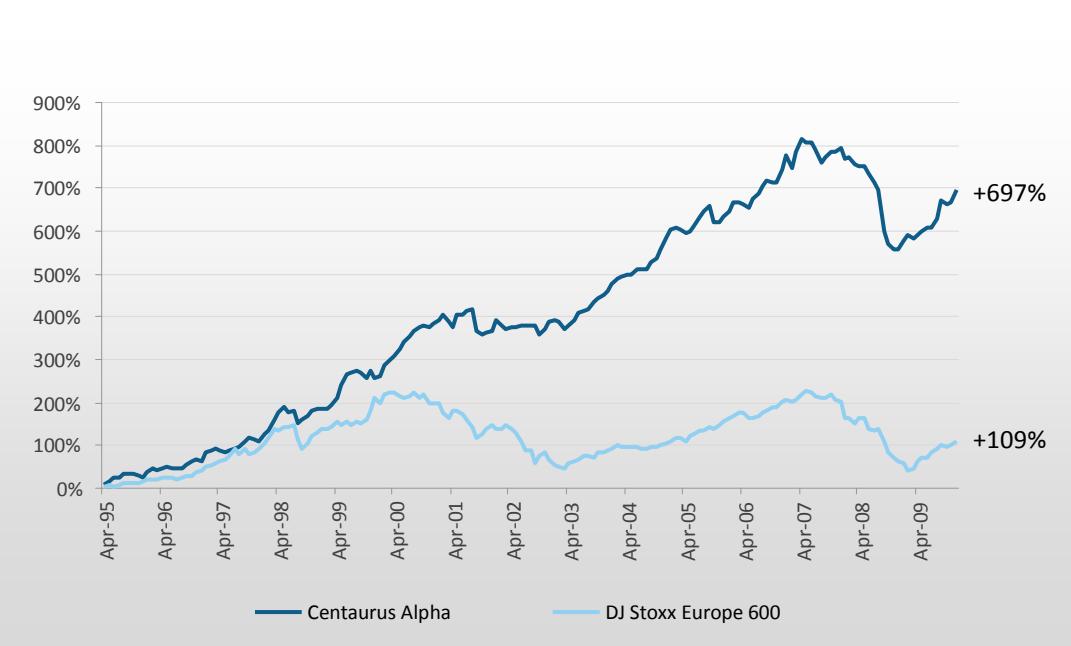
# Pre-Alpha and Alpha Fund (1995-2009)

Launched in August 2000 after a spin-off from Banque Paribas, the Alpha Fund had peak AUM of \$5bn.  
The Fund was unwound during 2009 and capital returned to investors

## Fund Highlights

- Multi-strategy event driven fund
- Focused on Europe and Asia-Pacific
- Mix of liquid, illiquid and private investments
- Exposure to credit / distressed debt
- No fixed limit on leverage
- Sizable stakes in public companies to create catalysts
- Longer term activist campaigns

## Pre-Alpha and Alpha vs DJ Stoxx 600 (until YE December 2009)<sup>1,2</sup>



1. Compounded performance as at end March 2009. From March to July 2009 a combined ordinary share/side pocket return is provided. From August 2009 onwards, as the Fund was unwound, the side pocket only return is used

2. Please see next page for important disclosure and description of how these performance figures were calculated

The above performance relates to a portfolio within Banque Paribas that was managed by Bernard Oppenheim and Randel Freeman during the above-referenced period and for which they utilized substantially the same strategy that they are using for the Fund. Performance information is derived from information provided by Banque Paribas and is intended to be shown on a net basis i.e., after deduction of management fees (assumed to be 2% per annum) and after a monthly performance allocation accrual (assumed to be 20% and realized annually with a traditional high water mark and computed based on the profitability of the portfolio as opposed to the fund). The average total assets (without deducting leverage) managed by the investment team during each of the years referenced is as follows: \$71m (1995); \$69m (1996); \$157m (1997); \$312m (1998); \$648m (1999); and \$702m (2000). These figures are unaudited. Past performance is not a guarantee of future results

# Pre-Alpha and Alpha Fund Track Record

## Pre-Alpha and Centaurus Alpha Fund: Annual and Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	DJ Stoxx 600 Index	YTD	Alpha vs.
<b>1995</b>				8.08%	7.52%	9.34%	0.16%	3.66%	0.23%	0.09%	-1.62%	-2.35%	27.14%	16.86%	10.28%	
<b>1996</b>	8.16%	6.82%	-3.31%	4.54%	2.11%	-2.18%	-2.13%	1.75%	5.09%	4.75%	2.14%	-0.61%	29.81%	20.90%	8.91%	
<b>1997</b>	11.20%	2.55%	1.96%	-0.87%	-2.64%	1.37%	3.75%	0.60%	7.26%	3.89%	-2.23%	-0.71%	28.43%	37.64%	-9.21%	
<b>1998</b>	6.83%	4.33%	11.06%	5.56%	4.01%	-3.52%	0.79%	-10.74%	3.67%	3.98%	4.16%	1.75%	34.77%	18.41%	16.36%	
<b>1999</b>	0.06%	0.28%	3.15%	4.92%	9.44%	7.43%	1.61%	1.50%	-1.68%	-3.08%	3.99%	-3.94%	25.34%	35.92%	-10.58%	
<b>2000</b>	0.80%	7.32%	2.79%	3.06%	3.29%	4.10%	3.40%	2.71%	1.65%	1.16%	-1.58%	2.39%	35.61%	-5.19%	40.80%	
<b>2001</b>	1.93%	2.16%	-3.27%	-2.85%	6.11%	0.14%	2.05%	0.54%	-10.01%	-1.44%	0.92%	0.77%	-3.77%	-16.97%	13.20%	
<b>2002</b>	5.93%	-3.37%	-1.47%	1.10%	0.24%	0.55%	0.32%	-0.22%	-0.40%	-3.81%	2.20%	3.64%	4.39%	-32.47%	36.86%	
<b>2003</b>	1.24%	-1.42%	-3.31%	2.07%	2.39%	3.22%	1.65%	0.68%	2.75%	1.57%	1.97%	1.12%	14.64%	13.68%	0.96%	
<b>2004</b>	3.22%	1.99%	0.63%	1.14%	0.01%	1.70%	0.42%	0.16%	2.55%	1.50%	3.15%	4.18%	22.60%	9.47%	13.13%	
<b>2005</b>	2.53%	1.00%	-0.76%	-1.04%	0.21%	1.93%	2.80%	2.05%	1.74%	-5.06%	-0.20%	1.94%	7.09%	23.51%	-16.42%	
<b>2006</b>	1.68%	2.76%	0.32%	-0.68%	-1.45%	2.95%	1.53%	2.21%	1.93%	-0.59%	-0.10%	3.39%	14.72%	17.81%	-3.09%	
<b>2007</b>	4.08%	-3.29%	4.54%	3.40%	-0.89%	-0.03%	-2.20%	-3.05%	1.51%	1.54%	-0.23%	0.89%	6.05%	-0.17%	6.22%	
<b>2008</b>	-2.83%	0.53%	-1.69%	-0.74%	0.01%	-2.10%	-2.60%	-1.99%	-11.87%	-4.30%	-1.95%	0.15%	-26.21%	-45.60%	19.39%	
<b>2009</b>	2.76%	2.16%	-1.08%	0.94%	1.49%	1.02%	0.17%	2.98%	5.81%	-1.22%	0.61%	3.77%	20.96%	27.63%	-6.66%	

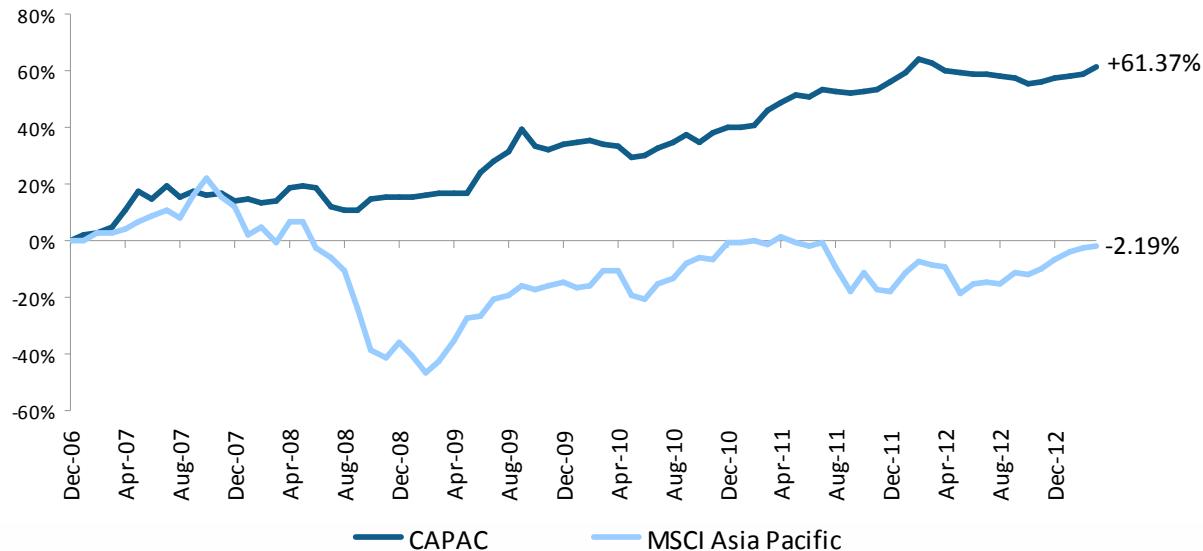
### Basis of calculation of historical performance figures for Alpha track record:

- The net returns have been calculated from the actual returns of trading desk from April 1995 through to May 2000 adjusted by the following assumptions:
  - Capital employed is assumed to be the sum of the average long and short positions divided by an assumed leverage of 4 (meaning long positions equal to 2 to 3 times capital);
  - A net funding adjustment has been made, based on 1% of the short positions and 7.1% on the net long and short positions less the assumed capital;
  - Long investment positions have been valued on last bid and short investment positions based on the last offer, OTC instruments have been valued by an independent broker quote, income has been accrued;
  - Management fees of 2% and performance fees of 20% and expenses have been deducted in calculating net returns;
  - A copy of the report of independent reporting accountants (Ernst & Young) setting scope and procedures is available upon request; and
  - Returns indicated include the reinvestment of dividend and income
- Returns for June - July 2000 and the first 10 days of August 2000 are management estimates, not subject to independent review. Subsequent returns are derived from changes in the NAV of Euro class shares
- Alpha fund returns (September 2000 – March 2009) are indicative of the € share class. From March 2009 until July 2009 is a combined Alpha share plus side pocket. From July 2009 until December 2009 the return represented is from the side pocket only.
- Past performance is not indicative nor a guarantee of future results

# The Asia-Pacific Opportunities Fund (2007-2013)

- Launched in January 2007
- Asia-Pacific Event Driven
- Soft and hard catalyst trades
- Liquid securities only
- Monthly liquidity, 2 month notice

Fund Performance vs. Benchmark



Dollar Share Class	Monthly Performance <sup>1</sup>												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007	2.18%	0.28%	2.41%	5.30%	6.30%	-2.24%	3.81%	-3.39%	1.61%	-0.96%	0.82%	-2.56%	13.85%
2008	0.68%	-0.96%	0.41%	3.81%	1.07%	-1.07%	-5.51%	-1.11%	0.16%	3.72%	0.36%	-0.20%	1.05%
2009	-0.04%	0.99%	0.56%	-0.29%	0.08%	6.26%	3.16%	2.75%	6.10%	-4.21%	-0.82%	1.07%	16.28%
2010	0.75%	0.67%	-1.13%	-0.63%	-2.71%	0.05%	2.16%	1.43%	2.37%	-1.90%	2.47%	1.42%	4.90%
2011	-0.01%	0.41%	3.46%	1.99%	1.60%	-0.01%	1.42%	-0.13%	-0.55%	0.52%	0.46%	1.44%	11.04%
2012	2.09%	3.10%	-0.97%	-1.33%	-0.41%	-0.46%	0.04%	-0.13%	0.43%	-1.19%	0.41%	0.70%	0.92%
2013	0.52%	0.34%	1.77%										2.64%

Volatility <sup>2</sup>			
	2011	2012	250D
Centaurus Asia Pacific	11.0%	7.0%	5.6%
MSCI Asia	21.6%	13.3%	12.6%

Correlation Daily <sup>2</sup>			
	2011	2012	250D
MSCI Asia	32.00%	11.00%	16.00%

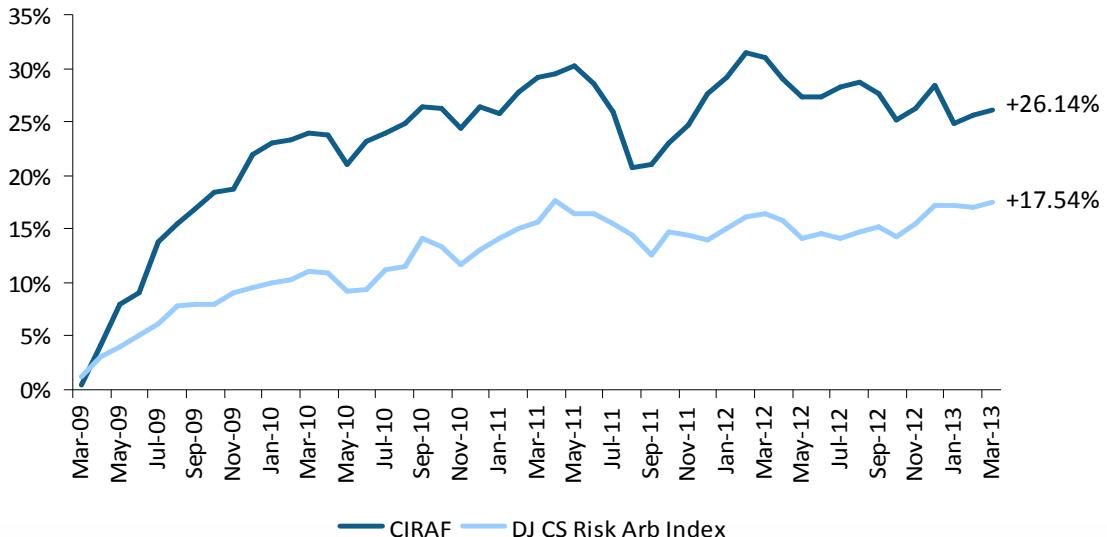
1. The shaded area above reflects derived data rather than actual performance of CAPAC. From January 2007 to July 2007 the figures are based on estimated return data from an Asia fund portfolio constructed as a subset of actual event driven investments in the Centaurus Alpha Master Fund Limited, net of fees of 2% and 20%. A copy of the report of independent accountants (Ernst & Young) in respect of these figures is available on request. From August 2007 to April 2008 the figures have not been externally reviewed and represent the Centaurus Omega Fund Limited NAV adjusted to reflect the impact of charging fees of 2% and 20%. From May 2008 the figures represent actual performance of CAPAC net of fees of 2% and 20% until July 2009 and 1.5% and 15% thereafter.

2. Source: Centaurus Capital internal estimates

# International Risk Arbitrage Fund (CIRAF)

- Launched in March 2009
- International Risk Arbitrage
- Liquid securities only
- Focus on Europe, Asia Pacific and Emerging Markets
- Monthly liquidity, monthly notice

## Fund Performance (since inception in March 2009)



Monthly Performance													
Euro Share Class	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009 - Fee Paying						0.84%	3.68%	1.26%	1.07%	1.10%	0.19%	2.34%	<b>10.91%</b>
2009 - Non Perf Fee Paying <sup>1</sup>			0.41%	3.71%	3.74%	0.98%	4.33%	1.48%	1.26%	1.29%	22.00%	2.76%	<b>21.99%</b>
2010 - Fee Paying	0.75%	0.17%	0.45%	-0.16%	-2.01%	1.63%	0.58%	0.59%	1.08%	-0.15%	-1.21%	1.34%	<b>3.04%</b>
2010 - Non Perf Fee Paying <sup>1</sup>	0.89%	0.20%	0.53%	-0.19%	-2.22%	1.78%	0.68%	0.69%	1.27%	-0.18%	-1.43%	1.57%	<b>3.57%</b>
2011 - fee paying	-0.41%	1.55%	1.03%	0.25%	0.64%	-1.27%	-2.03%	-4.19%	0.24%	1.72%	1.37%	2.35%	<b>1.06%</b>
2012 - fee paying	1.16%	1.82%	-0.41%	-1.46%	-1.39%	0.02%	0.72%	0.38%	-0.79%	-1.99%	0.89%	1.66%	<b>0.53%</b>
2013 - fee paying	-2.72%	0.65%	0.35%										<b>-2.09%</b>

Volatility <sup>2</sup>				
	2011	2012	250D	Inception
Centaurus Risk Arbitrage	8.3%	5.8%	6.2%	6.6%
DJ Stoxx Europe 600	22.7%	15.2%	14.2%	18.6%
S&P 500	23.8%	12.7%	13.3%	18.5%
MSCI Asia	21.6%	13.3%	12.6%	18.3%

Correlation Daily <sup>2</sup>				
	2011	2012	250D	Inception+
DJ Stoxx Europe 600	26.02%	20.50%	14.80%	17.00%
S&P 500	n/a	9.50%	11.40%	8.30%
MSCI Asia	n/a	11.70%	7.50%	18.60%

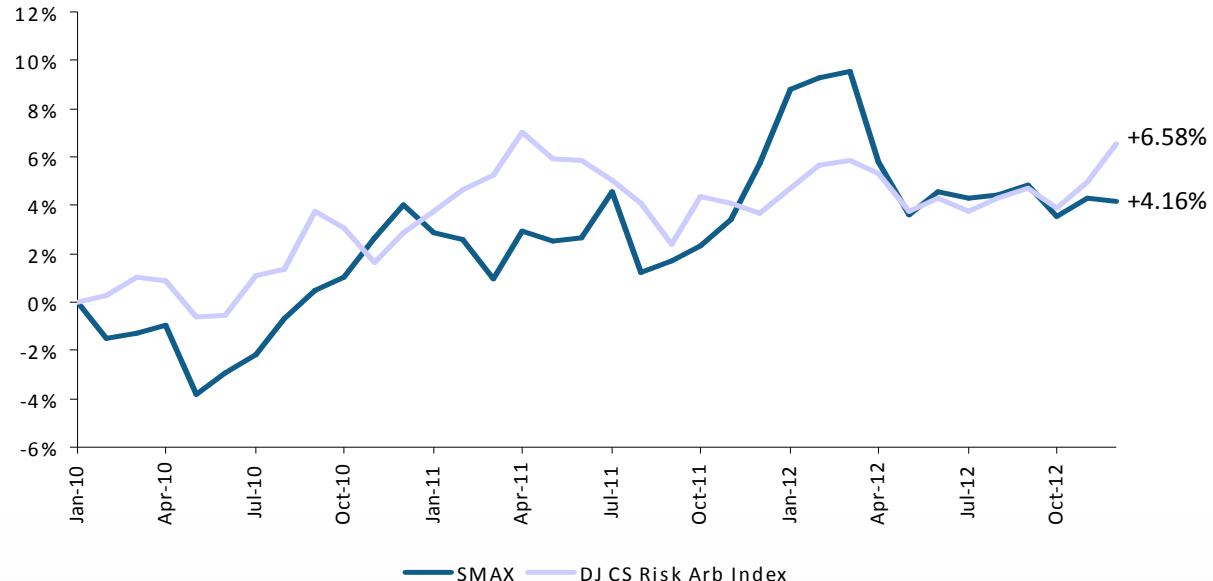
1. Non fee paying class was offered to prior investors in Centaurus Alpha Fund and ended in December 2011

2. Source: Centaurus Capital internal estimates

# Small and Mid-Cap Intl. Risk Arbitrage Fund (SMAX)

- Launched in February 2010
- International Risk Arbitrage  
Small/mid-cap securities only
- Focus on Europe, Asia Pacific and  
Emerging Markets
- Monthly liquidity, 3 month  
notice

Fund Performance (since inception in February 2010)



Monthly Performance <sup>1</sup>													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010 € Fee Paying		-1.52%	0.10%	0.36%	-2.92%	0.96%	0.75%	1.55%	1.20%	0.54%	1.57%	1.35%	4.06%
2010 \$ Fee Paying		-1.48%	0.18%	0.32%	-2.96%	0.95%	0.91%	1.72%	1.08%	0.57%	1.87%	1.22%	4.32%
2011 € Fee Paying	-1.10%	-0.28%	-1.60%	1.98%	-0.39%	0.10%	1.85%	-3.18%	0.50%	0.57%	1.10%	2.19%	1.60%
2011 \$ Fee Paying	-1.17%	-0.44%	-1.69%	1.90%	-0.30%	0.01%	1.92%	-3.39%	0.38%	0.72%	0.82%	2.05%	0.68%
2012 € Fee Paying	2.92%	0.44%	0.23%	-3.37%	-2.09%	0.95%	-0.27%	0.09%	0.43%	-1.25%	0.69%	-0.10%	-1.46%
2012 \$ Fee Paying	2.92%	0.45%	0.21%	-3.33%	-2.21%	1.04%	-0.22%	0.09%	0.44%	-1.13%	0.82%	-0.97%	-2.01%

Volatility <sup>2</sup>												
	2011	2012	250D	Inception	Daily	2011	2012	250D	Inception+			
SMAX	7.47%	6.1%	n/a	n/a	DJ Stoxx Europe 600	22.41%	26.02%	n/a	n/a			
DJ Stoxx Europe 600	22.7%	15.2%	14.2%	18.6%								
S&P 500	23.8%	12.7%	13.3%	18.5%								

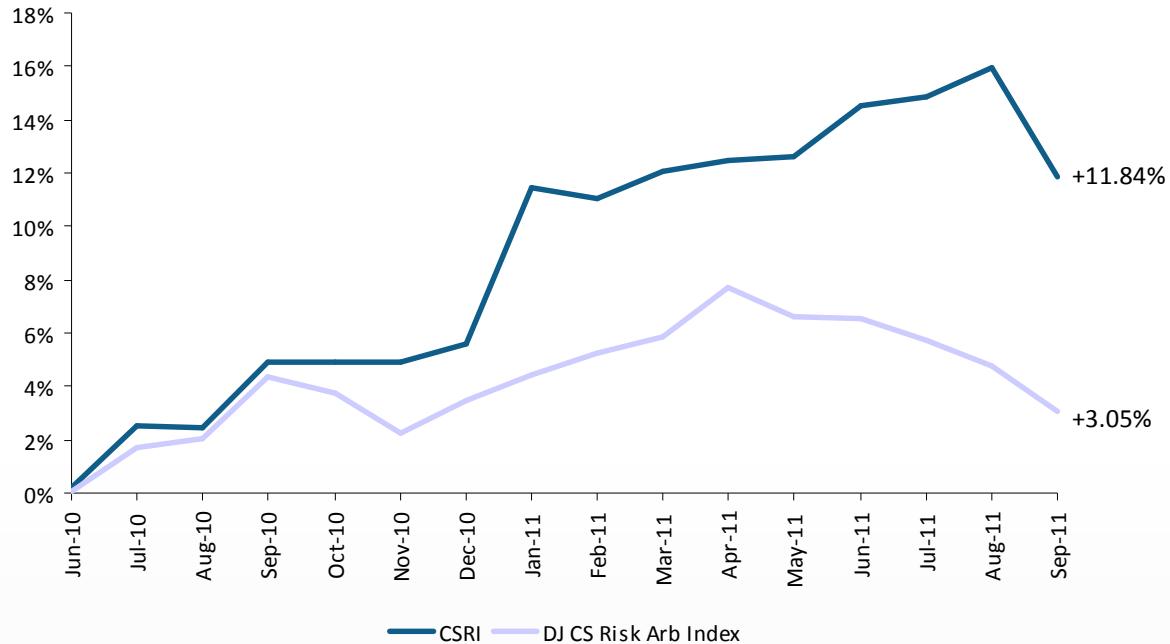
1. The fund launched in February 2010 with partners' capital and opened for external capital on March 1st, 2010

2. Source: Centaurus Capital internal estimates

# Sustainable Alternatives SRI Fund (CSRI)

- Launched in June 2010
- Socially Responsible Investment fund seeded with \$15m from the Harcourt Belair SRI compliant diversified fund of hedge funds
- International Risk Arbitrage
- Liquid securities only
- Focus on Europe, Asia Pacific and Emerging Markets
- Monthly liquidity, monthly notice

Fund Performance (since inception in June 2010)



Monthly Performance													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2010 \$ Fee Paying</b>						0.18%	2.32%	-0.04%	2.37%	0.03%	0.00%	0.62%	<b>5.57%</b>
<b>2011 \$ Fee Paying</b>	-0.36%	0.91%	0.34%	0.17%	1.70%	0.28%	0.97%	-3.57%					<b>0.31%</b>

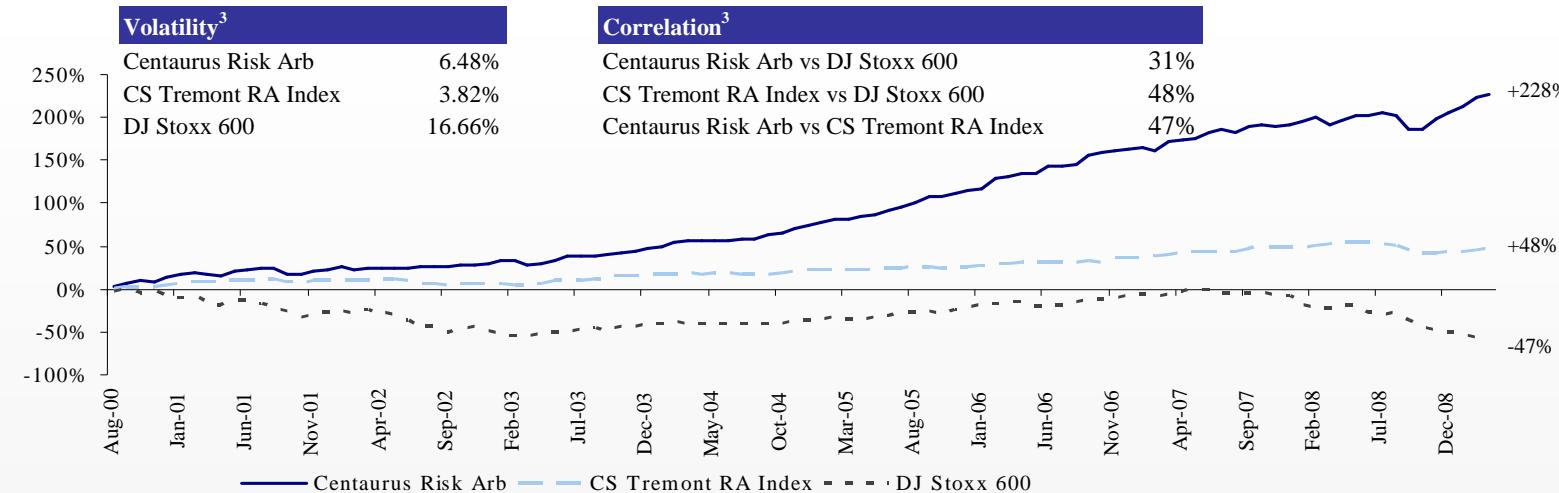
# Alpha Fund – Risk Arbitrage track record only

## Centaurus' Risk Arbitrage Track Record<sup>1,2</sup> (August 2000 – March 2009)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	CS Tremont Risk Arb Index
2000								3.59%	3.09%	3.42%	-1.19%	4.91%	14.50%	4.68%
2001	2.24%	1.86%	-1.86%	-1.21%	4.67%	1.18%	1.31%	-0.27%	-5.86%	0.93%	2.11%	1.93%	6.85%	5.69%
2002	2.90%	-2.99%	1.82%	0.13%	0.19%	-0.47%	1.55%	0.09%	-0.64%	1.80%	-0.36%	2.51%	6.59%	-3.46%
2003	1.81%	0.08%	-3.33%	1.27%	2.53%	3.38%	0.49%	0.00%	1.25%	1.82%	1.02%	1.60%	12.42%	8.99%
2004	2.36%	2.72%	1.22%	0.40%	-0.43%	0.37%	0.81%	0.52%	2.49%	2.00%	2.56%	2.74%	19.20%	5.46%
2005	1.46%	1.73%	0.59%	1.48%	1.46%	2.25%	2.36%	3.06%	3.40%	-0.04%	1.50%	1.31%	22.55%	3.08%
2006	1.41%	5.45%	1.16%	0.85%	0.48%	3.44%	0.04%	1.00%	3.98%	1.50%	0.57%	0.80%	22.59%	8.15%
2007	1.08%	-1.71%	4.03%	1.13%	0.59%	2.07%	1.31%	-0.99%	2.20%	1.08%	-0.84%	0.36%	10.66%	8.77%
2008	1.77%	1.50%	-2.61%	1.24%	2.24%	-0.23%	1.39%	-1.36%	-5.40%	0.07%	4.41%	2.64%	5.40%	-3.26%
2009	1.99%	3.71%	1.14%										6.99%	2.74%

## Relative Outperformance in Risk Arbitrage (August 2000 – March 2009)

Annualised Performance 14.67% 4.62%



1. The following table represents the risk arbitrage segment of the Centaurus Alpha and Omega (Asia) funds. Please see next page for important disclosure and description of how these performance figures were calculated

2. Excludes fees and assumes no leverage

3. Volatility and Correlation figures calculated on monthly returns

# Alpha Fund – Risk Arbitrage track record only

## Important Disclosure

*Past performance of the Centaurus' risk arbitrage positions for the period August 2000 until March 2009 described herein includes risk arbitrage trades from the Centaurus Alpha Master Fund Limited and Centaurus Omega Fund Limited that would fit the profile of announced or partially announced risk arbitrage trades that were implemented in the Centaurus International Risk Arbitrage Fund (the "Fund"). To calculate these returns we have used for each position selected the average capital employed each month for that particular position divided by the gross CIRAF P&L of that strategy (main position P&L and hedges P&L) per month. These figures do not take into account financing costs and the fee structure of 2% and 20% of the Centaurus Alpha Master Fund. Please refer to the Appendices for all trades which have been included in the performance calculations.*

*Estimated returns were derived from what Centaurus Capital believes to be the relevant, comparable actual performance from some investments made in the Centaurus Alpha Master Fund Limited and Centaurus Omega Fund Limited. However, it should not be assumed that the CIRAF Fund or the S-Max fund will invest in any specific securities that Centaurus Capital included in the calculation of returns from the Centaurus Alpha Master Fund Limited and Centaurus Omega Fund Limited nor should it be assumed that there is a correlation between the returns of the Fund and the returns derived from the Alpha and Omega Funds. As a sophisticated investor, you understand and accept the inherent limitations of such performance results and will not rely on them in making any investment decision with respect to the Fund, and will use them only for the purpose of discussing your preliminary interest in investing in a transaction of the type described in these materials.*

*Past performance is not indicative or a guarantee of future results. Investment losses may occur, and investors could lose some or all of their investment.*

# Centaurus' Differentiated Approach to Risk Arbitrage

<b>International Focus</b>	<ul style="list-style-type: none"><li>Invested in 60+ countries since 2000, with a focus on Europe, Asia-Pacific and the Emerging Markets</li></ul>
<b>Seek Exposure to Less Crowded Areas</b>	<ul style="list-style-type: none"><li>Seek to exploit trades in the small and mid-cap sectors and the in the Emerging Markets space</li></ul>
<b>Successful History of Proactive Investing</b>	<ul style="list-style-type: none"><li>Successful track-record in negotiating better terms for shareholders in announced deals and instigating competitive offers</li><li>Future M&amp;A activity will provide further opportunities to maximize shareholders' interests in "low ball" acquisition offers</li></ul>
<b>Search for Optionality in Investments</b>	<ul style="list-style-type: none"><li>We search out hidden optionality in deals: competitive bidders, cash/share alternatives, collars, discrepancies in time to closure, hidden value in spin-offs</li><li>Rights issues generally provide a positive return with (i) an implied put option which acts as a portfolio hedge in a stress scenario and (ii) an implied call option in the form of an oversubscription of unallocated shares</li></ul>
<b>Active Trading and Prudent Deal Selection</b>	<ul style="list-style-type: none"><li>Dynamically manage our portfolio through active trading</li><li>Arbitrageurs' priorities have shifted from "picking the winners" to "avoiding deal breaks"</li></ul>
<b>Reverse Arbitrage/ "Chinese" Investing</b>	<ul style="list-style-type: none"><li>Scan for "riskier" deals with tight spreads, higher probability of termination, high takeover premium</li><li>Reverse arbitrage strategies can generate substantial upside if deal breaks, with a limited downside if deal completes. It also provides a portfolio hedge in a widening spread environment</li></ul>
<b>Tactical and Portfolio Overlay Hedging</b>	<ul style="list-style-type: none"><li>In dislocated and volatile markets, we seek tactical hedges around our risk arbitrage positions as well as cost effective overlay portfolio hedges</li><li>By selecting strong conviction hedges different to those in "classic" all-stock merger arbitrage situations (where only the acquirer is shorted), we attempt to maximize profitability while protecting downside</li></ul>
<b>Assessment of Entire Capital Structure</b>	<ul style="list-style-type: none"><li>We analyze the full capital structure of the target and acquirer to seek the best risk/reward</li><li>Investing in higher tiers of the capital structure or related derivatives can offer similar upside with less downside</li></ul>

# Centaurus' Approach to Merger Arbitrage

- Merger arbitrage investing exhibits particular risks (binary and idiosyncratic), which differ from other investment strategies, and requires a tailored risk management process
- Centaurus employs a rigorous multi-factor bottom-up approach based on our 18 years of experience investing in international risk arbitrage
- At announcement of a merger arbitrage situation, numerous variables are assessed, which based on our experience, have been a priori determinants of deal success
- Our expected probability of completion is then compared to the implied “market’s probability of completion”
- Downside risk is dynamically assessed in the case of deal failure, based on a bottom-up fundamental company analysis coupled with peer benchmarking with idiosyncratic adjustments (i.e. earnings announcements, patents, macro shocks, etc.)

Sample Merger Arbitrage Risk Scorecard

Transaction Variables	Risk Level for Deal Completion		
	Low	Medium	High
Region (worst of target/acquirer)			
Industry (worst of target/acquirer)			
Size of premium paid			
Type of announcement (definitive/non-definitive; friendly/hostile)			
Type of compensation (cash/shares/mix)			
Rationale for deal (strategic buyer/ PE/ minority buy-out)			
Acquirer's price reaction			
Hidden optionality/ Collars			
Regulatory risk			
Financing requirement			
MAC/Deal conditions			
Litigation risk			
Shareholders' votes (target/acquirer)			
Break-up fees			
Time to completion			
Political sensitivity			
Target earnings risk			
Acquirer earnings risk			
General market environment			
Probability for change in terms			
Probability for counter-bid			
Crowdedness factor			

## **Appendix C: The Event Driven Opportunity Set**

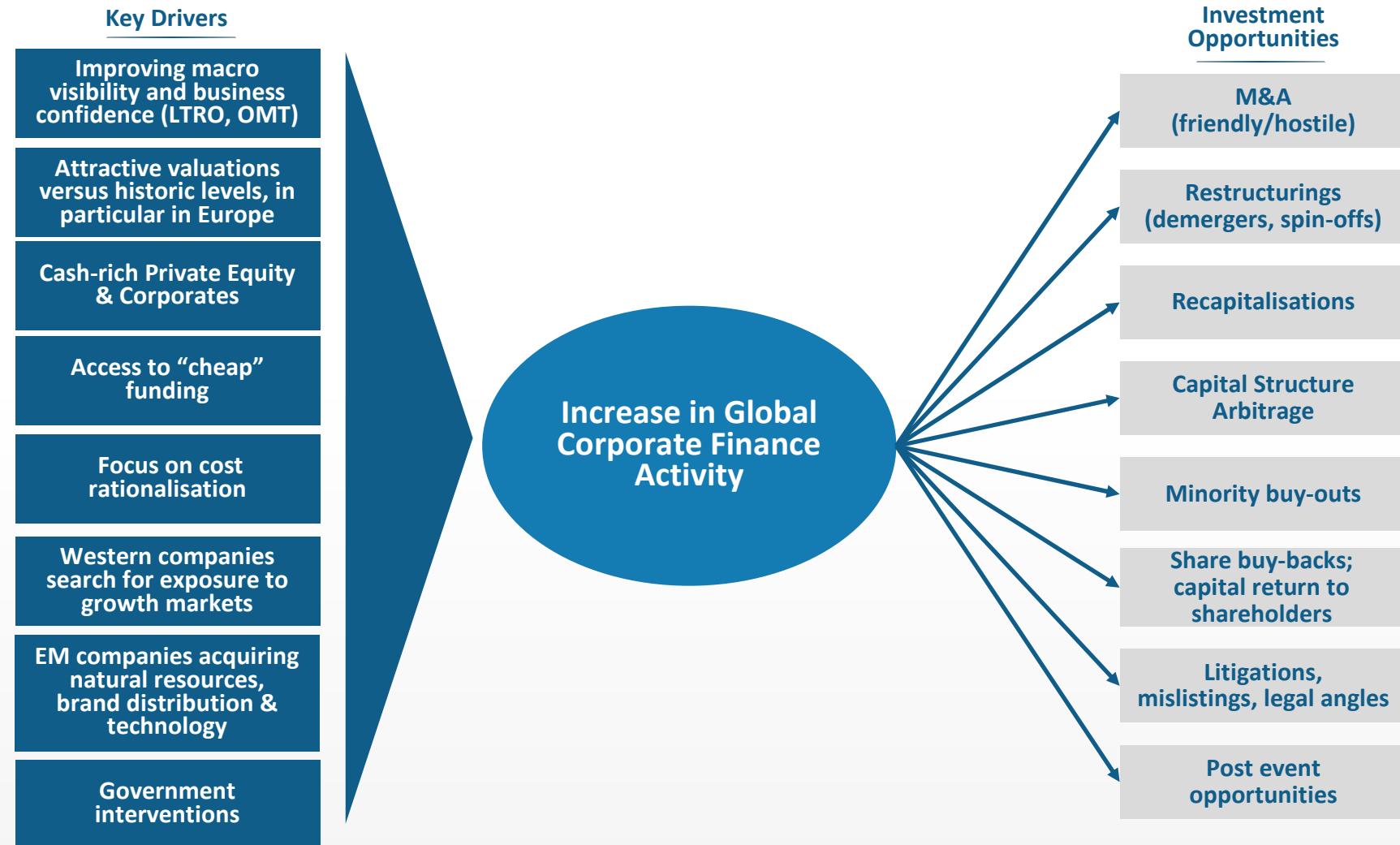
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# The Opportunity Set

## The time for Event Driven investing in Europe and the Emerging Markets

- Change in sentiment in Europe (LTRO, OMT, elections) – despite the volatility, confidence is coming back
- After years of standstill, corporates are undertaking substantial corporate restructurings to address business issues and shareholder pressure to create value
- Cash rich corporate buyers, sovereigns and private equity funds actively seeking scale, synergies and growth
- Valuations at compelling levels, in particular in Europe
- Very favourable financing conditions
- Asia and Latin America continue to show steady growth and are playing an increasingly important role in corporate events
- Uncrowded trades as investors remain underweight Europe

# Drivers of Activity

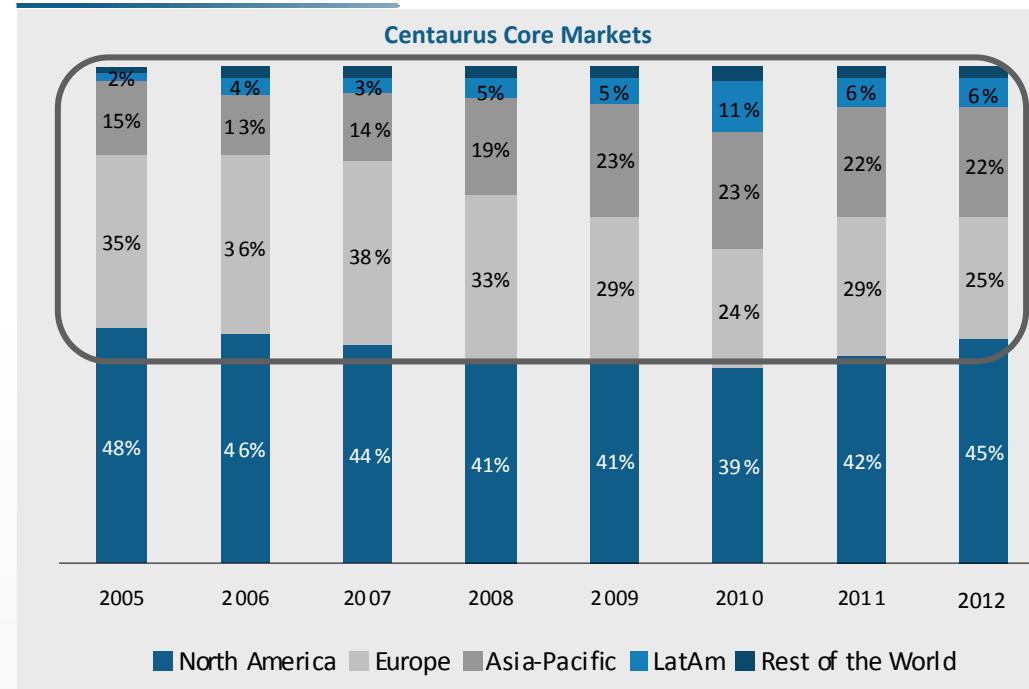


# Globalization of Events

M&A outside North America accounts for >50% of global activity

- The M&A market has become more global, with in-market consolidation increasingly complemented by geographic expansion in the pursuit of emerging market growth
- US and Canada, driven primarily by healthcare, tech and natural resources deals, have witnessed steady M&A volumes
- European M&A has lagged behind other developed markets, driven by macro concerns
- Rest of the World activity, driven primarily by Asia-Pacific and Latin America, is expected to continue at a strong pace

M&A Geographic Breakdown (as % of Total Volume)



Source: Bloomberg, October 2012

# Europe: The Recovery Play

- Risks from peripheral countries partially mitigated by ESM / ECB actions and ongoing austerity measures implementation
- Government intervention in key sectors of the economy to accelerate change
- Increasing availability and lower cost of credit may precede a pickup in corporate activity
- Slow GDP growth environment drives European corporates to explore M&A outside Europe
- Portfolio reshaping is becoming a major thematic as corporates undertake strategic measures such as asset sales, spinoffs, demergers, etc
- Non European buyers more active in the continent given diversification benefits and relative valuation multiples
- Risks remain: slow growth, political agendas, sovereigns/corporates indebtedness, banking sector reform

## Recent Event Activity / Pending Transactions

Pre/Post M&A	Corporate Restructurings	Recapitalisations	Merger Arbitrage
<ul style="list-style-type: none"><li>▪ Gemina (Italy)</li><li>▪ Mediqa (Holland)</li><li>▪ LBI (Holland)</li><li>▪ Kredyt Bank (Poland)</li><li>▪ Cimpor (Portugal)</li><li>▪ Telenet (Belgium)</li></ul>	<ul style="list-style-type: none"><li>▪ ASM International (Holland)</li><li>▪ EXOR/Fiat/FI (Italy)</li><li>▪ Phoenix Insurance (UK)</li><li>▪ Kuka (Germany)</li><li>▪ Groupama (France)</li></ul>	<ul style="list-style-type: none"><li>▪ Banco Popular (Spain)</li><li>▪ BES (Portugal)</li><li>▪ Unicredit (Italy)</li><li>▪ Deutsche Wohnen (Germany)</li></ul>	<ul style="list-style-type: none"><li>▪ Xstrata (UK)</li><li>▪ Aegis (UK)</li><li>▪ Virgin Media (UK)</li><li>▪ Wavin NV (Holland)</li><li>▪ Vueling (Spain)</li></ul>

# Asia: Roaring Back Into Action

- Outbound M&A 1: Japanese corporates have significantly stepped up foreign acquisitions, using a strong yen to buy growth, since their domestic market is saturated and / or shrinking
- Outbound M&A 2: Chinese corporates are increasing looking to grow internationally (beyond natural resources) by acquiring technology, brands and distribution
- Korean holding company reorganizations: Korean chaebol responding to tax incentives to reorganize cross-holdings into holding company structures
- Japanese corporate restructuring: Japanese kiretsu reducing the number of listed entities by privatizing subsidiaries, to fully own core businesses, or reduce costs in an ex-growth domestic market
- Southeast Asia common market: Ahead of creation of common market, increasing corporate activity between the countries in the region

## Recent Event Activity / Pending Transactions

Pre/Post M&A	Corporate Restructurings	Recapitalisations	Merger Arbitrage
<ul style="list-style-type: none"><li>▪ Fraser &amp; Neave (Singapore)</li><li>▪ Tongyang Life (Korea)</li><li>▪ Thai Beverage (Thailand)</li><li>▪ Jupiter Telecom (Japan)</li><li>▪ Halla Climate (Korea)</li></ul>	<ul style="list-style-type: none"><li>▪ Genting HK (Singapore)</li><li>▪ Clough (Australia)</li><li>▪ ASM / ASM PT (HK/Holland)</li><li>▪ Cosco International (HK)</li><li>▪ CST Mining (HK)</li></ul>	<ul style="list-style-type: none"><li>▪ Northern Iron (Australia)</li><li>▪ Lippo Malls (Singapore)</li></ul>	<ul style="list-style-type: none"><li>▪ US listed Chinese MBOs</li><li>▪ QSR / KFC (Malaysia)</li><li>▪ Osaka Securities (Japan)</li><li>▪ MSF Sugar (Australia)</li><li>▪ Ludowici (Australia)</li></ul>

# LatAm: The El Dorado For Event Investors

- Strong growth expectations across the region: Brazil +4.0% real GDP 2013E, Colombia +4.4%, Mexico 3.5%, Chile +4.4%, Peru +5.8%<sup>1</sup>, supported by macro prudential rules, emergence of middle class, infrastructure spending
- Domestic consolidation at full speed: financials, telecoms, utilities, beverages, real estate
- Western buyers look for growth (Grupo Modelo/Inbev, Confab/Tenaris, Amil/UnitedHealth, Cuprum/ Principal)
- Local cash-rich corporates looking for expansion into EU/US, attracted by low relative valuations and long-term diversification benefits (AMX/KPN/Telekom Austria, Mexichem/Wavin, Camargo/Cimpel, Genomma Lab/Prestige)
- Deleveraging needs from European parent companies (Santander, BBVA, Vivendi, TEF, OHL, Carrefour) forcing sales
- Large number of family controlled companies looking to monetize their investments and restructure complex groups
- Challenges remain in the form of further political interference in key sectors of the economy, treatment of minority shareholders in M&A situations, FX volatility and government changes

## Recent Event Activity / Pending Transactions

Pre/Post M&A	Corporate Restructurings	Recapitalisations	Merger Arbitrage
<ul style="list-style-type: none"><li>▪ Grupo Aeroportuario (Mexico)</li><li>▪ Saraiva (Brazil)</li><li>▪ CCX/Batista (Brazil)</li></ul>	<ul style="list-style-type: none"><li>▪ Oi Group (Brazil)</li><li>▪ Ambev ON/PN conversion (Brazil)</li><li>▪ Cementos Argos (Colombia)</li><li>▪ Vapores/SAAM (Chile)</li><li>▪ CBD (Brazil)</li></ul>	<ul style="list-style-type: none"><li>▪ La Polar (Chile)</li><li>▪ Cemex Latam (Colombia)</li><li>▪ Santander (Mexico)</li><li>▪ Enersis (Chile)</li></ul>	<ul style="list-style-type: none"><li>▪ Redecard/Itau (Brazil)</li><li>▪ Modelo/Inbev (Mexico)</li><li>▪ Amil/UnitedHealth (Brazil)</li><li>▪ LAN/TAM (Brazil)</li><li>▪ Provida/Metlife (Chile)</li></ul>

1. Source: IMF forecasts, October 2012

# M&A/Restructuring themes for selected industries

## Natural Resources

- Large mining, oil & gas companies and sovereigns are competing for scarce resources needed for growth, diversification and to replace depleting reserves
- This trend, coupled with financing constraints of smaller natural resource and mining companies, will continue to underpin M&A activity in this sector going forward
- The strength in gold, copper and oil prices is supporting M&A activity in these sectors

## Telecom, Media & Technology

- Software-as-a-service and cloud computing vendors are competing to offer products along the entire value chain, and thus acquiring smaller players to fill gaps in their product portfolios
- Growth in mobile applications, bandwidth and new mobile operating systems are opening new revenue opportunities and acquisitions by larger players
- Ongoing consolidation in mobile/fixed line and cable
- Bargain hunting by international Telco operators to gain a foothold in Europe and North America

## Medical

- Large pharmaceutical companies are strategically challenged as R&D programs disappoint and significant patent expiries are approaching
- Managements have to focus on transformational M&A to replenish growth and cut costs as pharma has become a low-growth/cash rich/utility-like industry
- Further consolidation in the generics space as well as strategic acquisitions of promising biotech compounds

## Financials

- The credit and sovereign crisis weakened banks' funding and solvency positions, and reduced earnings on the back of weaker margins and higher loan losses
- Ongoing restructurings to meet deleveraging and capital targets (Basel III). Weaker banks will be forced to merge with stronger players or risk being nationalised. Expansion into new growth markets key focus
- Insurers will suffer from prolonged low interest rate environment and Solvency II adaptation

# Recent European Announced Events

## Portfolio Reshapings

- Corporates undertaking strategic measures such as asset sales / demergers to unlock value for stakeholders
- Self-implemented management actions in many cases
- Spin-off of non core businesses to generate investors/M&A interest
- Sale of non-core/unprofitable assets to improve profitability of overall group, driving potential re-rating of the stock
- Attractive valuations achieved for emerging market operations put up for sale

vivendi

EXOR

ASMA  
INTERNATIONAL

Carrefour

OHL

AUTOGRIFFL

UBS

CRÉDIT  
AGRICOLE

i n v e s t i g a t i o n s

vodafone™

KUKA

Atos

DARTY

CSM

HOCHTIEF

PPR

# Recent European Announced Events

## Balance Sheet Repairs

- Balance sheets weakened by years of poor operating performance/weak cash-flow generation and aggressive M&A strategies
- Deleveraging in the form of capital injections (rights issues, share placings), and sale of core and non-core assets
- Supportive environment as banks and core shareholders willing to underwrite all/part of issuances
- Debt refinancings/extensions facilitated by strong investor appetite for new high yield paper
- Still a large number of levered companies, in particular those based in the EU periphery
- Regulatory pressure driving financials to recapitalise/optimise RWAs in order to meet solvency and liquidity targets



# Recent European Announced Events

## M&A

- Attractive valuations vs. historical levels
- Cash-rich balance sheets
- Low interest rate environment
- Gradual return in CEO confidence given Euro backdrop / ECB “intervention”
- Slow GDP growth environment drives European corporates to explore M&A outside Europe
- Non European buyers more active in the continent given diversification benefits and relative valuation multiples
- Shareholders forced to unwind positions given distressed situation
- “Return of” Private Equity, LBO
- Proactive Sovereign Wealth Funds



GEMINA



A E G I S



Douglas



LBi



# Centaurus' proactive investment approach

- Centaurus' approach actively seeks to increase returns of our investments by engaging with management teams, other shareholders and third parties to enhance shareholder value
- We believe there is currently a broad universe of mismanaged companies with liquid securities. We identify investment opportunities by leveraging our sector knowledge and extensive due diligence network
- Weak and volatile equity markets highlight problems which are typically covered up in bull markets, including weak managements, inflated cost structures, inefficient balance sheets, unfocused business strategies and poor corporate governance
- We prefer to work collegially with good management teams to create value in undervalued businesses
- Proactive participation is generally a consequence of managements' unwillingness to address and effect the strategic change
- In hard catalyst/risk arb situations, our active involvement has often translated into revised higher offers from initial bidders, the emergence of third party bidders/white knights and reconciling hostile positions between target and acquirer



## **Appendix D: Team Biographies**

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# Team Biographies

## Randel Freeman, CFA

2008+	Chief Investment Officer	Centaurus Capital
2000 – 2008	Co-Chief Investment Officer	Centaurus Capital
1995 – 2000	Risk Arbitrage Investment Manager	Paribas, London
1989 – 1995	Associate	Goldman Sachs, New York/Chicago
Education:	MBA University of Chicago; BBA Loyola University	

## Pedro Maqueda

2010+	Portfolio Manager, Europe & Latin America	Centaurus Capital
2006 – 2010	Investment Director	Centaurus Capital
2000 – 2006	Investment Banking, Financial Institutions Group	Lehman Brothers, London
1999 – 2000	Investment Banking, Financial Institutions Group	Deutsche Bank, London
Education:	Graduate of ICADE, Madrid	

## Torbjorn Haugen

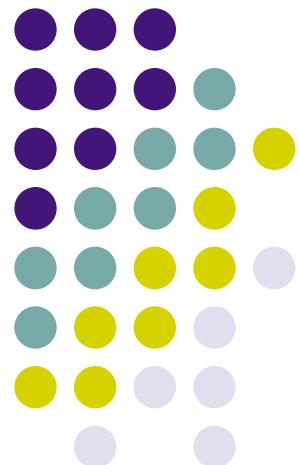
2011+	Co-Portfolio Manager	Centaurus Capital
2010 – 2011	Portfolio Manager	Burren Capital
2004 – 2008	Investment Director	Centaurus Capital
2000 – 2004	European M&A Associate	Credit Suisse First Boston
1999 – 2000	Corporate Finance	Robert Fleming & Co, Ltd
Education:	Msc Finance Norwegian School of Economics and Business Administration	

## Stephen Pinkster

2010+	Trader	Centaurus Capital
2009 – 2010	Trader	Williams Trading Europe
2008	Trader	Centaurus Capital
2003 – 2008	Equity Sales Trader	Deutsche Bank, London
Education:	Graduate: Cambridge University & Trinity College, Dublin	

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PKT Moore 2012





# Investment Strategy

## Investment Strategy:

Pan's investment philosophy focuses on owning convexity and cheap options throughout the credit cycle with target return of 15-20%

## Key credit strategies:

- Identify Relative Value Opportunities across credit space
  - Relative value Single name opportunities (long/short)
  - Funded vs Unfunded instruments (Bonds vs CDS)
  - Term structure of CDS (Curve steepening/Flattening)
  - Capital Structure Arbitrage (Senior/Secured/LT2/T1)
- Identifying key global macro trends/views and developing best trading ideas
  - European Sovereign and Financial Crisis
  - Bank Recapitalisation and Liability Management
  - Change of commodity demand and its impact on commodity producers

Pan focuses on liquid credit products and entire portfolio can be unwound in 3-5 days

- Corporate Bonds (IG/HY) and different capital structure (Senior/Subordinated)
- Credit Indices and Single Name CDS (including curve trading etc)
- Credit Payers/Receivers
- Credit Tranches
- Liquid hedging instruments (Bunds/BTP Futures, Long/short EGBs, Equity index derivatives)

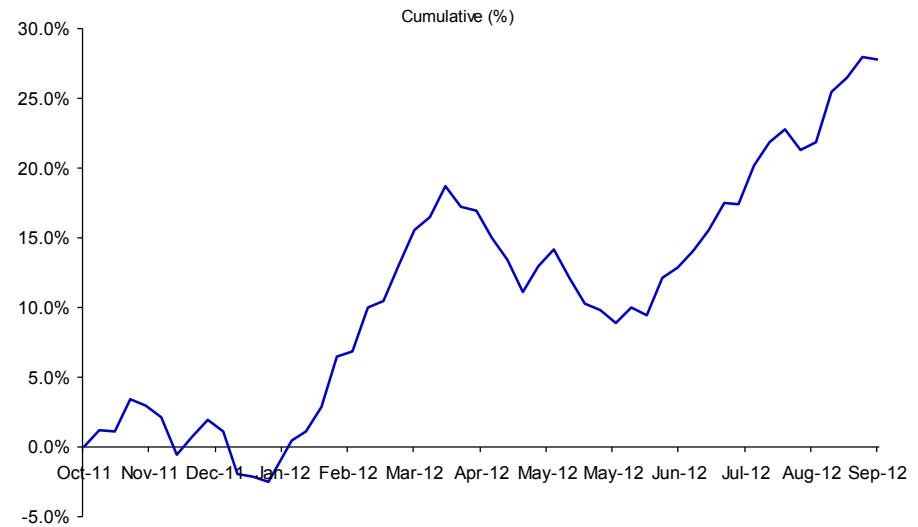


# PKT Moore 2012 YTD Performance

## Moore 2012 Portfolio Returns and Monthly Drawdowns:

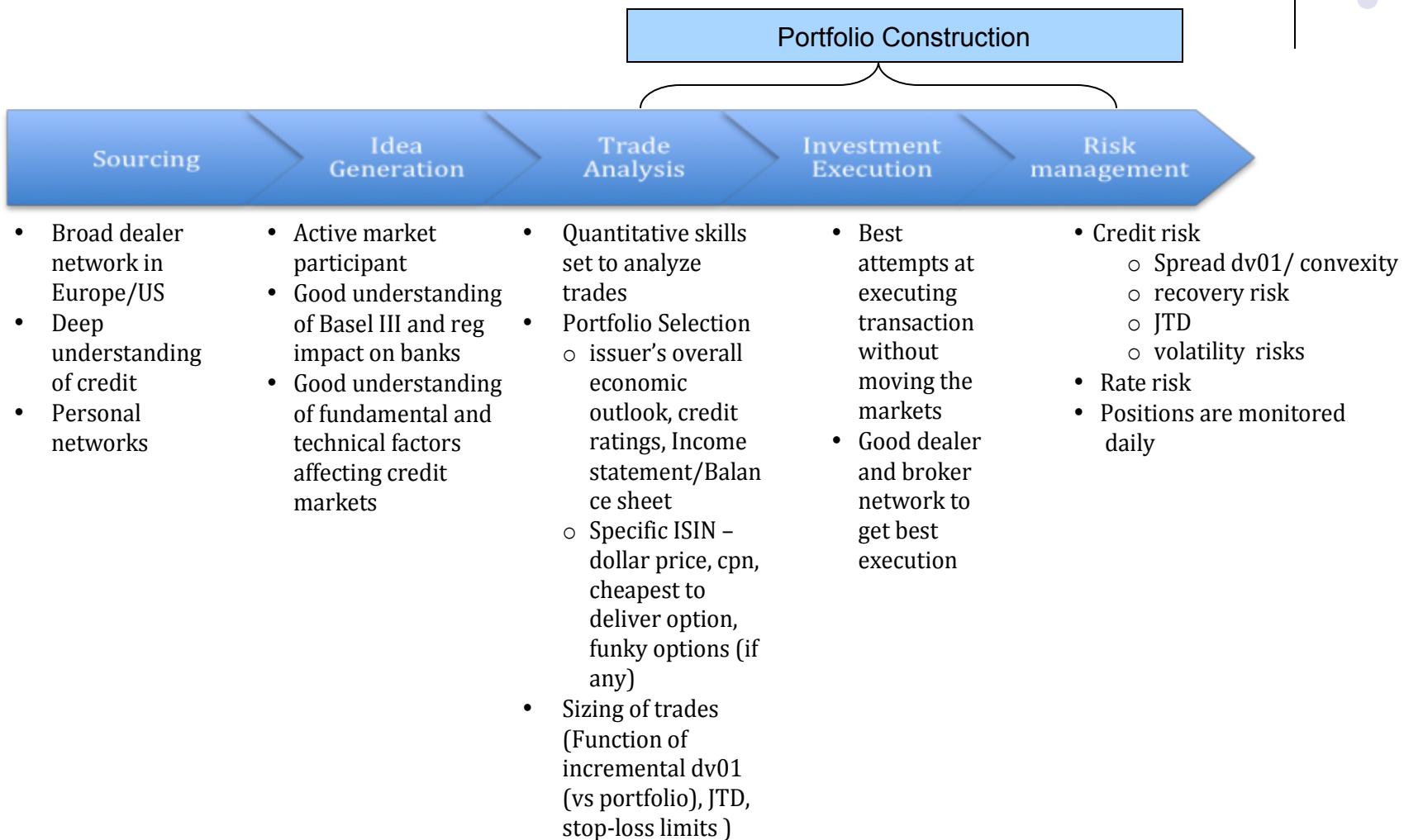
- Realized portfolio return is 27.8% on \$50 mil capital. This exceeds S&P 2012 YTD return of 16.2%/Eurostoxx 9.6% and most major macro/credit hedge funds
- Maximum Monthly portfolio drawdown is -4.7% vs S&P/Eurostoxx drawdown of -7%/-8%
- Sharpe Ratio: \$13.9 mil (PNL) / \$5.8 mil (std deviation) = 2.3x

	\$ Pnl	% return	S&P
10/31/11	1,472,357	2.90%	
11/30/11	917,427	1.80%	
12/30/11	-1,072,258	-2.10%	
1/31/12	2,668,614	5.30%	4.40%
2/28/12	7,294,232	14.60%	8.60%
3/30/12	8,459,541	16.90%	12.00%
4/30/12	6,617,698	13.20%	11.20%
5/31/12	4,261,481	8.50%	4.20%
6/29/12	6,419,230	12.80%	8.30%
7/31/12	9,892,527	19.80%	9.70%
8/31/12	10,906,103	21.80%	11.80%
9/19/12	13,886,500	27.80%	16.20%





# Investment Process

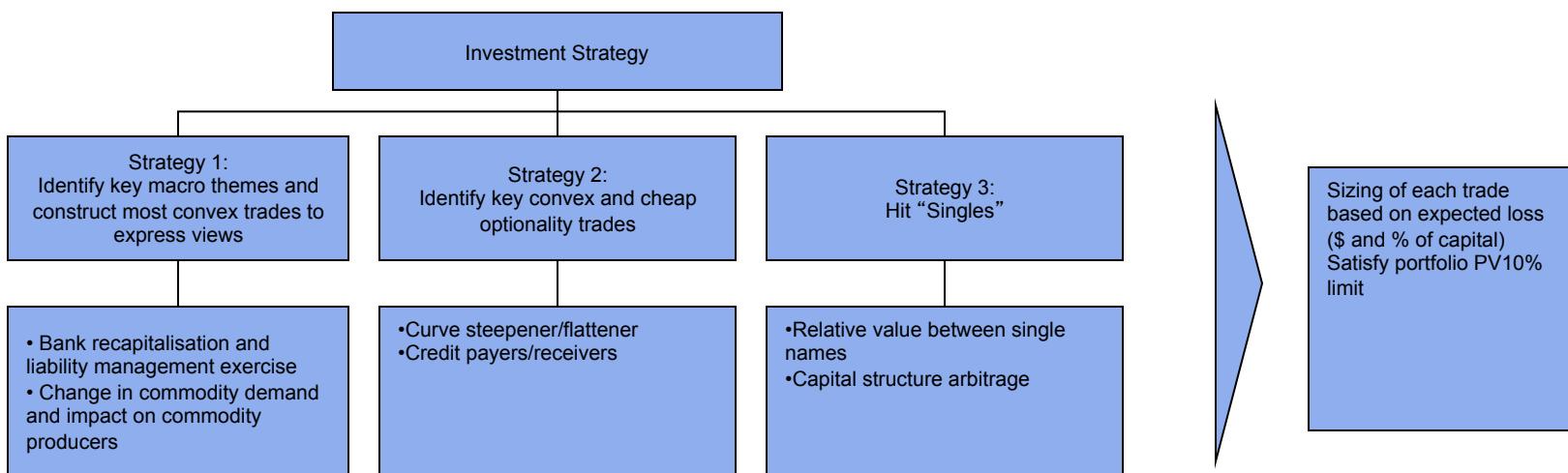




# Portfolio Construction

Portfolio Construction consist of 3 main steps:

- Step 1: Identify key investment strategies:
  - Strategy 1: Identify key macro themes and construct most convex trades to express views
  - Strategy 2: Identify key convex and cheap optionality trades
  - Strategy 3: Hit “Singles” and trade the position around
- Step 2: Determine sizing of each trade to minimize potential loss in portfolio. Notional for each transaction is based on:
  - Expected loss (\$ and % of capital)
  - Satisfy portfolio PV10% limit





# Portfolio Risk Management

Portfolio risks can be split into:

- Credit Risk
- Rate Risk (IR + XC) [Hedged to minimise risk]
- FX Risk [Hedged to minimise risk]

Credit Risk will be managed based on

- **Portfolio Risk Limits**
- **Single Name Risk Limitis**
- **Individual Trade Stop Loss Limits**

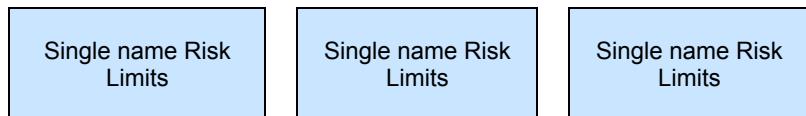
## Portfolio Risk Limits

% of capital	
Portfolio Net PV10% Limit (\$)	2.00%
Portfolio Long Risk PV10% limit (\$)	2.25%
Portfolio short Risk PV10% Limit (\$)	2.50%

## Single Name Risk Limits (JTD and PV10%)

	Long Risk (Selling Protection)	Short Risk (Buying Protection)		
CDS Spread (bps)	Max CDS Notional (mil)	PV10% (% of capital)	Max CDS Notional (mil)	PV10% (% of capital)
≤ 100	10,000,000	0.05%	50,000,000	0.23%
100-200	10,000,000	0.07%	30,000,000	0.21%
200-300	8,000,000	0.09%	20,000,000	0.22%
300-500	7,500,000	0.13%	15,000,000	0.26%
500-750	5,000,000	0.13%	10,000,000	0.25%
750-1000	4,000,000	0.13%	8,000,000	0.26%
1000-1500	3,000,000	0.13%	6,000,000	0.27%
>1500+	2,000,000	0.10%	4,000,000	0.20%

JTD will be closely monitored  
JTD will be closely monitored



\* excludes -ve convexity from buying protection

\*\* JTD is irrelevant for protection buyer. Max loss for protection buyer is total premium loss through -ve carry.

\*\*\* Single name notinals are higher for protection buyers to capture the assymetric risk-reward



# Sample portfolio trades in Moore

	Key strategies	Sample trades	Key trades	Trade sizes	Comments
Investment Strategy 1	Identify key macro themes and construct most convex trades to express views	1. Bank Recapitalisation and Liability exercise. Most of these bonds trades in the mid 50s/60s  2. Change in commodity demand and its impact on commodity producers	1. Buy ACAFP 7.875 T1 at 72%  2. Buy Dexgrp 4.375 LT2 at 36% 3. Buy RBS 6.467 T1 at 55%  1. Buy CSR protection at 140 bps	Eur 2 mil  Eur 3 mil Eur 2 mil  \$10mil	1. Each trade is sized based on portfolio and single name risk limits (PV10% and JTD). I apply a 5% decline in bond price as strict stop loss. Max notional for sub debt is Eur 8-10mil so that stop loss set at 0.2% for this recapitalisation theme (per issuer)  1. Each trade is sized based on portfolio and single name risk limits (PV10% and JTD). I apply a 25 bps move in CDS +10 bps bid offer has a strict stop loss. This is equivalent to \$120k loss or 0.25% of capital
Investment Strategy 2	Identify key convex and cheap optionality trades	1. Curve steepener/flattener  2. Credit Payers/Receivers	1. Buy ineos 5yr and sell ineos 4 yr at 3/8 pt  2. Buy Fin Snr receiver at 20 cents (payoff at par)	Eur 10mil  Eur 60mil	1. Max downside is 3/8 pt ie. \$37.5k (0.08 % capital)  1. Max downside is premium spent (ie. \$150k)
Investment Strategy 3	Identify "singles" and trade positions around	1. Relative Value between single names  2. Capital Structure arbitrage  3. Single name views. Holding periods tend to be short	1. Sell Spain protection and buy Italy protection at 55 bps post draghi's bond purchase scheme  2. Sell RBS Sub protection and buy iTRAXX Sin Sub protection at 400 bps  3. Sell protection on Socgen sub CDS and buy protection on Sogen sen CDS at 300 bps. Compression trade  4. Buy protection on Lennar CDS at 280 bps  5. Buy protection on Sara Lee CDS at 95-100 bps 6. Buy protection on Nokia 5yr CDS 7. Buy protection on Korea 5yr CDS 8. Sell protectoin on Ireland 3yr CDS 9. Buy PRU 5.875 2042 10. Buy MCO 4 2022 11. Short 50 Bund Future RXZ2 (equivalent to 5 mil) 12. Use 50k proceeds to buy MIB P15000 Sep puts	\$10mil  Eur 5 mil  Eur 5 mil \$10mil  \$30mil Eur 2 mil \$30mil \$5mil \$2mil \$3 mil Eur 5 mil	1. Establish stop loss at 15 bps + 10bps bid-offer (equivalent to \$120k ie. 0.24% of capital)  1. Each trade is sized based on portfolio and single name risk limits (PV10% and JTD). Apply stop loss if basis widens by additional 50 bps + 20 bps bid -offer (equivalent to \$220k ie. 0.44% capital)



# Key PNL drivers

## Key revenue drivers:

Key revenue drivers	Breakdown
European Financials and US Financials	40%
Single name bonds and CSD	30%
Index options and indies	30%

The key reasons why I was able to generate alpha in my current book are:

- **Identifying macro themes affecting Global Economy and developing best trading ideas to monetize these themes:**
  - ***Bank Recapitalization and Liability Management exercise:*** Examples: Buying Dexia T1 at 11% and selling at 24%, Buying Credit Agricole T1 at 70% and selling at 88%
  - ***Relative Value opportunities:*** Examples: Selling protection on Spain CDS and buying protection on Italy CDS to capture 25 bps
  - ***Commodities slowdown and impact of commodity players:*** Examples: Buying protection on CSR (Australia's building products) at 140 bps and selling at 175 bps
- **Constructing convex trades with payout 5-10x.** Example: Buying iTraxx Fin Snr Receiver at 20 cents and got paid 100 cents on maturity.



# GS Performance

- I have managed much bigger portfolio in GS. My legacy PNL in GS:

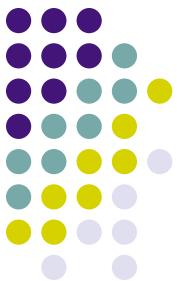
Time	Return
2008	\$40mil
2009	\$220mil
2010	\$118mil

*Note: For 2011, I was managing a GBP3 bil credit portfolio when Goldman's Rothesay Life acquired Paternoster. I developed the hedging strategy to manage the credit risk in the underlying portfolio.*

- I have a strong track record in GS. For example, my monthly PNL increased by \$12 mil in May 2010 (start of Greek crisis) since I shorted all major European sovereign CDS and liquidated \$1.2 bil long corporate bond holdings in Mar 2010.

PNL captures personal contribution to trading book (ie. Alpha generated).

	Cumulative PNL	Incremental PNL		Cumulative PNL	Incremental PNL
1/30/2009	44,607,436	44,607,436	1/29/2010	15,791,341	15,791,341
2/27/2009	77,770,671	33,163,235	2/26/2010	26,898,142	11,106,801
3/31/2009	78,081,592	310,921	3/31/2010	34,849,684	7,951,542
4/30/2009	96,140,610	18,059,018	4/30/2010	47,104,651	12,254,967
5/29/2009	114,371,388	18,230,778	5/31/2010	58,927,398	11,822,747
6/30/2009	123,506,802	9,135,414	6/30/2010	66,524,743	7,597,345
7/31/2009	132,600,427	9,093,625	7/30/2010	61,486,530	(5,038,213)
8/31/2009	156,357,752	23,757,325	8/31/2010	86,911,865	25,425,335
9/30/2009	171,165,692	14,807,940	9/30/2010	104,953,846	18,041,981
10/30/2009	191,529,147	20,363,455	10/29/2010	108,199,033	3,245,187
11/30/2009	202,357,615	10,828,468	11/30/2010	117,881,653	9,682,620
12/30/2009	220,881,525	18,523,910	12/31/2010	118,809,336	927,683



# Key trades in GS

- Bought protection on European sovereign cds eg. Ireland. [Bought \$1 bil notional Ireland at 90 bps and sold them between 400-500bps]
- Originated and sourced JPM's \$1 bil callable LT2 at neg basis of 350-400 bps and sold entire package at neg basis of 150 bps. Crystalize \$120 mil PNL in Mar 2010 (before Greek crisis in summer 2010).
- Originated and sourced DB's \$600 mil Saba BBB corporate portfolio. Crystalise \$55 mil PNL as entire portfolio is sold 6-9 mths later



# Business Plan

- Initial capital: \$200-250mil. Scale up capital upon meeting performance targets
- Target Return: 15-20% annual
- Portfolio Risk is managed on daily basis by keeping net Portfolio PV10% to <2% of capital
- Entire portfolio is liquid and scalable. Portfolio can be liquidated in days
  - Credit Products: Bonds (IG/HY), CSD, Credit Payers/Receivers, Corporate tranches
  - Hedging Instruments: Index equity derivatives, Bunds/BTP Futures, EGBs
- Key revenue drivers:

Key revenue drivers	Breakdown
European Financials and US Financials -Relative value between issuers -Capital structure arbitrage -Bank recapitalization	35%
Single name IG and HY bonds and cds -Relative value -Curve steepening/flattening -Basis Trading	35%
Index options and indices -find trades with convex payoffs	30%